



PROVINCE OF KWAZULU-NATAL

**ESTIMATES
OF
PROVINCIAL REVENUE AND
EXPENDITURE**

2016/17

**for the
financial year ending 31 March 2017**

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FOREWORD

The 2016/17 Medium-Term Expenditure Framework (MTEF) budget is tabled within an extremely constrained fiscal environment, largely due to the South Africa's weak economic growth, deterioration of the R/\$ exchange rate, and volatile Chinese economic activity which has had a negative impact on the export of commodity goods. Government has responded by tightening its fiscal consolidation programme, in order to deal with the country's looming debt crisis and widening structural deficit between actual revenue and expenditure. As a result, Round 1 and 2 cuts have been effected against all spheres of government.

The first round of cuts for provinces is envisioned to target inefficiencies in the system, while the second round of cuts was an implementation of an expenditure ceiling, in order to address the unsustainable government wage bill and debt service cost. The total baseline cuts as a result of Round 1 and 2 cuts are R319.107 million in 2016/17, R1.232 billion in 2017/18 and R1.611 billion in 2018/19. Compounding the equitable share budget cuts, is the budget cut that was effected against the provincial baseline as a result of the 2011 Census data. In addition, provinces were mandated to protect Health's baseline in view of the pressure placed on the department due to the weakening exchange rate, and to make provision for the ongoing drought.

In order to finance these cuts, the National and Provincial Cabinet ordered that expenditure reductions in the following areas be implemented:

- a. Provinces must lower their expenditure on *Compensation of employees* by freezing ALL vacant non-OSD posts (excluding Provincial legislature, Education and Health).
- b. Departments' equitable share-funded *Goods and services* budgets to be cut by 2 per cent.
- c. Departments' and public entities' hosting of events budgets should be cut.
- d. Other baseline cuts are 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.
- e. Provinces must effect the closure or rationalisation of provincial public entities, particularly Development Finance Institutions (DFIs)/Development Agencies.

These were very difficult decisions, but Cabinet had to take them, to deal with this difficult situation. Over the 2016/17 MTEF, the province will continue to exercise fiscal discipline through the implementation of fiscal austerity measures that were first approved in 2009/10.

It is my honour to present the 2016/17 *Estimates of Provincial Revenue and Expenditure (EPRE)* which gives details of the provincial fiscal framework to the people of KwaZulu-Natal and beyond. These estimates are presented in two parts, the first being aggregates of revenue and expenditure, including the budget strategy adopted and the fiscal framework in general. Part two provides a detailed account of budget allocations per department. These estimates provide an opportunity for the Legislature and citizens to hold the provincial government departments and public entities accountable for the public funds they spend.



Belinda Scott
MEC: KwaZulu-Natal Provincial Treasury

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LIST OF ABBREVIATIONS

Abbreviation	Full description
AACL	Animal Anti-Cruelty League
AARTO	Administrative Adjudication of Road Traffic Offences
ADA	Agri-business Development Agency
AEPRE	Adjustments Estimate of Provincial Revenue and Expenditure
AET	Adult Education and Training
AFCON	Africa Cup of Nations
AFS	Annual Financial Statements
A-G	Auditor-General
ANA	Annual National Assessments
AOP	Annual Oversight Plan
APP	Annual Performance Plan
AQM	Air Quality Management
ARRUP	African Renaissance Roads Upgrading Programme
ART	Anti-retroviral Therapy
ARV	Anti-retroviral
ATM	Africa Television Market
AWGs	Action Work Groups
BAS	Basic Accounting System
B-BBEE	Broad-Based Black Economic Empowerment
BCP	Business Continuity Plan
BIM	Building Information Modelling
BPM	Business Process Mapping
BRICS	Brazil, Russia, India, China and South Africa
C-AMP	Custodian-Asset Management Plan
CANE	Protocol for Management of Child Abuse, Neglect and Exploitation
CAPS	Curriculum and Assessment Policy Statements
CARA	Conservation of Agricultural Resources Act
CASP	Comprehensive Agricultural Support Programme
CBD	Central Business District
CBOs	Community-Based Organisations
CCA	Custom Controlled Area
CCC	Community Care Centre
CCGs	Community Care-Givers
CDC	Community Day Centre
CDW	Community Development Worker
CEO	Chief Executive Officer
CETA	Construction Education Training Authority
CFO	Chief Financial Officer
CHC	Community Health Centre
ciDP	Communities-in-Dialogue Programme
CMP	Contract Management Project
CNDC	Community Nutrition and Development Centre
COGTA	Co-operative Governance and Traditional Affairs
CPA	Commonwealth Parliamentary Association
CPF	Community Policing Forum
CPI	Consumer Price Index
CRSC	Community Road Safety Councils
CRU	Community Residential Unit
CSC	Community Service Centre
CSFs	Community Safety Forums
CWP	Community Work Programme
CYCC	Child and Youth Care Centres
CYCW	Child and Youth Care Workers
DAC	Department of Arts and Culture
DAFF	Department of Agriculture, Forestry and Fisheries
DARD	Department of Agriculture and Rural Development

List of Abbreviations

Abbreviation	Full description
DBE	Department of Basic Education
DBSA	Development Bank of South Africa
DCSL	Department of Community Safety and Liaison
DDA	District Development Agencies
DDMC	District Disaster Management Centre
DEDTEA	Department of Economic Development, Tourism and Environmental Affairs
DFI	Development Finance Institution
DHA	Department of Home Affairs
DHET	Department of Higher Education and Training
DHIS	District Health Information System
DHS	District Health Services
DIFF	Durban International Film Festival
DIRCO	Department of International Relations and Co-operation
DIS	Development Information Services
DOE	Department of Education
DOH	Department of Health
DOHS	Department of Human Settlements
DOPW	Department of Public Works
DORA	Division of Revenue Act
DOSR	Department of Sport and Recreation
DOT	Department of Transport
DPLG	Department of Provincial and Local Government
DPME	Department of Performance, Monitoring and Evaluation
DPSA	Department of Public Service and Administration
DRH	Department of Royal Household
DRP	Disaster Recovery Plan
DSD	Department of Social Development
DTPC	Dube TradePort Corporation
DVA	Domestic Violence Act
DVD	Digital Video Disc
DWS	Department of Water and Sanitation
ECD	Early Childhood Development
ECM	Enterprise Content Management
EE	Employment Equity
EEDBS	Extended Enhanced Discount Benefit Scheme
EGD	Engineering, Graphics and Design
EIAs	Environmental Impact Assessments
EIG	Education Infrastructure grant
EKZNW	Ezemvelo KZN Wildlife
ELRC	Education Labour Relations Council
EMF	Environmental Management Framework
EMIS	Education Management Information System
EMS	Emergency Medical Services
EPHP	Enhanced People's Housing Process
EPRE	Estimates of Provincial Revenue and Expenditure
EPWP	Expanded Public Works Programme
ERP	Enterprise Resource Planning
ETDP	Education, Training and Development Practice
EU	European Union
EXCO	Executive Committee
FBO	Faith-based Organisation
FCEM	Foster Care Electronic Monitoring
FDI	Foreign Direct Investments
FET	Further Education and Training
FFC	Financial and Fiscal Commission
FFW	Food For Waste
FLA	Financial Literacy Association
FLISP	Finance Linked Individual Subsidy Programme
FMCM	Financial Management Capability Maturity Model
FMD	Foot and Mouth Disease
FMPAA	Financial Management of Parliament Amendment Act

Abbreviation	Full description
FPC	Finance Portfolio Committee
FTE	Full-time Equivalent
FY	Financial Year
GAMS	General Algebraic Modelling System
GBS	General Budget Support
GCBS	Government Capacity Building Support programme
GDCSC	Gender, Disability, Children and Senior Citizens
GDP	Gross Domestic Product
GEMS	Government Employees Medical Scheme
GEPF	Government Employees Pension Fund
GET	General Education and Training
GHS	General Household Survey
GIAMA	Government Immoveable Asset Management Act
GIS	Geographical Information System
GRAP	Generally Recognised Accounting Practice
GROW	Guiding Recovery of Women
GWEA	Government Wide Enterprise Architecture
HCBC	Home Community-Based Care
HDA	Housing Development Agency
HDI	Human Development Index
HEARD	HIV and AIDS Research Division
HET	Higher Education and Training
HIP	Hluhluwe Imfolozi Park
HIV and AIDS	Human Immuno-deficiency Virus and Acquired Immuno Deficiency Syndrome
HOD	Head of Department
HPV	Human Papillomavirus
HQ	Head Quarters
HRD	Human Resource Development
HSDG	Human Settlements Development grant
HWSETA	Health and Welfare Sector Education Training Authority
IA	Implementing Agent
IALCH	Inkosi Albert Luthuli Central Hospital
IASP	Invasive Alien Species Programme
IBT	Innovative Building Technology
ICC	International Convention Centre
ICRM	Ideal Clinic Realisation and Maintenance
ICT	Information Communication Technology
ICU	Intensive Care Unit
IDIP	Infrastructure Delivery Improvement Programme
IDMS	Infrastructure Delivery Management System
IDP	Integrated Development Plan
IDT	Independent Development Trust
IDZ	Industrial Development Zone
IEC	Independent Electoral Commission
IGCC	Inter-Governmental Cash Co-ordination
IGR	Inter-Governmental Relations
IMDP	Integrated Master Development Plan
IMF	International Monetary Fund
IMP	Infrastructure Master Plan
IPDI	Integrated Provincial Development and Investment framework
IPID	Independent Police Investigative Directive
IPMP	Infrastructure Programme Management Plan
IPTN	Integrated Public Transport Networks
IRD	Integrated Residential Development Programme
IRM	Infrastructure Reporting Model
ISO	International Organisation for Standardisation
ISU	Informal Settlements Upgrade
IT	Information Technology
IYM	In-Year Monitoring
JCPS	Justice Crime Prevention Strategy
JE	Job Evaluation

List of Abbreviations

Abbreviation	Full description
JOCs	Joint Operating Committees
KSIA	King Shaka International Airport
KZN	KwaZulu-Natal
KZNCCPA	KwaZulu-Natal Community Crime Prevention Association
KZNGBB	KwaZulu-Natal Gaming and Betting Board
KZNGFT	KwaZulu-Natal Growth Fund Trust
KZNLA	KwaZulu-Natal Liquor Authority
KZNSB	KwaZulu-Natal Sharks Board
L:E	Learner: Educator
LAN	Local Area Network
LED	Local Economic Development
LexCo	Legislature Executive Committee
LG	Local Government
LGSETA	Local Government Sector Education and Training Authority
LIV	Lungisisa Indlela Village
LPM	Limited Payout Machines
LTAD	Long Term Athlete Development
LTSM	Learner Teacher Support Material
LUWM	Lower Umfolozi War Memorial (Hospital)
MANCO	Management Committee
MBAT	Municipal Bid Appeals Tribunal
MBRR	Municipal Budget and Reporting Relations
MCOE	Maritime Centre of Excellence
MDP	Municipal Development Programme
MDR/XDR	Multi-Drug Resistant/Extreme Drug Resistant
MEC	Member of Executive Council
MERSETA	Manufacturing, Engineering and Related Services Sector Education and Training Authority
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure grant
MinComBud	Ministers' Committee on the Budget
MKI	Moses Kotane Institute
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MPAC	Municipal Public Accounts Committee
MPAT	Monitoring Performance Assessment Tool
MPCC	Multi-Purpose Community Centre
MPP	Mass Participation Programme
MPRA	Municipal Property Rates Act
MPSD	Mass Participation and Sport Development
MSA	Municipal Structures Act
MSP	Municipal Support Programme
MST	Mathematics, Science and Technology
MTEC	Medium-Term Expenditure Committee
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
MTV	Music Television
MuniMEC	Municipalities and Members of the Executive Council
NCNC	Non-compensation non-capital
NCOP	National Council of Provinces
NCS	National Curriculum Statement
NDA	National Development Agency
NDHS	National Department of Human Settlements
NDOH	National Department of Health
NDOPW	National Department of Public Works
NDOSR	National Department of Sport and Recreation
NDP	National Development Plan
NEMA	National Environmental Management Act
NEPA	National Education Policy Act
NGO	Non-Government Organisation
NHFC	National Housing Finance Corporation
NHI	National Health Insurance

Abbreviation	Full description
NHLS	National Health Laboratory Service
NPI	Non-Profit Institution
NPOs	Non-Profit Organisations
NSC	National Senior Certificate
NSF	National Skills Fund
NSNP	National School Nutrition Programme
NT	National Treasury
NURCHA	National Urban Reconstruction and Housing Agency
NYSP	National Youth Service Programme
OPRE	Overview of Provincial Revenue and Expenditure
OPSCAP	Operational Capital
OSCA	Owen Sithole College of Agriculture
OSD	Occupational Specific Dispensation
OSS	Operation Sukuma Sakhe
OTP	Office of the Premier
OVC	Orphans and Vulnerable Children project
PABX	Private Automatic Branch Exchange
PAC	Planning Africa Conference
PARMED	Parliamentary Medical Aid
PAYE	Pay as you earn
PCR	Polymerase Chain Reaction
PDA	Planning and Development Act
PDE	Patient-day Equivalent
PDMC	Provincial Disaster Management Centre
PEIP	Prevention and Early Intervention programme
PEMP	Poverty Eradication Master Plan
PEPFAR	President's Emergency Plan for AIDS Relief
PERO	Provincial Economic Review and Outlook
PERSAL	Personnel and Salary system
PES	Provincial Equitable Share
PET	Participatory Education Techniques
PFMA	Public Finance Management Act
PGDP	Provincial Growth and Development Plan
PGDS	Provincial Growth and Development Strategy
PHC	Primary Health Care
PHP	Private Hospital Patient
PICC	Presidential Infrastructure Co-ordinating Committee
PILIR	Policy on Incapacity Leave and Ill Health Retirement
PILO	KZN Programme for the Improvement of Learning Outcomes
PIP	Provincial Infrastructure Plan
PLGESC	Provincial Local Government Election Steering Committee
Pmb	Pietermaritzburg
PMG	Pay Master-General
PMSC	Provincial Medical Supply Centre
PMU	Project Management Unit
PPC	Provincial Planning Commission
PPF	Political Parties' Fund
PPP	Public Private Partnership
PPPFA	Preferential Procurement Policy Framework Act
PRE	Provincial Regulatory Entity
PREMIS	Professional Real Estate Management Information System
PRF	Provincial Revenue Fund
PSC	Provincial Steering Committee
PSCBC	Public Service Co-ordinating Bargaining Council
PSETA	Public Sector Education and Training Authority
PT	Provincial Treasury
PTOG	Public Transport Operations grant
PTPAs	Public Transport Passenger Associations
Pty (Ltd)	Proprietary (Limited)
QLTC	Quality Learning and Teaching Committees
QPR	Quarterly Performance Report

List of Abbreviations

Abbreviation	Full description
RAF	Road Accident Fund
RAMS	Road Asset Management System
RBIDZ	Richards Bay Industrial Development Zone
RFID	Radio Frequency Identification
RHT	Royal Household Trust
RIA	Regulatory Impact Analysis
RLED	Regional and Local Economic Development
RRTF	Rural Road Transport Forum
RTI	Road Traffic Inspectorate
RTMC	Road Traffic Management Corporation
SA	South Africa
SAAMBR	SA Association for Marine Biological Research
SABC	South African Broadcasting Corporation
SACE	South African Council for Educators Act
SADC	Southern African Development Community
SANDF	South African National Defence Force
SANRAL	South African National Roads Agency Limited
SAP	Systems, Applications and Products
SAPI	South African Planning Institute
SAPS	South African Police Service
SAQA	South African Qualifications Authority
SARB	South African Reserve Bank
SARS	South African Revenue Service
SAS	Statistical Analysis Software
SASA	South African Schools Act
SA-SAMS	South African-Schools Administration Management System
SASCOC	South African Sport Confederation and Olympic Committee
SASSA	South African Social Security Agency
SBGE	Small Business Growth Enterprise
SCM	Supply Chain Management
SCOA	Standard Chart of Accounts
SCOPA	Standing Committee on Public Accounts
SDF	Spatial Development Framework
SDFs	State Domestic Facilities
SEAs	Strategic Environmental Assessments
SECO	Swiss Economic Co-operation Affairs Department
SEDA	Small Enterprise Development Agency
SERO	Socio-economic Review and Outlook
SETA	Sector Education and Training Authority
SEZ	Special Economic Zones
SGB	School Governing Body
SGM	Senior General Manager
SHRA	Social Housing Regulatory Authority
SIPs	Strategic Infrastructure Projects/Programmes
SITA	State Information Technology Agency
SIU	Special Investigation Unit
SLA	Service Level Agreement
SLIMS	SITA Library Information Management System
SMME	Small, Medium and Micro Enterprise
SMS	Senior Management Service
SOC Ltd	State-owned company
SP	Strategic Plan
SPCA	Society for the Prevention of Cruelty against Animals
SPLUMA	Spatial Planning and Land Use Management Act
SSETA	Services Sector Education and Training Authority
STACOV	Standing Committee on Oversight
StatsSA	Statistics South Africa
STEM	Science, Technology, Engineering and Mathematics
STI	Sexually Transmitted Infection
TAC	Traditional Administrative Centre
TAF	Technical Assistance Fund

Abbreviation	Full description
TAFI	Travel Agencies Federation of India
TB	Tuberculosis
TC	Traditional Council
TETA	Transport Education and Training Authority
THETA	Tourism, Hospitality, Education and Training Authority
TIK	Trade and Investment KwaZulu-Natal
TKZN	KwaZulu-Natal Tourism Authority
TLTP	Taking Legislature to the People
TSC	Thusong Service Centres
TSMPS	Traditional Settlement Master Plans
TV	Television
TVET	Technical and Vocational Education and Training
UAE	United Arab Emirates
U-AMP	User-Asset Management Plan
UAS	uMgungundlovu Academy of Sport
UISP	Upgrade of Informal Settlements Programme
UKZN	University of KwaZulu-Natal
UNFPA	United Nations Population Fund
UNIZULU	University of Zululand
UPFS	Uniform Patient Fee Structure
USA	United States of America
VAT	Value-added Tax
VDA	Vulindlela Development Agency
VECA	Vukuzakhe Emerging Contractors Association
VEPOPER	Victim Empowerment Programme Older Persons Electronic Register
VSCPP	Volunteer Social Crime Prevention Programme
WESSA	Wildlife and Environmental Society of South Africa
WHEAT	Women Hope, Education and Training
WHO	World Health Organisation
WISN	Workload Indicator of Staffing Need
WSA	Water Services Authority
WTO	World Trade Organisation
WULA	Water Use License Application
XDR	Extreme Drug Resistance
YDA	Youth Development Academy
YDC	Youth Development Centre

List of Abbreviations

Zulu words	English translation
Amabutho (pl.)	A group of traditional warriors (regiment)
Amadelakufa	Stalwarts
Amaganu	Amarula
Amafa	Heritage
Amakhosi (pl.)	Traditional leaders or chiefs
Amazwi abesifazane	Voices of women
Ezomnotho	Economic affairs (DEDTEA Publication)
Hlasela	Invade
Isibindi	Courage
I(zi)mbizo	Public meeting(s) called by government involving a large number of people
I(zi)nduna (pl.)	Traditional leaders
Imizi yesizwe	Houses for Amakhosi
Induku	Stick fighting
Indaba	Forum
Inkululeko	Freedom
Izandla Ziyagezana	People helping one another
Khuz'umhlola	Condemning shameful behavior
Kushunquthuli	Getting dust off the ground
Lungisisa Indlela	Prepare the way
Lwisana Nobugebengu	Fight against crime
Omama Bezintombi	Mothers of maidens
S'fundisimvelo	We are teaching about nature
S'hamba Sonke	Moving together
Sakhisizwe	Building a nation
Siyadlala	We are playing
Sukuma Sakhe	Stand up and build
Thathulwazi	Gaining knowledge
Umbimbi	A coalition of people working towards the same goal
Umkhonto Wesizwe	The spear of the nation
Umkhosi Wezithungo	Ritual information sharing session
Umkhosi Womhlanga	Reed Dance
Umkhosi Woselwa	First Fruit ceremony
Vukuzakhe	Wake up and build
Vulindlela	Open the way
Vuselela	Restore
Zibambeke	Do it yourself
Zimele	Stand up for yourself
Other words	English translation
Batho Pele	People First
Lekgotla	Cabinet Forum
Phakisa	Accelerate

**OVERVIEW
OF
PROVINCIAL REVENUE
AND
EXPENDITURE**

1. SOCIO-ECONOMIC OUTLOOK

1.1. Introduction

Global economic performance remained subdued relative to South Africa's (SA's) macro-economic performance, which has largely remained fragile, with gross domestic product (GDP) in KwaZulu-Natal (KZN) estimated at approximately 1.1 per cent in 2015. This is significantly below the targeted level of 5 per cent required to achieve job creation as outlined in the National Development Plan (NDP) and KZN's Provincial Growth and Development Plan (PGDP). During quarter three of 2015, the province's unemployment rate was estimated at 20.5 per cent which is less than the national average of 25.5 per cent. Furthermore, the national and provincial outlook is constrained by the continued depreciation of the rand, which has fallen by an estimated 45 per cent against the US dollar from January 2015 to January 2016, this being driven largely by a contraction in international demand, especially in respect of raw materials.

Although the province's level of unemployment is less than the national average, development indicators reveal that the province has the lowest Human Development Index¹ (HDI), which is an indication of relatively lower levels of education and health, which ultimately leads to a lower life expectancy. Statistics released by the South African Social Services Agency (SASSA, 2015), reveal that more people live on government grants in KZN compared to other provinces. The province is also faced with lower levels of income, where most households earn less than R50 000 per annum.

When one considers the relationship between unemployment and poverty, there seems to be a contradiction between KZN's estimated low unemployment rate of 20.5 per cent, and the high ratio of people living in poverty in the province. This could be attributable to the fact that the employment rate percentage does not take into account discouraged job seekers, but also the lower rate of unemployment in KZN could be attributed to high levels of economic participation in the eThekweni Metro, which is the largest employer in the province.

1.2 Provincial population dynamics

The population dynamics are of paramount importance in addressing developmental needs in a society. Any changes in the population structure have an influence in ensuring universal access to social services such as health, education, sanitation, water, food and energy. Proper planning for population dynamics will therefore ensure that the wellbeing of both the current and the future generation is promoted with the motive of improving sustainable development.

In analysing the population dynamics, it is essential to focus on factors such as urbanisation, fertility, mortality, life expectancy, as well as the age structure of the population. These factors will provide an indication with regard to the estimated number of people who are dependent on government for transfers, as well as the number of people who are economically active. These factors also play an essential role in the efficient allocation of resources in all spheres of government.

1.2.1 Total population

The 2015 mid-year population estimates by Statistics South Africa (Stats SA)² show that the country's population is currently estimated at 55 million. KZN is home to an estimated 10.919 million people which accounts for an estimated 19.9 per cent of the country's population. KZN is the second most populated province after Gauteng, which has an estimated 13.200 million people constituting 24 per cent of the total national population (Table 1).

¹ HDI is the measure of standard of living in respect of health, education and life expectancy.

² Stats SA (2015). Mid-year population estimates 2015. Statistical Release P0302 (31 July 2015). Pretoria, Government Printer, available from www.statssa.gov.za, accessed on 22/01/2016.

Table 1 : South African population by province in 2006, 2011 and 2015

	2006		2011		2015	
	Population	% Share of national population	Population	% Share of national population	Population	% Share of national population
South Africa	47 390 900	100	50 586 757	100	54 956 920	100
Eastern Cape	6 894 300	14.5	6 829 958	13.5	6 916 185	12.6
Free State	2 958 800	6.2	2 759 644	5.5	2 817 941	5.1
Gauteng	9 526 200	20.1	11 328 203	22.4	13 200 349	24.0
KwaZulu-Natal	9 924 000	20.9	10 819 130	21.4	10 919 077	19.9
Limpopo	5 365 400	11.3	5 554 657	11.0	5 726 792	10.4
Mpumalanga	3 508 000	7.4	3 657 181	7.2	4 283 888	7.8
North West	3 374 200	7.1	3 253 390	6.4	3 706 962	6.7
Northern Cape	1 094 500	2.3	1 096 731	2.2	1 185 628	2.2
Western Cape	4 745 500	10.0	5 287 863	10.5	6 200 098	11.3

Source: Stats SA, 2006, 2011 and 2015

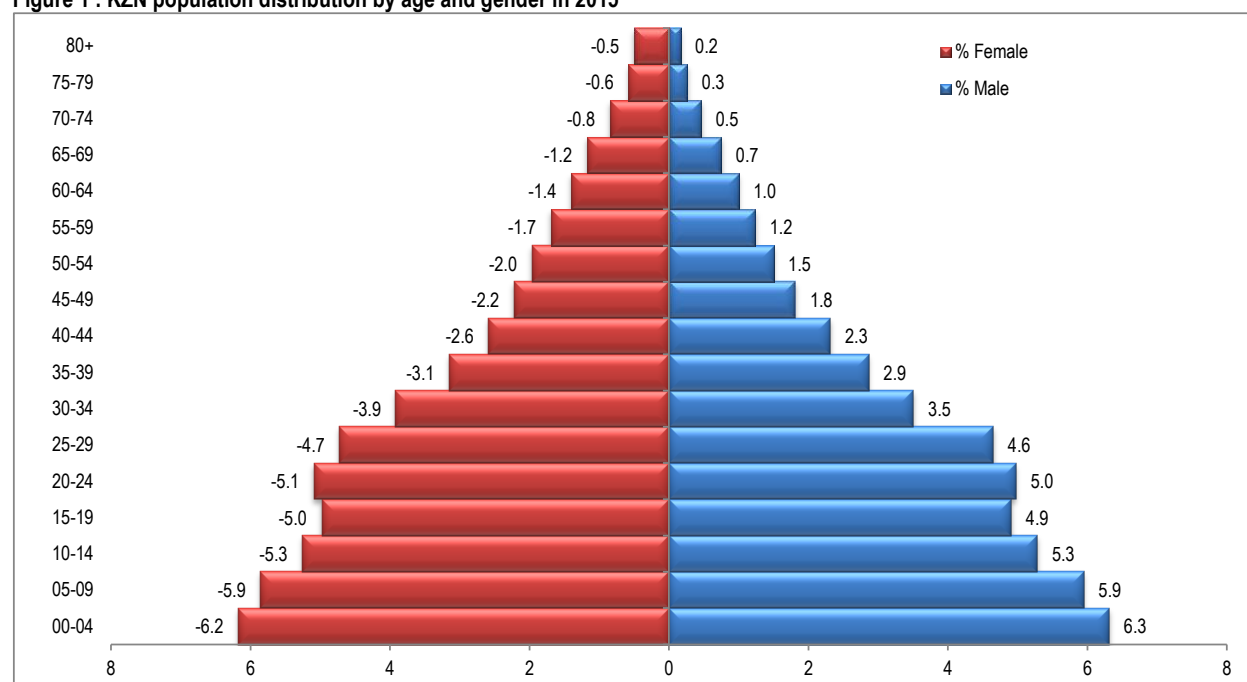
Although there had been an increase in the size of the population of KZN, the period 2006 to 2011 reveals that inter-provincial migration has taken place across the country. As a result, this migration has affected KZN negatively, where out-migration exceeded in-migration by 15 446 people in the same period. It is also projected that out-migration between the year 2011 and 2016 will exceed in-migration by 7 032 people (Stats SA, 2015). The major determinants of a declining population growth are the migration rate, a high mortality rate coupled with a low fertility rate and a high morbidity rate in the province.

1.2.2 Population distribution by age and gender

Figure 1 shows the population distribution of KZN by age and gender for the year 2015.

The population distribution of KZN indicates that the largest population in 2015 ranges between the ages of 00-04 to 25-29, which accounts for approximately 64.1 per cent of the total population (Figure 1). An estimated 35 per cent of the population are children between 00 and 14 and about 37 per cent are youth that are economically active (15-34). Collectively, children and young people account for an estimated 72 per cent of the total provincial population.

Figure 1 : KZN population distribution by age and gender in 2015



Source: Stats SA, 2015

The total provincial dependent population is estimated at 4 318 416, while the economically active population is estimated at 6 600 665. The implication of these estimates is a high dependency ratio of 65.4 per cent³. It has to be noted that the dependency ratio is not totally reflective of the situation in the economy, since some of the people in the economically active population are not actively involved in the labour market.

1.3 Global, national and provincial economic outlook

The global economic growth continued to perform lower than expected in 2015, thereby slowing down to an estimated 3.1 per cent compared to 3.4 per cent posted in 2014 (Table 2). The International Monetary Fund (IMF, 2016)⁴ expects this rate to improve slightly to 3.4 per cent in 2016. The slight upward trend in the global economy is mainly due to the moderate recovery in advanced economies, activity stabilisation among major commodity exporters, weaker capital flows and subdued global trade. The moderate growth rate in advanced economies is projected to remain the same at 2.1 per cent in 2016 and 2017, partly in light of the effect of the US dollar appreciation and the impact on Japan of Asia's slowing trade (World Bank, 2016)⁵.

Table 2 : World economic estimates and projections, 2013 to 2017

	Estimates			Projections			
				IMF		World Bank	
	2013	2014	2015	2016	2017	2016	2017
World	3.2	3.4	3.1	3.4	3.6	2.9	3.1
Advanced Economies	1.1	1.8	1.9	2.1	2.1	2.1	2.1
United States of America	1.5	2.4	2.5	2.6	2.6	2.7	2.4
Euro Area	-0.3	0.9	1.5	1.7	1.7	1.7	1.7
Japan	1.6	0	0.6	1.0	0.3	1.3	0.9
Emerging Market and Developing Economies	5.0	4.6	4.0	4.3	4.7	4.8	5.3
Russia	1.3	0.6	-3.7	-1	1.0	-0.7	1.3
China	7.7	7.3	6.9	6.3	6.0	6.7	6.5
India	6.9	7.3	7.3	7.5	7.5	7.8	7.9
Brazil	2.9	0.1	-3.8	-3.5	0.0	-2.5	1.4
Sub-Saharan Africa	5.4	5.0	3.5	4.0	4.7	4.2	4.7
South Africa	2.2	1.5	1.3	0.7	1.8	1.4	1.6

Source: IMF and World Bank, 2016

Economic growth in the Eurozone continues on the positive trajectory, thereby posting an estimated growth rate of 1.5 per cent in 2015, largely due to the improved performance in Germany and Spain. The strengthening growth rate in the Eurozone is partly induced by the ongoing regional economic recovery. The moderate economic recovery in the Eurozone is largely due to stronger private consumption supported by lower oil prices (IMF, 2016).

Economic performance in emerging markets is expected to pick-up modestly to 4 per cent and 4.3 per cent in 2015 and 2016, respectively. India continues to make a robust contribution, which is expected to remain the same at 7.5 per cent in 2016 and 2017, while China continues to decelerate.

The Sub-Saharan Africa region is projected to accelerate to 4 per cent in 2016, up from 3.5 per cent estimated in 2015 (Table 2). The World Bank cites a combination of external and domestic factors as responsible for the slowdown. External factors include lower commodity prices, a slowdown in major trading partners, and tightening borrowing conditions. Domestic factors, on the other hand, include political instability and conflict, electricity shortages and others.

³ Dependency Ratio = $[(\text{Number of people under 15 years}) + (\text{Number of people aged 65 and over}) \div (\text{Number of people between 15 and 64})] \times 100 = (4\,318\,416 \div 6\,600\,665) \times 100 = 65.4 \text{ per cent}$. The dependency ratio is an age population ratio of those not in the labour force.

⁴ IMF (2016): *World Economic Outlook Update*, an update of the key WEO projections, available from www.imf.org, accessed on 19/01/2016.

⁵ World Bank (2016): *Global Economic Prospects*, Spillovers amid Weak Growth, available from <http://www.worldbank.org/en/publication/global-economic>, accessed on 12/01/2016.

Following the global trends, economic growth continued to slow down in SA and recorded an estimated downward revised rate of 1.3 per cent in 2015. The national economic outlook for 2016 and 2017 is uncertain and likely to remain subdued at a projected 0.7 per cent and 1.8 per cent, respectively. This is the weakest performance since the global financial crisis in 2009. It must be re-emphasised that, inherently, lower economic growth implies, among others, lower revenue collection, increase in personal income taxes, rising inflation and interest rates, lower real personal disposable income, pressure on consumer spending, currency depreciation, limited export demand, particularly for manufactured goods and fewer employment prospects.

The Rating and Investment Information, Inc. (R&I, 2016)⁶ has since affirmed the national sovereign credit rating at BBB+⁷. The agency has, however, revised the outlook from stable to negative, thereby raising concerns such as the pressure from weaker demand, electricity rate hikes, an increase in food prices caused by severe drought and effects from the weaker rand.

This rating follows similar conclusions by other agencies (December 2015), namely Moody's, Fitch and Standard & Poor (S&P). The rating implies that economic growth in the country might be lower than anticipated. The sluggish economic performance clearly does not bode well for the unemployment rate, which is estimated at 25.4 per cent as at the end of the third quarter of 2015 (Stats SA, 2015b)⁸.

The national economic outlook is further constrained by the continued depreciation of the Rand. Data from the South African Reserve Bank (SARB)⁹ shows that the Rand has depreciated by close to 45 per cent against the US dollar between January 2015 and January 2016. The loss was further extended to record low in January 2016 when global markets fell, as a result of fears about China's economic growth outlook and the devaluation of its currency.

Speculation is rife that the Rand could fall by around 20 per cent against the US Dollar, should SA's credit rating be cut to junk status¹⁰. The ailing Rand is one of the contributing factors that prompted the SARB to raise the interest rate twice in 2015 by 25 basis points, a trend that is expected to persist in 2016. Though this may be considered favourable in supporting the sharp depreciation of the Rand, it could further damage the economy, particularly the prices of imported goods. This is already evident in the consumer inflation rate which is estimated at 6.2 per cent as at the end of 2015. This situation is further compounded by the worst drought experienced in the country over the past two decades, which is driving food prices higher and is likely to push the agricultural sector into recession.

Collectively, the Rand depreciation, the effect of the drought on food prices and electricity tariff increases are outweighing the benefits of the current lower oil price. Ideally, the weaker currency is expected to benefit a country in terms of export earnings, but unfortunately this is not the case in SA, particularly given the persisting economic structural constraints.

Similar to the national performance, the provincial economic outlook is also subdued. The growth rate in 2015 is estimated at 1.1 per cent and projected at 0.6 per cent and 1.3 per cent in 2016 and 2017, respectively. These growth rates are, however, below the targeted 5 per cent required to achieve job creation as outlined in both the NDP and the PGDP. This therefore signals a steeper trajectory ahead in terms of addressing poverty, unemployment, inequality and other socio-economic challenges facing KZN.

⁶ See Rating and Investment Information, Inc. (R&I, 2016), available from <https://www.r-i.co.jp/eng/body/cfp/news-release-A/2016/01/news-release-2016-A-0014-01>, accessed on 18/01/2016.

⁷ According to <http://multiple-markets.com>, BBB+ is the lower medium investment grade weighting 6.5 of the possible 10 points rating related to AAA or prime and maximum safety ranking. The risk of owning a security increases for a country if it is ranked more towards the tail end of the rating scale or along on the downward trend of the rating scale, (accessed on 20/01/2016).

⁸ Stats SA (2015b): *Quarterly Labour Force Survey*, Quarter three 2015, Statistical release number P0211, available Online: <http://www.statssa.gov.za/publications>, accessed on 2/11/2015.

⁹ See the SARB, available from: [https://www.resbank.co.za/Research/Rates/Pages/Selected Historical Exchange and Interest Rates](https://www.resbank.co.za/Research/Rates/Pages/Selected%20Historical%20Exchange%20and%20Interest%20Rates), accessed on 21/01/2016.

¹⁰ Junk status refers to bonds with Standard & Poor's ratings below BBB or Moody's ratings below BAA. These bonds are called "junk" because of their higher default risk (<http://mockingbird.creighton.edu/english/fajardo/teaching/SRP435/junkbond>), accessed on 21/01/2016.

1.4 Provincial labour market

The SA economy continues to battle with a high rate of unemployment, specifically structural unemployment which is the result of a mismatch between qualifications and the type of skills required by the market. Further to the above and similar to other economies, the South African economy is susceptible to global economic trends. This is specifically evident when one looks at the impact of the ailing Chinese economy, which has shown a declining trend in its economic growth over the past years over the SA economy. As mentioned, China's growth has fallen to 6.9 per cent in 2015, the lowest in 25 years. Given the fact that China is one of SA's largest trading partners, this has since forced some of the country's firms to lay off workers, particularly in the mining industry, due to a lack of export demand by the Chinese market.

High unemployment is also exacerbated by high costs of production. Labour costs have been rising consistently at rates higher than the inflation rate, which has led to the depletion of profit margins for employers. This phenomenon is likely to result in a lower productivity index, thereby hindering economic growth. KZN is no exception to the country's trend of high unemployment rate. In the third quarter of 2015, the official unemployment rate in KZN stood at about 20.5 per cent, which is marginally higher than the 20.4 per cent recorded in the second quarter of the same year.

1.5 Development Indicators

1.5.1 Poverty and human development

Poverty levels in KZN have been on a gradual decline over the years. Since 2011, however, the declining trend appears to have hit a plateau, declining only marginally in the advent of subdued economic growth following the economic crisis of 2009.

The percentage share of people living below the food poverty line (FPL)¹¹ stood at 28.9 per cent in 2014, while the proportion of those living below the lower poverty line (LBPL)¹² was 41.3 per cent and about 53.3 per cent were living below the upper poverty line (UBPL)¹³.

High poverty levels impact negatively on the level of human development within the province as more people are unable to access quality services in the health and education sectors for a better quality of life. The human development index (HDI) in KZN is estimated at 0.56 in 2014, which is the lowest across provinces and against the average national of 0.63.

Table 3 : Key socio-economic and development indicators in SA and KZN in 2006, 2011 and 2014

	South Africa			KwaZulu-Natal		
	2006	2011	2014	2006	2011	2014
Unemployment rate, official definition (%)	25.3%	24.8%	25.3%	25.7%	22.4%	22.0%
Functional literacy: age 15+, completed grade 7 or higher	75.9%	81.9%	83.2%	73.1%	79.2%	80.4%
Share below the food poverty line	32.4%	22.9%	22.8%	39.2%	29.5%	28.9%
Share below the lower poverty line	44.8%	33.8%	33.8%	52.6%	42.0%	41.3%
Share below the upper poverty line	56.7%	45.6%	45.4%	64.4%	54.4%	53.3%
Human Development Index (HDI)	0.56	0.60	0.63	0.50	0.54	0.56
Gini coefficient	0.65	0.64	0.64	0.64	0.62	0.63

Source: Stats SA, 2015 and Global Insight, 2015

¹¹ The FPL is the Rand value below which individuals are unable to purchase or consume enough food to supply them with minimum per-capita-per-day energy requirement for good health (which is about 2 100 kilocalories).

¹² Individuals at the LBPL do not have command over enough resources to consume or purchase both adequate food and non-food items and are therefore forced to sacrifice food to obtain essential non-food items.

¹³ The UBPL group are still considered in poverty, but can generally purchase both food and non-food items.

1.5.2 Household income and income inequality

In 2014, 44.8 per cent of all KZN households were categorised as being *lower income* households, where the annual income was between R0 and R54 000. About 20 per cent were categorised as being *low emerging middle income* households earning between R54 000 and R96 000 per annum (p.a.), and roughly 25.1 per cent were *emerging middle class* (R96 000 – R360 000 p.a.). A small proportion of the province's households earned between R360 000 and R600 000 (5.5 per cent) as the *realised middle class*, and about 3.4 per cent were *upper middle class* households earning between R600 000 and R1.200 million. About 1.2 per cent of the total KZN population was considered to be *affluent*, earning in excess of R1.200 million per annum.

Much still needs to be done in addressing the stark reality that an estimated 44.8 per cent of the households residing in KZN were still categorised as low income earners in 2014. This observation is further supported by KZN's Gini coefficient of 0.63, which is the second highest across all provinces after Gauteng (0.65).

1.5.3 Grant beneficiaries

As it has become the norm in social grant trend analysis, KZN had the highest number of social grant beneficiaries as at 31 December 2015 on a national scale, with a total number of 3 919 193 beneficiaries. This amount equates to 23.2 per cent of the total national number of social grant beneficiaries. The province had the highest share of recipients of the Old Age Grant (644 069 beneficiaries, 20.4 per cent), Disability Grant (270 310 beneficiaries, 24.6 per cent), Grant-in-Aid (45 342 beneficiaries, 34.2 per cent), Care Dependency Grant (37 301 beneficiaries, 28.4 per cent), Foster Child Grant (102 494 beneficiaries, 24 per cent) and the Child Support Grant (2 819 646 beneficiaries, 23.6 per cent).

In terms of growth in beneficiary numbers since 31 December 2014, only the war veterans' grant, disability grant and the foster child grant experienced declines of 29.5 per cent, 7.3 per cent and 9.3 per cent, respectively, while other grant types experienced an increase in numbers. The most notable increase was in the number of grant-in-aid beneficiaries (23.9 per cent), followed by old age grant beneficiaries (2.8 per cent).

2. BUDGET STRATEGY AND AGGREGATES

2.1 Introduction: Budget strategy – An overview

KZN was significantly negatively affected by the update of the equitable share formula using the 2011 Census data, which resulted in substantial reductions in the province's equitable share allocations over 2013/14 MTEF, as well as further equitable share formula amendments in 2014/15 that were not in the province's favour, resulting in further budget cuts. This meant that the province was not in a position to introduce new projects and programmes which have carry-through costs, unless existing projects and programmes are stopped or delayed.

Compounding this situation are further cuts effected on the provincial equitable share (PES), as well as conditional grants by National Treasury (NT) over the 2016/17 MTEF. Provinces were informed of a threat posed by the country's debt, widening structural deficit between actual revenue and expenditure, and risk posed by poor credit rating and its implication on government's ability to borrow. These threats compelled government to tighten its economic consolidation programme, with cuts effected across all three spheres of government in order to rein in government spending. Furthermore, the Presidency and NT instructed that the baseline of provincial Departments of Health (DOH) be protected in view of the impact that the exchange rate has had on the affordability of medicines, which are largely imported.

In terms of this, the country had to undertake some reprioritisation to fund various priorities that have recently arisen, with examples being the 0 per cent increase in Higher Education fees, the payment that is due to the BRICS bank, among others. This reprioritisation exercise required NT to look at all spheres of government in effecting budget cuts and this is referred to as Round 1 cuts. Also, as a result of the need to lower the country's expenditure ceiling to fall in line with lower revenue projections, a second round of cuts was effected against the three spheres of government, with this being referred to as Round 2 cuts. As such, the province had to undertake a major reprioritisation exercise in order to finance the Round 1 and 2 budget cuts. In addition, the reprioritisation exercise was needed to fund the exchange rate pressures in Health (as mandated by NT), the NHLS pressures arising from the province paying these fees at the higher fee-for-service rate as opposed to the flat-fee previously paid, as well as to provide drought relief, with the latter being provided in 2016/17 only. The province also allocated R80 million in 2016/17 to Health for the procurement of new hospital linen.

In view of these reductions and the provincial reprioritisation exercise, instead of allocating funds to departments, KZN had to find ways to deal with these reductions. If the reductions and reprioritisations are summed up, the provincial fiscus needed to find R2.350 billion, R1.469 billion and R1.361 billion from within its baseline to be able to deal with these matters. In order to finance this, National and Provincial Cabinet ordered that expenditure reductions be implemented in the following areas:

- Combating wasteful and inefficient spending.
- A decrease in the cost of *Compensation of employees* (while ensuring that critical posts are not impacted on by this decision). In KZN, departments and entities are permitted to fill critical vacant posts, as long as they remain within their reduced baselines and receive permission to fill these posts from the Premier and the MEC for Finance.
- Closing down under-performing programmes that are not delivering the desired outcomes.
- A general 'haircut' across all departments and activities, including events.
- No new programmes, and a slowdown on the rate of growth on existing programmes. This item would include sponsorships made and events held.
- A rescheduling or postponement on capital spending.
- Decreasing the transfers to DFIs.
- Rationalisation and possible closure of non-regulatory entities.

- Cutting the budgets of the provincial Offices of the Premier, as well as the Departments of Economic Development, Tourism and Environmental Affairs.
- KZN continues to budget for a Contingency Reserve which is set at R750 million per year over the MTEF. The Contingency Reserve is being kept for a number of reasons, but mainly to protect the province against the impact of unforeseen expenditure pressures when they arise. In view of the fact that the current wage agreement is a 3-year agreement with the wage increments being linked to inflation plus 1 per cent, some pressures may arise in this spending area, as inflation has increased since the agreement was signed.

To fund these budget cuts and the provincial reprioritisation, while maintaining a Contingency Reserve of R750 million per annum, and following the directive from the Presidency and NT, the provincial Executive Council agreed to the following:

- Carrying forward to 2016/17 the amount that was left unallocated in the province's Net Financial Position when the 2015/16 Adjustments Estimate was tabled (this includes the Contingency Reserve of R750 million from that year).
- Combating wasteful and inefficient spending through the continued implementation of the cost-cutting measures.
- Freezing all non-OSD posts that were vacant on the PERSAL system as at 31 January 2016 (excluding Education (DOE) and DOH). It was agreed, though, that departments may be given the flexibility to fill critical vacant posts as long as they remain within their reduced baseline.
- Cutting the events budgets of departments and public entities, with only direct service delivery events permitted to be budgeted for over the MTEF. This would include curtailing sponsorships and new programmes.
- A general budget cut against the Office of the Premier, including cutting the funds that had previously been provided for the construction of a new Training Academy in Durban, as well as a general budget cut against the Department of Economic Development, Tourism and Environmental Affairs (DEDTEA).
- A 2 per cent budget cut against all equitable share-funded *Goods and services* budgets (excluding Education and Health).

In total, departments' baselines were cut by R1.422 billion, R1.469 billion and R1.361 billion over the MTEF, with the balance of the amount for 2016/17 being the Contingency Reserve from 2015/16 carried forward into that year. It should be noted that DOE, DOH and the Provincial Legislature were not cut during this process. The amounts cut per department are detailed in Table 3.4 of this *OPRE*.

2.2 Aligning provincial budgets to achieve government's prescribed outcomes

In preparing the 2016/17 budget, departments were requested to focus on the national outcomes, the NDP, PGDS and PGDP, as in previous budget processes. The 14 national outcomes are listed below:

1. Quality basic education.
2. A long and healthy life for all South Africans.
3. All people in South Africa are and feel safe.
4. Decent employment through inclusive economic growth.
5. A skilled and capable workforce to support an inclusive growth path.
6. An efficient, competitive and responsive economic infrastructure network.
7. Comprehensive rural development and land reform.
8. Sustainable human settlements and improved quality of household life.
9. A responsive, accountable, effective and efficient local government system.
10. Environmental assets and natural resources that are well protected and continually enhanced.

11. Create a better South Africa and contribute to a better and safer Africa and World.
12. An efficient, effective and development oriented public service.
13. An inclusive and responsive social protection system.
14. Nation building and social cohesion.

2.3 Summary of budget aggregates

Table 2.1 provides an analysis of the overall provincial budget performance by comparing total receipts against total payments, resulting in a surplus or deficit before financing over the seven-year period. The table also provides the details of the financing items and amounts to provide the net position after financing for each financial year.

The data for 2012/13 to 2014/15 is based on audited receipts and payments, while the 2015/16 figures provide a revised estimate position as at the end of December 2015. The 2016/17 to 2018/19 data reflects the budgeted receipts and payments for the MTEF.

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

Table 2.1 : Provincial budget summary

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Provincial receipts									
Transfer receipts from national	82 590 160	88 230 571	94 195 075	99 134 621	100 012 826	100 012 949	105 386 733	113 083 767	120 065 693
Equitable share	68 638 663	73 926 587	78 138 477	82 253 946	83 131 565	83 131 565	87 897 580	94 051 218	99 449 582
Conditional grants	13 951 497	14 303 984	16 056 598	16 880 675	16 881 261	16 881 384	17 489 153	19 032 549	20 616 111
Provincial own receipts	2 669 540	2 772 190	3 148 995	2 995 146	2 995 146	3 237 347	3 031 768	3 183 572	3 338 439
Total provincial receipts	85 259 700	91 002 761	97 344 070	102 129 767	103 007 972	103 250 296	108 418 501	116 267 339	123 404 132
Provincial payments*									
Current payments	66 314 557	71 965 078	76 555 901	83 026 013	84 512 797	83 823 550	90 254 597	95 682 631	101 911 632
Transfers and subsidies	9 764 582	11 420 899	12 054 854	11 049 595	11 986 342	11 937 111	10 820 225	12 004 799	12 667 527
Payments for capital assets	8 520 531	8 186 603	8 229 669	7 728 031	8 034 729	9 069 610	7 771 970	7 887 531	8 129 804
Payments for financial assets	11 012	38 511	5 983	157 598	158 041	160 676	159 249	139 501	252
Total provincial payments	84 610 682	91 611 090	96 846 407	101 961 237	104 691 909	104 990 947	109 006 041	115 714 462	122 709 214
Lending									
Surplus/(deficit) before financing	649 018	(608 329)	497 663	168 530	(1 683 937)	(1 740 651)	(587 540)	552 877	694 918
Financing	1 504 889	2 234 102	1 235 152	581 470	2 098 874	2 098 874	1 337 540	197 123	55 082
Provincial roll-overs	180 803	207 370	145 541	-	94 193	94 193	-	-	-
Provincial cash resources	1 324 835	2 028 291	1 091 595	581 470	2 002 434	2 002 434	1 337 540	197 123	55 082
Surplus Own Revenue surrendered	(1 702)	(3 261)	(2 247)	-	-	-	-	-	-
Suspension to ensuing year	953	1 702	263	-	2 247	2 247	-	-	-
Surplus/(deficit) after financing	2 153 907	1 625 773	1 732 815	750 000	414 937	358 223	750 000	750 000	750 000

* Estimated actual expenditure for 2015/16 is as at 31 December 2015

In aggregate, KZN recorded a surplus after financing in 2012/13, 2013/14 and 2014/15. The surplus is widely due to the success of the Provincial Recovery Plan which was first implemented in the province in 2009/10, as well as the fluctuating personnel numbers in DOE due to unprecedented staff exits. Careful cash and budget management has meant that the province has spent very close to on-budget for the past few years, and has remained cash positive in terms of the provincial bank balance.

The 2015/16 Revised Estimate in Table 2.1, which is based on December 2015 IYM, indicates that the provincial surplus will be R358.223 million, if the spending patterns and projections by departments remain as they are. This was due to the fact that the province budgeted for a surplus of R750 million, and projected to over-collect revenue, while projecting over-spending by some departments.

KZN continues to budget for a Contingency Reserve over the 2016/17 MTEF which is set at R750 million per year over the MTEF. The Contingency Reserve is being kept for a number of reasons, but mainly to protect the province against the impact of unforeseen expenditure pressures when they arise. In view of the fact that the current wage agreement is a 3-year agreement with the wage increments being linked to inflation plus 1 per cent, some pressures may arise in this spending area as inflation has increased since the agreement was signed. The surplus is kept in place to protect the province from going into overdraft again, in the event that departments find it difficult to remain within their reduced baselines.

2.4 Financing

Contingency Reserve

The total provincial receipts exceed the total provincial payments over the 2016/17 MTEF, thereby reflecting a surplus budget before and after financing. This indicates that not all financial resources available to the province have been allocated to the 15 provincial Votes for spending. This is purposely done, and this Contingency Reserve is kept to protect the province against any fiscal shocks that may occur, and to act as a buffer for various contingent liabilities that exist.

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

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

Cost-cutting measures

Cost-cutting has been in place in KZN since 2009/10. The aim of cost-cutting is to reduce expenditure on “frills” and “nice to haves” and rather re-direct these funds into service delivery areas. These cost-cutting measures, which are listed below, are updated and re-issued to departments each year and will remain in place as they are critical elements of good governance, rather than a once-off initiative to contain costs. In addition to the provincial cost-cutting measures, NT issued Instruction 01 of 2013/14: Cost containment measures which all levels of government must adhere to. The provincial cost-cutting measures were updated during 2015/16 following the decision by NT to only partially fund provinces for the above-budget 2015 wage agreement, with the province receiving only approximately half the amount required to fully implement this wage agreement. As such, the first nine cost-cutting measures listed below were newly introduced in 2015/16 and were added to the existing list of cost-cutting measures. It should also be noted that the first two measures listed below were amended after a directive from NT that government must lower its expenditure on *Compensation of employees* and directed that provinces freeze vacant non-OSD posts with immediate effect. The latest provincial cost-cutting measures, which will be re-issued to all departments and public entities in 2016/17, read as follows:

1. Vacant non-OSD posts to be frozen with immediate effect for both departments and public entities. 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. In KZN, departments and entities are permitted to fill critical vacant posts, as long as they remain within their reduced baselines and receive permission to fill these posts from the Premier and the MEC for Finance.
2. Where posts become vacant after 31 January 2016 through natural attrition, or where departments and entities elect to fill critical posts from within their reduced baselines, these may not be filled without receiving approval from the Premier and MEC for Finance.
3. Any revised organograms which have the effect of increasing a department's or entity's total staff number may not be implemented. Any revisions to organograms must be approved by the Premier and MEC for Finance.
4. A detailed assessment must be done of each department's and each entity's personnel in order to move non-productive staff to productive, critical service delivery posts. PERSAL should only reflect the number of posts that the department can afford to fill, i.e. budgeted posts.
5. Departments and public entities must ensure total enforcement of the current cost-cutting measures. Lavish and expensive events will not be approved by Provincial Treasury (PT). Furthermore, events should be limited to service delivery events or campaigns only and the costs associated with such events should be rationalised. In line with this, the budgets for events were cut from departments' and public entities' baselines.

6. Procurement and/or hiring of VIP services and facilities such as marquees, toilets and catering, etc. for events is strictly prohibited.
7. Donations and sponsorships made by departments and public entities towards events must be submitted to PT prior to making such donations or sponsorships. The submission must indicate what value for money will be achieved and what aspects of the proposed events are being sponsored.
8. New expenditure items/projects/mandates will be permitted only if they are funded through internal reprioritisation by the department and/or entity. Motivation for items/projects/mandates that require new funding from the provincial fiscus must be submitted to PT who will assess these critically.
9. All requests for equitable share roll-overs will be critically assessed by PT prior to being submitted to Cabinet for approval.

Compensation of employees related:

1. As mentioned, there is a moratorium on the filling of non-critical posts. Accounting Officer and CFO to determine which posts are critical and may be filled.
2. Departments to ensure that only funded vacant posts appear on PERSAL.
3. No leave conversion payments (leave to be taken) – this does not apply to leave pay-outs when staff are exiting the public service.
4. Strict control of overtime.

Procurement related:

5. Budgets for non-essential goods and services to be kept at 2015/16 levels.
6. Furniture and equipment purchases to be approved by the Accounting Officer and the CFO. All furniture and equipment to be purchased should be standardised according to staff designations.
7. Energy saving projects to be explored with an aim of reducing electricity and water usage.
8. Timeous planning to be undertaken to ensure market related prices are charged by service providers.
9. Database of local service providers per municipality and fixed prices per commodity to be compiled to ensure exorbitant prices are not charged.
10. Cell phone, landline and data bundle costs to be reviewed and limitations in respect of usage and approval of these services to be effected. Stricter cell phone limits to be introduced.
11. Hiring of offices: government-owned properties to be utilised as far as possible to avoid costs.
12. Transversal contracts to be used for inventory items such as stationery, nappies, baby food, medication, etc.
13. Essential training to be done in-house (exceptions to be approved by the HOD).
14. Catering for meetings to be stopped (exceptions to be approved by the HOD, but there should be no catering for internal meetings).
15. When printing APPs, SPs, Annual Reports, etc., the use of colour pages to be minimised and lighter weight of pages and covers to be used. Feasibility of using electronic distribution (e.g. compact discs) to be looked at to reduce costs. Gold and silver embossed letterheads may not be used.
16. No bottled water may be procured for meetings, etc.
17. All newspapers and other publications purchased for employees must be discontinued. Such purchases must be limited to Accounting Officers, Senior General Managers; and departmental libraries.

Travelling related:

18. S&T – only essential trips to be undertaken. Allowances for all categories of S&T to be reviewed.
19. Monthly mileage restrictions to be adhered to and officials to use one hired car for meetings outside KZN (synergy between departments attending same meetings).
20. Responsibility managers to ensure co-ordinated travel to reduce costs, and officials to travel together unless absolutely unavoidable.

21. Meetings and workshops to be held where the majority of the officials reside/work (50 per cent + 1).
22. Departments and public entities to develop an integrated annual calendar so that meetings and workshops are properly co-ordinated to reduce travel costs.
23. Meetings need to start at reasonable time to reduce need to sleep over. Unnecessary overnight accommodation needs to be cut down.
24. Assessment to be done between road travel to end destination vs distance to airport (e.g. cheaper for a person from Newcastle to travel to Jhb by road than to drive to Dbn to take flight to Jhb).
25. Overseas trips to be rationalised with the number of delegates being kept to a minimum.
26. Business class travel only for MECs and HODs (and MPLs, where applicable).
27. Car hire bookings – class of vehicle to be lowered.
28. Kilometre controls to be implemented on travelling (average of 2 500 kilometres per month per official unless there are exceptional circumstances – exceptions to be approved by the HOD).
29. Departments and public entities to plan meetings carefully and rationalise the number of meetings held (it seems that staff from regions/districts are sometimes called to head office meetings organised by different units on various different days, requiring them to travel to and from the regions/districts frequently. These meetings must be co-ordinated and planned between the various units to reduce the wastage of time and money).
30. Where there are one-day meetings in other provinces, officials to travel there and back on the same day (where possible).

Events related (including workshops/meetings, etc.):

31. No. of service delivery events held by departments and public entities must be strictly kept at no more than 24 per annum, as approved by Cabinet (for an event with 3 500 community members, this event should not cost more than R1 million to host. For events where 1 500 to 2 000 community members attend, these events may not cost more than R500 000 – R700 000 per event). The cost per event to be adhered to, as per guidelines given. Requests for events must reach PT five (5) working days before the event is planned to take place to allow sufficient time for PT to assess the requests, and should be accompanied by the following:
 - Three quotations.
 - Date of the event.
 - Venue of the event.Total cost of the event – with the breakdown cost of each item. The submission should be reviewed by the CFO's office before forwarding to PT for approval.
32. Musicians and other performing artists to be sourced from a database administered by the Department of Arts and Culture (DAC). The Arts Development unit can be contacted on 033 – 341 3608/09 in this regard. DAC will ensure that the rate charged by the musicians and performing artists falls in line with the rates set out in Provincial Government's "Departmental Honoraria and Special Payment Policy". While the artists will be selected by DAC, the payment to these artists is the responsibility of the department or public entity requesting the services of the artist/s. PT will ensure that the amount to be paid to the artist/s falls in line with the policy when departments submit the request for an event to be held to PT.
33. No tracksuits, t-shirts, caps, bags or other promotional materials to be purchased or handed out at events (exceptions to be approved by PT).
34. Departments and public entities to provide listing of events to be held in 2015/16 for synergies and sharing of costs to be realised between departments.
35. Departments to share databases for government and community venues to minimise use of private venues.
36. Marquees and catering costs for events to be reduced through timeous procurement (departments should end fixed contracts with just one service provider – look at panel of event co-ordinators instead). Refer to point 32, price guideline will be issued by PT.

37. Proper planning of events to be undertaken to reduce costs. Core planning team to co-ordinate all events in the department to ensure value for money.
38. Events – current standardised specifications to be reviewed to reduce costs.
39. Number of departmental/public entity officials attending events to be kept at an absolute minimum.
40. Internal meetings, strategic planning sessions and workshops to be held in departments' and public entities' offices instead of private venues (exceptions to be approved by PT). Where PT approval is requested, proof must be given that all other avenues have been exhausted before a private venue will be approved.
41. External meetings, workshops and events to be held in government facilities instead of private venues (exceptions to be approved by PT). Use of marquees to only be considered where such events could not be held in municipal halls, school halls, FET College facilities, etc. Where PT approval is being requested, proof must be provided that all other avenues have been exhausted before a private venue will be approved.
42. No team building exercises or year-end/Christmas functions to be held (only permitted if paid for by the staff themselves).

Sources of financing

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

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

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

Suspensions to ensuing years in Table 2.1 relates only to the Provincial Legislature and occurs when the Legislature, in terms of Section 22(1) of the PFMA, as well as the Financial Management of Parliament Amendment Act (FMPAA), retains its own revenue.

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

3.1 The 2016/17 MTEF budget process in brief

3.1.1 Treasury Guidelines circular

The preparation and distribution of the *Treasury Guidelines* document marked the start of the 2016/17 MTEF budget process. This document explains the policy framework and format that departments must use to prepare the 2016/17 MTEF budget submissions.

The 2016/17 budget process focuses on the compilation of reprioritised budgets and service delivery that is aligned to the 14 national outcomes, the NDP, the PGDP and the PGDS. As in the previous three MTEF cycles, departments were asked to continue implementing the expanded cost-containment measures first introduced as part of the Provincial Recovery Plan in 2009/10, and to redirect any savings realised from this into service delivery. Departments were requested to try and fund any new priorities through reprioritisation. Departments were also directed to consider the budget proposals received from public entities. The social sector departments, i.e. DOH, DOE and the Department of Social Development (DSD), were requested to cost the agreed to national priorities which require additional funding, as well as to cost a maximum of two provincial ‘initiatives’. The other departments were requested to identify and cost a maximum of two ‘initiatives’. Public entities were also given the opportunity to cost two ‘initiatives’. It was also emphasised that, due to the 2011 Census budget cuts and further cuts to the province’s equitable share in 2015/16, ‘initiatives’ were to be ‘once-off’ in nature, as the fiscus would likely not be able to accommodate any carry-through costs. It was only after NT indicated further fiscal consolidation cuts for the 2016/17 MTEF, that it became clear that the province would not be able to fund any new spending areas, except for protecting DOH’s baseline against exchange rate pressures, the National Health Laboratory Services (NHLS) higher fee-for-service payment mechanism, as well as the drought (with these funds made available through a provincial reprioritisation exercise).

As such, the province had to undertake a major reprioritisation exercise in order to finance the Round 1 and 2 budget cuts, as mentioned, as well as to fund mainly the exchange rate pressures in Health, the NHLS pressures and to provide drought relief, with the latter being provided in 2016/17 only.

3.1.2 Initiative measurement criteria

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

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

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

3.1.3 Allocation process

Except for the Legislature, MTEC met 13 provincial departments and six public entities in September 2015. These were the departments and entities who had submitted initiatives for funding, which had no carry-through costs. In terms of the FMPAA, which is applicable from 1 April 2015, the Legislature is no longer required to submit additional funding requests to PT *via* the MTEC process as the provincial departments and public entities do. Instead, the Legislature's additional funding requirements were discussed between the Speaker and the MEC for Finance. This meeting was informed by inputs provided by both Legislature and Treasury officials. As was the case in the previous cycle, the MTEC for the 2016/17 MTEF cycle indicated that the meetings were taking place during difficult times as SA's debt service-costs were rising faster than any other expenditure item in the national fiscal framework. The reason is that public spending is rising faster than revenue collection and the country is not financing capital investments from borrowing, but current government consumption spending. Also, KZN was significantly negatively affected by the update of the equitable share formula using the 2011 Census data which resulted in substantial reductions in the province's equitable share, as well as further equitable share formula amendments that were not in the province's favour, resulting in further budget cuts. This meant that the province was not in a position to introduce new projects and programmes which have carry-through costs unless existing projects and programmes were stopped or delayed.

When MTEC met, NT indicated that there would be no additional funding allocated to provinces except for the above-budget 2015 wage agreement carry-through costs and that, as mentioned, cuts were possible. NT was attempting to reduce all levels of government's consumption spending in view of the country's high debt-service costs. By January 2016, NT and National Cabinet's intentions were clear. Provinces were informed of the threat posed by the country's debt, widening structural deficit between actual revenue and expenditure, and risks posed by the country's poor credit rating and its implication on government's ability to borrow. These threats compelled government to tighten its economic consolidation programme, with cuts effected across all three spheres of government in order to rein in government spending.

Table 3.1 indicates the departments' requests for additional funding as they were submitted as part of the 2016/17 MTEF process.

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

R thousand	Amounts requested			
	2016/17	2017/18	2018/19	Total
1. Office of the Premier	16 769	12 500	13 000	42 269
2. Provincial Legislature	260 190	272 074	288 126	820 390
3. Agriculture and Rural Development	233 104	217 750	227 513	678 367
4. Economic Development, Tourism & Enviro. Affairs	973 434	101 096	107 706	1 182 236
5. Education	100 000	52 000	-	152 000
6. Provincial Treasury	29 911	5 884	8 011	43 806
7. Health	173 127	-	-	173 127
8. Human Settlements	-	-	-	-
9. Community Safety and Liaison	53 190	42 400	44 944	140 534
10. Sport and Recreation	71 000	74 000	76 000	221 000
11. Co-operative Governance and Traditional Affairs	23 300	36 300	37 300	96 900
12. Transport	395 135	454 915	508 300	1 358 350
13. Social Development	284 545	295 045	309 395	888 985
14. Public Works	-	-	-	-
15. Arts and Culture	44 318	52 571	177 570	274 459
Total	2 658 023	1 616 535	1 797 865	6 072 423

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

With the exception of the Departments of Human Settlements (DOHS) and Public Works (DOPW), all departments submitted requests for additional funds, with the largest coming from the entities falling under DEDTEA, Department of Transport (DOT), the Legislature, DSD and the Department of Agriculture and Rural Development (DARD). The departments requested additional amounts of R2.658 billion, R1.617 billion, R1.798 billion, respectively, over the 2016/17 MTEF. DOT requested additional funds to reduce the construction backlog of the road networks. While DEDTEA did not request additional funding, its entities requested funds for various issues, including the acquisition of land by the Richards Bay Industrial Development Zone (RBIDZ) and turn-around funding for Ithala Development Finance Corporation (Ithala), while Ezemvelo KZN Wildlife (EKZNW) requested funds for rhino

security and infrastructure improvements. DARD requested additional funds for farmer support and capacity building programmes, while DSD requested funding for infrastructure and community care-givers' stipends. Many of the requests for additional funding were based on sound principles and fared well when assessed in terms of the criteria mentioned above. However, the budget cuts imposed by NT, as well as the provincial reprioritisation exercise undertaken, did not allow most of these requests to be funded.

MinComBud and Cabinet reviewed the MTEC recommendations taking into account the above context, and agreed to fund the following:

- DOH receives R80 million in 2016/17 for the procurement of hospital linen.
- R200 million is allocated for drought relief. Of this, R150 million is allocated to COGTA and R50 million to DARD.
- DOH receives an allocation over the MTEF to close the gap between the flat-fee payment relating to the NHLS versus the more expensive fee-for-service which they are currently paying.
- DOH receives additional funding to assist with the exchange rate pressures relating to the procurement of medicines, as mentioned.
- It was also agreed to keep budgeting for a Contingency Reserve as KZN has done in the past few MTEFs, as these funds assist greatly when unfunded mandates arise which would otherwise threaten the fiscal stability of the province.

Furthermore, the following are various provincial priorities that were allocated additional funding when the 2015/16 Adjustments Estimate was tabled, but with the understanding that these would receive the additional funds over the 2016/17 MTEF:

- OTP receives funds for the establishment of an operations centre for the Poverty Eradication Master Plan (PEMP).
- DEDTEA receives funds for transfer to EKZNW for its rhino anti-poaching efforts. These funds are specifically and exclusively appropriated.
- The Legislature receives R95.522 million over three years for the zero-based budget adjustment (continued in its baseline), as well as a once-off amount of R5.500 million for allocation in 2016/17 for hosting the Commonwealth Parliamentary Association Conference (CPAC). Funds are also allocated for the replacement of a lift in the Legislature building for an amount of R1.500 million.
- DOE receives R150 million, allocated in 2016/17 and 2017/18 for sanitation at schools. There is currently a backlog of 741 schools that do not have adequate toilet facilities and 500 schools that require water supply in the province.
- PT receives R12 million in 2016/17 for purchasing biometric scanners for all provincial departments to provide an additional layer of security for the BAS accounting system and the PERSAL payroll system. PT also receives R3 million in 2016/17 to finalise the floor repairs at the Inkosi Albert Luthuli Central Hospital (IALCH).
- Community Safety and Liaison (DCSL) receives R5 million in 2016/17 for local government election monitoring.
- Department of Social Development (DSD) receives money in 2016/17 and in 2017/18 to provide for a 6 per cent increase in transfers to NGOs with this increase first provided for in the 2015/16 Adjustments Estimate. It appears that the department had introduced new transfers in 2013/14 to NGOs without providing sufficient budget in their baseline to ensure the continued inflationary growth in transfers to their existing NGOs. While provision is made for this 6 per cent increase from 2015/16 to 2017/18, the department will have to put processes in place to ensure that they are in a position to carry these increases through beyond 2017/18. The department also receives additional funds in 2016/17 and 2017/18 for capital developments relating to the Inkululeko Programme. These funds provide for the development of an Elderly Day Care Centre.

Details of the additional allocations over the 2016/17 MTEF, per department, are provided in Table 3.4.

3.2. Provincial fiscal framework

Table 3.2 summarises the provincial fiscal framework for the 2016/17 MTEF budget.

The difference between the baseline and the revised allocations (Section 1 of the table) yields the additional resource made available to KZN, or the reductions affecting the province where this movement is negative.

Table 3.2 : Summary of provincial fiscal framework

R thousand	2016/17	2017/18	2018/19
1. Receipts			
Baseline Allocation	107 458 878	113 489 883	118 756 899
Transfer receipts from national	104 269 522	110 147 510	115 220 668
Equitable share	86 885 446	91 429 978	96 503 136
Conditional grants	17 384 076	18 717 532	18 717 532
Provincial own receipts	3 189 356	3 342 373	3 536 231
Increase / (Decrease) in allocation	959 623	2 777 456	4 647 233
Transfer receipts from national	1 117 211	2 936 257	4 845 025
Equitable share	1 012 134	2 621 240	2 946 446
Conditional grants	105 077	315 017	1 898 579
Provincial own receipts	(157 588)	(158 801)	(197 792)
Revised allocation	109 756 041	116 464 462	123 459 214
Transfer receipts from national	105 386 733	113 083 767	120 065 693
Equitable share (after update of formula data & fiscal consolidation cuts)	87 897 580	94 051 218	99 449 582
Conditional grants	17 489 153	19 032 549	20 616 111
Provincial own receipts	3 031 768	3 183 572	3 338 439
Provincial cash resources	1 337 540	197 123	55 082
2. Planned spending by departments	109 006 041	115 714 462	122 709 214
3. Contingency Reserve	750 000	750 000	750 000

The PES formula has been updated with new data and is informed by the data from the Census 2011 age cohorts, 2015 mid-year population estimates, 2015 School Realities Survey (SNAP Survey), the 2013 GDP-R, District Health Information System for patient load data (2013/14 - 2014/15), risk adjusted index (risk equalisation fund), insured population (2014 GHS), and the 2010 Income and Expenditure Survey. In addition, NT is effecting budget cuts against all three spheres of government, as detailed previously. As such, the provincial baseline has decreased due to data updates, as well as the equitable share Round 1 and 2 cuts. Furthermore, provinces were directed to reprioritise within their baselines in order to protect DOH's baseline from exchange rate pressures, NHLS higher fee-for-service, as well as to provide for drought relief in the province.

As previously mentioned, Round 1 and 2 cuts were effected against all three spheres of government, resulting in the province losing R319.107 million in the first year of the MTEF, followed by R1.232 billion in 2017/18 and R1.611 billion in 2018/19. In order to finance the cuts effected against the provincial baseline, the National and Provincial Cabinet ordered that expenditure reductions be implemented in various areas, as detailed in the *Budget Strategy and Aggregates* section of this *OPRE*.

Also as mentioned, over the 2016/17 MTEF, the province will continue to exercise fiscal discipline through the implementation of fiscal austerity measures that were first approved in 2009/10.

MinComBud and Cabinet meetings were convened from September 2015 to February 2016 to consider the 2016/17 provincial fiscal framework, with these forums providing direction in terms of the provincial fiscus each step of the way. The budget cuts were implemented against both the equitable share, as well as the conditional grant allocation of the province.

The commitment made by government to maintain the expenditure ceiling requires that the conditional grant allocations in aggregate for all nine provinces be cut by R2.100 billion in 2016/17, R649 million in 2017/18 and R809 million in 2018/19. These cuts are not proportionately applied across all grants, though, as the reductions are effected in a manner that attempts to protect essential service delivery programmes. As such, as far as possible, grants that address key social service delivery have been protected with the baselines of the **National School Nutrition Programme (NSNP) grant** and the **EPWP grants** (EPWP Integrated Grant for Provinces and the Social Sector EPWP Incentive Grant for Provinces) being left unchanged when compared with the 2015/16 MTEF baseline.

At a high level, KZN's conditional grant allocation when comparing the 2015/16 MTEF baseline with the 2016/17 MTEF allocation, increases by R105.077 million in 2016/17, R315.017 million in 2017/18 and R1.899 billion in 2018/19. While the aggregate position shows an increase, some grants see a reduction in their allocations. Contributing significantly to the growth in 2018/19 is a significant increase in the **Comprehensive HIV, AIDS and TB grant**, as well as the **Human Settlements Development grant (HSDG)**. The following amendments are made to the conditional grant allocation:

The **Comprehensive Agriculture Support Programme (CASP) grant** reduces by R8.189 million and R10.111 million in 2016/17 and 2017/18, respectively, while increasing by R3.649 million in 2018/19. The allocation letter from NT indicates that the reduction is as a result of an Agriculture Task Team which was sanctioned by TCF and Budget Council, where relevant provincial and national stakeholders met and a resolution was taken to top-slice the CASP grant for the Department of Forestry and Fisheries to be able to provide an oversight and monitoring function on the grant in order to realise the outcomes envisioned in the NDP and the Agricultural Policy Action Plan. As such, the CASP grant sees a reduction over the 2016/17 MTEF. The **Ilima/Letsema Projects grant** receives an inflationary increase of R3.907 million in 2018/19. The department also receives additional funding of R3.840 million in 2016/17 with regard to the **EPWP Integrated Grant for Provinces**.

The **Education Infrastructure grant** was initially increased by R133.309 million in 2016/17 and this relates to the fact that this grant has become an incentive-based grant. Departments needed to obtain a minimum score of 60 per cent to qualify for an additional incentive allocation. DOE attained a final score of 64 per cent and therefore received an incentive allocation of R133.309 million. This increase was offset by the fiscal consolidation cuts, though, and the net increase in 2016/17 is therefore R100.673 million, with the grant declining by R106.550 million in 2017/18 and R1.643 million in 2018/19.

The **HIV and AIDS (Life-Skills Education) grant** and the **Maths, Science and Technology grant** show inflationary growth in the outer year. The department receives additional funds in 2016/17 relating to the **EPWP Integrated Grant for Provinces** (R2.790 million), and the **Social Sector EPWP Incentive grant** (R27.318 million).

The allocation letter from NT also indicated that the **NSNP grant** is amended due to updated poverty distribution tables and that these changes will be phased-in over the 2016/17 MTEF, but this is not visible in KZN's allocation which simply seems to show inflationary growth.

With regard to the **Comprehensive HIV and AIDS grant**, this grant's focus is extended to now include TB. As such, the name of the grant is amended to take this into account (**Comprehensive HIV, AIDS and TB grant**) and a sizeable additional allocation is received, particularly in the outer year where R714.127 million is added to the baseline of this grant. The increase in the baseline is for the continued expansion of the Anti-retroviral (ARV) Treatment Programme, HIV prevention and to cater for TB screening and treatment (in the outer years). This grant is affected by budget cuts, though, with a decrease of R48.853 million in 2016/17.

The **Human Papillomavirus (HPV) Vaccine grant**, which was scheduled to end in 2015/16, continues as an indirect grant for the first two years of the 2016/17 MTEF, before changing to a direct grant in 2018/19. These funds are shifted from DOH's equitable share allocation with R44.976 million added to the province in 2018/19.

With regard to the **Health Facility Revitalisation grant**, this is also an incentive grant similar to the **Education Infrastructure grant**. As such, the department needed to obtain a minimum score of 60 per cent to qualify for an additional incentive allocation. DOH attained a final score of 67 per cent and therefore received an incentive allocation of R109.454 million. Since then, though, this grant is impacted by budget cuts and the allocation in the first year therefore only increases by R67.172 million as opposed to the R109.454 million initially communicated by NT. The grant declines by R3.988 million in 2017/18, while showing inflation-related growth in 2018/19 of R53.809 million.

The **National Health Insurance grant** sees a minor reduction of R3 000 in 2016/17, while being removed from the province's baseline from 2017/18 onward. NT explains this by saying that the grant

stops being a direct grant to provinces as the effectiveness of this grant in preparing for the roll-out of NHI has been poor. The grant is therefore moved to the national DOH for a more targeted approach.

The department also receives additional funds in 2016/17 relating to the **EPWP Integrated Grant for Provinces** (R7.122 million), and the **Social Sector EPWP Incentive grant** (R13 million).

The **HSDG** sees a reduction in 2016/17 of R290.255 million, while increasing in 2017/18 and in 2018/19 by R211.122 million and R460.118 million, respectively. The department receives additional funding of R15.194 million in 2016/17 with regard to the **EPWP Integrated Grant for Provinces**.

DCSL receives additional funding of R11.043 million in 2016/17 with regard to the **Social Sector EPWP Incentive Grant for Provinces**, while Co-operative Governance and Traditional Affairs (COGTA) receives an allocation of R3.667 million with respect to the **EPWP Integrated Grant for Provinces**.

The **Provincial Roads Maintenance grant** increases over the 2016/17 MTEF. These funds move to the incentive portion of the grant to reward provinces that make efficient investments in road asset management information databases. For 2016/17, provinces and DOT will be tasked with collecting data that is needed to inform an efficiency indicator which will be used from 2017/18 as a tool to encourage provinces to make efficient investments. The grant increases by R74.213 million, R55.241 million and R173.516 million over the 2016/17 MTEF.

Funds are also added to the **Public Transport Operations grant** over the 2016/17 MTEF, with R46.804 million being added in 2016/17, R46.805 million in 2017/18 and R96.872 million in 2018/19. The department also receives additional funding of R56.055 million in 2016/17 with regard to the **EPWP Integrated Grant for Provinces**.

The Department of Public Works (DOPW) receives an allocation of R4.471 million in 2016/17 with respect to the **EPWP Integrated Grant for Provinces**.

DSD receives an allocation of R3.958 million in 2016/17 with regards to the **Social Sector EPWP Incentive grant**. The department also receives funding for a new grant, namely the **Early Childhood Development (ECD) grant** with this funding stream commencing in 2017/18. In line with this, R92.380 million is allocated in 2017/18 increasing to R144.948 million in 2018/19.

The Department of Arts and Culture's (DAC) **Community Library Services grant** is reduced in 2016/17 and 2017/18 by R1.111 million and R1.333 million, respectively, while showing inflationary growth of R8.585 million in the outer year. The department receives an allocation of R2 million in 2016/17 with respect to the **EPWP Integrated Grant for Provinces**.

The **Mass Participation and Sport Development grant** is reduced in 2016/17 and 2017/18 by R469 000 and R952 000, respectively, while showing inflationary growth of R4.413 million in the outer year. Sport and Recreation (DSR) receives funding in 2016/17 with respect to the **EPWP Integrated Grant for Provinces** (R2 million) and the **Social Sector EPWP Incentive Grant for Provinces** (R6.234 million).

The provincial own receipts decrease by R157.588 million in 2016/17, R158.801 million in 2016/17, and by R197.792 million in 2017/18. The main contributor to this reduction is PT because of lower revenue anticipated to be collected against *Casino* and *Horse racing taxes* due to the decline in disposable income leading to subdued gaming activity.

Section 2 of Table 3.2 gives the planned spending of departments, based on their MTEF allocations, as well cuts effected against their baselines.

After reducing the provincial baseline by the Round 1 and 2 cuts, KZN remains with a Contingency Reserve of R750 million in each of the three MTEF years (see Section 3). Table 3.4 in Section 3.3.2 then indicates the changes being made to departments' equitable share allocations.

3.3 Summary of additional allocations for the 2016/17 MTEF

3.3.1 Existing growth in the 2015/16 MTEF baseline allocation

Table 3.3 shows the baseline budgets for the 2015/16 MTEF before any changes made as part of the 2016/17 budget process. This serves as a reminder that all departments' baselines for the MTEF showed positive rates of growth, although this may differ in terms of level.

Table 3.3 : Existing growth rates in 2015/16 MTEF baseline budgets

R thousand	Main Appropriation	Medium-term baseline budgets			Ann. % growth 15/16-18/19
	2015/16	2016/17	2017/18	2018/19	
1. Office of the Premier	743 214	658 644	697 499	829 769	3.7
2. Provincial Legislature	465 494	518 652	538 851	533 623	4.7
3. Agriculture and Rural Development	2 203 074	2 170 644	2 224 422	2 530 354	4.7
4. Economic Development, Tourism & Enviro. Affairs	2 973 459	2 702 992	2 844 613	3 022 744	0.5
5. Education	42 142 355	45 464 373	47 528 559	48 981 749	5.1
6. Provincial Treasury	712 151	675 280	659 029	741 135	1.3
7. Health	32 981 786	36 578 637	39 541 537	42 183 872	8.5
8. Human Settlements	3 584 685	3 485 112	4 205 672	4 042 547	4.1
9. Community Safety and Liaison	187 069	210 123	195 948	211 902	4.2
10. Sport and Recreation	454 389	426 479	438 628	484 785	2.2
11. Co-operative Governance and Traditional Affairs	1 368 043	1 545 923	1 461 452	1 596 274	5.3
12. Transport	9 341 457	9 571 940	10 012 734	10 740 643	4.8
13. Social Development	2 630 481	2 778 162	3 004 633	3 074 482	5.3
14. Public Works	1 389 666	1 432 608	1 503 706	1 637 441	5.6
15. Arts and Culture	783 914	786 472	857 179	870 986	3.6
Total	101 961 237	109 006 041	115 714 462	121 482 306	6.0

3.3.2 Summary of changes to baselines

The additional allocations and their respective purposes are summarised in Table 3.4. Note that Table 3.4 reflects only the provincial additional allocations, and excludes changes in respect of conditional grants.

The detail of the additional allocations can be found under each Vote's chapter in the *EPRE*.

Table 3.4 : Summary of changes to allocations, 2016/17 MTEF

	2016/17	2017/18	2018/19	2016/17	2017/18	2018/19
	R thousand			Percentage share		
Vote 1 : Office of the Premier	(88 290)	(86 782)	(86 865)	(4.4)	(3.3)	(3.3)
Above-budget 2015 wage agreement	4 597	4 923	5 272	0.2	0.2	0.2
Poverty Eradication Master Plan operations centre	11 775	12 218	12 919	0.6	0.5	0.5
Freezing all vacant non-OSD posts	(25 138)	(26 847)	(28 673)	(1.2)	(1.0)	(1.1)
Cutting events' budgets	(39 723)	(39 722)	(39 722)	(2.0)	(1.5)	(1.5)
Cutting Training Academy budget	(16 522)	(17 348)	(18 354)	(0.8)	(0.7)	(0.7)
General baseline cut	(15 866)	(12 125)	(9 968)	(0.8)	(0.5)	(0.4)
2% Goods and services cut	(7 413)	(7 881)	(8 339)	(0.4)	(0.3)	(0.3)
Vote 2 : Provincial Legislature	38 300	34 481	35 505	1.9	1.3	1.4
Above-budget 2015 wage agreement	2 264	2 418	2 582	0.1	0.1	0.1
Zero-base budget baseline adjustment	30 536	32 063	32 923	1.5	1.2	1.3
Commonwealth Parliamentary Association conference	4 000	-	-	0.2	-	-
Procurement of a lift for Legislature building	1 500	-	-	0.1	-	-
Vote 3 : Agriculture and Rural Development	(115 159)	(174 440)	(184 276)	(5.7)	(6.6)	(7.0)
Above-budget 2015 wage agreement	29 420	31 546	33 931	1.5	1.2	1.3
Freezing all vacant non-OSD posts	(176 941)	(188 972)	(201 823)	(8.8)	(7.2)	(7.7)
Drought relief - scooping of dams and winter fodder	50 000	-	-	2.5	-	-
Cutting events' budgets	(4 650)	(4 650)	(4 650)	(0.2)	(0.2)	(0.2)
2% Goods and services cut	(12 988)	(12 364)	(11 734)	(0.6)	(0.5)	(0.4)
Vote 4 : Economic Development, Tourism & Enviro. Affairs	(384 463)	(375 121)	(383 735)	(19.0)	(14.3)	(14.6)
Above-budget 2015 wage agreement	6 798	7 279	7 817	0.3	0.3	0.3
Above-budget 2015 wage agreement - EKZNW	3 116	3 328	3 555	0.2	0.1	0.1
EKZNW - Rhino anti-poaching	9 240	9 240	9 240	0.5	0.4	0.4
Vote 4 baseline reduction	(403 617)	(394 968)	(404 347)	(20.0)	(15.0)	(15.4)
Vote 5 : Education	1 123 500	1 147 042	1 179 478	55.7	43.7	44.9
Above-budget 2015 wage agreement	1 023 500	1 097 042	1 179 478	50.7	41.8	44.9
Water and sanitation at schools	100 000	50 000	-	5.0	1.9	-

Table 3.4 : Summary of changes to allocations, 2016/17 MTEF

	2016/17	2017/18	2018/19	2016/17	2017/18	2018/19
	R thousand			Percentage share		
Vote 6 : Provincial Treasury	(32 488)	(49 477)	(52 627)	(1.6)	(1.9)	(2.0)
Freezing all vacant non-OSD posts	(44 037)	(47 032)	(50 230)	(2.2)	(1.8)	(1.9)
Cutting events' budgets	(340)	(340)	(340)	(0.0)	(0.0)	(0.0)
2% Goods and services cut	(7 365)	(6 660)	(6 945)	(0.4)	(0.3)	(0.3)
Above-budget 2015 wage agreement	4 254	4 555	4 888	0.2	0.2	0.2
Replacement of biometric scanners	12 000	-	-	0.6	-	-
IALCH floor repairs	3 000	-	-	0.1	-	-
Vote 7 : Health	1 798 534	2 639 093	2 720 278	89.1	100.5	103.6
Above-budget 2015 wage agreement	664 889	712 135	765 440	32.9	27.1	29.1
HPV Vaccine grant reduction	(42 548)	(42 477)	(42 406)	(2.1)	(1.6)	(1.6)
Hospital linen	80 000	-	-	4.0	-	-
NHLS fee-for-service pressures	310 497	329 124	348 872	15.4	12.5	13.3
Exchange rate pressures - medicines, equipment & supplies	785 696	1 640 311	1 648 372	38.9	62.5	62.8
Vote 8 : Human Settlements	(15 907)	(16 734)	(17 658)	(0.8)	(0.6)	(0.7)
Above-budget 2015 wage agreement	8 053	8 628	9 271	0.4	0.3	0.4
Freezing all vacant non-OSD posts	(20 180)	(21 552)	(23 017)	(1.0)	(0.8)	(0.9)
Cutting events' budgets	(2 053)	(2 054)	(2 054)	(0.1)	(0.1)	(0.1)
2% Goods and services cut	(1 727)	(1 756)	(1 858)	(0.1)	(0.1)	(0.1)
Vote 9 : Community Safety and Liaison	610	(4 337)	(4 605)	0.0	(0.2)	(0.2)
Above-budget 2015 wage agreement	1 583	1 695	1 819	0.1	0.1	0.1
LG election monitoring	5 000	-	-	0.2	-	-
Freezing all vacant non-OSD posts	(3 843)	(4 104)	(4 384)	(0.2)	(0.2)	(0.2)
2% Goods and services cut	(2 130)	(1 928)	(2 040)	(0.1)	(0.1)	(0.1)
Vote 10 : Sport and Recreation	(21 857)	(23 932)	(36 182)	(1.1)	(0.9)	(1.4)
Above-budget 2015 wage agreement	2 196	2 354	2 531	0.1	0.1	0.1
Suspension of Sport Development Centre funds from 15/16	10 000	10 000	-	0.5	0.4	-
Freezing all vacant non-OSD posts	(31 413)	(33 548)	(35 830)	(1.6)	(1.3)	(1.4)
2% Goods and services cut	(2 640)	(2 738)	(2 883)	(0.1)	(0.1)	(0.1)
Vote 11 : Co-operative Governance and Traditional Affairs	105 336	(47 314)	(49 799)	5.2	(1.8)	(1.9)
Above-budget 2015 wage agreement	15 718	16 842	18 103	0.8	0.6	0.7
Freezing all vacant non-OSD posts	(48 650)	(51 959)	(55 492)	(2.4)	(2.0)	(2.1)
Drought relief - boreholes, mobile packaged plants, water tankers, etc	150 000	-	-	7.4	-	-
2% Goods and services cut	(11 732)	(12 197)	(12 410)	(0.6)	(0.5)	(0.5)
Vote 12 : Transport	(340 791)	(363 923)	(385 914)	(16.9)	(13.9)	(14.7)
Above-budget 2015 wage agreement	38 649	41 442	44 589	1.9	1.6	1.7
Freezing all vacant non-OSD posts	(328 789)	(351 147)	(375 025)	(16.3)	(13.4)	(14.3)
Cutting events' budgets	(19 000)	(19 000)	(19 000)	(0.9)	(0.7)	(0.7)
2% Goods and services cut	(31 651)	(35 218)	(36 478)	(1.6)	(1.3)	(1.4)
Vote 13 : Social Development	6 644	6 315	(45 322)	0.3	0.2	(1.7)
Above-budget 2015 wage agreement	40 889	43 866	47 203	2.0	1.7	1.8
6% increase in trfs to NGOs	46 410	49 102	-	2.3	1.9	-
Inkululeko Elderly Day Care Centre	2 523	1 000	-	0.1	0.0	-
Freezing all vacant non-OSD posts	(60 162)	(64 253)	(68 623)	(3.0)	(2.4)	(2.6)
Cutting events' budgets	(15 000)	(15 000)	(15 000)	(0.7)	(0.6)	(0.6)
2% Goods and services cut	(8 016)	(8 400)	(8 902)	(0.4)	(0.3)	(0.3)
Vote 14 : Public Works	(21 645)	(22 877)	(24 130)	(1.1)	(0.9)	(0.9)
Above-budget 2015 wage agreement	19 329	20 736	22 316	1.0	0.8	0.8
Freezing all vacant non-OSD posts	(36 347)	(38 819)	(41 458)	(1.8)	(1.5)	(1.6)
Cutting events' budgets	(106)	(106)	(106)	(0.0)	(0.0)	(0.0)
2% Goods and services cut	(4 521)	(4 688)	(4 882)	(0.2)	(0.2)	(0.2)
Vote 15 : Arts and Culture	(33 816)	(35 932)	(38 227)	(1.7)	(1.4)	(1.5)
Above-budget 2015 wage agreement	5 357	5 741	6 172	0.3	0.2	0.2
Freezing all vacant non-OSD posts	(35 999)	(38 447)	(41 061)	(1.8)	(1.5)	(1.6)
Cutting events' budgets	(50)	(50)	(50)	(0.0)	(0.0)	(0.0)
2% Goods and services cut	(3 124)	(3 176)	(3 288)	(0.2)	(0.1)	(0.1)
Total	2 018 508	2 626 062	2 625 921	100.0	100.0	100.0

Table 3.5 shows the revised budgets of departments for the 2016/17 MTEF, after taking into account all of the adjustments to the baseline allocations mentioned above, as well as changes in respect of national conditional grants. A number of departments show negative growth in 2016/17 due to budget cuts, except for the Legislature, DOE, DOH, DCSL, COGTA, DSD, DOT, DOPW and DAC. DOE's baseline reflects growth due to the fact that it was protected against the budget cuts and an additional allocation was provided to the department for carry-through costs of the above-budget 2015 wage agreement, as well as funding for water and sanitation infrastructure in schools. DOH's baseline reflects positive growth over MTEF due to the fact that its baseline was protected against cuts, while additional funding was provided for the exchange rate pressures and the NHLS higher fee-for-service payment mechanism. While DCSL, COGTA, DSD, DOT, DOPW, and DAC show positive growth in 2016/17, these departments were

subject to the budget cuts similar to the rest of the departments, but additional allocations and, in some instances, conditional grant increases have offset the budget cuts. These additional allocations were provincial priorities, e.g., COGTA was allocated R150 million for drought relief, DSD was allocated an additional allocation for a 6 per cent increase in transfers to NGOs and funding for the Inkululeko Day Care Centre. DSCL's overall baseline increase is due to an increase in the Social Sector EPWP Incentive Grant for Provinces, as well as once-off funding for the local government election monitoring project. It must be noted that Round 1 and 2 budget cuts mentioned above were not effected against the Legislature's baseline, due to the fact that a proposal is currently being considered for the top slicing of Provincial Legislatures' baselines from the provincial equitable share allocations and elevated to NT, in order to relieve pressure from the equitable share. Should this proposal not be accepted, the Legislature will need to effect these cuts in the 2016/17 Adjustments Budget.

The provincial budget grows by 6.9 per cent in 2016/17 from the 2015/16 Main Appropriation, largely due to the once-off provision of funds for various provincial priorities, and despite the budget cuts, as mentioned above.

Table 3.5 : Summary of revised budgets by department, 2016/17 MTEF

R thousand/ percentage	Main Appropriation	Medium-term Estimates			Annual Percentage Growth		
	2015/16	2016/17	2017/18	2018/19	2016/17	2017/18	2018/19
1. Office of the Premier	743 214	658 644	697 499	742 904	(11.4)	5.9	6.5
2. Provincial Legislature	465 494	518 652	538 851	569 128	11.4	3.9	5.6
3. Agriculture and Rural Development	2 203 074	2 170 644	2 224 422	2 353 838	(1.5)	2.5	5.8
4. Economic Development, Tourism and Environmental Affairs	2 973 459	2 702 992	2 844 613	3 022 744	(9.1)	5.2	6.3
5. Education	42 142 355	45 464 373	47 528 559	50 249 078	7.9	4.5	5.7
6. Provincial Treasury	712 151	675 280	659 029	688 508	(5.2)	(2.4)	4.5
7. Health	32 981 786	36 578 637	39 541 537	42 183 873	10.9	8.1	6.7
8. Human Settlements	3 584 685	3 485 112	4 205 672	4 475 736	(2.8)	20.7	6.4
9. Community Safety and Liaison	187 069	210 123	195 948	207 297	12.3	(6.7)	5.8
10. Sport and Recreation	454 389	426 479	438 628	453 016	(6.1)	2.8	3.3
11. Co-operative Governance and Traditional Affairs	1 368 043	1 545 923	1 461 452	1 546 475	13.0	(5.5)	5.8
12. Transport	9 341 457	9 571 940	10 012 734	10 580 528	2.5	4.6	5.7
13. Social Development	2 630 481	2 778 162	3 004 633	3 174 108	5.6	8.2	5.6
14. Public Works	1 389 666	1 432 608	1 503 706	1 590 995	3.1	5.0	5.8
15. Arts and Culture	783 914	786 472	857 179	870 986	0.3	9.0	1.6
Total	101 961 237	109 006 041	115 714 462	122 709 214	6.9	6.2	6.0

4. RECEIPTS

4.1 National Fiscal Framework and Division of Revenue for the 2016/17 MTEF

4.1.1 Background

The Division of Revenue (DOR) Bill provides for the division of nationally raised revenue between and among the three spheres of government on an annual basis, as per Section 214(1) of the Constitution. In terms of Section 10 of the Inter-governmental Fiscal Relations (IGFR) Act, (Act 97 of 1997), which promotes co-operative governance of fiscal, budgetary and financial matters, the Bill must be tabled when the annual budget is tabled in the National Assembly.

In terms of Section 214 of the Constitution, an equitable system of vertical and horizontal division of centrally collected revenue is essential for the creation of a balance between the three spheres of government. Several factors are taken into consideration in the division of revenue process, including national interest, debt provision, flexibility in responding to emergencies, resource allocation for basic services and developmental needs, fiscal capacity and efficiency of government, economic disparities, stability and predictability, among others.

The vertical division of revenue among the three spheres of government – national, provincial and local – is based on a value judgement and not on any predetermined formula. This division of revenue is determined through an annual consultative process involving the Budget Council, the Financial and Fiscal Commission (FFC) and NT, as required by Section 9(1) of the IGFR Act. However, the horizontal division of revenue among provinces is formula-based, and this is explained in Section 4.1.3.

4.1.2 Division of revenue and fiscal framework

4.1.2.1 Fiscal policy and trends

The 2016/17 MTEF budget is prepared in the context of an uncertain world economic outlook and domestic constraints. As such, government's central fiscal objective is to stabilise debt levels and to adhere to the expenditure ceiling introduced in the 2015 MTBPS, while supporting the NDP priorities and improving efficiencies in spending. The massive decline in SA's growth forecast from the 2015 MTBPS, declining emerging market growth patterns, deterioration of the Rand/Dollar exchange rate, volatility in currency and stock markets, etc., present a challenging environment for the 2016/17 MTEF budget.

The most important public spending programmes that help poor South Africans, contribute to growth and generate employment have been protected from major reductions. The 2016 division of revenue reprioritises existing funds to ensure these objectives are met despite the lower expenditure ceiling. Priorities over the 2016/17 MTEF period that are funded through reprioritisation in the division of revenue include:

- Introducing appropriate incentives to upgrade and maintain provincial and municipal infrastructure.
- Extending HIV and AIDS intervention spending to include tuberculosis.
- Completing the eradication of bucket sanitation systems in formal residential areas.
- Extending access to early childhood development centres through a new grant.

4.1.2.2 Division of revenue

The 2016/17 MTEF division of revenue was done in the context of the global and domestic economic forecasts, rising debt costs, declining revenue projections, and the need to fund new national policy priorities. The MTEF proposes continued support for the economy with the need for fiscal consolidation. The budget framework sets explicit ceilings for public expenditure, which allows for sustained but moderate real growth in spending and a gradually declining deficit. Over the 2016/17 MTEF, government

will finance priorities and respond to spending pressures largely by reprioritising existing allocations and eliminating wasteful and inefficient expenditure, and decreasing the cost of compensation of employment.

In order to achieve a lower spending ceiling, government had to reduce both the PES and conditional grants. The PES carries the largest share of the reduction, as it comprises 82.2 per cent of the provincial fiscal framework. As the PES is used to determine each province's share of nationally raised revenue, this tool was also used to determine each province's share of the provincial PES baseline cuts. Excluding debt-service costs and the Contingency Reserve, allocated expenditure shared between the three spheres amounts to R1.165 trillion, R1.250 trillion and R1.346 trillion over each of the MTEF years.

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

Table 4.1 : Division of revenue between spheres of government, 2012/13 – 2018/19

R million	Audited Outcome			Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
National departments	420 246	453 406	490 039	546 788	559 849	594 090	637 755
Indirect transfers to provinces	2 315	2 693	5 808	3 150	3 636	1 663	1 765
Indirect transfers to local government	5 050	5 945	8 895	10 525	7 773	7 401	7 679
Provinces	380 929	410 572	439 544	471 768	499 844	542 344	582 913
Equitable share ¹	310 741	336 495	359 922	386 500	410 699	441 831	474 852
Conditional grants	70 188	74 077	79 623	85 268	89 146	100 513	108 061
Local government	76 200	82 595	87 656	99 650	104 924	113 340	125 811
Equitable share	37 139	38 964	41 592	50 507	52 569	57 012	61 732
Conditional grants ²	30 021	34 018	35 874	38 485	41 132	44 543	51 611
General fuel levy sharing with metros	9 040	9 613	10 190	10 659	11 224	11 785	12 469
Total	877 374	946 574	1 017 239	1 118 206	1 164 617	1 249 774	1 346 479
Percentage shares							
National departments	47.9%	47.9%	48.2%	48.9%	48.1%	47.5%	47.4%
Provinces	43.4%	43.4%	43.2%	42.2%	42.9%	43.4%	43.3%
Local government	8.7%	8.7%	8.6%	8.9%	9.0%	9.1%	9.3%

1. Includes unallocated amounts

2. Includes unallocated amounts

Source: National Treasury

In 2016/17, national departments receive 48.1 per cent of available funds, provinces receive 42.9 per cent and local government 9 per cent. At R559.849 billion in 2016/17, and increasing to R637.755 billion in 2018/19, national departments continue to receive the largest share of funding to support sustained real growth in social grant provisions, public infrastructure and employment programmes. The provincial share fluctuates around 42.9 per cent in 2016/17 to 43.3 per cent in 2018/19, while the local government share increases from 9 per cent in 2016/17 to 9.3 per cent in 2018/19.

Table 4.2 shows how changes to the baseline are spread across the three spheres of government. The new focus areas and baseline reductions are accommodated by shifting savings toward priorities.

Table 4.2 : Changes to baselines¹, 2016/17 – 2017/18

R million	2016/17	2017/18	Total	% Share
National departments	(6 071)	(8 003)	(14 073)	37.1
Provinces	(3 585)	(15 962)	(19 547)	51.5
Local government	(989)	(3 323)	(4 312)	11.4
Total reduction	(10 645)	(27 287)	(37 932)	-

1. Excludes shifting of savings towards priorities over the MTEF

The combined baseline decreases by R10.645 billion in 2016/17 and R27.287 billion in 2017/18, compared to indicative figures published in the 2015 MTBPS. Over 2016/17 and 2017/18, the provincial baseline decreases by R19.547 billion, which accounts for 51.5 per cent of the total reduction. To protect basic services funded by the PES share, such as health and education, only 40 per cent (R1.500 billion) of this reduction was taken from the equitable share, despite it accounting for more than 80 per cent of transfers to provinces. The remaining 60 per cent (R2.100 billion) of this reduction comes from provincial conditional grants. National departments lose R14.073 billion over the next two years and local government baselines decline by R4.312 billion, in line with fiscal consolidation.

4.1.3 Provincial equitable share (PES)

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

In terms of S214 of the Constitution, the equitable division of revenue raised nationally among the three spheres of government, is unconditional. Although the division is based on the equitable shares as outlined in Table 4.3 below, provinces have a prerogative to allocate funds in line with their specific provincial priorities. The PES formula is reviewed and updated with new data annually. For the 2016/17 MTEF, the formula has been updated with data from the 2015 mid-year population estimates, 2015 School Realities survey (SNAP survey) preliminary data, data on people without medical insurance from the 2014 General Household Survey (GHS) and patient load data output data from the health sectors from the District Health Information System (DHIS) for 2013/14 to 2014/15.

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

Table 4.3 : Equitable share components and weighting

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

The impact of these updates on the PES is phased-in over three years (2016/17 to 2018/19). The data updates impacted as follows:

Education component (48 per cent)

The education component uses the school-age population (5 to 17 years), based on the 2011 Census age cohorts, and preliminary enrolment data drawn from the 2015 SNAP Survey. Each of these elements is assigned a weight of 50 per cent. From 2014 to 2015, the school enrolment in KZN decreased by 9 090, resulting in the weighted average for KZN being revised downward by 0.08 per cent.

Health (27 per cent)

The health component uses a risk-adjusted capitation index based on the Council of Medical Aids Scheme's Risk Equalisation Fund. The percentage of the population with medical aid, as per the 2014 GHS, is deducted from the 2015 mid-year population estimates to estimate the uninsured population.

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

The output sub-component uses patient load data from the DHIS. The average number of visits at primary healthcare clinics in 2013/14 and 2014/15 is calculated. Each province's average is used to estimate their share of this part of the output component, making up 5 per cent of the health component. For hospitals, each province's share of the total patient-day equivalents from public hospitals in 2013/14 and 2014/15 are used to estimate the provinces' shares of this part of the output sub-component, which makes up 20 per cent of the health component. In total, the output component is 25 per cent of the health component. The updated data shows that the province's output share for primary health care visits is 24.4 per cent and the share of the hospital workload patient-day is 24.6 per cent.

The composite result of data updates applied to the health component result in an unchanged weighted share of 21.8 per cent from 2015 to 2016.

Basic component (16 per cent)

The basic component constitutes 16 per cent of the PES and is derived from the proportion of each province's share of the national population. For the 2016/17 MTEF, population data is drawn from the 2015 mid-year population estimates. The updated data shows that the province's population increased by 224 700, with a resultant increase in the basic component share of 0.06 per cent.

Institutional component (5 per cent)

The institutional component is distributed equally between provinces.

Poverty component (3 per cent)

The poverty component introduces a redistributive element to the formula and is assigned a weight of 3 per cent. The estimated size of the poor population in each province is calculated by multiplying the proportion in that province that fall into the poorest 40 per cent of South African households by the population figure for the province from the 2015 mid-year population estimates. The proportion of poor households in KZN from the IES is 45.3 per cent. Based on the 2015 mid-year population estimates of 10 694, the poor population is equal to 4 229 households, which represents a weighted share of 22.3 per cent, resulting in an increase of 0.08 per cent.

Economic activity component (1 per cent)

The economic activity component is a proxy for provincial tax capacity and expenditure assignments, and assigned a weight of 1 per cent. For the 2016/17 MTEF, 2012 GDP-R data is used. KZN's weighted share of the economic activity component increases by 0.18 per cent, from 15.8 per cent to 16 per cent.

Phasing in of changes to the data updates

Table 4.4 shows the full impact of the data updates on the PES per province. It compares the target shares for the 2015/16 and 2016/17 MTEF periods.

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

	2015 MTEF weighted	2016 MTEF weighted	Difference
Eastern Cape	14.0%	14.0%	0.00%
Free State	5.6%	5.6%	-0.05%
Gauteng	19.5%	19.7%	0.14%
KwaZulu-Natal	21.3%	21.2%	-0.06%
Limpopo	11.8%	11.8%	0.00%
Mpumalanga	8.2%	8.2%	0.02%
Northern Cape	2.7%	2.6%	0.00%
North West	6.9%	6.9%	0.00%
Western Cape	10.1%	10.0%	-0.04%
Total	100.0%	100.0%	-

Due to changes in the data used in the PES formula, the weighted average share of KZN decreased by 0.06 per cent from the 2015/16 to 2016/17 MTEF. To mitigate the impact of annual data updates on the PES, the new shares are phased-in over the 2016/17 MTEF. The phase-in mechanism provides for a smoother path towards achieving the weighted shares by 2018/19. As reflected in Table 4.5, KZN receives 21.2 per cent of the PES in 2018/19, down from the 21.4 per cent shown in the 2015/16 MTEF.

Table 4.5 : Implementation of the equitable share weights, 2016/17 – 2018/19

	2016/17 Weighted shares	2016/17 2017/18 2018/19 2016 MTEF weighted shares 3-year phasing		
Percentage				
Eastern Cape	14.1%	14.1%	14.1%	14.0%
Free State	5.6%	5.6%	5.6%	5.6%
Gauteng	19.4%	19.5%	19.6%	19.7%
KwaZulu-Natal	21.3%	21.3%	21.2%	21.2%
Limpopo	11.8%	11.8%	11.8%	11.8%
Mpumalanga	8.2%	8.2%	8.2%	8.2%
Northern Cape	2.7%	2.7%	2.7%	2.6%
North West	6.9%	6.9%	6.9%	6.9%
Western Cape	10.0%	10.0%	10.0%	10.0%
Total	100.0%	100.0%	100.0%	100.0%

Table 4.6 reflects the weighted share distribution of each of the PES formula's components, given the weighted average share of 21.2 per cent for KZN when the data updates are implemented fully over the 2016/17 MTEF. The phase-in mechanism provides a smooth path to achieving these new weighted shares by the third year of the MTEF period. It takes the difference between the target weighted share for each province at the end of the MTEF period and the indicative allocation for 2016/17 that was published in the 2015/16 MTEF, and closes the gap between these shares by a third in each year of the 2016/17 MTEF.

Table 4.6 : Distributing the equitable shares by province, 2016/17 MTEF

	Education	Health	Basic share	Poverty	Economic activity	Institutional	Weighted average
	48%	27%	16%	3%	1%	5%	100%
Eastern Cape	15.1%	13.5%	12.6%	16.2%	7.7%	11.1%	14.0%
Free State	5.3%	5.3%	5.1%	5.3%	5.1%	11.1%	5.6%
Gauteng	17.8%	21.7%	24.0%	17.2%	33.8%	11.1%	19.7%
KwaZulu-Natal	22.4%	21.8%	19.9%	22.3%	16.0%	11.1%	21.2%
Limpopo	13.1%	10.3%	10.4%	13.6%	7.3%	11.1%	11.8%
Mpumalanga	8.5%	7.4%	7.8%	9.1%	7.6%	11.1%	8.2%
Northern Cape	2.3%	2.1%	2.2%	2.2%	2.0%	11.1%	2.6%
North West	6.5%	6.7%	6.7%	8.0%	6.8%	11.1%	6.9%
Western Cape	9.0%	11.1%	11.3%	6.1%	13.7%	11.1%	10.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 4.7 depicts the revisions to the PES for the 2016/17 MTEF. The PES is revised downward by a total of R3.727 billion.

Table 4.7 : Revisions to the KZN Provincial Equitable Share (PES) - 2016/17 MTEF

R thousand	2016/17 MTEF			Total Revisions
	2016/17	2017/18	2018/19	
Provincial Equitable Share (PES) as per 2015/16 MTEF allocation letter	86 885 446	91 429 978	96 503 136	274 818 560
Adjustments to baseline due to new data updates in PES formula (phased-in from 2016/17 of 2016 MTEF)	(143 883)	(126 703)	(293 960)	(564 546)
Adjustments to PES baseline - Round 1 cuts	(319 107)	(212 384)	(169 623)	(701 114)
Adjustments to PES baseline - Round 2 cuts	-	(1 019 441)	(1 441 799)	(2 461 240)
Total PES adjustments impact	(462 990)	(1 358 528)	(1 905 382)	(3 726 900)
Improvement of conditions of service: above-budget 2015 wage agreement	1 517 671	4 022 245	4 894 234	10 434 150
Reduction in Human Papillomavirus Vaccine grant	(42 548)	(42 477)	(42 406)	(127 431)
Total PES for 2016/17 MTEF	87 897 580	94 051 219	99 449 583	281 398 380
Variance 2016/17 MTEF vs 2015/16 MTEF	1 012 134	2 621 241	2 946 447	6 579 820

Adjustment to baseline due to impact of new data updates in the PES formula (R564.546 million)

The data updates in the PES formula results in KZN's PES baseline decreasing by R143.883 million in 2016/17, R126.703 million in 2017/18 and R293.960 million in 2018/19.

Adjustment to baseline – Round 1 cuts (R701.114 million)

As part of the first round of cuts to find savings for new priorities, lackluster economy performance, decreasing revenue collection projections, and rising debt service costs, it was agreed by Cabinet that cuts will be affected through the PES. The cuts target inefficiencies in the system, especially non-core spending, while trying to protect *Compensation of employees* and front-line services to some extent.

Adjustment to baseline – Round 2 cuts (R2.461 billion)

In addition, Cabinet agreed to a further reduction in the fiscal framework to maintain the expenditure ceiling and achieve deficit targets set out in the MTBPS. As such, the budget requires a change to the composition of staff to deliver the required level of service, both at national and provincial level, in order to address the bloated government service that fuels an unsustainable government wage bill.

Improvement of conditions of service: above-budget 2015 wage agreement (R10.434 billion)

NT allocated amounts of R1.518 billion, R4.022 billion and R4.894 billion over the 2016/17 MTEF to mitigate against the impact of the above-budget 2015 wage agreement entered into in 2015.

Reduction in HPV Vaccine grant (R127.431 million)

The HPV Vaccine grant was removed from all nine provinces and will be centralised as an indirect grant under the NDOH for the first two years of the MTEF, after which it will become a conditional grant from 2018/19. The province's share of the reduction is deducted from Health's baseline, resulting in a net effect of R42.548 million, R42.477 million and R42.406 million, respectively, over the MTEF.

Total transfers to provinces

Table 4.8 reflects total transfers to the nine provinces for 2016/17, after the revisions. KZN receives the highest share of PES at R87.898 billion, whereas Gauteng receives the highest share of conditional grants. Overall, KZN is still the biggest recipient of transfer funding from national government, with a total of R105.387 billion in 2016/17.

Table 4.8 : Total transfers to provinces, 2016/17

R million	Equitable share	Conditional grants	Total transfers
Eastern Cape	58 060	10 243	68 304
Free State	22 995	6 816	29 811
Gauteng	79 600	18 839	98 439
KwaZulu-Natal	87 898	17 489	105 387
Limpopo	48 709	7 120	55 829
Mpumalanga	33 450	6 987	40 437
Northern Cape	10 863	3 751	14 614
North West	28 062	7 041	35 103
Western Cape	41 062	10 749	51 811
Unallocated	-	112	112
Total	410 699	89 146	499 844

4.1.4 Conditional grants to provinces

Table 4.9 reflects the conditional grant baseline allocations at a national level for 2016/17 to 2018/19.

Table 4.9 : Conditional grants to provinces 2015/16 – 2018/19

R million	Revised Est.	Medium-term Estimates			MTEF total
	2015/16	2016/17	2017/18	2018/19	
Agriculture, Forestry and Fisheries	2 171	2 202	2 334	2 464	7 001
Comprehensive Agricultural Support Programme grant	1 640	1 642	1 739	1 834	5 214
Ilima/Letsema Projects grant	467	491	522	552	1 566
Land Care Programme: Poverty Relief and Infrastructure Development grant	65	69	74	78	221
Arts and Culture	1 274	1 357	1 441	1 522	4 320
Community Library Services grant	1 274	1 357	1 441	1 522	4 320
Basic Education	15 632	16 213	19 717	20 851	56 781
Education Infrastructure grant	9 354	9 614	12 780	13 512	35 906
HIV and AIDS (Life Skills Education) grant	209	231	245	260	736
Maths, Science and Technology grant	317	362	385	407	1 155
National School Nutrition Programme grant	5 685	6 006	6 306	6 672	18 984
OSD for Education Sector Therapists grant	66	-	-	-	-
Co-operative Governance	103	112	123	131	366
Provincial Disaster grant	103	112	123	131	366
Health	31 905	33 972	37 588	41 247	112 808
Comprehensive HIV, AIDS and TB grant	13 671	15 291	17 660	20 032	52 983
Health Facility Revitalisation grant	5 417	5 273	5 770	6 036	17 079
Health Professions Training and Development grant	2 375	2 477	2 632	2 784	7 893
Human Papillomavirus Vaccine grant	-	-	-	200	200
National Tertiary Services grant	10 381	10 847	11 526	12 195	34 568
National Health Insurance grant	61	85	-	-	85
Human Settlements	18 303	18 284	21 060	22 282	61 626
Human Settlements Development grant	18 303	18 284	21 060	22 282	61 626
Public Works	552	762	809	856	2 427
EPWP Integrated Grant for Provinces	326	402	424	448	1 274
Social Sector EPWP Incentive Grant for Provinces	226	360	386	408	1 153
Social Development	48	86	377	564	1 026
Substance Abuse Treatment grant	48	86	57	71	213
Early Childhood Development grant	-	-	320	493	813
Sport and Recreation	533	556	586	618	1 760
Mass Participation and Sport Development grant	533	556	586	618	1 760
Transport	14 747	15 603	16 477	17 526	49 605
Provincial Roads Maintenance grant	9 807	10 203	10 754	11 536	32 492
Public Transport Operations grant	4 939	5 400	5 723	5 990	17 113
Total direct conditional allocations	85 268	89 146	100 513	108 061	297 720
Indirect transfers	3 150	3 636	1 663	1 765	7 064
Basic Education	2 047	2 375	-	-	2 375
School Infrastructure Backlogs grant	2 047	2 375	-	-	2 375
Health	1 103	1 261	1 663	1 765	4 689
National Health Insurance Indirect grant	1 103	1 261	1 663	1 765	4 689

Taking into account the sluggish economic outlook, low growth in developing countries, as well as the domestic structural deficit, fiscal consolidation cuts were effected to the baselines of a number of provincial conditional grants. In spite of the reductions to grants, it is important for provinces to focus on strengthening their capacity to roll-out priority programmes of government, in particular infrastructure.

However, changes to conditional grants are limited. Most changes reflect additions to the fiscal framework for priority programmes and conversions from indirect to direct grants, as provinces grow in their ability to deliver services, and infrastructure systems mature.

Agriculture

The Comprehensive Agricultural Support Programme (CASP) grant aims to support emerging farmers, in particular subsistence, smallholder and previously disadvantaged farmers. The CASP grant was top sliced by R60 million for the Department of Forestry and Fisheries to be able to provide an oversight and monitoring function on the grant in order to realise the outcomes envisioned in the NDP and the department's Agricultural Policy Action Plan. The grant includes a ring-fenced amount of R76.700 million over the MTEF toward flood-damaged agricultural infrastructure. The grant is allocated R5.214 billion over the medium term.

The Ilima/Letsema Projects grant aims to boost food production by helping previously disadvantaged farming communities. This grant is allocated R1.566 billion over the MTEF.

The Land Care grant aims to improve productivity and the sustainable use of natural resources. This grant is allocated R221 million over the MTEF.

Arts and Culture

The Community Library Services grant aims to help South Africans access knowledge and information to improve their socio-economic situation. The grant provides R4.320 billion over the MTEF. The baseline reduction on this grant in 2016/17 is R10 million.

Basic Education

The Education Infrastructure grant (EIG) and School Infrastructure Backlogs grant are merged from 2017/18, to provide for construction, maintenance and refurbishment of education infrastructure and schools. This is in response to the success of infrastructure delivery management reforms as observed by the performance of the EIG, and entrenched in its incentive system, which is in its first year of implementation. Under the requirements introduced in the 2013 DORA, provincial DOEs had to go through a two-year planning process to be eligible to receive incentive allocations in 2016/17. These reforms have improved delivery of school infrastructure. The reduction to the baseline over the MTEF amounts to R520 million. The grant totals R35.906 billion over the MTEF, which includes a ring-fenced amount of R112.900 million in 2016/17 to repair school infrastructure damaged by natural disasters.

The HIV and AIDS (Life-Skills Education) grant focuses on primary and secondary schools. It is fully integrated into the school system, with learner and teacher support materials provided for Grades 1 to 9. The grant's baseline is preserved and allocated R736 million over the MTEF period.

A new Maths, Science and Technology grant was created in 2015/16 by merging the Technical Secondary Schools Recapitalisation grant and the Dinaledi Schools grant. This grant provides targeted interventions to improve outcomes in maths and science learning, and grant administration has been streamlined. The baseline is maintained at R1.155 billion over the MTEF period.

The National School Nutrition Programme (NSNP) grant seeks to improve the nutrition of poor school children and enhance active learning capacity and increase school attendance. It provides a free daily meal to pupils in the poorest 60 per cent of schools (quintile 1 to 3). The grant is allocated R18.984 billion over the MTEF period.

The OSD for Education Sector Therapists grant provided funds for provinces to implement the occupation-specific dispensation agreement for therapists, counsellors and psychologists in the education sector. The grant was allocated for two years (2014/15 and 2015/16), while back-pay was funded and new remuneration levels were normalised. The grant no longer exists from 2016/17 onward.

Co-operative Governance

The Provincial Disaster grant is administered by the National Disaster Management Centre under the Department of Co-operative Governance. This grant is unallocated for provinces at the start of a financial year and is released when a disaster is declared. The reconstruction of infrastructure damaged by disasters is funded separately through ring-fenced allocations in sector grants. The grant has partly funded mitigation strategies to address the ongoing drought. Since the effects of the drought are likely to persist into 2016/17, the baseline is preserved, with an allocation of R366 million over the MTEF.

Health

The Comprehensive HIV, AIDS and TB grant supports prevention programmes and specific interventions, including voluntary counselling and testing, anti-retroviral treatment (ARV), etc. The Comprehensive HIV and AIDS grant is extended to include Tuberculosis (TB). In 2016/17, this grant is reduced by R176 million, partly due to effective programme delivery and fewer-than-budgeted patients added to the ARV treatment programme. However, due to the extended scope and additional priorities, R1.600 billion is added in 2018/19. The grant allocation is R52.983 billion over the MTEF.

The Health Facility Revitalisation grant funds a wide range of health infrastructure projects, including large projects to modernise hospital infrastructure and equipment, general maintenance and infrastructure projects at smaller hospitals, and the refurbishment and upgrading of nursing colleges and schools. This grant baseline is reduced by R200 million in 2016/17. A total of R17 million has been ring-fenced to repair clinics damaged by natural disasters.

The Health Professions Training and Development grant funds the training of health professionals, and the development and recruitment of medical specialists. It enables the shifting of teaching activities from central to regional and district hospitals. The grant's baseline is protected and it is allocated R7.893 billion over the medium term.

The HPV Vaccine grant, which was scheduled to end in 2015/16, continued as an indirect grant for the first two years of the 2016/17 MTEF before changing to a direct grant in 2018/19. To make provision for the continuation of the programme, R44.976 million was shifted from the equitable share in 2016/17 and 2017/18, as discussed in the section above dealing with the changes to the PES.

The National Tertiary Services grant provides strategic funding to enable provinces to plan, modernise and transform tertiary hospital service delivery in line with national policy objectives. This grant is allocated R34.568 billion over the MTEF period.

The National Health Insurance grant funds the national health insurance pilots introduced in 2012/13, which aim to strengthen primary healthcare for the implementation of national health insurance. Ten districts were selected as pilot sites to test interventions that aim to strengthen health systems and improve performance. The 2016/17 allocation amounts to R85 million, after which the grant will be concluded, due to poor performance. The National Health Insurance Indirect grant, introduced in 2013/14, is spent by the NDOH on behalf of provinces. The grant has five components, which target national health insurance scheme pilot sites in preparation for the eventual roll-out of national health insurance in the country.

Human Settlements

The HSDG seeks to establish habitable, stable and sustainable human settlements in which all citizens have access to social and economic amenities. The grant's baseline is reduced by R1.600 billion in 2016/17, but is protected for the remainder of the MTEF period and an amount of R61.626 billion is allocated, of which a total of R3.600 billion is ring-fenced to upgrade human settlements in mining towns in six provinces. A total of R329.300 million is also ring-fenced over the medium term to repair infrastructure damaged by natural disasters.

Public Works

Allocations in respect of the EPWP Integrated Grant for Provinces are made available upfront, based on meeting job targets in the preceding financial year, rather than using in-year performance measures. This grant is allocated R1.274 billion over the 2016/17 MTEF.

The Social Sector EPWP Incentive Grant for Provinces rewards provinces for creating jobs in the preceding year in home-based care, early childhood development, adult literacy and numeracy, community safety and security, and sports programmes. This grant is allocated R1.153 billion over the 2016/17 MTEF.

Social Development

A Substance Abuse Treatment grant provides for public substance abuse treatment facilities in the Eastern Cape, Free State, Northern Cape and North West. The grant will shift its focus from being a capital grant to supplement the operationalisation of the treatment centres. The baseline has not been reduced and the grant is allocated R213 million over the MTEF.

The ECD grant aims to improve basic maintenance of ECD facilities and it will start in 2017/18. This grant will support provinces to expand ECD services while broader issues of ECD financing and delivery are being addressed. It is important that existing ECD baselines are secured and the grant is allocated R320 million in 2017/18 and R493 million in 2018/19.

Sport and Recreation

The Mass Participation and Sport Development (MPSD) grant aims to increase and sustain mass participation in sport and recreational activities, with greater emphasis on provincial and district academies. The baseline reduction on this grant in 2016/17 is R10 million. It is allocated R1.760 billion over the MTEF period.

Transport

The Provincial Roads Maintenance grant enables provinces to expand their maintenance activities, repair roads damaged by floods and rehabilitate roads that are heavily used in support of electricity production. Grant allocations are determined using a formula based on provincial road networks, road traffic and weather conditions. The grant requires provinces to follow best practices for planning and to use and regularly update roads asset management systems. Vehicle operating costs and remaining asset lifespan will be used as performance indicators to inform future grant allocations. An amount of R10 million has been reprioritised within this grant for 2016/17 to fund preparations for the incentive measure. The total allocation for the MTEF period is R32.492 billion, including a ring-fenced allocation of R298 million in 2016/17 for the repair of infrastructure damaged by floods.

The Public Transport Operations grant subsidises commuter bus services. Given the pressures this sector faces, R700 million is added to the baseline over the medium term. The grant is allocated R5.400 billion in 2016/17, R5.723 billion in 2017/18 and R5.990 billion in 2018/19.

4.2 Provincial receipts

4.2.1 Overall provincial position

Table 4.10 shows the actual and projected total revenue for the seven-year period, 2012/13 to 2018/19, while *Annexure 1.A* provides more detail.

National transfers to the province, which include equitable share and conditional grants, make up 97.1 per cent of provincial revenue in 2015/16. Own revenue consists of revenue collected by provincial departments, and contributes 2.9 per cent of the total receipts in 2015/16.

The share of national transfers increased from R82.590 billion in 2012/13 to R100.013 billion in 2015/16, increasing to R120.066 billion in 2018/19. The equitable share is the most significant portion of national transfers amounting to R87.898 billion, R94.051 billion and R99.450 billion over the MTEF.

Conditional grant funding provides a further R17.489 billion, R19.033 billion and R20.616 billion over the MTEF. The balance of the total receipts emanates from provincial own revenue. It should be noted that the prior years' own revenue figures were restated in view of technical adjustments that were made. This grows from R3.032 billion to R3.338 billion over the MTEF.

Table 4.10 : Analysis of total receipts

	Audited Outcome			Adjusted Appropriation	Medium-term Estimates			Average Annual Growth	
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19	2012/13-2015/16	2015/16-2018/19
R thousand									
Transfers from national	82 590 160	88 230 571	94 195 075	100 012 826	105 386 733	113 083 767	120 065 693		
Equitable share	68 638 663	73 926 587	78 138 477	83 131 565	87 897 580	94 051 218	99 449 582		
Conditional grants	13 951 497	14 303 984	16 056 598	16 881 261	17 489 153	19 032 549	20 616 111		
Own revenue	2 669 540	2 772 190	3 148 995	2 995 146	3 031 768	3 183 572	3 338 439		
Total receipts	85 259 700	91 002 761	97 344 070	103 007 972	108 418 501	116 267 339	123 404 132		
% of total revenue									
Transfers from national	96.9	97.0	96.8	97.1	97.2	97.3	97.3		
Equitable share	80.5	81.2	80.3	80.7	81.1	80.9	80.6		
Conditional grants	16.4	15.7	16.5	16.4	16.1	16.4	16.7		
Own revenue	3.1	3.0	3.2	2.9	2.8	2.7	2.7		
Nominal growth (%)									
Transfers from national		6.8	6.8	6.2	5.4	7.3	6.2	6.6	6.3
Equitable share		7.7	5.7	6.4	5.7	7.0	5.7	6.6	6.2
Conditional grants		2.5	12.3	5.1	3.6	8.8	8.3	6.6	6.9
Own revenue		3.8	13.6	(4.9)	1.2	5.0	4.9	3.9	3.7
Total		6.7	7.0	5.8	5.3	7.2	6.1	6.5	6.2
Real growth (%)									
Transfers from national		1.0	1.1	0.8	(1.2)	1.1	0.2	0.9	0.0
Equitable share		1.8	0.1	1.0	(0.9)	0.8	(0.2)	0.9	(0.1)
Conditional grants		(3.1)	6.3	(0.2)	(2.9)	2.5	2.2	0.9	0.6
Own revenue		(1.9)	7.6	(9.7)	(5.1)	(1.1)	(1.0)	(1.6)	(2.4)
Total receipts		0.9	1.3	0.4	(1.3)	1.0	0.2	0.9	(0.0)

Table 4.10 also shows the analysis of total provincial receipts in terms of percentage shares, as well as nominal and real average annual growth rates over the seven-year period. In real terms, total provincial revenue growth is at 0.9 per cent between 2012/13 and 2015/16. Provincial own revenue shows a negative real average annual growth of growth of 1.6 per cent between 2012/13 and 2015/16, and negative 2.4 per cent from 2015/16 to 2018/19.

4.2.2 Provincial equitable share (PES)

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

The equitable share allocation is based on demographic and economic statistics that attempt to capture the relative demand for public services. The largest portion of funds available to provinces is aimed at meeting Constitutional mandates, and at delivering a wide variety of public services. The 2011 Census data saw provinces such as Gauteng and Western Cape realising positive net migration, while KZN and Eastern Cape's population declined. The province was severely impacted on by the implementation of fiscal consolidation, and it therefore continues to look for ways of generating own revenue in an attempt to mitigate the impact of fiscal shocks.

4.2.3 National conditional grants

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

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

As shown in Table 4.10, KZN's conditional grant allocation has grown steadily since 2012/13. As a share of total revenue, the conditional grant allocation remains fairly constant at around 16.4 per cent.

Table 4.11 summarises conditional grant transfers per vote.

Table 4.11 : Summary of national conditional grant transfers by vote

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
Vote 3 : Agriculture and Rural Development	262 968	287 036	319 760	308 525	308 525	308 525	300 503	314 398	332 751
CASP grant	183 726	202 522	212 632	226 161	226 161	226 161	222 155	235 712	249 472
Ilima/Letsema Projects grant	63 000	65 768	92 093	69 402	69 402	69 402	63 876	67 356	71 263
Land Care grant	16 242	18 746	10 854	10 666	10 666	10 666	10 632	11 330	12 016
EPWP Integrated Grant for Provinces	-	-	4 181	2 296	2 296	2 296	3 840	-	-
Vote 4 : Econ. Dev., Tourism and Environ. Affairs	10 708	550	16 827	8 162	9 599	9 599	6 927	-	-
EPWP Integrated Grant for Provinces	10 708	550	16 827	8 162	9 599	9 599	6 927	-	-
Vote 5 : Education	2 670 487	2 615 744	2 796 382	3 395 026	3 395 026	3 395 026	3 459 225	3 386 987	3 581 387
Education Infrastructure grant	1 413 001	1 306 421	1 385 781	1 978 683	1 978 683	1 978 683	1 958 321	1 843 980	1 948 887
HIV and AIDS (Life-Skills Education) grant	46 806	38 907	61 988	50 588	50 588	50 588	53 096	56 115	59 369
National School Nutrition Programme (NSNP) grant	1 151 644	1 206 190	1 237 534	1 287 034	1 287 034	1 287 034	1 355 247	1 423 009	1 505 544
Maths, Science and Technology grant	58 036	61 226	64 848	59 998	59 998	59 998	62 453	63 883	67 587
OSD for Education Sector Therapists grant	-	-	41 581	13 079	13 079	13 079	-	-	-
Social Sector EPWP Incentive Grant for Provinces	-	-	2 580	3 000	3 000	3 000	27 318	-	-
EPWP Integrated Grant for Provinces	1 000	3 000	2 070	2 644	2 644	2 644	2 790	-	-
Vote 7 : Health	5 023 849	5 429 296	6 428 886	6 903 719	6 903 596	6 903 719	7 302 804	8 013 983	8 899 603
Health Professions Training and Development grant	261 860	276 262	292 837	299 513	299 513	299 513	312 377	331 943	351 196
Health Facility Revitalisation grant	1 176 452	1 072 531	1 362 469	1 229 775	1 229 775	1 229 775	1 114 693	1 095 910	1 153 707
National Tertiary Services grant	1 323 114	1 415 731	1 496 427	1 530 246	1 530 246	1 530 246	1 596 286	1 696 266	1 794 649
Comprehensive HIV, AIDS and TB grant	2 225 423	2 652 072	3 257 992	3 813 094	3 812 972	3 813 094	4 244 243	4 889 864	5 555 075
Social Sector EPWP Incentive Grant for Provinces	-	-	2 580	13 000	13 000	13 000	13 000	-	-
EPWP Integrated Grant for Provinces	1 000	3 000	2 581	3 683	3 682	3 683	7 122	-	-
National Health Insurance grant	33 000	9 700	14 000	14 408	14 408	14 408	15 083	-	-
AFCON: Medical Services grant	3 000	-	-	-	-	-	-	-	-
Human Papillomavirus Vaccine grant	-	-	-	-	-	-	-	-	44 976
Vote 8 : Human Settlements	2 915 297	3 335 584	3 509 045	3 242 055	3 242 055	3 242 055	3 139 896	3 843 228	4 092 224
Human Settlements Development grant	2 915 297	3 332 584	3 509 045	3 235 475	3 235 475	3 235 475	3 124 702	3 843 228	4 092 224
EPWP Integrated Grant for Provinces	-	3 000	-	6 580	6 580	6 580	15 194	-	-
Vote 9 : Community Safety and Liaison	1 673	5 369	2 580	1 000	1 000	1 000	11 043	-	-
Social Sector EPWP Incentive Grant for Provinces	1 673	5 369	2 580	1 000	1 000	1 000	11 043	-	-
Vote 10 : Sport and Recreation	91 548	84 760	95 595	92 693	92 693	92 693	99 019	95 778	101 143
Mass Participation and Sport Development grant	90 548	79 883	85 435	89 191	89 191	89 191	90 785	95 778	101 143
EPWP Integrated Grant for Provinces	1 000	550	2 102	2 000	2 000	2 000	2 000	-	-
Social Sector EPWP Incentive Grant for Provinces	-	4 327	8 058	1 502	1 502	1 502	6 234	-	-
Vote 11 : Co-op. Governance and Traditional Affairs	-	-	3 471	4 119	4 119	4 119	3 667	-	-
EPWP Integrated Grant for Provinces	-	-	3 471	4 119	4 119	4 119	3 667	-	-
Vote 12 : Transport	2 373 740	2 464 340	2 752 384	2 759 623	2 759 623	2 759 623	2 992 478	3 110 391	3 278 733
Public Transport Operations grant	808 279	852 325	904 783	924 766	924 766	924 766	1 011 045	1 071 439	1 121 506
EPWP Integrated Grant for Provinces	64 290	88 487	59 443	55 602	55 602	55 602	56 055	-	-
Provincial Roads Maintenance grant	1 501 171	1 523 528	1 788 158	1 779 255	1 779 255	1 779 255	1 925 378	2 038 952	2 157 227
Vote 13 : Social Development	-	14 610	5 746	3 000	3 000	3 000	3 958	92 380	144 948
Social Sector EPWP Incentive grant	-	14 610	3 746	3 000	3 000	3 000	3 958	-	-
EPWP Integrated Grant for Provinces	-	-	2 000	-	-	-	-	-	-
Early Childhood Development grant	-	-	-	-	-	-	-	92 380	144 948
Vote 14 : Public Works	552 608	3 000	3 168	3 057	3 056	3 056	4 471	-	-
Devolution of Property Rate Funds grant	551 100	-	-	-	-	-	-	-	-
EPWP Integrated Grant for Provinces	1 508	3 000	3 168	3 057	3 056	3 056	4 471	-	-
Vote 15 : Arts and Culture	48 619	63 695	122 754	159 696	158 969	158 969	165 162	175 404	185 322
Community Library Services grant	48 619	63 145	122 754	157 696	157 569	157 569	163 162	175 404	185 322
EPWP Integrated Grant for Provinces	-	550	-	2 000	1 400	1 400	2 000	-	-
Total	13 951 497	14 303 984	16 056 598	16 880 675	16 881 261	16 881 384	17 489 153	19 032 549	20 616 111

Relative to other provincial departments, DOH is the largest recipient of conditional grant funds. The Comprehensive HIV, AIDS and TB grant increases steadily over the MTEF. This grant sees a significant increase in the outer year, with the budget growing to R5.555 billion in that year.

DOE is the second largest recipient of grant funding over the MTEF. This is largely due to the Education Infrastructure grant and the NSNP grant to address learning infrastructure and provide food to learners from highly impoverished communities, respectively. The fluctuation against the Education Infrastructure grant over the MTEF is due to this grant receiving an incentive allocation in 2016/17, but simultaneously being affected by budget cuts in that year, as well as over the outer years.

DOHS is the third largest recipient of grant allocation. The decrease in 2016/17 relates to the impact that the budget cuts have had on the HSDG in the first year of the MTEF. This explains the significant decrease in 2016/17. The grant shows a significant increase in the two outer years.

In the 2015/16 Adjusted Appropriation, DOT had an allocation of R2.760 billion which increases to R3.279 billion in 2018/19. Both the Public Transport Operations grant and the Provincial Roads Maintenance grants increase significantly over the 2016/17 MTEF.

The EPWP Integrated Grant for Provinces is allocated to provincial departments in line with schedules to the DORA. Allocations are made to departments based on historical performance. The 2016/17

allocations for this grant are made to DOT at R56.055 million, DOHS at R15.194 million, DOH at R7.122 million DEDTEA at R6.927 million, DOPW at R4.471 million, COGTA at R3.667 million, DOE at R2.790 million, DARD at R3.840 million, DAC and DOSR at R2 million each.

4.2.4 Total provincial own receipts (own revenue)

Table 4.12 summarises provincial own revenue by economic classification. The bulk of provincial own revenue is collected against *Tax receipts* which comprises of *Motor vehicle licences*, *Casino taxes*, *Horse racing taxes* and *Liquor licences*.

Table 4.12 : Summary of provincial own 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
Tax receipts	1 771 278	1 889 687	2 045 246	2 149 313	2 149 313	2 044 452	2 120 649	2 217 213	2 320 531
Casino taxes	383 056	421 355	467 319	556 890	556 890	466 336	478 167	510 227	545 111
Horse racing taxes	64 674	66 899	71 205	91 337	91 337	77 030	79 171	80 925	83 796
Liquor licences	4 927	5 110	25 596	20 086	20 086	20 086	27 577	28 898	30 574
Motor vehicle licences	1 318 621	1 396 323	1 481 126	1 481 000	1 481 000	1 481 000	1 535 734	1 597 163	1 661 050
Sale of goods and services other than capital assets	416 664	447 633	460 875	449 170	449 170	457 088	487 238	516 229	545 865
Transfers received	1 060	-	-	-	-	1 405	-	-	-
Fines, penalties and forfeits	51 130	39 547	44 808	38 681	38 681	45 694	38 939	41 576	44 399
Interest, dividends and rent on land	274 164	262 846	313 851	284 874	284 874	359 080	303 280	318 457	336 938
Sale of capital assets	63 076	31 147	48 899	18 760	18 760	25 434	24 006	29 586	26 751
Transactions in financial assets and liabilities	92 168	101 330	235 316	54 348	54 348	304 194	57 656	60 511	63 956
Total receipts	2 669 540	2 772 190	3 148 995	2 995 146	2 995 146	3 237 347	3 031 768	3 183 572	3 338 439

Table 4.12 shows *Tax receipts* which exhibits significant growth from R1.771 billion to R2.044 billion between 2012/13 and 2015/16, respectively. The major revenue sources in this category are *Motor vehicle licences* and *Casino taxes*. Over the MTEF, this category is projected to rise from R2.121 billion in 2016/17 to R2.321 billion in 2018/19. The decline of *Casino taxes* from the 2015/16 Adjusted Appropriation is due to a decline in consumer activities, which cannot be accurately predicted.

Sale of goods and services other than capital assets increased from R416.664 million in 2012/13 to R545.865 million in 2018/19. The projected over-collection in the 2015/16 Revised Estimate can be ascribed to DOH, largely as a result of higher than anticipated collection against Health patient fees. Over the MTEF, the steady increase in this category is related to inflationary increments.

Interest, dividends and rent on land fluctuates over the seven-year period. This revenue largely accrues from the interest earned from the Inter-Governmental Cash Co-ordination (IGCC) and Pay Master-General (PMG) accounts. The budget grows gradually over the MTEF.

The volatility of *Transactions in financial assets and liabilities* over the seven year period is due to the uncertain nature of this category. The nature of collections against this category makes it difficult to budget for it accurately, hence the budget over the MTEF is fairly conservative.

Table 4.13 : Summary of provincial own receipts by vote

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. Office of the Premier	922	906	1 724	536	536	923	573	612	648
2. Provincial Legislature	2 331	3 924	2 950	735	735	3 061	774	813	860
3. Agriculture and Rural Development	19 376	17 882	32 267	23 292	23 292	25 902	24 720	26 287	27 812
4. Economic Development, Tourism and Enviro Affairs	13 182	9 555	135 161	22 852	22 852	53 537	30 356	31 816	33 661
5. Education	85 812	107 494	96 705	81 245	81 245	87 819	87 684	92 392	97 751
6. Provincial Treasury	718 176	738 992	850 967	932 322	932 322	900 767	859 860	908 780	964 957
7. Health	267 071	270 747	289 933	257 958	257 958	265 396	283 710	300 162	316 229
8. Human Settlements	13 573	9 431	28 920	2 052	2 052	163 262	4 198	4 308	4 557
9. Community Safety and Liaison	75	79	76	92	92	92	97	101	107
10. Sport and Recreation	512	737	399	300	300	755	317	332	351
11. Co-operative Governance and Traditional Affairs	7 578	7 470	23 471	3 653	3 653	13 807	3 829	4 067	4 320
12. Transport	1 502 265	1 577 298	1 656 407	1 653 507	1 653 507	1 701 974	1 717 978	1 790 831	1 866 865
13. Social Development	13 270	6 182	8 954	7 372	7 372	7 120	7 841	8 234	8 710
14. Public Works	23 642	18 258	19 486	8 426	8 426	11 989	8 967	13 920	10 630
15. Arts and Culture	1 755	3 235	1 575	805	805	943	865	917	980
Total provincial own receipts	2 669 540	2 772 190	3 148 995	2 995 146	2 995 146	3 237 347	3 031 768	3 183 572	3 338 439
Provincial Legislature receipts not surrendered to PRF	2 331	3 924	2 950	735	735	3 061	774	813	860
Total adjusted provincial own receipts	2 667 209	2 768 266	3 146 045	2 994 411	2 994 411	3 234 286	3 030 994	3 182 759	3 337 579

Table 4.13 provides a detailed analysis of revenue per vote. The most significant revenue contributors are DOT, PT, DOH and DOE.

Transport

DOT continues to be the main contributor to total provincial own revenue (mainly against *Motor vehicle licences*). The department's revenue rises from R1.502 billion in 2012/13 to R1.702 billion in the 2015/16 Revised Estimate. The increase over the seven-year period can be attributed to the growth in vehicle population and higher than anticipated application of new and the renewal of motor vehicle licences. The revenue budget increases gradually over the MTEF. Revenue generated from *Motor vehicle licences* increases from R1.319 billion in 2012/13 to R1.661 billion in 2018/19 (Table 4.12). The major reason for the slow growth in revenue is lower inflation of motor vehicle licence fees by the department as the province continues to lose revenue to cheaper provinces, such as Mpumalanga. The projected revenue growth includes the initiatives of DOT to improve service delivery at the various registering authorities, for the registration and licensing of motor vehicles.

Presently, the variances between motor vehicle licence fees charged across all provinces in the various fee categories are significant. This has been discussed at national and provincial levels for quite some time, with the view of standardising fees across provinces (as is the case with the Health patient fee structure). The rationale of uniform fees will be to avoid loss of revenue to cheaper provinces against an ever increasing cost (e.g. road maintenance costs), as those vehicles continue to use KZN's roads.

Provincial Treasury

The department's main sources of revenue are *Casino taxes* (in respect of the KZN Gaming and Betting Board (KZNGBB) and *Interest, dividends and rent on land*. The department's revenue collection increases from R718.176 million in 2012/13 to R900.767 million in the 2015/16 Revised Estimate, increasing to R964.957 million in 2018/19. The decline in revenue in the 2015/16 Revised Estimate is mainly on *Tax receipts* resulting from the lower than anticipated collection on *Casino* and *Horse racing* taxes. *Casino taxes*, which are largely derived from Casinos Limited Pay-out Machines and Bingo gaming revenue, accelerated markedly from 2012/13 onward, following the increase in tax rates.

PT generates a significant portion of own revenue through interest earned on positive cash balances in the IGCC and the PMG accounts, which is reflected against *Interest, dividends and rent on land*.

Health

The receipts of DOH increase from R267.071 million in 2012/13 to R265.396 million in the 2015/16 Revised Estimate. Over the MTEF, significant growth is expected from R283.710 million in 2016/17 to R316.229 million in 2018/19. DOH's largest proportion of revenue is from patient fees and boarding fees for staff accommodation.

The department is focusing on increasing efficiencies in patient billing and revenue collection together with PT. One of the major objectives is to eliminate leakages in the system, and to shorten patient payment intervals. Historically, patient fee collections have under-performed due to the lack of a concise strategy to enhance collections from medical aid schemes, Road Accident Fund (RAF) and other statutory accounts, such as SAPS and Correctional Services. More attention continues to be given to the assessment of patients' ability to pay, the correct billing of patients and the timeous recovery of debts from patients and other third parties, such as medical aids. DOH needs to continue to focus on clearing, *inter alia*, all medical aid and RAF invoices that accumulate in the institutions. Revenue collection processes remain sub-optimal as a consequence of continued reliance on manual billing systems.

Education

The prime source of own revenue for the department is *Sale of goods and services other than capital assets*. This includes commission earned on payroll deductions such as insurance and garnishees, examination and remarking fees, as well as fees for the viewing of scripts, and housing and parking rentals for staff members. *Transactions in financial assets and liabilities* is also a major source of revenue for the department which consists mainly of debts owed to the department, as well as refunds relating to previous years' expenditure. The substantial collection in 2013/14 and 2014/15 is due to the department's concerted effort to improve debt collection.

4.2.5 Donor funding and agency receipts

Table 4.14 indicates donor funding and agency receipts, per department, over the 2016/17 MTEF. More detail is provided in Table 1.G in the *Annexure* to this *OPRE*. Donor funding is not voted for, and is relatively small in value. This funding gives an indication of additional local and international resources available to the province. Each department receiving donor funding and/or agency receipts has tables in the departmental chapter in the *EPRE*, indicating how the donor funding and agency receipts have been spent over the seven-year period.

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

Table 4.14 : Donor funding and agency receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Donor Funding	26 768	30 874	40 300	57 244	57 265	38 961	87 268	55 397	6 600
Office of the Premier	24 079	24 079	38 020	12 894	12 894	21 700	26 798	6 800	6 600
Agriculture and Rural Development	1 805	2 291	-	2 874	2 895	2 895	-	-	-
Provincial Treasury	-	-	-	39 200	39 200	11 653	60 470	48 597	-
Health	884	3 677	927	960	960	960	-	-	-
Co-operative Governance and Traditional Affairs	-	827	1 353	1 316	1 316	1 753	-	-	-
Agency Receipt	7 585	-	58 536	3 792	3 792	47 345	3 792	3 792	3 792
Transport	7 585	-	58 536	3 792	3 792	47 345	3 792	3 792	3 792
Total	34 353	30 874	98 836	61 036	61 057	86 306	91 060	59 189	10 392

4.2.5.1 Donor funding

The total donor funding is at R38.961 million in the 2015/16 Revised Estimate, R87.268 million in 2016/17, R55.397 million in 2017/18 and R6.600 million in 2018/19. The recipients of the donor funding are shown in the table.

OTP receives funding from the National Skills Fund (NSF), MERSETA and Work Integrated Learning (SSETA and PSETA).

PT receives funding from the European Union (EU) through the General Budget Support initiative for the funding of KZN Science Parks.

DARD received funding from the World Health Organisation up until 2015/16 for human rabies prevention through dog rabies control. There are no further projections over the 2016/17 MTEF.

DOH received funding in 2015/16 from HWSETA related to learnership programmes in various hospitals. No donations are expected over the 2016/17 MTEF, at this stage.

COGTA receives R1.753 million in the 2015/16 Revised Estimate for the Department of Provincial and Local Government (DPLG) and from the Local Government Sector Education and Training Authority (LGSETA) for firefighting training, in respect of the fire and rescue operational learnership and the disaster risk management skill programme.

4.2.5.2 Agency receipts

DOT receives funding from the South African National Roads Agency Limited (SANRAL), Road Traffic Management Corporation (RTMC) and eThekweni Metro.

5. PAYMENTS

5.1 Overall position

Total provincial payments increased from R84.611 billion in 2012/13 to an estimated R109.006 billion in 2016/17. This positive growth is set to continue over the 2016/17 MTEF, with aggregated estimates of R115.714 billion in 2017/18 growing to R122.709 billion in 2018/19.

The additional funding over and above the existing (2015/16 MTEF) growth within the various departments' baselines caters for, among others:

- Carry-through costs of the above-budget 2015 wage agreement for all departments.
- The Legislature receives an additional allocation over three years for the zero-based budget adjustment.
- Additional funding was allocated to DOH, to relieve the exchange rate pressures arising from the procurement of medicines, equipment and supplies. DOH was also allocated funding for hospital linen and NHLS fee-for-service pressures.
- Additional funding was provided for drought relief to DARD (R50 million), as well as COGTA (R150 million) for 2016/17.
- DOE receives R150 million, allocated in 2016/17 and 2017/18 for sanitation at schools.
- DSD receives funds in 2016/17 and 2017/18 to provide for a 6 per cent increase in transfers to NGOs, as mentioned.

The 2016/17 MTEF is prepared against the backdrop of the nationally implemented fiscal consolidation programme, which resulted in cuts against the equitable share funding and conditional grant funding of provinces. As such, some departments' budgets show a decline from 2015/16 to 2016/17.

However, in accordance with a national directive, DOH and DOE's baseline were protected due to the fact that these are social services departments. It was also acknowledged that provincial DOH's baselines were inadequate and provinces needed to prioritise an additional budgetary allocation to counter the pressures arising from the costs of medicines, laboratory services and medical supplies which were negatively impacted on as a result of a steep decline in the Rand/Dollar exchange rate.

5.2 Payments by vote

Table 5.1 illustrates the summary of provincial payments by vote.

Table 5.1 : Summary of provincial payments and estimates by vote

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2012/13	2013/14	2014/15	Appropriation	Appropriation	Estimate	2016/17	2017/18	2018/19
				2015/16					
1. Office of the Premier	697 795	721 074	722 239	743 214	737 794	737 794	658 644	697 499	742 904
2. Provincial Legislature	431 718	460 929	476 027	465 494	479 262	479 262	518 652	538 851	569 128
3. Agriculture and Rural Development	2 109 591	2 005 528	2 003 044	2 203 074	2 292 480	2 292 480	2 170 644	2 224 422	2 353 838
4. Economic Development, Tourism and Enviro Affairs	2 421 869	3 311 354	2 955 803	2 973 459	2 997 119	2 997 119	2 702 992	2 844 613	3 022 744
5. Education	34 556 731	37 156 042	39 146 083	42 142 355	43 162 870	43 162 870	45 464 373	47 528 559	50 249 078
6. Provincial Treasury	557 733	624 333	673 962	712 151	717 869	663 853	675 280	659 029	688 508
7. Health	27 390 533	29 531 410	31 245 510	32 981 786	33 969 992	34 314 275	36 578 637	39 541 537	42 183 873
8. Human Settlements	3 377 771	3 617 002	3 873 178	3 584 685	3 822 970	3 822 970	3 485 112	4 205 672	4 475 736
9. Community Safety and Liaison	135 892	171 922	179 239	187 069	191 045	191 045	210 123	195 948	207 297
10. Sport and Recreation	367 751	414 968	451 245	454 389	437 827	437 827	426 479	438 628	453 016
11. Co-operative Governance and Traditional Affairs	1 314 550	1 242 496	1 482 587	1 368 043	1 581 163	1 581 163	1 545 923	1 461 452	1 546 475
12. Transport	7 650 308	8 055 187	9 051 949	9 341 457	9 366 560	9 366 560	9 571 940	10 012 734	10 580 528
13. Social Development	1 985 386	2 329 906	2 487 432	2 630 481	2 713 250	2 711 615	2 778 162	3 004 633	3 174 108
14. Public Works	1 133 311	1 270 253	1 388 082	1 389 666	1 412 938	1 423 344	1 432 608	1 503 706	1 590 995
15. Arts and Culture	479 744	698 686	710 027	783 914	808 770	808 770	786 472	857 179	870 986
Total	84 610 682	91 611 090	96 846 407	101 961 237	104 691 909	104 990 947	109 006 041	115 714 462	122 709 214

The allocation over the 2016/17 MTEF reflects an increase over the three years of the MTEF. However, a trend analysis reveals that a number of departments' budgets are set to decrease from the 2015/16

Adjusted Appropriation to 2016/17 against the backdrop of the fiscal consolidation plan. With the exception of the Legislature, DOE, PT, DOH, DCSL, DOT, DSD and DOPW, all other departments' baselines show a reduction when compared to the 2015/16 Adjusted Appropriation. As previously mentioned, acting on a national directive, DOH's baseline was protected against cuts effected on departments baselines and additional funding was allocated to the department for carry-through costs of the above-budget 2015 wage agreement, once-off purchase of hospital linen, additional funding to fully address pressures which have arisen from the change in payment mechanism for NHLS to a fee-for-service payment and additional funding for pressures related to the weakening exchange rate affecting imported medicines, medical equipment and supplies. DOE's baseline was also protected, due to the fact that this department is a social service department and approximately 85 per cent of its expenditure is on *Compensation of employees*.

In terms of the FMPPA, which is applicable from 1 April 2015, the Legislature is no longer required to submit additional funding requests to PT via the MTEC process as the provincial departments and public entities do. Instead, the Legislature's additional funding requirements were discussed between the Speaker and the MEC for Finance, resulting in baseline increase which comprises of additional funding resulting from the zero-based budget exercise to fund escalating costs relating to operating payments, property payments, as well travel and subsistence.

An upward trend is evident in DOE's baseline emanating from the ongoing spending pressures in *Compensation of employees* caused by the carry-through effects of the historical shortfall in funding for OSD for educators and various wage agreements. The 2015/16 Adjusted Appropriation reflects an increase as a result of the additional amount of R757 million which was allocated from both NT and provincial cash resources to assist the department with the pressures arising from the above-budget 2015 wage agreement. Also, an additional amount of R111 million was allocated against *Goods and services* to deal with the capital amount owed in terms of the Indiza LTSM litigation matter. Cuts were not effected against the department's baseline and, instead, the department receives an additional allocation in 2016/17 and 2017/18 to address the water and sanitation backlog in schools.

DCSL's budget shows a marginal increase due to the fact that additional funding was allocated for local government election monitoring and carry-through costs for the above-budget 2015 wage agreement, as well as a significant increase in the allocation of the Social Sector EPWP Incentive Grant for Provinces. The additional funding outweighed the budget cuts that were effected against the department's baseline.

DOPW's 2016/17 budget reflects a marginal increase mainly due to municipal property rates payments, the Government Immovable Asset Management Act (GIAMA) implementation projects, as well as the Fixed Asset Management Tool, for which the department received additional funding in previous MTEF periods. In the 2016/17 MTEF, provision is also made for the provincial EPWP co-ordination function and the improvement of infrastructure support to other departments.

Despite the fiscal consolidation cuts, DOT's allocations reflect healthy growth, mainly due to the substantial additional funding allocated in previous MTEFs for the construction of new roads, the enhancement of law enforcement and road safety campaigns, as well as for the maintenance of the provincial road network. Although there is a steady increase over the MTEF, this growth was mitigated by the budget cuts. The growth from 2015/16 to 2016/17 is also impacted by the fact that the Provincial Roads Maintenance grant and the Public Transport Operations grant increase over the 2016/17 MTEF.

As previously explained, departments were affected by the budget cuts and, as a result, while some departments would have received additional funding for various provincial priorities, there was an overall reduction of the provincial baseline due to the above-mentioned cuts. DOHS reflects a substantial reduction from the 2015/16 Adjusted Appropriation and Revised Estimate to 2016/17, followed by DEDTEA, DARD, PT, COGTA, OTP, DAC and DOSR.

Despite the reduction, DARD received R50 million from provincial cash-resources for drought relief and funding for the above-budget 2015 wage agreement. COGTA was also allocated R150 million for drought relief and carry-through funding for the above-budget 2015 wage agreement over the MTEF.

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

Table 5.2 : Analysis of payments and estimates by major vote

	Audited Outcome			Adjusted Appropriation	Medium-term Estimates			Average Annual Growth	
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19	2012/13-2015/16	2015/16-2018/19
R thousand									
Education	34 556 731	37 156 042	39 146 083	43 162 870	45 464 373	47 528 559	50 249 078		
Health	27 390 533	29 531 410	31 245 510	33 969 992	36 578 637	39 541 537	42 183 873		
Social Development	1 985 386	2 329 906	2 487 432	2 713 250	2 778 162	3 004 633	3 174 108		
Other Functions	20 678 033	22 593 732	23 967 382	24 845 797	24 184 869	25 639 733	27 102 155		
Total expenditure	84 610 682	91 611 090	96 846 407	104 691 909	109 006 041	115 714 462	122 709 214		
% of total expenditure									
Education	40.8	40.6	40.4	41.2	41.7	41.1	40.9		
Health	32.4	32.2	32.3	32.4	33.6	34.2	34.4		
Social Development	2.3	2.5	2.6	2.6	2.5	2.6	2.6		
Other Functions	24.4	24.7	24.7	23.7	22.2	22.2	22.1		
Nominal growth (%)									
Education		7.5	5.4	10.3	5.3	4.5	5.7	7.7	5.2
Health		7.8	5.8	8.7	7.7	8.1	6.7	7.4	7.5
Social Development		17.4	6.8	9.1	2.4	8.2	5.6	11.0	5.4
Other Functions		9.3	6.1	3.7	(2.7)	6.0	5.7	6.3	2.9
Total expenditure		8.3	5.7	8.1	4.1	6.2	6.0	7.4	5.4
Real growth (%)									
Education		1.6	(0.2)	4.6	(1.2)	(1.5)	(0.2)	2.0	(1.0)
Health		1.9	0.2	3.2	1.0	1.8	0.7	1.7	1.2
Social Development		10.9	1.1	3.5	(4.0)	1.9	(0.3)	5.1	(0.8)
Other Functions		3.3	0.4	(1.6)	(8.7)	(0.1)	(0.2)	0.7	(3.1)
Total expenditure		2.3	0.1	2.6	(2.4)	(0.0)	0.1	1.7	(0.8)

The Social Sector reflects steady average annual growth from 2012/13 to 2015/16 and also from 2015/16 to 2018/19 in nominal terms while, in real terms, there is fairly low growth in the first period and negative growth during the latter period. The share of total spending fluctuates over the seven years, with 2016/17 being high at 77.8 per cent, and staying at that average of 77.9 per cent in 2017/18 and 2018/19. Important to note is that the Social Sector's share of total expenditure has increased from 76.2 in 2015/16 to an average of approximately 78 per cent over the MTEF.

DOE remains the highest spending provincial department, at 41.2 per cent in 2015/16, increasing slightly to 41.7 per cent in 2016/17, and decreasing marginally to 40.9 per cent in 2018/19, attributable to the reduced allocation for the Education Infrastructure grant. DOE's budget increases by an average annual nominal (real) growth of 7.7 (2) per cent between 2012/13 and 2015/16, and 5.2 (-1) per cent between 2015/16 and 2018/19 influenced by the budget cuts and provincial reprioritisation undertaken.

DOH remains the second highest spending provincial department, with a generally steady share of 32.4 per cent in 2012/13, remaining fairly constant until 2015/16 and increasing over the 2016/17 MTEF to 34.4 per cent in 2018/19. The budget of the department reflects a healthy average annual nominal (real) growth of 7.4 (1.7) per cent between 2012/13 and 2015/16, and a steady average annual growth of 7.5 (1.2) per cent between 2015/16 and 2018/19. The healthy growth is due to the decision to protect DOH's baseline from cuts and provide additional funding for the exchange rate and NHLS pressures, as well as once-off funding in 2016/17 for hospital linen.

DSD reflects a steady share of total expenditure, at 2.3 per cent in 2012/13, which increases over the MTEF to a steady percentage of approximately 2.6 per cent. The department enjoys a healthy average nominal (real) growth of 11.0 (5.1) per cent between 2012/13 and 2015/16 due to additional funding for the absorption of social work graduates and support to the NGO sector. This growth declines to 5.4 (-0.8) per cent between 2015/16 and 2018/19. Additional funding was provided to the department for the 6 per cent increase in transfers to the NGO sector (from 2015/16 to 2017/18), Inkululeko Elderly Day Care centre (2015/16 to 2017/18) and for the carry through-costs of the above-budget 2015 wage agreement. However, the budget-cuts off-set these amounts.

Other Functions reflect a steady average annual nominal (real) growth of 6.3 (0.7) between 2012/13 and 2015/16, and it reduces between 2015/16 and 2018/19 to 2.9 (-3.1) per cent. The reduction is due to the budget cuts that were effected against all departments except DOH, DOE and the Legislature.

5.3 Payments by economic classification

5.3.1 Provincial summary of payments and estimates by economic classification

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

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	66 247 397	71 893 983	76 473 807	82 943 692	84 438 476	83 749 229	90 176 807	95 602 288	101 826 629
Compensation of employees	49 255 854	54 022 777	57 911 298	62 289 398	63 401 994	63 460 454	67 799 512	72 106 316	76 548 068
Goods and services	16 990 860	17 864 660	18 558 514	20 644 062	21 035 345	20 286 141	22 373 950	23 492 663	25 275 636
Interest and rent on land	683	6 547	3 995	10 232	1 137	2 634	3 345	3 309	2 924
Transfers and subsidies to:	9 764 582	11 420 899	12 054 854	11 049 595	11 986 342	11 937 111	10 820 225	12 004 799	12 667 527
Provinces and municipalities	1 204 307	1 139 824	1 365 703	1 161 263	1 371 651	1 397 681	1 084 929	1 156 338	1 196 467
Departmental agencies and accounts	1 824 199	1 847 630	1 962 753	2 042 536	2 108 951	2 116 720	1 846 560	1 961 318	2 070 760
Higher education institutions	57	501	3 046	-	2 000	2 000	8 500	8 925	9 442
Foreign governments and international organisations	233	221	207	207	207	207	217	228	241
Public corporations and private enterprises	1 214 377	1 396 597	1 699 664	1 403 882	1 745 831	1 612 171	1 389 254	1 428 312	1 483 772
Non-profit institutions	2 487 457	3 324 185	3 021 878	3 101 029	3 101 757	3 099 926	3 232 372	3 451 256	3 620 303
Households	3 033 952	3 711 942	4 001 603	3 340 678	3 655 945	3 708 406	3 258 393	3 998 422	4 286 542
Payments for capital assets	8 520 531	8 186 603	8 229 669	7 728 031	8 034 729	9 069 610	7 771 970	7 887 531	8 129 804
Buildings and other fixed structures	7 508 265	7 523 677	7 524 475	6 977 955	7 161 766	8 280 602	6 819 032	6 737 546	6 910 101
Machinery and equipment	958 517	630 393	665 708	729 732	855 900	770 509	931 253	1 129 529	1 198 939
Heritage assets	10 794	4 659	2 608	4 200	2 659	2 659	4 500	4 555	4 819
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	9 542	474	145	606	42	42	636	668	707
Land and sub-soil assets	7 018	-	23 000	-	-	-	-	-	-
Software and other intangible assets	26 395	27 400	13 733	15 538	14 362	15 798	16 549	15 233	15 238
Payments for financial assets	11 012	38 511	5 983	157 598	158 041	160 676	159 249	139 501	252
Total	84 543 522	91 539 995	96 764 313	101 878 916	104 617 588	104 916 626	108 928 251	115 634 119	122 624 211
Statutory payments (Members' remuneration)	67 160	71 095	82 094	82 321	74 321	74 321	77 790	80 343	85 003
Total economic classification (incl. stat. payment)	84 610 682	91 611 090	96 846 407	101 961 237	104 691 909	104 990 947	109 006 041	115 714 462	122 709 214

The category *Current payments* consumes the bulk of the total provincial spending and is set to increase from R83.749 billion in the 2015/16 Revised Estimate to R101.827 billion in 2018/19. The largest portion of this category and the entire budget relates to *Compensation of employees*. The increase from the 2015/16 Revised Estimate to 2016/17 is mainly attributable to the carry-through costs of the 2015 wage agreement, which was above-budget, as well as some departments budgeting to fill critical vacant posts.

The bulk of the budget under *Compensation of employees* is allocated to DOE and DOH, due to the high number of employees in these departments. However, these departments have been requested to embark on a headcount decrease, particularly in administrative services.

Transfers and subsidies shows a fluctuating trend between 2012/13 and 2018/19. A substantial portion of this category is allocated against *Transfers and subsidies to: Households* and *Transfers and subsidies to: Non-profit institutions*, and a large portion thereof relates to transfers to public schools for norms and standards. Also included are transfers to various public entities, and transfers relating to the HSDG. It should be noted that a significant part of DEDTEA's budget cuts were effected against the transfers to its public entities.

Payments for capital assets reflects fluctuations over the seven-year period, with the 2016/17 allocation for the Education and Health infrastructure grants being impacted on by budget cuts, as mentioned earlier.

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

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

Table 5.4 : Analysis of payments and estimates by economic classification

	Audited Outcome			Adjusted Appropriation	Medium-term Estimates			Average Annual Growth	
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19	2012/13-2015/16	2015/16-2018/19
R thousand									
Current	66 314 557	71 965 078	76 555 901	84 512 797	90 254 597	95 682 631	101 911 632		
Transfers	9 764 582	11 420 899	12 054 854	11 986 342	10 820 225	12 004 799	12 667 527		
Capital	8 520 531	8 186 603	8 229 669	8 034 729	7 771 970	7 887 531	8 129 804		
Financial assets	11 012	38 511	5 983	158 041	159 249	139 501	252		
Compensation	49 323 014	54 093 872	57 993 392	63 476 315	67 877 302	72 186 659	76 633 071		
Non-compensation	35 287 668	37 517 219	38 853 015	41 215 594	41 128 739	43 527 803	46 076 143		
Non-compensation (excl. transfers)	25 523 086	26 096 320	26 798 161	29 229 252	30 308 514	31 523 004	33 408 616		
Non-compensation non-capital (NCNC)	26 767 137	29 330 616	30 623 346	33 180 865	33 356 769	35 640 272	37 946 339		
NCNC (excl. transfers)	17 002 555	17 909 718	18 568 492	21 194 523	22 536 544	23 635 473	25 278 812		
Total expenditure	84 610 682	91 611 090	96 846 407	104 691 909	109 006 041	115 714 462	122 709 214		
% of total expenditure									
Current	78.4	78.6	79.0	80.7	82.8	82.7	83.1		
Transfers	11.5	12.5	12.4	11.4	9.9	10.4	10.3		
Capital	10.1	8.9	8.5	7.7	7.1	6.8	6.6		
Financial assets	0.0	0.0	0.0	0.2	0.1	0.1	0.0		
Compensation	58.3	59.0	59.9	60.6	62.3	62.4	62.5		
Non-compensation	41.7	41.0	40.1	39.4	37.7	37.6	37.5		
Non-compensation (excl. transfers)	30.2	28.5	27.7	27.9	27.8	27.2	27.2		
Non-compensation non-capital (NCNC)	31.6	32.0	31.6	31.7	30.6	30.8	30.9		
NCNC (excl. transfers)	20.1	19.5	19.2	20.2	20.7	20.4	20.6		
Nominal growth (%)									
Current		8.5	6.4	10.4	6.8	6.0	6.5	8.4	6.4
Transfers		17.0	5.6	(0.6)	(9.7)	10.9	5.5	7.1	1.9
Capital		(3.9)	0.5	(2.4)	(3.3)	1.5	3.1	(1.9)	0.4
Financial assets		249.7	(84.5)	2 541.5	0.8	(12.4)	(99.8)	143.0	(88.3)
Compensation		9.7	7.2	9.5	6.9	6.3	6.2	8.8	6.5
Non-compensation		6.3	3.6	6.1	(0.2)	5.8	5.9	5.3	3.8
Non-compensation (excl. transfers)		2.2	2.7	9.1	3.7	4.0	6.0	4.6	4.6
Non-compensation non-capital (NCNC)		9.6	4.4	8.4	0.5	6.8	6.5	7.4	4.6
NCNC (excl. transfers)		5.3	3.7	14.1	6.3	4.9	7.0	7.6	6.1
Real growth (%)									
Current		2.6	0.7	4.8	0.1	(0.1)	0.5	2.7	0.2
Transfers		10.5	(0.1)	(5.6)	(15.4)	4.5	(0.4)	1.4	(4.1)
Capital		(9.2)	(4.8)	(7.3)	(9.3)	(4.4)	(2.7)	(7.1)	(5.5)
Financial assets		230.5	(85.3)	2 407.0	(5.5)	(17.5)	(99.8)	130.1	(89.0)
Compensation		3.7	1.5	3.9	0.3	0.2	0.2	3.0	0.2
Non-compensation		0.5	(1.9)	0.7	(6.4)	(0.3)	(0.1)	(0.3)	(2.3)
Non-compensation (excl. transfers)		(3.4)	(2.8)	3.5	(2.8)	(2.0)	0.0	(0.9)	(1.6)
Non-compensation non-capital (NCNC)		3.6	(1.1)	2.8	(5.7)	0.6	0.5	1.7	(1.6)
NCNC (excl. transfers)		(0.4)	(1.8)	8.3	(0.3)	(1.2)	1.0	1.9	(0.2)

Current expenditure is the largest, as a percentage of total expenditure, growing from 78.4 per cent in 2012/13 to 83.1 per cent in 2018/19. This category reflects average annual nominal (real) growth of 8.4 (2.7) per cent between 2012/13 and 2015/16 and declines to 6.4 (0.2) per cent between 2015/16 and 2018/19. The increase is due to some departments budgeting to fill critical vacant posts, taking into account the freezing of non-OSD posts. Also, departments were told to budget for a 7.2 per cent, 6.8 per cent and 6.8 per cent wage increment over MTEF, and a 1.5 per cent pay progression. It therefore seems that some departments have under-budgeted for this increase, and this will have to be reviewed in-year.

The share of total expenditure for *Transfers* reflects a declining trend, from 11.5 per cent in 2012/13 to 10.3 per cent in 2018/19. This category is influenced by reduced allocations to the HSDG in 2016/17, as well as budget cuts against the transfers to DTPC and other entities.

The expenditure trend for *Capital* reflects fluctuations, as does its share of total expenditure, with its share being 10.1 per cent in 2012/13, before declining to 7.7 per cent in 2015/16 and further declining to 6.6 per cent in 2018/19. The decline in 2017/18 is attributable to the lower allocation of the infrastructure grants. This category reflects fluctuations in the annual nominal and real growth, with a declining trend, relating to the reprioritisation of infrastructure budgets to *Compensation of employees*, in order to cover the shortfall of the above-budget 2014 wage agreement, mainly by DOE.

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

5.3.2 Analysis of payments and estimates by economic classification – Education

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

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

	Audited Outcome			Adjusted Appropriation	Medium-term Estimates			Average Annual Growth	
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19	2012/13-2015/16	2015/16-2018/19
R thousand									
Current	30 423 139	33 110 544	35 266 056	38 779 237	41 223 371	43 603 951	46 167 597		
Transfers	1 553 435	1 666 384	1 857 892	1 909 512	1 875 975	1 953 253	2 064 164		
Capital	2 580 157	2 379 114	2 022 135	2 442 229	2 333 135	1 939 462	2 017 317		
Financial assets	-	-	-	31 892	31 892	31 893	-		
Compensation	27 557 742	29 930 297	32 037 938	35 079 207	37 768 394	40 086 012	42 462 650		
Non-compensation	6 998 989	7 225 745	7 108 145	8 083 663	7 695 979	7 442 547	7 786 428		
Non-compensation (excl. transfers)	5 445 554	5 559 361	5 250 253	6 174 151	5 820 004	5 489 294	5 722 264		
Non-compensation non-capital (NCNC)	4 418 832	4 846 631	5 086 010	5 641 434	5 362 844	5 503 085	5 769 111		
NCNC (excl. transfers)	2 865 397	3 180 247	3 228 118	3 731 922	3 486 869	3 549 832	3 704 947		
Total expenditure	34 556 731	37 156 042	39 146 083	43 162 870	45 464 373	47 528 559	50 249 078		
% of total expenditure									
Current	88.0	89.1	90.1	89.8	90.7	91.7	91.9		
Transfers	4.5	4.5	4.7	4.4	4.1	4.1	4.1		
Capital	7.5	6.4	5.2	5.7	5.1	4.1	4.0		
Financial assets	-	-	-	0.1	0.1	0.1	-		
Compensation	79.7	80.6	81.8	81.3	83.1	84.3	84.5		
Non-compensation	20.3	19.4	18.2	18.7	16.9	15.7	15.5		
Non-compensation (excl. transfers)	15.8	15.0	13.4	14.3	12.8	11.5	11.4		
Non-compensation non-capital (NCNC)	12.8	13.0	13.0	13.1	11.8	11.6	11.5		
NCNC (excl. transfers)	8.3	8.6	8.2	8.6	7.7	7.5	7.4		
Nominal growth (%)									
Current		8.8	6.5	10.0	6.3	5.8	5.9	8.4	6.0
Transfers		7.3	11.5	2.8	(1.8)	4.1	5.7	7.1	2.6
Capital		(7.8)	(15.0)	20.8	(4.5)	(16.9)	4.0	(1.8)	(6.2)
Financial assets		-	-	-	-	0.0	(100.0)	-	(100.0)
Compensation		8.6	7.0	9.5	7.7	6.1	5.9	8.4	6.6
Non-compensation		3.2	(1.6)	13.7	(4.8)	(3.3)	4.6	4.9	(1.2)
Non-compensation (excl. transfers)		2.1	(5.6)	17.6	(5.7)	(5.7)	4.2	4.3	(2.5)
Non-compensation non-capital (NCNC)		9.7	4.9	10.9	(4.9)	2.6	4.8	8.5	0.7
NCNC (excl. transfers)		11.0	1.5	15.6	(6.6)	1.8	4.4	9.2	(0.2)
Real growth (%)									
Current		2.9	0.9	4.4	(0.3)	(0.4)	(0.1)	2.7	(0.2)
Transfers		1.4	5.6	(2.5)	(7.9)	(1.9)	(0.3)	1.4	(3.4)
Capital		(12.9)	(19.5)	14.6	(10.4)	(21.7)	(1.8)	(7.0)	(11.7)
Financial assets		(5.5)	(5.3)	(5.1)	(6.2)	(5.8)	(100.0)	-	(100.0)
Compensation		2.6	1.4	3.9	1.0	(0.0)	(0.0)	2.6	0.3
Non-compensation		(2.4)	(6.9)	7.9	(10.7)	(8.9)	(1.2)	(0.6)	(7.1)
Non-compensation (excl. transfers)		(3.5)	(10.6)	11.6	(11.6)	(11.2)	(1.6)	(1.2)	(8.2)
Non-compensation non-capital (NCNC)		3.7	(0.6)	5.3	(10.9)	(3.3)	(1.0)	2.7	(5.2)
NCNC (excl. transfers)		4.9	(3.9)	9.7	(12.4)	(4.1)	(1.5)	3.4	(6.1)

As illustrated in the table above, the largest proportion of DOE's budget in 2015/16 is allocated under *Current* at 89.8 per cent. The share of total expenditure for *Current* was low in 2012/13 at 88 per cent, as a result of financial controls effected against *Goods and services*. *Current* reflects real growth of 2.7 per cent for the period 2012/13 to 2015/16, mainly attributed to baseline reprioritisation against *Compensation of employees* which was carried through from 2015/16 to 2018/19. Furthermore, the negative real growth of 0.2 per cent over the period 2015/16 to 2018/19 is largely ascribed to the financial control measures implemented against *Goods and services* over the years.

The share of total expenditure under *Transfers* reflects a downward trend at around 4.5 to 4.1 per cent between 2012/13 to 2018/19, mainly due to the reduction relating to *Transfers and subsidies to: Non-profit institutions* allocations, which was due to in-year reprioritisation undertaken in order to purchase LTSM on behalf of schools who opted to utilise the services of the management agent instead of purchasing on their own. *Transfers* reflects negative real growth at 3.4 per cent from 2015/16 to 2018/19, which is mainly attributed to the fluctuating learner numbers which can only be determined at the beginning of a particular school year, anticipated non-compliance by some schools in respect of transfer requirements, as well as limited budget to undertake reprioritisation in order to increase the allocation for transfers to schools.

Capital as a share of total expenditure fluctuates between 2012/13 to 2015/16 and declines over the MTEF. In 2014/15, the department implemented enforced savings and reprioritisation of funds from *Buildings and other fixed structures* against the equitable share portion, in order to ease pressures against *Compensation of employees*. This reduction was carried through in the equitable share baseline from 2015/16 to 2018/19. Furthermore, the allocation for the Education Infrastructure grant has been reduced over the 2016/17 MTEF in line with the budget cuts.

The gradual decrease against *Financial assets* over the MTEF largely relates to the installments in respect of the first charge in terms of S34(2) of the PFMA. The last installment will be undertaken in 2017/18.

Compensation comprises the highest proportion of DOE's budget. The share of total expenditure reflects an increasing trend from 79.7 per cent in 2012/13 to 84.5 per cent in 2018/19. The increase in the share of total expenditure in 2014/15 reflects how personnel is crowding out other spending areas, while infrastructure is compromised. The 2016/17 MTEF allocations include carry-through of the above-budget 2015 wage agreement and, as such, the real growth percentage share is at 0.3 per cent from 2015/16 to 2018/19. This growth only makes provision for the filling of posts which arise through attrition.

Non-compensation's share of total expenditure declines from 20.3 per cent in 2012/13 to 15.5 per cent in 2018/19. The decrease in the share of total expenditure is an indication that other spending categories are increasing at a faster rate. *Non-compensation* shows negative real growth of 7.1 per cent from 2015/16 to 2018/19, which is ascribed to the reduction in *Capital* relating to the reprioritisation to *Compensation of employees*, as well as low growth against *Transfers and subsidies to: Non-profit institutions*.

Non-compensation (excluding transfers) fluctuates over the seven years. The share of total expenditure declines from 15.8 per cent in 2012/13 to 11.4 per cent in 2018/19 and reflects negative real growth of 8.2 per cent from 2015/16 to 2018/19. This is attributed to the baseline reduction against the infrastructure budget to cater for the shortfall in the carry-through costs of previous wage agreements.

5.3.3 Analysis of payments and estimates by economic classification – Health

Table 5.6 below shows DOH's expenditure by economic classification.

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

	Audited Outcome			Adjusted Appropriation	Medium-term Estimates			Average Annual Growth	
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19	2012/13-2015/16	2015/16-2018/19
R thousand									
Current	24 746 845	26 890 291	28 911 128	31 631 280	34 374 587	36 984 175	39 633 268		
Transfers	486 764	740 159	828 088	843 119	734 473	786 547	825 156		
Capital	2 156 923	1 867 332	1 505 879	1 387 977	1 361 970	1 663 207	1 725 449		
Financial assets	1	33 629	415	107 616	107 607	107 608	-		
Compensation	16 886 345	18 676 776	20 014 542	21 625 944	23 096 722	24 633 318	26 187 519		
Non-compensation	10 504 188	10 854 635	11 230 968	12 344 048	13 481 915	14 908 219	15 996 353		
Non-compensation (excl. transfers)	10 017 424	10 114 476	10 402 880	11 500 929	12 747 442	14 121 672	15 171 198		
Non-compensation non-capital (NCNC)	8 347 264	8 987 303	9 725 089	10 956 071	12 119 945	13 245 012	14 270 904		
NCNC (excl. transfers)	7 860 501	8 247 145	8 897 001	10 112 952	11 385 472	12 458 465	13 445 749		
Total expenditure	27 390 533	29 531 410	31 245 510	33 969 992	36 578 637	39 541 537	42 183 873		
% of total expenditure									
Current	90.3	91.1	92.5	93.1	94.0	93.5	94.0		
Transfers	1.8	2.5	2.7	2.5	2.0	2.0	2.0		
Capital	7.9	6.3	4.8	4.1	3.7	4.2	4.1		
Financial assets	0.0	0.1	0.0	0.3	0.3	0.3	-		
Compensation	61.7	63.2	64.1	63.7	63.1	62.3	62.1		
Non-compensation	38.3	36.8	35.9	36.3	36.9	37.7	37.9		
Non-compensation (excl. transfers)	36.6	34.2	33.3	33.9	34.8	35.7	36.0		
Non-compensation non-capital (NCNC)	30.5	30.4	31.1	32.3	33.1	33.5	33.8		
NCNC (excl. transfers)	28.7	27.9	28.5	29.8	31.1	31.5	31.9		
Nominal growth (%)									
Current		8.7	7.5	9.4	8.7	7.6	7.2	8.5	7.8
Transfers		52.1	11.9	1.8	(12.9)	7.1	4.9	20.1	(0.7)
Capital		(13.4)	(19.4)	(7.8)	(1.9)	22.1	3.7	(13.7)	7.5
Financial assets		3 362 800.0	(98.8)	25 831.6	(0.0)	0.0	(100.0)	4 656.6	(100.0)
Compensation		10.6	7.2	8.1	6.8	6.7	6.3	8.6	6.6
Non-compensation		3.3	3.5	9.9	9.2	10.6	7.3	5.5	9.0
Non-compensation (excl. transfers)		1.0	2.9	10.6	10.8	10.8	7.4	4.7	9.7
Non-compensation non-capital (NCNC)		7.7	8.2	12.7	10.6	9.3	7.7	9.5	9.2
NCNC (excl. transfers)		4.9	7.9	13.7	12.6	9.4	7.9	8.8	10.0
Real growth (%)									
Current		2.7	1.8	3.8	1.9	1.3	1.2	2.8	1.5
Transfers		43.7	5.9	(3.4)	(18.3)	0.9	(1.0)	13.7	(6.6)
Capital		(18.2)	(23.6)	(12.5)	(8.0)	15.0	(2.1)	(18.2)	1.2
Financial assets		3 178 234.1	(98.8)	24 511.4	(6.2)	(5.8)	(100.0)	4 404.6	(100.0)
Compensation		4.5	1.5	2.6	0.1	0.5	0.3	2.8	0.3
Non-compensation		(2.3)	(2.0)	4.3	2.4	4.2	1.3	(0.1)	2.6
Non-compensation (excl. transfers)		(4.6)	(2.6)	4.9	3.9	4.4	1.4	(0.8)	3.2
Non-compensation non-capital (NCNC)		1.8	2.5	6.9	3.7	2.9	1.7	3.7	2.8
NCNC (excl. transfers)		(0.8)	2.2	7.9	5.6	3.1	1.9	3.0	3.5

As was the case in previous years, the largest share of total expenditure is in respect of *Current* payments, where the percentage increases from 90.3 per cent in 2012/13 to 92.5 per cent in 2014/15. The share climbs to 94 per cent in 2018/19. The growing share is largely because the department has reduced funding for *Capital* due to the budget cuts resulting from the 2011 Census, as well as reprioritising funding away from *Capital* payments to *Maintenance and repair: Current*, thus boosting the share of *Current* payments to 94 per cent. Furthermore, the Health Facility Revitalisation grant funding decreases in 2017/18 and 2018/19 due to the reforms that were made to the provincial infrastructure grant system that are intended to institutionalise proper planning for infrastructure. This is discussed in more detail in the Vote 7 chapter in Part 2 of the *EPRE*. In addition, the carry-through costs of the various higher than anticipated wage agreements impact on the share of *Current* payments in the outer years of the MTEF. Also impacting on this category is additional funding allocated from 2016/17 for exchange rate pressures on imported medicines, medical supplies and medical equipment, NHLS pressures for the fee-for-service payment mechanism, as well as sharp growth in the HIV, AIDS and TB grant in 2018/19. The major share of *Current* payments is *Compensation of employees* which, although showing an erratic trend similar to *Current* payments, reflects a fairly stable level of around 62 per cent over the 2016/17 MTEF.

Compensation shows a positive trend from 2015/16 to 2018/19, with an average annual real growth of only 0.3 per cent. This means that the department has minimal room for additional appointments to grow services at this stage. Additional funding has been provided over the 2016/17 MTEF for the carry-through effects of the 2015 above-budget wage agreement, although the funding does not cover the full pressure. Note that the department will undertake a headcount exercise in 2016/17, which may result in savings that will assist in addressing pressures.

Although the share of *Transfers* fluctuates from 2012/13 to 2015/16, mainly due to delays with regard to transfers to municipal clinics caused by problems in finalising SLAs with municipalities, the share stabilises at around 2 per cent over the 2016/17 MTEF. This is mainly a result of municipal clinics and other institutions being transferred to the department, resulting in these costs now being catered for under *Current*, rather than as a transfer. The peaks in 2013/14 to 2015/16 are largely due to higher than expected medico-legal claims and an increase in the number of students in the Cuban Doctors' programme. The negative growth for *Transfers* from 2015/16 to 2018/19 relates to once-off costs for legal claims in 2015/16, as well as only eThekweni Metro clinics remaining as transfers from the department.

The share of total expenditure on *Capital* decreases over the seven-year period, largely as discussed under *Current* payments above. The negative real average annual growth in *Capital* from 2012/13 to 2015/16 is attributable to the previously mentioned baseline cuts, reprioritisation to *Current* payments (*Maintenance and repair: Current*), as well as reforms that were made to the provincial infrastructure grant system. The baseline stabilises from 2015/16 to 2018/19, with real growth of 1.2 per cent.

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

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

As a share of total expenditure, *Current* increases from 59.7 per cent in 2012/13 to 62.7 per cent in 2015/16, before dropping to 60.2 per cent in 2018/19. The growth in percentage share up to 2015/16 is due to the above-budget wage agreements in 2014 and 2015, as well as the carry-through effect of absorbing social work graduates. The decrease in the outer years of the MTEF is mainly due to additional funding received in the form of a new conditional grant, namely the ECD grant, with funding commencing in 2017/18 and allocated to *Transfers* at this stage. The category *Current* shows real average annual growth of 6.8 per cent between 2012/13 and 2015/16, decreasing to negative 2.1 per cent between 2015/16 and 2018/19. The high percentage growth between 2012/13 and 2015/16 is largely due to above-budget wage agreements, additional funding for the absorption of social work graduates, support to the NGO sector, and provision of shelters for victims of gender-based violence. *Transfers* reflect a real average annual growth of 4.9 per cent from 2012/13 to 2015/16 due to additional funding added in the 2015/16 Adjusted Appropriation for a six per cent increase for subsidies to NGOs, with carry-through to 2017/18. Also, *Capital* reflects negative average annual real growth of 7 per cent from 2012/13 to

2015/16 due to the removal of additional funding for existing infrastructure development, which ended in 2013/14 in line with project requirements. The growth from 2015/16 to 2018/19 is a negative 5 per cent, but is in line with project requirements.

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

	Audited Outcome			Adjusted Appropriation	Medium-term Estimates			Average Annual Growth	
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19	2012/13-2015/16	2015/16-2018/19
R thousand									
Current	1 184 589	1 371 148	1 520 152	1 700 849	1 731 444	1 806 735	1 911 660		
Transfers	606 915	753 289	806 210	824 816	879 872	1 021 890	1 076 478		
Capital	190 439	205 469	161 070	180 605	159 867	176 008	185 970		
Financial assets	3 443	-	-	6 980	6 979	-	-		
Compensation	848 598	1 015 767	1 156 790	1 315 330	1 340 977	1 400 469	1 480 955		
Non-compensation	1 136 787	1 314 139	1 330 642	1 397 920	1 437 185	1 604 164	1 693 153		
Non-compensation (excl. transfers)	529 872	560 850	524 432	573 104	557 313	582 274	616 675		
Non-compensation non-capital (NCNC)	1 133 344	1 314 139	1 330 642	1 390 940	1 430 206	1 604 164	1 693 153		
NCNC (excl. transfers)	526 429	560 850	524 432	566 124	550 334	582 274	616 675		
Total expenditure	1 985 386	2 329 906	2 487 432	2 713 250	2 778 162	3 004 633	3 174 108		
% of total expenditure									
Current	59.7	58.8	61.1	62.7	62.3	60.1	60.2		
Transfers	30.6	32.3	32.4	30.4	31.7	34.0	33.9		
Capital	9.6	8.8	6.5	6.7	5.8	5.9	5.9		
Financial assets	0.2	-	-	0.3	0.3	-	-		
Compensation	42.7	43.6	46.5	48.5	48.3	46.6	46.7		
Non-compensation	57.3	56.4	53.5	51.5	51.7	53.4	53.3		
Non-compensation (excl. transfers)	26.7	24.1	21.1	21.1	20.1	19.4	19.4		
Non-compensation non-capital (NCNC)	57.1	56.4	53.5	51.3	51.5	53.4	53.3		
NCNC (excl. transfers)	26.5	24.1	21.1	20.9	19.8	19.4	19.4		
Nominal growth (%)									
Current		15.7	10.9	11.9	1.8	4.3	5.8	12.8	4.0
Transfers		24.1	7.0	2.3	6.7	16.1	5.3	10.8	9.3
Capital		7.9	(21.6)	12.1	(11.5)	10.1	5.7	(1.8)	1.0
Financial assets		(100.0)			(0.0)	(100.0)		26.6	(100.0)
Compensation		19.7	13.9	13.7	1.9	4.4	5.7	15.7	4.0
Non-compensation		15.6	1.3	5.1	2.8	11.6	5.5	7.1	6.6
Non-compensation (excl. transfers)		5.8	(6.5)	9.3	(2.8)	4.5	5.9	2.6	2.5
Non-compensation non-capital (NCNC)		16.0	1.3	4.5	2.8	12.2	5.5	7.1	6.8
NCNC (excl. transfers)		6.5	(6.5)	7.9	(2.8)	5.8	5.9	2.5	2.9
Real growth (%)									
Current		9.4	5.0	6.2	(4.5)	(1.7)	(0.1)	6.8	(2.1)
Transfers		17.3	1.3	(2.9)	0.0	9.4	(0.6)	4.9	2.9
Capital		2.0	(25.8)	6.4	(17.0)	3.7	(0.3)	(7.0)	(5.0)
Financial assets		(100.0)	(5.3)	(5.1)	(6.2)	(100.0)	(5.6)	19.9	(100.0)
Compensation		13.1	7.8	7.9	(4.4)	(1.6)	(0.2)	9.6	(2.1)
Non-compensation		9.3	(4.1)	(0.3)	(3.6)	5.1	(0.4)	1.5	0.3
Non-compensation (excl. transfers)		0.0	(11.5)	3.7	(8.8)	(1.6)	(0.0)	(2.8)	(3.6)
Non-compensation non-capital (NCNC)		9.6	(4.1)	(0.8)	(3.6)	5.7	(0.4)	1.4	0.5
NCNC (excl. transfers)		0.7	(11.5)	2.5	(8.8)	(0.3)	(0.0)	(3.0)	(3.2)

The share of total expenditure on *Transfers* increases from 30.6 per cent in 2012/13 to 32.4 per cent in 2014/15, and decreases to 30.4 per cent in 2015/16, increasing thereafter to 33.9 per cent in 2018/19. The reason for the fluctuating trend is the effect of the above-budget wage agreements in 2014 and 2015. The upward trend from 2015/16 to 2018/19 is ascribed to the previously mentioned new ECD grant. The trend is mitigated to some extent by the fact that carry-through costs for the previously mentioned six per cent increase for NGOs is only until 2017/18, with the department to undertake a rationalisation and reprioritisation exercise in 2016/17 and 2017/18 to fund the carry-through costs for 2018/19. Despite the variable trend in the earlier period, *Transfers* experiences real average annual growth of 4.9 per cent from 2012/13 to 2015/16 and real growth of 2.9 per cent from 2015/16 to 2018/19.

Capital spending as a percentage of total expenditure decreased from 9.6 per cent in 2012/13 to 5.9 per cent in 2018/19, due to the removal of the additional funding for existing infrastructure development, as well as the portion of the Isibindi model which was erroneously allocated against this category. The category shows a slight increase in 2015/16 due to additional funding received for the various Inkululeko projects in Umkhanyakude. The average annual real growth reflects negative growth of 7 per cent from 2012/13 to 2015/16, due to reasons mentioned.

Compensation shows a negative trend from 2015/16 to 2018/19, with an average annual real growth of negative 2.1 per cent. Although additional funding was received regarding the absorption of social work graduates and the above-budget 2015 wage agreement, it was insufficient for all the carry-through costs. The negative growth also reflects the impact of budget cuts in 2016/17 due to the need to lower the

expenditure ceiling across the country, with all non-critical posts frozen, with R60.162 million, R64.253 million and R68.623 million cut from this category over the three MTEF years.

Financial assets in 2012/13 relates to the write-off of irrecoverable staff debts, while the amounts in 2015/16 and 2016/17 relate to the first charge for over-spending in 2013/14.

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

Table 5.8 below shows the remaining departments' payments and estimates by economic classification (i.e. all departments excluding DOE, DOH and DSD).

Table 5.8 : Analysis of expenditure summary by classification - Other

	Audited Outcome			Adjusted Appropriation	Medium-term Estimates			Average Annual Growth	
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19	2012/13-2015/16	2015/16-2018/19
R thousand									
Current	9 959 985	10 593 095	10 858 565	12 401 431	12 925 195	13 287 770	14 199 106		
Transfers	7 117 468	8 261 067	8 562 664	8 408 895	7 329 905	8 243 109	8 701 729		
Capital	3 593 012	3 734 688	4 540 585	4 023 918	3 916 998	4 108 854	4 201 068		
Financial assets	7 568	4 882	5 568	11 553	12 771	-	252		
Compensation	4 030 329	4 471 032	4 784 122	5 455 834	5 671 209	6 066 860	6 501 947		
Non-compensation	16 647 704	18 122 700	19 183 260	19 389 963	18 513 660	19 572 873	20 600 208		
Non-compensation (excl. transfers)	9 530 236	9 861 633	10 620 596	10 981 068	11 183 755	11 329 764	11 898 479		
Non-compensation non-capital (NCNC)	16 640 136	18 117 818	19 177 692	19 378 410	18 500 889	19 572 873	20 599 956		
NCNC (excl. transfers)	9 522 668	9 856 751	10 615 028	10 969 515	11 170 984	11 329 764	11 898 227		
Total expenditure	20 678 033	22 593 732	23 967 382	24 845 797	24 184 869	25 639 733	27 102 155		
% of total expenditure									
Current	48.2	46.9	45.3	49.9	53.4	51.8	52.4		
Transfers	34.4	36.6	35.7	33.8	30.3	32.1	32.1		
Capital	17.4	16.5	18.9	16.2	16.2	16.0	15.5		
Financial assets	0.0	0.0	0.0	0.0	0.1	-	0.0		
Compensation	19.5	19.8	20.0	22.0	23.4	23.7	24.0		
Non-compensation	80.5	80.2	80.0	78.0	76.6	76.3	76.0		
Non-compensation (excl. transfers)	46.1	43.6	44.3	44.2	46.2	44.2	43.9		
Non-compensation non-capital (NCNC)	80.5	80.2	80.0	78.0	76.5	76.3	76.0		
NCNC (excl. transfers)	46.1	43.6	44.3	44.2	46.2	44.2	43.9		
Nominal growth (%)									
Current		6.4	2.5	14.2	4.2	2.8	6.9	7.6	4.6
Transfers		16.1	3.7	(1.8)	(12.8)	12.5	5.6	5.7	1.1
Capital		3.9	21.6	(11.4)	(2.7)	4.9	2.2	3.8	1.4
Financial assets		(35.5)	14.1	107.5	10.5	(100.0)	-	15.1	(72.1)
Compensation		10.9	7.0	14.0	3.9	7.0	7.2	10.6	6.0
Non-compensation		8.9	5.9	1.1	(4.5)	5.7	5.2	5.2	2.0
Non-compensation (excl. transfers)		3.5	7.7	3.4	1.8	1.3	5.0	4.8	2.7
Non-compensation non-capital (NCNC)		8.9	5.8	1.0	(4.5)	5.8	5.2	5.2	2.1
NCNC (excl. transfers)		3.5	7.7	3.3	1.8	1.4	5.0	4.8	2.7
Real growth (%)									
Current		0.5	(2.9)	8.4	(2.3)	(3.2)	0.9	1.9	(1.5)
Transfers		9.7	(1.9)	(6.8)	(18.3)	5.9	(0.4)	0.1	(4.8)
Capital		(1.8)	15.1	(15.9)	(8.7)	(1.2)	(3.5)	(1.7)	(4.5)
Financial assets		(39.0)	8.0	96.9	3.7	(100.0)	(5.6)	9.0	(73.7)
Compensation		4.8	1.3	8.2	(2.5)	0.8	1.2	4.8	(0.2)
Non-compensation		2.9	0.2	(4.1)	(10.5)	(0.4)	(0.7)	(0.4)	(4.0)
Non-compensation (excl. transfers)		(2.2)	2.0	(1.9)	(4.5)	(4.6)	(0.9)	(0.7)	(3.3)
Non-compensation non-capital (NCNC)		2.9	0.2	(4.1)	(10.5)	(0.3)	(0.7)	(0.4)	(3.9)
NCNC (excl. transfers)		(2.2)	2.0	(1.9)	(4.5)	(4.5)	(0.9)	(0.7)	(3.3)

The share of *Current* payments to total budget is set to increase from 48.2 per cent in 2012/13, to 52.4 per cent in 2018/19. The decreasing trend from 2013/14 to 2014/15 can be attributed to the continuation of cost-cutting which reduced spending related to *Goods and services*. In 2015/16, the Strategic Cabinet Initiatives fund was stopped from 2015/16 onward, but this was offset to some extent by the substantial increase in respect of the above-budget 2015 wage agreement. The growth over the 2016/17 MTEF is influenced by the budget cuts. In this regard, expenditure on *Compensation of employees* was lowered by freezing all vacant non-critical posts (while departments were given the flexibility to fill critical posts, as long as they remain within their reduced baseline), and departments' equitable share funded *Goods and services* budgets were cut by 2 per cent over the MTEF, as well as financial controls being implemented against *Goods and services*. This also explains the average annual real growth rate of negative 1.5 per cent against this category.

Transfers is expected to decrease from 34.4 per cent in 2012/13 to 32.1 per cent in 2018/19. In 2015/16, the KZNLA receives lower amounts for its operational costs compared to 2014/15 as that year included

significant once-off additional funding. The minimal growth over the 2016/17 MTEF is largely ascribed to the baselines of entities such as DTPC, EKZNW, Ithala and the KZNGFT under DEDTEA decreasing, in line with the budget cuts. It should be noted that the largest portion of DEDTEA's budget cut was implemented against the transfers to its entities. Furthermore, DAC was unable to effect the full cut against *Compensation of employees* as it needed to ensure adequate funding for currently filled posts, and hence the cut was effected against the eThekweni Metro in respect of the provincialisation funding. This accounts for the negative real growth of 4.8 per cent from 2015/16 to 2018/19.

Capital payments reflect negative average annual real growth of 4.5 per cent from 2015/16 to 2018/19, with the share of total expenditure declining from 17.4 per cent in 2012/13 to 15.5 per cent in 2018/19, mainly due to the 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 cut, OTP is in discussions with DOE for the Training Academy to continue operating from the current premises in an effort to ensure that operations continue unaffected. In 2016/17, the allocation under DARD for capital decreases as a result of a reprioritisation that was done to fund pressures under *Compensation of employees*. Also contributing to the decrease in growth is the completion of the Social and Economic Amenities programme under the DOHS which receives its last funding in 2016/17, and the construction and rehabilitation of CSCs and *Imizi Yesizwe* projects by COGTA that are being completed in line with the project plans.

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

5.4 Payments and estimates by functional area

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

There is noticeable growth in the payments and estimates relating to the policy areas in KZN over the seven-year period. The level of provincial spending and budget reflects healthy growth from 2012/13 to 2018/19. This is despite the previous years' Census-based baseline cuts which commenced in the 2013/14 MTEF, and the NT fiscal consolidation cuts on the equitable share and conditional grant allocations of provinces implemented over the 2015/16 and 2016/17 MTEF periods.

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 NT 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 was reduced or cut. In order to effect these cuts in the province, expenditure on *Compensation of employees* was lowered by freezing all vacant non-OSD posts (although departments are permitted to fill critical posts as long as they remain within their reduced baselines), departments' equitable share funded *Goods and services* budgets were cut by 2 per cent over the MTEF, as well as the hosting of events' budgets have been cut over the MTEF in some departments. Other cuts were also effected in line with a Cabinet decision.

Table 5.9 : Summary of payments and estimates by functional area

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
General Public Services	4 440 876	4 637 463	5 053 109	5 060 856	5 306 199	5 264 198	5 205 422	5 261 492	5 572 034
Public Order and Safety	135 892	171 922	179 239	187 069	191 045	191 045	210 123	195 948	207 297
Economic Affairs	10 985 088	12 151 587	12 717 125	13 170 368	13 315 624	13 314 081	12 870 784	13 445 890	14 247 026
Environmental Protection	814 595	823 604	933 738	923 847	917 008	916 874	983 427	1 012 711	1 066 495
Housing and Community Amenities	3 377 771	3 617 002	3 873 178	3 584 685	3 822 970	3 822 970	3 485 112	4 205 672	4 475 736
Health	26 468 226	28 515 048	30 209 743	31 908 347	32 896 553	33 241 481	35 609 908	38 518 296	41 086 500
Recreation, Culture and Religion	862 212	1 128 224	1 179 437	1 258 155	1 264 389	1 264 389	1 228 071	1 312 197	1 341 035
Education	35 554 307	38 248 902	40 224 370	43 254 247	44 278 215	44 278 215	46 646 162	48 768 921	51 550 919
Social Protection	1 971 715	2 316 453	2 476 468	2 613 663	2 699 906	2 697 694	2 767 032	2 993 335	3 162 172
Total	84 610 682	91 610 205	96 846 407	101 961 237	104 691 909	104 990 947	109 006 041	115 714 462	122 709 214

As reflected in Table 5.9, the highest expenditure is on *Education*, and is anticipated to grow from R46.646 billion in 2016/17 to R51.551 billion in 2018/19. The growth is an indication of the province's commitment to the development of human capability, and is ascribed to the increase in funding for the department to deal with personnel spending pressures (the cost driver in the department), re-grading of clerical staff, carry-through of various wage agreements and the OSD for Education therapists. The budget shows healthy growth over the 2016/17 MTEF, mainly due to additional funding to assist with carry-through costs of the above-budget 2015 wage agreement, with R1.024 billion allocated in 2016/17, R1.097 billion in 2017/18, and R1.179 billion in 2018/19. Furthermore, the department receives an amount of R150 million from provincial cash resources for the improvement of water and sanitation in schools, with R100 million allocated in 2016/17 and R50 million in 2017/18.

The second largest expenditure is on *Health*, and is expected to increase from R35.610 billion in 2016/17 to R41.087 billion in 2018/19. This reflects the province's commitment to provide effective and efficient health care services to the people of the province, and is mainly attributed to the carry-through costs of various wage agreements, the re-grading of clerical staff, among others. The growth over the 2016/17 MTEF is mainly ascribed to the carry-through costs of the above-budget 2015 wage agreement, funding provided in 2016/17, for the once-off purchase of hospital linen, additional funding to fully address pressures which have arisen from the change in payment mechanism for NHLS to a fee-for-service payment, as well as additional funding for pressures related to the weakening exchange rate affecting imported medicines, medical equipment and supplies.

Economic Affairs comprises DOT, DARD, DEDTEA and a portion of PT. This category shows an increasing trend over the seven-year period, with the exception of 2016/17, which can be attributed to the above-mentioned budget cuts affecting these departments. The overall growth, though, can be attributed to the carry-through costs of the above-budget wage agreements for these departments. In addition, the growth can be attributed to DOT's road maintenance and construction projects, and learner transport services. The increase from 2017/18 onward is mainly due to the carry-through costs of the above-budget 2015 wage agreement, and increases in DOT's Provincial Roads Maintenance grant and the Public Transport Operations grant.

The category *General Public Services* includes the Legislature and administrative departments such as Provincial Treasury, OTP, COGTA, DOPW, and a portion of DOT and DARD. The decrease in 2016/17 and 2017/18 in comparison to the 2015/16 Adjusted Appropriation is due to the budget cuts. The general growth over the period under review mainly relates to the carry-through costs of the above-budget wage agreements. The growth over the MTEF includes additional funding for the PEMP operations centres under OTP, once-off funding of R150 million in 2016/17 for drought relief interventions in COGTA, as well as the replacement of biometric scanners and IALCH floor repairs under PT. Also, the growth can be ascribed to the carry-through costs of the above-budget 2015 wage agreement.

The growth against *Housing and Community Amenities* (DOHS) from 2012/13 to the 2015/16 Adjusted Appropriation can mainly be attributed to the increase in the HSDG which is used to promote the provision of low income housing using different programmes, such as project linked subsidies, people's housing programmes, integrated residential development programmes, rural housing subsidies, informal settlement upgrades, social housing, etc. The low amount in 2016/17 is due to the budget cuts affecting the HSDG. The growth from 2017/18 onward is partly due to the carry-through costs of the above-budget 2015 wage agreements, the increase in the HSDG, as well as inflationary increments.

The growth against *Social Protection* (DSD) can mainly be attributed to the funding allocated for national priorities such as provision of shelters for victims of gender-based violence, carry-through costs of the above-budget wage agreements, 6 per cent increase in transfers to NGOs, as well as the provision for the Inkululeko Elderly Day Care Centre (with the latter two funding streams ending in 2017/18).

Environmental Protection relates to Environmental Affairs under DEDTEA and is made up of Environmental Affairs and transfers to EKZNW. There is an increasing trend from 2012/13 to 2014/15 partly due to the funding allocated for the Invasive Alien Species Programme (IASP), which is continued in the baseline. The increase in 2013/14 can be ascribed to the additional allocation for the Rhino Security Intervention plan under EKZNW. There is steady growth over the 2016/17 MTEF, largely to cater for the

Sakha Isibaya project, IASP and additional funding for the rhino anti-poaching campaign. Also, EKZNW was affected by the budget cuts, a portion of which DEDTEA effected against this entity.

Recreation, Culture and Religion falls under DOSR and DAC and the growth from 2012/13 onward was mainly due to the substantial additional allocation relating to the provincialisation of public libraries and museums in the province (DAC), and the MPSD grant comprising of school sport, community mass participation and club development, as well as the once-off funding for the construction of a sports development centre in Durban (DOSR), among others. The slight decrease in 2016/17 in comparison to the 2015/16 Adjusted Appropriation can be attributed to the previously mentioned budget cuts. Substantial funding has been allocated in 2017/18 under DAC for the Arts and Culture Academy. In addition, the growth is due to the carry-through costs of the above-budget 2015 wage agreement, as well as once-off funding in respect of the suspension of the Sports development centre funds from 2015/16.

The category *Public Order and Safety* (DCSL) reflects steady growth over the period. The peak in 2016/17 can partly be ascribed to the significant increase in the Social Sector EPWP Incentive Grant for Provinces, with no carry-through at this stage, contributing to the drop from 2016/17 to 2017/18. Also contributing to the peak in 2016/17 was the once-off R5 million received for strengthening departmental oversight during the 2016 local government elections, as well as the fact that the funding to assist with implementing the revised organisational structure comes to an end in 2016/17. The previously mentioned budget cuts are visible from 2017/18 onward.

5.5 Infrastructure payments and estimates

5.5.1 Infrastructure management

Infrastructure Delivery Management System (IDMS): This model describes the process that makes up public sector infrastructure delivery and procurement management as it applies to the construction industry. The implementation of IDMS in the province is being rolled out to all departments that have infrastructure projects to deliver, and also to some municipalities. IDMS has the objective to promote the effective and efficient delivery of infrastructure. This includes encouraging sector departments and implementing agents to implement efficient and effective construction procurement processes with clear delineation of accountability and responsibilities of the various role-players and the assurance of transparency. In adherence to the Constitution, monitoring and reporting to promote transparency is vital. The web-based IRM reporting will be mandatory in 2016/17 to all sector departments that have infrastructure budgets.

Maintaining existing infrastructure versus new infrastructure investment(s): Infrastructure development is important for a country's growth, but so is maintenance of the existing asset base. Attention is usually devoted to building new public infrastructure projects and therefore the maintenance of existing public infrastructure has been neglected or underfunded in favour of starting new highly visible projects.

Maximising value for money, balancing economic pressures and the social impact should always be the primary objective of public policy. In times of fiscal consolidation or scarce public resources, such as at the present time, the need to make the most impactful spending decisions is critical. KZN must therefore focus on maintenance of existing infrastructure.

The level of capital investment delivered in the last decade made up substantial ground in bridging the infrastructure deficit, particularly in the rural areas, which were left under-developed in the past. The rural areas and the majority of the population's access to essential services and other government services have increased substantively. It is therefore important for maintenance of infrastructure to be a priority.

In a challenging fiscal environment, the question must be asked as to what is more beneficial. Is it the upkeep of the existing assets within the sector departments' current asset register, or the planned new investment? The point has been debated internationally and has had a considerable degree of consensus on the importance of potential economic spin-offs (benefits) from maintenance expenditure.

Analysis has shown that a higher return can be expected from reducing expenditure on constructing new infrastructure and focus on financing the maintenance of existing infrastructure. There are clear benefits

from maintenance expenditure in terms of enhancing the productivity of both the public and private capital stock. Intuitively, it makes sense that, if the most beneficial projects are prioritised, at some point the return on new investment declines and maintenance of original infrastructure represents a better use of resources than new project development. The key focus of public capital investment over the coming period will therefore be to protect the value of the province's existing investments.

It is therefore indisputable that investment in infrastructure contributes to economic development and growth in the country and, hence, has to be made one of the priorities. Therefore, infrastructure is a priority in KZN, with the infrastructure budgets geared toward social and economic infrastructure. Infrastructure also improves rural access to earning opportunities, raises rural productivity, and provides access to basic services, thereby achieving inclusive development.

5.5.2 Trends in infrastructure payments and estimates

The payments and estimates on infrastructure are categorised in terms of *Existing infrastructure assets*, *New infrastructure assets: Capital*, *Infrastructure transfers* and *Infrastructure: Leases*. The category *Existing infrastructure assets* is divided into three sub-categories, namely *Maintenance and repair: Current*, *Upgrades and additions: Capital* and *Refurbishment and rehabilitation: Capital*. The *Infrastructure transfers* category refers to transfer of funding to municipalities and public entities for infrastructure projects.

Table 5.10 : 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	8 741 114	9 049 188	9 425 207	9 394 066	9 421 057	9 352 289	9 603 629	9 692 172	10 245 453
Maintenance and repair: Current	3 413 945	3 290 201	3 445 411	4 195 326	3 907 822	3 014 147	4 361 572	4 368 136	4 778 594
Upgrades and additions: Capital	3 815 037	4 088 100	4 258 895	2 950 246	3 535 396	4 659 020	3 071 705	3 312 909	3 443 307
Refurbishment and rehabilitation: Capital	1 512 132	1 670 887	1 720 900	2 248 494	1 977 839	1 679 122	2 170 352	2 011 127	2 023 551
New infrastructure assets: Capital	2 408 248	1 865 053	1 638 042	1 776 005	1 744 519	2 018 719	1 776 975	1 863 510	1 913 843
Infrastructure transfers	615 401	668 611	656 531	890 127	843 657	842 857	576 483	610 596	637 597
Infrastructure transfers: Current	4 950	3 322	3 300	1 650	2 450	1 650	2 000	1 650	1 650
Infrastructure transfers: Capital	610 451	665 289	653 231	888 477	841 207	841 207	574 483	608 946	635 947
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	17 684	19 151	20 000	-	21 390	21 390	21 285	22 301	23 542
Total	11 782 447	11 602 003	11 739 780	12 060 197	12 030 622	12 235 254	11 978 372	12 188 579	12 820 434
<i>Capital infrastructure</i>	<i>8 345 868</i>	<i>8 289 329</i>	<i>8 271 068</i>	<i>7 863 221</i>	<i>8 098 960</i>	<i>9 198 067</i>	<i>7 593 515</i>	<i>7 796 492</i>	<i>8 016 648</i>
<i>Current infrastructure</i>	<i>3 436 579</i>	<i>3 312 674</i>	<i>3 468 711</i>	<i>4 196 976</i>	<i>3 931 662</i>	<i>3 037 187</i>	<i>4 384 857</i>	<i>4 392 087</i>	<i>4 803 786</i>

Table 5.10 reflects a summary of infrastructure spending by category and shows a fluctuating trend over the period under review. The general increase from 2012/13 to 2018/19 can be ascribed to the province's investment in infrastructure, particularly the maintenance of existing infrastructure.

Maintenance and repair: Current shows a fluctuating trend over the period under review. The decrease in 2013/14 can be ascribed to DOH's poor performance relating to no-period contracts in place for the department and poor performance from contractors, as well as DOE due to some maintenance projects that were curtailed in order to fund personnel pressures. The decrease in the 2015/16 Adjusted Appropriation and the Revised Estimate is mainly in respect of DOT, and this can be ascribed to funds reprioritised as a result of slow progress with regard to road maintenance work due to tender appeals, unfavourable weather conditions, and the shortage of grader operators. These funds were moved to *Upgrades and additions: Capital* and *New infrastructure assets: Capital* in respect of various construction projects being fast-tracked. The healthy growth over the 2016/17 MTEF can be ascribed to the increase in the Provincial Roads Maintenance grant under DOT, the provision for maintenance of schools and administration buildings, including circuit and district offices under DOE, as well as inflationary increments. However, the growth was mitigated by cuts in 2016/17 and 2017/18 in the Health Facility Revitalisation grant related to the constrained economic outlook which were effected against this category over the 2016/17 MTEF.

Upgrades and additions: Capital reflects a steady increase from 2012/13 to 2014/15. The substantial decrease in the 2015/16 Main Appropriation can be ascribed to DOT, relating to the fast-tracking of the upgrading of gravel roads to surfaced roads, as well as the carry-over costs of some completed

construction projects from 2013/14, which were completed in 2014/15, hence accounting for the decrease in 2015/16. Also, DOE enforced savings which were implemented against this category in order to fund the shortfall against *Compensation of employees* and this contributed to the decrease in the 2015/16 Main Appropriation. As explained above, the increase in the 2015/16 Adjusted Appropriation and the Revised Estimate is mainly in respect of DOT, and this can be ascribed to various construction projects that are being fast-tracked. Also, the increase is in DOH, relating to pressures for replacement equipment, faster than anticipated progress on a number of projects including the KwaZulu Provincial Laundry, as well as the Stanger and Edendale Hospital projects. In addition, this category increases in DOE due to the in-year suspension of some projects in the previous year. The decrease over the MTEF compared to the 2015/16 Adjusted Appropriation can be attributed to reprioritisation undertaken over the 2015/16 MTEF to ease pressures against *Compensation of employees* in DOE, as well as the previously mentioned decrease in the Health Facility Revitalisation grant in DOH.

The category *Refurbishment and rehabilitation: Capital* shows generally steady growth. The decrease in the 2015/16 Adjusted Appropriation and the Revised Estimate is mainly in DOE, and is ascribed to the shifting of funds to ease pressures against *Upgrades and additions: Capital*, delays in the advertisement of tenders, as well as the slow progress in the implementation of projects attributed to previous year suspension of some projects. The 2016/17 MTEF reflects a gradual decline compared to the 2015/16 Main Appropriation due to reprioritisation undertaken in the 2015/16 MTEF to ease pressures against *Compensation of employees* in DOE. The 2016/17 amount is affected by the previously mentioned decrease in the Health Facility Revitalisation grant in DOH.

New infrastructure assets: Capital fluctuates over the period. The high 2012/13 amount can be ascribed to projects that were carried over from the prior year by DOE, faster than expected progress at the Pomeroy and Dannhauser CHCs, office and residential accommodation lease agreements being higher than initially forecast in DOH, the high expenditure for creating platforms for poultry and piggery structures in DARD, and the construction of one-stop development centres and new office accommodation in DSD. Most of these projects were once-off, accounting for the decrease from 2013/14. The increase in the 2015/16 Revised Estimate is mainly in respect of DOE and relates to projects which were previously categorised as *Goods and services* and have since been classified as capital due to the nature and scope of work undertaken.

Infrastructure transfers reflects a fluctuating trend. The bulk of this category is in respect of *Infrastructure transfers: Capital*. The growth in 2015/16 mainly relates to the CRU programme and operational costs for accredited municipalities in DOHS, the once-off additional funding allocated to RBIDZ for infrastructure projects in DEDTEA, as well as the suspension of funds from 2014/15 to 2015/16 in respect of the construction of the Sports development centre in DOSR. The decrease in the 2015/16 Adjusted Appropriation is due to the reduction in the DTPC transfer by DEDTEA due to the entity's healthy positive cash balance, as well as the suspension of R20 million for the construction of the sports development centre, with R10 million each being allocated in 2016/17 and 2017/18 in DOSR. The decrease over the MTEF in comparison to the 2015/16 Adjusted Appropriation can be ascribed to the cuts and reprioritisation exercise undertaken by DEDTEA, against the transfer to DTPC, which was reduced by R240.848 million, R241.158 million and R241.487 million over the MTEF, the equitable share and conditional grant cuts across all departments and the anticipated winding up of the CRU programme in the eThekweni Metro in DOHS, as well as the decrease in respect of the mega-library as a result of the slow progress of the construction of the mega-library in DAC. The amounts against *Infrastructure transfers: Current* are purely in DOSR, and relate to the maintenance grants that are paid to municipalities for the upkeep of sport facilities constructed by the department. The department allocates the EPWP Integrated Grant for Provinces for the maintenance of sport fields. The decrease in the outer years is attributed to the non-allocation of the EPWP Integrated Grant for Provinces, at this stage.

Infrastructure: Leases relates purely to DOHS and is in respect of the operational leases for offices leased by the department. The increasing trend over the seven-year period relates to inflationary increases, as well as the increase in district offices due to decentralisation.

Table 5.11 shows the infrastructure spending and budget by department. As previously explained, the category reflects a fluctuating trend over the period under review.

Table 5.11 : Summary of infrastructure payments and estimates by vote

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2012/13	2013/14	2014/15	Appropriation	Appropriation 2015/16	Estimate	2016/17	2017/18	2018/19
1. Office of the Premier	16 271	24 272	10 049	20 269	10 779	10 139	3 108	2 916	2 275
2. Provincial Legislature	4 796	11 338	8 587	4 900	6 400	6 400	4 490	5 110	4 995
3. Agriculture and Rural Development	176 722	162 293	209 013	140 756	184 687	184 687	162 844	138 563	146 504
4. Economic Dev, Tourism and Enviro Affairs	415 613	559 655	540 775	660 015	632 186	632 196	463 691	493 524	530 513
5. Education	2 716 925	2 553 784	2 212 374	2 504 035	2 485 931	2 496 547	2 452 129	2 120 705	2 194 343
6. Provincial Treasury	28 012	21 085	31 665	10 062	10 280	10 280	-	-	-
7. Health	2 349 724	1 976 758	1 654 845	1 504 206	1 510 747	1 517 626	1 536 515	1 773 683	1 873 537
8. Human Settlements	133 693	66 334	144 922	160 900	182 631	182 631	138 531	112 473	113 714
9. Community Safety and Liaison	-	312	-	-	500	500	-	-	-
10. Sport and Recreation	33 835	50 466	62 375	77 964	54 964	54 964	59 609	60 130	50 787
11. Co-operative Governance and Traditional Affairs	24 225	39 069	41 689	78 231	76 601	76 601	76 596	61 674	71 450
12. Transport	5 567 450	5 805 930	6 506 106	6 550 069	6 509 069	6 689 764	6 771 540	7 063 395	7 497 775
13. Social Development	173 546	203 739	152 152	152 938	159 139	165 540	137 701	152 751	161 364
14. Public Works	87 999	84 143	108 762	77 373	77 373	78 044	72 618	70 625	70 225
15. Arts and Culture	53 636	42 825	56 466	118 479	129 335	129 335	99 000	133 030	102 952
Total	11 782 447	11 602 003	11 739 780	12 060 197	12 030 622	12 235 254	11 978 372	12 188 579	12 820 434

The largest infrastructure budget is against DOT, which continues to show positive growth over the period under review. This is in respect of the increase in construction and maintenance activities in respect of infrastructure investment in the province and various increased allocations in this regard. The amounts in 2012/13 and 2013/14 are inflated due to over-expenditure. The decrease in the 2015/16 Adjusted Appropriation relates to reprioritisation to *Compensation of employees* by DOE to offset spending pressures. The increase in the 2015/16 Revised Estimate was in respect of various construction projects being fast-tracked. The increase over the 2016/17 MTEF, in comparison to the 2015/16 Main Appropriation, is attributed to a greater number of construction and rehabilitation projects that will be undertaken, as well as inflationary increments. Also, the increase is attributed to the growth in the Provincial Roads Maintenance grant. However, the growth was mitigated by the fact that budget cuts were effected against *Maintenance and repair: Current*.

The second highest budget is against DOE, and fluctuates over the period under review, largely due to the bidding process for funding in respect of the EIG, as well as baseline reprioritisation undertaken in 2015/16 to fully fund personnel pressures. The 2012/13 amount is high compared to 2013/14 mainly due to various projects, including upgrades and refurbishments, as well as construction of new schools. The low 2014/15 amount relates to enforced savings which were implemented against this category in order to fund the shortfall against *Compensation of employees*. The decrease in the 2015/16 Adjusted Appropriation is attributed to the reprioritisation undertaken to *Machinery and equipment* in order to provide for furniture for newly built schools. The high 2015/16 Revised Estimate relates to projects which were previously categorised as *Goods and services* and have since been classified as capital due to the nature and scope of work undertaken. The 2016/17 MTEF includes the carry-through of the reprioritisation that was undertaken against the equitable share portion of the infrastructure budget toward easing pressures against *Compensation of employees*. This reprioritisation or reduction in the baseline amounts to R1.107 billion in 2016/17, R1.370 billion in 2017/18 and R1.634 billion in 2018/19. The negative growth over the 2016/17 MTEF is mainly attributed to funds which were reprioritised, as previously explained. It should be noted that the EIG constitutes the largest share of the budget over the MTEF at 86 per cent in 2016/17, 97 per cent in 2017/18 and 98 per cent in 2018/19. Furthermore, it is noted that the department received an additional allocation of R150 million in the first two years of the MTEF (R100 million in 2016/17, and R50 million in 2017/18) in respect of improving water and sanitation in schools, in order to address the backlogs in the provision of sanitation infrastructure as previously explained.

The third largest budget is against DOH, and the high spending in 2012/13 and 2013/14 was due to the ongoing focus on improving physical facilities, including the provision of essential equipment. Much of this increase was attributable to significant increases in the Health Facility Revitalisation grant, as well as the development of forensic pathology services. The high 2012/13 amount was attributed to acceleration in a number of infrastructure projects on site that could not be stopped without incurring further costs to the department. These included the Dr Pixley ka Seme Hospital, the Pomeroy and Dannhauser CHCs, the King Dinuzulu Hospital TB Complex, alterations and additions to the LUWM Hospital, as well as the upgrade of electrical reticulation at the Ngwelezane District Hospital. From 2013/14, the trend reduces in

line with the availability of funds, and the reprioritisation of some of this funding from new projects to accelerate the day-to-day maintenance of existing infrastructure. The 2016/17 MTEF trend is affected by the previously mentioned reduction in the Health Facility Revitalisation grant from 2016/17.

Also worth mentioning is spending against DEDTEA. The department's infrastructure funding is mainly allocated against *Infrastructure transfers* and relates to the capital development projects of the DTPC and RBIDZ. The low spending in 2012/13 relates to the decreasing funding requirements of DTPC for the completion of the airport portion of the project and the development of the multi-nodal logistics hub at the airport site, and this explains the increase in 2013/14. The slight decrease in 2014/15 was attributed to a carried through reduction in the DTPC allocation, due to the entity's healthy positive cash balance. The increase in the 2015/16 Main Appropriation can be ascribed to once-off additional funding of R40 million allocated to RBIDZ for infrastructure projects. However, there was a substantial decrease in the 2015/16 Adjusted Appropriation driven by the reduction in the DTPC transfer due to the entity's healthy positive cash balance. On the other hand, RBIDZ received an increased transfer for the acquisition of land which forms part of the first phase of the proposed RBIDZ expansion area as defined in the 50-Year Master Plan. DEDTEA undertook a rigorous reprioritisation exercise while also taking cognisance of their budget cuts. As such, significant budget cuts were effected against the infrastructure transfer budget, whereby DTPC was reduced by R240.848 million, R241.158 million and R241.487 million over the MTEF. Despite a cut of R65.337 million, R67.837 million and R70.462 million over the MTEF against RBIDZ, this entity receives R117 million in each year. Therefore, the net increase is only R51.663 million, R49.163 million and R46.538 million over the MTEF. The two outer years of the MTEF reflect steady growth to cater for both DTPC and RBIDZ capital projects, in line with their Master Plans.

The remaining infrastructure budgets against the various departments is below R500 million. Some of the expenditure relates to agricultural projects, provision of office and residential accommodation for staff in rural areas, and construction of CDCs, ECD and secure care centres, the DOHS Social and Economic Amenities programme including the construction of houses, the construction of offices, construction of libraries and museums and the construction of the sports development centre, among others.

5.5.3 Maintenance of provincial infrastructure

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

Table 5.10 indicates that the proportion of funding allocated to *Existing infrastructure assets* increased substantially from R8.741 billion in 2012/13 to R10.245 billion in 2018/19, indicating the intention to improve existing infrastructure to prevent deterioration, as this can lead to more costly interventions at a later stage.

Maintenance and repair: Current caters for routine, preventative, mechanical servicing and other maintenance, and these include maintenance of roads, schools, hospitals, departmental buildings, among others. There is a decreasing trend between 2012/13 and 2015/16 and this is due to budget cuts and other provincial pressures. A decrease of 28 per cent between the 2015/16 Main Appropriation and the Revised Estimate is evident in Table 5.10. This is mainly due to reprioritisation to other categories such as *Upgrades and additions: Capital* for various projects experiencing spending pressures, as indicated previously. Between 2015/16 and 2016/17, there is a significant positive growth of 45 per cent in maintenance and repair. This is due to one of the provincial objectives being to focus on maintenance of existing infrastructure.

5.5.4 Provincial infrastructure transfers

The infrastructure transfer category in Table 5.10 refers to transfers to public entities and municipalities for infrastructure projects. The high growth in 2015/16 is ascribed to DOHS' capital transfer for the CRU programme, operational costs for accredited municipalities, as well as once-off additional funding allocated to RBIDZ *via* DEDTEA. The decreasing trend over the 2016/17 MTEF in comparison to the

2015/16 Adjusted Appropriation is largely due to the anticipated winding up of the CRU programme in the eThekweni Metro. Also, DAC and DOSR transfer funds to municipalities in respect of the construction of libraries and museums and the construction of the Sports development centre, respectively.

5.6 Public Private Partnerships (PPP)

The following gives an update on the PPPs in KZN.

KZN Provincial Government – New Office Park

The provincial government initiated a government office precinct project in 2009/10, which was aimed at reducing the shortage of office space in Pietermaritzburg for departments' head offices. In June 2013, KZN took a decision to resuscitate the project after it had previously been put on hold, and mandated DOPW and PT to update the feasibility study. The update of the feasibility study was completed by the end of June 2013. In preparation for Treasury Approval 1 (TA1) and taking into account the fiscal position of the country, the province had to assess various funding options to obtain optimum value for money for the project. In light of the fiscal consolidation cuts announced in 2014/15 that affected the provincial budget, the project was put on hold again. The Provincial Executive Committee then instructed both PT and DOPW to resuscitate the project in 2015. The feasibility study had to be updated and the outcome of the feasibility study was presented to Cabinet with instruction received to apply for TA1. The feasibility study has been submitted to NT, and PT is awaiting feedback in this regard.

PT and DOPW are managing the requirement to find an optimal and cost-effective solution to government's office accommodation challenges in view of the pressures facing both the national and provincial fiscus.

KZN Legislature

This project entails the design, finance, and construction of a new Legislature complex, comprising offices, assembly areas, auditoriums, meeting places, health care facilities, dining facilities, parking, etc., together with other related ancillary works. The project includes the operation and maintenance of all of the facilities. The project was once suspended due to the financial crisis the province was in at the time. It was subsequently revived and the previous Transaction Advisors were re-appointed. The consultants are currently updating the feasibility study with regard to the design of the project. Similar to the KZN Provincial Government – New Office Park project, this project is being managed in line with the current fiscal and economic circumstances facing the province and the country.

KwaDukuza Municipality – Solid Waste Management PPP project

The KwaDukuza Municipality identified the need to procure the most cost effective service delivery mechanism in respect of refuse removal. A team of Transaction Advisors was appointed to assist the municipality in undertaking Section 78 investigations. The feasibility study report is complete and, as required by the Municipal Systems Act, the municipality is finalising public participation and stakeholder consultation. It is expected that this project will proceed to procurement phase in 2016/17.

Ilembe District Municipality – Water and Sanitation

In January 1999, the Borough of Dolphin Coast (now Ilembe District Municipality) and Siza Water Company entered into a concession agreement whereby Siza Water Company would oversee, manage and implement the provision of water and sanitation services within the municipal boundary on a concession basis. This is a closed project, with a concession period of 30 years and a contract reviewable on a five-year basis. The municipality has finalised its third five-year review and five-year plan for 2014-2019 and have negotiated a third addendum of the contract.

Inkosi Albert Luthuli Central Hospital (IALCH)

DOH entered into a PPP transaction in terms of which a 15-year concession contract in respect of the IALCH was signed in December 2001 between DOH and Impilo Consortium (Pty) Ltd. Financial closure occurred in February 2002, with the hospital opening its doors on 28 June 2002. The project is now in its fourteenth year and only 11 months is left before the end of the concession period. As required by the

contract, the department has finalised the final works programme. The department has appointed specialist consultants to undertake a contract review and an assessment into the compliance of all parties in preparation for the exit strategy.

5.7 Transfers

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

In an attempt to mitigate against provincial budget cuts, the President and the Minister of Finance recommended that provinces rationalise provincial public entities, particularly the DFIs and/or development agencies. In line with this, the province has initiated a review of spending by entities in order to eliminate unnecessary costs, in particular with regard to events, board fees and senior management remuneration.

Table 5.12 shows the summary of provincial transfers to public entities by department, which are discussed below. Transfers to public entities reflect a fluctuating trend from 2012/13 to 2014/15, largely attributable to various once-off allocations, as well as reprioritisation by the transferring departments in line with strategic priorities and spending trends. These are discussed in greater detail in the transferring department's chapter.

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

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
Vote 1 : Office of the Premier	36 960	44 395	53 311	58 392	62 392	62 392	45 195	48 764	52 029
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
Vote 3 : Agriculture and Rural Dev.	209 133	147 759	178 306	173 625	162 199	162 199	181 580	190 949	201 576
Agri-business Development Agency	140 734	101 152	106 410	123 119	99 500	99 500	128 397	134 948	142 775
Ithala Development Finance Corporation	-	-	11 080	-	12 193	12 193	-	-	-
Mjindi Farming (Pty) Ltd	68 399	46 607	60 816	50 506	50 506	50 506	53 183	56 001	58 801
Vote 4 : Economic Dev, Tourism and Enviro. Affairs	1 548 734	1 774 090	1 949 585	1 871 160	1 996 799	1 996 899	1 631 825	1 698 347	1 797 727
Dube TradePort Corporation	392 308	575 402	515 375	593 609	477 780	477 780	384 223	415 167	452 905
Ezemvelo KwaZulu-Natal Wildlife	549 893	588 522	703 395	651 319	718 966	718 966	604 227	624 280	661 372
Ithala Development Finance Corporation	249 500	300 000	278 800	149 700	192 100	192 200	121 600	120 298	118 915
KwaZulu-Natal Liquor Authority	55 699	43 920	77 282	67 008	70 008	70 008	73 753	75 990	80 189
KwaZulu-Natal Tourism Authority	118 292	99 983	109 297	101 512	116 445	116 445	101 846	116 980	124 017
KZN Sharks Board	55 371	59 985	57 109	56 678	63 178	63 178	69 175	66 079	69 597
Richards Bay Industrial Development Zone	62 618	25 164	68 170	110 947	198 947	198 947	126 370	127 605	129 530
Trade and Investment KwaZulu-Natal	65 053	75 084	81 476	80 207	96 195	96 195	82 420	80 105	84 935
KZN Film Commission	-	6 030	58 681	60 180	63 180	63 180	68 211	71 843	76 267
Vote 6 : Provincial Treasury	35 775	41 881	39 276	32 532	32 532	32 532	34 255	35 968	38 054
KwaZulu-Natal Gaming and Betting Board	35 775	41 881	39 276	32 532	32 532	32 532	34 255	35 968	38 054
Vote 8 : Human Settlements	134 477	-	932	-	18 000	18 000	18 000	14 000	-
Housing Development Agency	-	-	-	-	18 000	18 000	18 000	14 000	-
Social Housing Regulatory Authority	134 477	-	932	-	-	-	-	-	-
Vote 11 : COGTA	1 000	-	18 850	-	-	6 150	-	-	-
Agri-business Development Agency	-	-	18 850	-	-	6 150	-	-	-
KwaZulu-Natal Tourism Authority	1 000	-	-	-	-	-	-	-	-
Vote 15 : Arts and Culture	6 721	7 057	7 445	7 787	7 787	7 787	8 176	8 585	9 082
The Playhouse Company	6 721	7 057	7 445	7 787	7 787	7 787	8 176	8 585	9 082
Total	1 972 800	2 015 182	2 247 705	2 143 496	2 279 709	2 285 959	1 919 031	1 996 613	2 098 468

For the 2016/17 MTEF, the province is facing declining provincial own revenue, as well as cuts implemented by NT as a result of the need to lower the expenditure ceiling across the country and to reprioritise funding to various national priorities that have recently arisen. As a result of the reduction in the funding available to the province, transfers to public entities see a significant decline from 2016/17 onwards.

Vote 1: Office of the Premier

- Amafa aKwaZulu-Natali (Amafa) is responsible for administering heritage conservation and supporting cultural tourism in the province. The increase in 2014/15 was to enable Amafa to apply for World Heritage status in respect of the Emakhosini Valley, to upgrade its research and education facilities, as well as various heritage sites and to also purchase support equipment. In addition, Amafa received funds in respect of surplus funds which were surrendered by Amafa to the Provincial

Revenue Fund in 2012/13. These funds were allocated back to Amafa in 2014/15 to roll-out new projects. The decrease in 2016/17 is largely attributed to the budget cuts, part of which OTP effected against Amafa.

- The Royal Household Trust (RHT) was established in 2010/11. In the 2015/16 Adjusted Appropriation, RHT received an additional amount of R4 million to cater for an increase to the RHT in respect of outstanding invoices from 2014/15, as well as toward the purchase of official vehicles. The decrease in 2016/17 is attributed to the budget cuts implemented against departments, part of which OTP effected against the RHT.

Vote 3: Agriculture and Rural Development

- The Agri-business Development Agency (ADA) was established to support land reform farmers in KZN. As from 2013/14, the oversight of the entity was shifted from DEDTEA to DARD in terms of the ADA Bill (historical figures have been adjusted for comparative purposes). The decrease in the 2015/16 Adjusted Appropriation is due to the review of the entity's mandate to ensure that there is no duplication of functions with the department. The entity will, from 2016/17, focus on secondary agriculture with particular focus on the agro-processing sector, whereas the department will focus on primary agriculture aligned to the department's agrarian transformation strategy. The 2016/17 MTEF allocation is for projects to be implemented by ADA, as well as the operational costs for the entity. The department did not effect any budget cuts to the entity in the 2016/17 MTEF.
- As a 62 per cent shareholder of Ntingwe Tea Estate, the department made once-off allocations to Ithala in 2014/15 and 2015/16 to cater for a shortfall in wages of Ntingwe Tea Estate labourers during the off-season, pending a decision on the funding proposal submitted by Ntingwe Tea Estate to turn around the estate into a profitable entity. The department uses Ithala as the vehicle to channel the funding to Ntingwe Tea Estate.
- Mjindi is mandated to provide farming support to farmers in the Makhathini area. The once-off increase in 2014/15 provides for the purchase of irrigation equipment. The allocation from 2015/16 onward provides for the operational costs and maintenance of existing infrastructure over the MTEF. During 2015/16, the department undertook a mechanical review of the entity which may affect the future operations and mandate of this entity. The mechanical review has not yet been completed, and hence the future position of the entity is not clear at this stage. This review will also take into account the impact of the land claims which is discussed in more detail in the chapter dealing with DARD.

Vote 4: Economic Development, Tourism and Environmental Affairs

- DTPC is a public entity established for the strategic planning, establishment, design, construction, operation, management and control of DTP. The decline in 2014/15 and the 2015/16 Adjusted Appropriation was attributed to reprioritisation undertaken by the department and subsequently reducing transfers to DTPC due to the entity's positive cash balance. The further decrease in 2016/17 can be ascribed to the realignment of DEDTEA's budget whereby reprioritisation and budget cuts were effected against the transfer to DTPC in view of the fact that some of the entity's projects are delayed due to outstanding EIAs and water use licence applications.
- The transfers to EKZNW are largely to subsidise the entity's efforts in respect of nature conservation. The transfers show an increasing trend from 2012/13 to 2014/15. The 2012/13 and 2013/14 years include specific funding for protected area expansion and road maintenance and the Rhino Security Intervention plan. The peak in 2014/15 was due to the re-allocation of the unspent and uncommitted road maintenance funds which were suspended in 2013/14. In 2014/15, the entity also received once-off funding for the Sakha Isibaya project. The further increase in the 2015/16 Adjusted Appropriation is due to an agreement between the department and the entity to be the implementing agent for projects such as Sakha Isibaya, IASP, East3 Route Legacy and Parthenium Weed Clearing, as well as funding for the above-budget 2015 wage agreement.

Allocations of R4.500 million from 2014/15 to 2017/18 provide for the continuation of projects such as the Ntsikeni and May Lodge in the Ntsikeni Reserve, as well as the revitalisation of Bhambatha

Lodge. The entity receives additional funding of R9.240 million for each year of the 2016/17 MTEF toward the rhino anti-poaching effort. The decrease in 2016/17 is attributed to the budget cuts, part of which the department effected against this entity. This is slightly offset by an amount of R35 million allocated toward drought interventions in the game reserves.

- The department transfers funds to Ithala on a project-specific funding basis and Ithala then oversees the financing and control of the projects, as well as the recovery of loans. The 2012/13 transfer included transfers to the Enterprise Development Fund, combining the funding streams of the former Co-operatives and SMMEs funds, as well as the Growth Fund. The Growth Fund became a stand-alone entity from 2013/14 onward, and the transfers are therefore excluded from this table.

In 2013/14, 2014/15 and the 2015/16 Adjusted Appropriation, Ithala received substantial funding in respect of Ithala share capital, to assist the entity with its capital adequacy ratio, and for the Ndumo Regeneration programme, whereby the entity is commissioned to champion this integrated multi-purpose and multi-sectoral project to revitalise the Ndumo area, as well as funding for Royalty Soapie Awards, KZN Property Holdings SOC Ltd, and once-off funding for conducting the EIA in respect of the Drakensberg cable car. The decrease in 2016/17 is due to the decrease in the Enterprise Development Fund due to the budget cuts, parts of which the department effected against this entity.

- KZNLA was established in 2012/13 to issue liquor licences and administer the collection of liquor licence fees. The high allocation in 2012/13 can be ascribed to the once-off additional funding provided for its establishment costs. Further once-off additional funding for the entity's operational costs was allocated in 2014/15, including the carry-through allocation for the procurement of an IT system. In the 2015/16 Adjusted Appropriation, the entity's allocation was increased by R3 million for the appointment of additional liquor licence inspectors. KZNLA received budget cuts which were offset by an increase over the 2016/17 MTEF to cater for legislated inspections that are required to be undertaken by the entity, which resulted in an overall net increase over the MTEF.
- Tourism KwaZulu-Natal (TKZN) is responsible for the development, promotion and marketing of tourism into and within KZN. The 2012/13 transfer to TKZN included additional funds for the Tourism Indaba, East3 Route Legacy project and KZN is Summer Campaign, as well as the SAP and the VIP pay-roll system. This explains the decrease in 2013/14. The increase in 2014/15 was attributed to once-off costs incurred through participation in the 2014 Carnival International De Victoria at the Seychelles, promotion and marketing of the East3 Route and organising the KZN is Summer Campaign, accounting for the decline in the 2015/16 Main Appropriation. The significant increase in the 2015/16 Adjusted Appropriation can be ascribed to additional funding for the Tourism Indaba debt from previous years, Loeries Creative Week and 2015 Vodacom Durban July tourism related costs, which explains the decrease in 2016/17. This decrease was exacerbated by budget cuts, in view of the fact that the department implemented part of its budget cuts against the transfer to this entity.
- The core function of the KZNSB is the protection of bathers against shark attacks. The transfer to KZNSB reflects an increase in 2013/14 due to once-off additional funding for critical roof repairs at the entity's headquarters and the purchase and installation of a biometric access control system. In addition, the entity received funding to investigate more environmentally friendly shark repellent technology and to fill critical vacancies in its SCM unit. The entity also received additional funding to provide for activities of MCOE, including learning material, accreditation of courses, conversion of workshops to classrooms, etc., accounting for the decrease in 2014/15. The transfer in 2014/15 included once-off funding for hosting the Sharks International Conference in June 2014, to promote the organisation as an internationally acclaimed centre for shark research. The increase in the 2015/16 Adjusted Appropriation was attributed to funding for MCOE, as well as once-off funding for the hosting the 9th Western Indian Ocean Marine Science Association. In 2016/17, the entity receives budget cuts which were offset by an increase of R18 million for the MCOE as part of the implementation of the Maritime strategy and Operation Phakisa.
- RBIDZ is a Schedule 3D public entity established to undertake the development of industrial land in the Richards Bay area. The substantial decrease in 2013/14 is due to a reduction in allocation due to

the entity's positive cash balance. These funds were reprioritised to projects such as the Co-operatives Incubator programme and the Ndumo Regeneration programme, and this therefore explains the substantial increase in 2014/15. The significant growth in the 2015/16 Main Appropriation is due to once-off additional transfer for infrastructure relating to the entity's Master Plan. During the 2015/16 Adjusted Appropriation, the entity received once-off additional funding for the acquisition of land which forms part of the first phase of the proposed RBIDZ expansion area as defined in the 50-Year Master Plan. This explains the significant decrease in 2016/17. RBIDZ received additional funding for the strategic acquisition of land with these funds being allocated to the entity following a reprioritisation exercise undertaken by the department. This was offset by part of the department's budget cuts being implemented against the transfer to this entity.

- TIK is a trade and investment promotion agency, whose mandate it is to attract foreign and domestic investment and to generate exports and export capacity within KZN. There is an increasing trend under TIK from 2012/13 to 2014/15. The increase in 2013/14 relates to once-off additional funding for Makhaya Arts and Culture Development, and for investment seminars, assigned to be conducted by the entity. The entity also received once-off funding in 2014/15 for investment seminars associated with the East3 Route Legacy project. The entity was also responsible for the TAF for a Renewable Energy project, explaining the decrease in the 2015/16 Main Appropriation. The increase in the 2015/16 Adjusted Appropriation was due to once-off funding in respect of the East3 Route conference, as well as the Malaysian Investors Tour, accounting for the decline in 2016/17. The decreasing growth from 2016/17 to 2017/18 is linked to funding for the TAF and marketing which was allocated for a specific period from 2014/15 to 2016/17. These funds are not carried through beyond 2016/17, hence the significant decrease in 2017/18. In addition, the transfer to TIK was reduced in line with the budget cuts effected where the department effected part of its budget cuts against the transfer to TIK.
- The KwaZulu-Natal Film Commission (KZNFC) is a public entity with its purpose being to promote the film industry in KZN. This entity was established in 2013/14, hence the spending in this year related to set-up costs. The spike in 2014/15 is ascribed to funding allocated to assist the KZNFC with its operational costs and to cover the shortfall for the purchase of computer servers. The increase in the 2015/16 Adjusted Appropriation can be ascribed to additional funding for the KZN film hub. The reprioritisation was carried through over the 2016/17 MTEF to provide for operational costs. Allocations from 2015/16 include the Durban International Film Festival and Simon Mabunu Sabela Film Awards, which are hosted by this entity. The MTEF allocations increase and also provide for costs to setup a Film Fund which will co-fund the production of feature films. This increase in funding is also linked to the increase in the number of productions and associated markets and distribution channels. Mitigating this increase to some extent was a reduction relating to the budget cuts, parts of which the department effected against the transfer to this entity.

Vote 6: Provincial Treasury

- The KZNGBB was established in 2011/12 to ensure that all gambling authorised in terms of the KZN Gaming and Betting Act is conducted in a manner that promotes the integrity of the horse racing, betting and gaming industry. In 2013/14, there was a once-off additional funding of R4.450 million for a new IT system. The decrease from 2014/15 to 2015/16 is attributed to a review into the activities of the Board undertaken by Provincial Treasury, in terms of which potential areas of savings were identified, such as board fees, subsistence and travel and consultant costs, among others with the transfers to the entity being cut.

Vote 8: Human Settlements

- The allocation of R18 million to the Housing Development Agency (HDA) in the 2015/16 Adjusted Appropriation is to cater for operational costs of the support work being undertaken by HDA in the province. The department has entered into a three-year agreement with this national public entity to undertake various assigned functions, hence there is no allocation in 2018/19.
- The expenditure in 2012/13 relates to transfers made to the Social Housing Regulatory Authority (SHRA) for the implementation of the social housing programme. The non-allocation to SHRA from

2013/14 is a result of the fact that the entity had not fully spent the allocation that was transferred to them in 2012/13. The amount in 2014/15 relates to costs incurred by the SHRA after the return of unspent funds by the entity to the department. This expenditure is for costs incurred by the Strategic Programme Management (Booster) team appointed by SHRA, but which had not been paid.

Vote 11: Co-operative Governance and Traditional Affairs

- The department made a transfer to ADA in 2014/15 for the implementation of the Uthukela Amakhosi Programme and the Msinga Asisukume Co-operative, due to capacity constraints in the municipalities. The department undertook a post Adjustments Estimate shift in 2015/16, for ADA to pilot the Amakhosi Rural Economic Development programme in other districts. The department has indicated that it will reprioritise its budget in 2016/17 to complete the project.
- The once-off amount reflected in 2012/13 relates to a transfer to TKZN for the erection of tourism signage in municipalities.

Vote 15: Arts and Culture

- The Playhouse Company is a cultural institution whose primary mandate is to develop and promote artistic works that are representative of the diverse South African artistic and cultural heritage. The department funds projects which are linked to the mandate of the department. The increase over the 2016/17 MTEF is due to inflationary increments.

5.7.2 Transfers to other entities

Table 5.13 shows the summary of departmental transfers to other entities, other than public entities, by vote. Details of these are provided within each department's chapter in the *EPRE*. *Transfers to other entities* increases from R3.469 billion in 2012/13 to R4.963 billion in 2018/19. Some transfers to other entities were affected by the budget cuts, explaining the decrease from the 2015/16 Adjusted Appropriation to the 2016/17 budget.

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Office of the Premier	8 030	-	4 226	-	-	-	-	-	-
2. Provincial Legislature	30 233	30 221	33 139	30 207	30 207	30 207	30 217	30 228	30 241
3. Agriculture and Rural Development	12 870	8 878	25 291	4 303	51 519	51 519	55 816	43 194	33 794
4. Economic Dev, Tourism and Enviro Affairs	58 522	744 900	314 403	154 743	276 030	275 500	228 398	204 761	208 595
5. Education	1 458 236	1 556 294	1 688 344	1 823 043	1 788 043	1 776 072	1 795 769	1 869 034	1 975 060
6. Provincial Treasury	-	893	1 468	3 383	4 383	4 735	3 370	3 370	244
7. Health	277 586	256 751	222 051	215 100	197 039	196 932	203 313	210 687	222 241
8. Human Settlements	185 091	167 940	143 688	168 980	239 237	239 237	182 455	221 885	230 313
9. Community Safety and Liaison	-	-	-	-	-	-	-	-	-
10. Sport and Recreation	12 709	28 128	35 275	29 061	30 953	30 953	33 737	34 612	36 737
11. Co-operative Governance and Traditional Affairs	658	-	33 254	12 100	45 100	45 100	-	-	-
12. Transport	808 877	915 867	985 852	1 063 000	1 063 000	929 766	1 016 045	1 076 439	1 126 506
13. Social Development	587 278	729 779	780 982	756 768	800 968	810 863	854 957	995 679	1 048 690
14. Public Works	-	-	-	-	-	-	-	-	-
15. Arts and Culture	29 105	33 450	63 399	47 478	49 235	49 235	44 303	49 846	50 686
Total	3 469 195	4 473 101	4 331 372	4 308 166	4 575 714	4 440 119	4 448 380	4 739 735	4 963 107

Vote 1: Office of the Premier

In 2012/13, an amount of R8 million was transferred to the LIV Orphanage for infrastructure requirements of the institution, and 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 transferred being the province's contribution to the construction of the Denis Hurley Centre in Durban, with no further allocations made over the MTEF.

Vote 2: Provincial Legislature

Payments are made to the Commonwealth Parliamentary Association (CPA) mainly for subscription fees and attendance costs relating to CPA conferences, as well as to the Political Parties' Fund (PPF), in terms of the KZN Funding of Political Parties' Act.

Vote 3: Agriculture and Rural Development

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

Transfers were also made relating to the soil conservation subsidy and toward Agricultural Show Societies (which are aimed at showcasing the latest developments in agriculture), People's Bio Oil (Pty) Ltd and the Zakhe Agricultural College, Lungisisa Indlela Village (LIV) in respect of a hydroponics projects at this institution supporting orphans, as well as Nyonende Hatchery to enable the hatchery to become economically viable. The transfer also provides for the Communal Estates for operational costs, such as fuel and tractor drivers in respect of the tractors and implements that the department has transferred to them, in line with its agricultural transformation strategy. The department, in partnership with DOE, is providing funding to improve the agricultural infrastructure at the agricultural schools in KZN through the agricultural school revitalisation programme. As such, R50 million was made available over the three-years commencing in 2015/16 for the improvement of agricultural facilities.

Vote 4: Economic Development, Tourism and Environmental Affairs

Over the 2016/17 MTEF, the department transfers funds to various entities, namely the KZN Growth Fund Trust (KZNGFT), Small Business Growth Enterprise (SBGE), Clothing Textile, Moses Kotane Institute (MKI), Ugu ICT incubator, Tourism Enterprise Partnership, Wildlife and Environmental Society of South Africa (WESSA) and the South African Association for Marine Biological Research (SAAMBR).

The MKI was established to enhance economic development through Science, Technology, Engineering and Mathematics skills. This entity was affected by the budget cuts. On the other hand, funds were reprioritised to MKI resulting in a net increase of R3.050 million in each year of the MTEF.

The KZNGFT was established to lend funds to commercially viable projects. In 2013/14, the Growth Fund was restructured, and the KZNGFT was established. Prior to the KZNGFT, the funding was routed *via* Ithala. The KZNGFT's unspent funding relating to previous years and the 2013/14 allocation were moved from Ithala, since the KZNGFT was in the process of being registered as a separate entity at the time. In 2014/15, a net amount of R40 million was reduced from the entity's transfer due to its healthy positive cash balance. Provision has been made for a transfer to this entity over the MTEF, with this transfer being affected by the reprioritisation undertaken by the department, as well as the budget cuts over the MTEF. The transfer to this entity remains constant over the MTEF.

The department reprioritised funds to cater for the SBGE over the MTEF, with this amount being higher than the R37 million previously allocated to this entity. The transfer to SBGE fluctuates over the MTEF, mainly due to budget cuts made against this entity.

Transfers to various entities were made relating to partnership funding and for major events. The increase in 2013/14 and in 2014/15 included the transfers paid to various private enterprises, mainly for events hosted by these enterprises in partnership with the department. During 2015/16, funding was allocated for KZN Tooling, KZN Craft Hub, continuation of Ugu ICT incubator, and Tourism Enterprise partnership. The increase in the 2015/16 Adjusted Appropriation is attributed to a number of events such as MTV Awards, Durban Vodacom July and Metro FM Awards, where the department appointed private enterprises as the events promoter. The budget over the MTEF includes transfers for a blue flag impact study, Ndumo Lodge upgrade, Simunye information centre, SAAMBR and WESSA.

Vote 5: Education

The largest portion of transfers is in respect of S21 schools, relating to the transfers of norms and standards funding. The allocation in 2016/17 for transfers to S21 and S20 schools is lower than the 2015/16 Revised Estimate due to budget pressures mainly related to carry-through costs of previous years' above-budget wage agreements. As such, this has limited the reprioritisation that could be undertaken within the vote in order to increase the allocation for transfers to schools. The allocation in the outer years of the MTEF increases, though not sufficiently to meet the sector norms and standards.

Public special schools reflects an upward trend from 2012/13 to 2018/19, as the department is focusing on learners with special needs, by making sure that schools are allocated funding that will enable them to assist the learners. There is healthy growth for these schools over the 2016/17 MTEF.

There are also other transfers in relation to ECD centres, HIV and AIDS transfers to schools for the procurement of uniforms and other additional needs for orphaned and vulnerable children, among others.

Vote 6: Provincial Treasury

In 2013/14 and from 2015/16 to 2017/18, funds are allocated by the department for transfers to the Financial Literacy Association (FLA), which is now an independent entity. This project was initiated by the MEC for Finance with the aim of educating the citizens of KZN about using their money wisely and also on various aspects such as encouraging savings and financial discipline. There is no budget in 2018/19 as the MOU with the FLA is for three years, starting from 2015/16 and ending in 2017/18.

As a result of a change in the MEC's approach to community outreach, from 2014/15 onward, donations are made available to co-operatives, old age homes, etc. Also, an amount of R1.227 million was paid to the uMgungundlovu Academy of Sport for the procurement of various sport equipment and activities, based on invoices provided by suppliers.

In 2015/16, a donation of R1 million was made to the Coastal Horse Care Unit to cater for the construction of a training facility, as this unit deals with rescue, education and rehabilitation of horses.

Vote 7: Health

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

The decrease in 2014/15 is due to the ceasing of funding for McCord Hospital as it was taken over as a provincial hospital and funding is now from other categories. In addition, the funding for the KZN Children's Hospital Trust for the development and refurbishment of this hospital in the eThekweni Metro ceases, due to the completion of the contract. Over the MTEF, the baseline growth is inflationary only.

Vote 8: Human Settlements

The department is funding the KZN Housing Fund which has been dis-established and is no longer a listed public entity in terms of Section 47(2) of the PFMA. The increase in the 2015/16 Adjusted Appropriation relates to municipal services and rates and taxes for housing properties, as well as funds in respect of a Cabinet agreement to provide funding towards the rehabilitation of R293 and Ex-own Affairs townships. This entity was also affected by the budget cuts, hence the decrease in 2016/17.

Vote 10: Sport and Recreation

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

The substantial increase in 2014/15 is attributed to additional funding received for hosting of the 20th AIMS congress, Duzi Canoe Marathon and the suspension of Pietermaritzburg Bike City funding from DEDTEA. The increase in the 2015/16 Adjusted Appropriation is due to the reprioritisation of funds from *Compensation of employees* for the increase in transfers to various organisations, such as the KZN Aquatics Association and KZN Cricket Union. The MTEF allocation caters for continuous transfers to sporting federation and sporting bodies.

Vote 11: Co-operative Governance and Traditional Affairs

The department made once-off donations in 2012/13 to the KZN Top Business Portfolio with regard to the update of promotional DVDs to showcase successful growth in the province, and to the Sakhisizwe Organisation for the heritage month celebration.

A once-off amount in 2014/15 and 2015/16 to uMhlathuze water board was in respect of the 2014 general elections, where the Board was tasked to assist the department with providing voting stations with

infrastructure such as sanitation and water, as well as the provision of portable water delivery services to district municipalities, respectively.

A once-off amount in 2015/16 against Umgeni water board was in respect of water provision for Umkhanyakude for vehicle repairs, pump repairs, repairs to broken borehole shafts, borehole connections, relocation of bulk water, among others. The department is using Umgeni water board as the implementing agent because of the skills, expertise and equipment that the institution possesses.

Vote 12: Transport

The transfers under this vote relate to the PTOG for the payment of bus subsidies to bus operators. The expenditure and budget against bus operators increase steadily over the period under review. As of 2013/14, transfers are also made toward the Vukuzakhe Emerging Contractors Association (VECA), who monitors the Vukuzakhe emerging contractors for compliance to norms and standards.

Vote 13: Social Development

The department transfers funds to almost 2 000 entities in KZN, and a list of all these entities can be made available on request. The low amount in 2012/13 is due to strict application of Section 38(1) (j) of the PFMA, which largely affected ECD and partial care. The increased 2013/14 amount is attributed to the introduction of new services for NGOs and NPOs. The increase in 2014/15 is attributed to increases for ECD centres, in line with national priority funding.

The strong growth in 2017/18 and 2018/19 against ECD and Partial Care relates to the new ECD grant funding which commences in 2017/18.

Vote 15: Arts and Culture

The transfers under this vote relate mainly to arts and culture support, museum subsidies and community art centres.

5.7.3 Transfers to local government

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

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

Table 5.14 : Summary of provincial 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				2016/17	2017/18	2018/19
Category A	399 547	484 868	517 367	634 799	723 009	737 944	594 375	638 617	652 777
Category B	571 499	565 727	783 269	505 403	623 775	635 739	461 030	492 746	517 127
Category C	223 142	77 800	50 869	6 265	9 915	9 915	12 711	7 222	7 939
Unallocated	132	24	24	1 293	60	18	2 060	1 710	1 710
Total	1 194 320	1 128 419	1 351 529	1 147 760	1 356 759	1 383 616	1 070 176	1 140 295	1 179 553

The total provincial transfers to local government reflect a fluctuating trend over the period. There are three categories of municipalities in terms of the Constitution. Below is a brief description of each of the categories, and a summary of the provincial transfers to local government by municipal category as contained in Table 5.14 above:

Category A (metropolitan council) refers to municipalities that have exclusive municipal executive and legislative authority within their areas. KZN has only one metropolitan council, namely the eThekweni

Metro. As indicated in Table 5.14, the transfers to the Metro show a fluctuating trend, and relate to various transfers from OTP, DEDTEA, DOPW, DAC, COGTA, DOH, DOSR and DOHS mainly in respect of the following:

- Payments of property rates, the Community Library Services grant to assist at local level with the costs of cyber cadets and the acquisition of library material, and the Corridor Development programme.
- The subsidy for primary health care for services provided by local authorities/municipal clinics, the maintenance of R293 hostels, the EEDBS, the provincialisation of libraries and museums, as well as funding for the continuation of the mega-library.
- The decrease in 2016/17 is due to a reduction in the provincialisation of libraries funding by DAC as a result of budgets cuts. Also, the CRU programme under DOHS was affected by these budget cuts.

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

- Corridor Development, Massification and the Small Town Rehabilitation programmes.
- Provincialisation of municipal clinics (in 2012/13 to 2014/15 only).
- The provision for transfers in respect of the payment of property rates, the provincialisation of public libraries and museums, as well as building of libraries.
- The development of the Pietermaritzburg, Margate and Richards Bay airports, as well as the development of the Shayamoya eco-complex and the light industrial park at Bhongweni.
- The Greenest Municipality Competition, the construction of trading centres, as well as the Drakensberg cable car consultations in respect of various municipalities.

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

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

The amounts against *Unallocated* are usually allocated to specific recipients during the course of the year, and are formalised annually during the Adjustments Estimate. The amounts in the 2015/16 Main Appropriation are in respect of the Greenest Municipality Competition undertaken by DEDTEA's Environmental Affairs component.

Table 5.15 presents a summary of provincial transfers to local government by vote and grant type from 2012/13 to 2018/19. It should be noted that a detailed analysis of these transfers to local government is provided in the individual votes in the *EPRE*.

- The significant transfers under DEDTEA from 2012/13 to 2014/15 included Joint Project Funding, the revitalisation of Alkantstrand Beach (uMhlathuze) and rehabilitation of South Port Beach (Hibiscus Coast), as well as the Drakensberg cable car. Also included in 2015/16 are transfers toward the Beaches Rehabilitation, the Greenest Municipality Competition and the Dundee July (horse racing event). In 2016/17, a transfer is made in respect of the Africa Bike Week event and no transfers are made for the remainder of the MTEF.
- The transfers under PT are mainly in respect of various upgrades of airports, i.e. the Pietermaritzburg, Richards Bay, Prince Mangosuthu Buthelezi and Margate airports. In addition, funds were transferred in respect of the development of a light industrial park in Bhongweni, as well as the Shayamoya eco-complex. There is also a once-off allocation in 2014/15 in respect of Msunduzi electricity-related developments, R218 000 of which was rolled over to 2015/16.

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

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
Vote 1 : Office of the Premier	15 000	-	4 865	-	-	-	-	-	-
2013 AFCON Tournament	15 000	-	-	-	-	-	-	-	-
Indian Indentured Labourers	-	-	4 865	-	-	-	-	-	-
Vote 4 : Economic Dev., Tourism and Enviro. Affairs	4 244	11 076	17 005	2 250	1 250	1 250	6 000	-	-
Joint Project Funding	2 953	2 414	-	-	-	-	-	-	-
SMME Fair and Exhibition	-	-	992	-	-	-	-	-	-
Beaches Rehabilitation	-	3 400	900	1 000	1 000	1 000	-	-	-
Dundee July event	-	479	495	250	250	250	-	-	-
Sakhisizwe Manag. Agency	981	-	-	-	-	-	-	-	-
Richards Bay Breakfast	310	-	-	-	-	-	-	-	-
Drakensberg Cable Car	-	4 183	1 793	-	-	-	-	-	-
Tourism Route Strategy	-	-	500	-	-	-	-	-	-
Africa Bike Week event	-	-	6 000	-	-	-	6 000	-	-
Top Gear Festival	-	-	4 425	-	-	-	-	-	-
Dev of EMFs and SEAs	-	-	1 000	-	-	-	-	-	-
Greenest Munic. Comp	-	600	900	1 000	-	-	-	-	-
Vote 5: Education	-	-	-	-	-	-	-	-	-
Transfers to local government	-	-	-	-	-	-	-	-	-
Vote 6 : Provincial Treasury	28 012	21 970	31 665	10 295	10 280	10 280	-	-	-
Donations	-	-	-	233	-	-	-	-	-
Pietermaritzburg airport	574	17 071	-	-	-	-	-	-	-
Prince Mangosuthu Buthelezi airport	19 661	596	-	-	-	-	-	-	-
Richards Bay airport	7 777	-	-	-	-	-	-	-	-
Margate airport	-	2 009	-	-	-	-	-	-	-
Shayamoya eco-complex	-	615	9 552	8 000	5 571	5 571	-	-	-
Development of light industrial park	-	1 679	16 830	2 062	4 491	4 491	-	-	-
Msunduzi electricity-related dev	-	-	5 283	-	218	218	-	-	-
Vote 7 : Health	22 893	74 736	117 404	105 000	205 250	205 250	169 048	200 000	205 394
Subsidy: Municipal clinics	22 893	74 736	117 404	105 000	205 250	205 250	169 048	200 000	205 394
Vote 8 : Human Settlements	115 000	40 384	68 318	148 400	148 741	148 741	85 792	90 172	90 172
Accredited municipalities	-	33 421	57 460	48 400	48 741	48 741	26 792	30 172	30 172
CRU programme	115 000	6 963	-	100 000	100 000	100 000	59 000	60 000	60 000
Vote 10 : Sport and Recreation	18 600	21 465	22 200	41 650	21 650	21 650	12 000	11 650	1 650
Maintenance grant	4 950	3 300	3 300	1 650	1 650	1 650	2 000	1 650	1 650
Infrastructure	13 650	18 165	18 900	40 000	20 000	20 000	10 000	10 000	-
Vote 11 : COGTA	444 444	232 074	353 061	61 656	180 806	184 306	32 816	35 784	36 448
Construction of TSCs and CSCs	-	-	5 000	7 500	7 500	7 500	-	-	-
Operational Support for TSCs	1 600	250	5 250	-	3 000	3 000	-	-	-
Massification prog (incl. elec. projects)	145 800	54 827	119 455	49 956	160 956	160 956	28 016	30 584	30 648
Disaster Management	17 740	8 000	7 000	-	6 500	10 000	-	-	-
Community participation in IDPs	2 000	2 000	-	-	-	-	-	-	-
Dev. Planning and Shared Serv	2 000	2 000	4 750	4 200	2 850	2 850	4 800	5 200	5 800
Sustainable Living Exhibition	-	1 000	1 000	-	-	-	-	-	-
Various	32 199	-	-	-	-	-	-	-	-
Vote 13 : Social Development	-	-	-	-	-	-	-	-	-
ECD infrastructure development	-	-	-	-	-	-	-	-	-
Vote 14 : Public Works	395 743	466 799	512 510	507 062	515 356	538 713	533 931	561 873	594 455
Property rates	395 743	466 799	512 510	507 062	515 356	538 713	533 931	561 873	594 455
Vote 15 : Arts and Culture	150 384	259 915	224 501	271 447	273 426	273 426	230 589	240 816	251 434
Art Centres (Operational costs)	1 562	1 639	1 729	1 815	2 587	2 587	3 822	4 044	4 278
Museum subsidies	10 049	9 593	8 181	7 935	8 142	8 142	8 887	9 353	9 819
Provincialisation of libraries	116 004	225 111	198 182	212 586	212 586	212 586	180 805	189 197	197 965
Community Library Services grant	22 769	23 572	16 409	49 111	50 111	50 111	37 075	38 222	39 372
Total	1 194 320	1 128 419	1 351 529	1 147 760	1 356 759	1 383 616	1 070 176	1 140 295	1 179 553

- The transfers under DOH show a varying trend, due to the provincialisation of municipal clinics. The majority of the municipal clinics were taken over by the department in 2011/12. The increases from 2013/14 onward are largely due to the commitment to assist clinics with pressures in the treatment of HIV and AIDS, the extension of hours of service, as well as to cater for an increase in neonatal services. The increase in 2014/15 mainly relates to the decision to provide additional funding to meet the health funding requirements of the clinics in the Metro. The substantial increase in the 2015/16 Adjusted Appropriation relates to expenditure of R70.250 million that was carried over from 2014/15, as well as an additional R30 million that was allocated to municipal clinics to strengthen their HIV and AIDS programme. The 2016/17 MTEF provides for transfers to eThekwin only.
- The transfers under DOHS relate mainly to the maintenance of R293 hostels in eThekwin, the CRU programme and the payment of arrear rates and taxes. Provision is also made for the accreditation of municipalities, as well as municipal rates and taxes.
- The significant transfers made by COGTA relate to Umzimkhulu Support, as well as projects such as Corridor Development, Massification, Small Town Rehabilitation, among others. Over the MTEF,

provision is made for transfers in respect of the Massification programme, as well as the Development Planning and Shared Services.

- The transfer under DSD relates to a once-off transfer made to the Umkhanyakude District Municipality for the Ndumo Learner Support Centre in respect of ECD infrastructure development.
- DOPW's transfers relate to the payment of property rates on government-owned land and buildings.
- The transfers under DAC reflect provision made to municipalities for museum subsidies, provincialisation of public libraries, Community Library Services grant and the operational costs of the art centres.

5.8 Personnel numbers and costs

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

Due to data updates of the equitable share formula, a declining provincial own revenue, as well as cuts implemented by NT 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. Provinces were also instructed that the baselines of provincial DOHs 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* has been lowered by freezing the budget for vacant non-OSD posts. This explains the constant personnel numbers over the MTEF for most departments. Having said this, though, departments were given the flexibility to fill critical vacant posts as long as they remain within their reduced baselines. As such, this will be reviewed by most departments in-year.

It must be noted that some departments made amendments to prior year personnel numbers, as a result of restating prior year information.

Table 5.16 : Summary of personnel numbers and costs by vote¹

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. Office of the Premier	3 457	2 401	488	511	511	511	511
2. Provincial Legislature	234	220	223	225	225	225	225
3. Agriculture and Rural Development	3 897	4 056	3 826	2 922	2 957	2 957	2 957
4. Economic Development, Tourism and Enviro Affairs	567	627	687	662	671	671	671
5. Education	105 071	107 568	105 340	107 433	107 433	107 433	107 433
6. Provincial Treasury	525	569	520	560	560	560	560
7. Health	74 726	81 606	82 146	82 872	82 372	82 372	82 372
8. Human Settlements	745	827	787	824	837	842	843
9. Community Safety and Liaison	126	143	156	171	171	171	171
10. Sport and Recreation	1 586	1 493	1 349	1 417	715	430	430
11. Co-operative Governance and Traditional Affairs	1 482	1 659	1 650	1 979	1 982	1 988	1 999
12. Transport	4 023	3 880	4 014	4 762	4 762	4 762	4 762
13. Social Development	6 082	7 421	9 250	9 055	9 074	7 954	7 459
14. Public Works	2 062	2 060	1 886	1 852	1 952	1 952	1 952
15. Arts and Culture	465	527	517	644	644	644	644
Total	205 048	215 057	212 839	215 889	214 866	213 472	212 989
Total personnel cost (R thousand)	49 255 854	54 022 777	57 911 298	63 401 994	67 799 512	72 106 316	76 548 068
Unit cost (R thousand)	240	251	272	294	316	338	359

¹. Full-time equivalent

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

With respect to DOE, personnel numbers decreased to 105 340 in March 2015 due to significant number of resignations and retirements in that year. The department has estimated the personnel affordability at 107 433 over the MTEF. It would appear that the budget reprioritisation process that started in 2014/15 yielded some results in terms of ensuring that the *Compensation of employees* budget fully funds the employees on the establishment. However, the personnel budget does not cater for all the personnel numbers currently on the system (PERSAL). The headcount project, which was jointly undertaken by

DOE and PT, is reaching finality and it is hoped that savings from this exercise may relieve spending pressures in the department's *Compensation of employees* budget.

DOH's staff numbers includes nurses and CCGs on the payroll from March 2013/14. The increase is largely due to the department placing student nurses and CCGs on the payroll. The department's staff numbers do not include personnel working at the Provincial Pharmacy Supply Depot and staff occupying sub-vented (shared costs) posts. DOH's staff numbers decline over the MTEF due to a reduced in-take of student nurses.

For DOSR, the total personnel numbers decrease substantially from 31 March 2016 to 31 March 2018 mainly due to the decrease in volunteers employed as a result of NDOSR's directive to minimise the use of volunteers by training teachers.

The low personnel numbers against COGTA in March 2013 are due to the slower than anticipated filling of posts as a result of the difficulty in finding suitable candidates, as well as resignations. The department has made provision for the filling of some critical vacant posts over the MTEF.

The personnel numbers of DSD show an increase over the period, attributable to the revision of the departmental structure in an attempt to cope with policy changes, such as the implementation of SCM and the district management model to improve service delivery. Also contributing to the escalating personnel costs are the increased number of social work staff, the social worker retention strategy (salary upgrades) and the annual salary improvements.

5.9 Information on training

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

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

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
					2015/16				
1. Office of the Premier	28 548	3 125	2 626	7 800	7 070	7 070	4 516	4 545	4 982
2. Provincial Legislature	3 576	4 484	3 654	5 084	5 084	5 084	4 184	5 454	5 770
3. Agriculture and Rural Development	11 939	10 430	8 040	14 742	11 200	11 202	9 951	10 641	11 381
4. Economic Development, Tourism and Enviro Affairs	15 174	2 258	2 362	3 917	3 198	3 079	2 895	2 883	3 051
5. Education	71 976	53 837	106 981	189 579	189 579	189 579	201 492	214 655	227 104
6. Provincial Treasury	1 572	2 022	2 595	2 564	2 534	2 379	2 571	2 571	2 879
7. Health	901 968	1 012 752	1 051 400	1 104 853	1 104 853	1 104 853	1 163 410	1 221 581	1 292 433
8. Human Settlements	437	861	1 602	3 390	3 331	3 331	2 072	2 368	3 729
9. Community Safety and Liaison	884	12 385	10 107	4 520	2 966	2 966	2 200	2 076	2 197
10. Sport and Recreation	3 442	3 279	6 633	7 043	7 043	4 834	8 902	10 352	11 143
11. Co-operative Governance and Traditional Affairs	1 783	1 300	1 528	2 600	1 600	1 600	1 700	1 800	1 900
12. Transport	8 151	8 296	3 444	6 660	9 792	8 974	9 500	10 049	10 626
13. Social Development	4 903	2 653	3 083	7 098	7 098	6 320	3 005	3 365	3 720
14. Public Works	4 788	3 868	2 935	6 465	4 868	3 520	6 562	7 003	7 286
15. Arts and Culture	890	2 256	649	3 404	3 505	3 573	2 760	2 898	3 036
Total	1 060 031	1 123 806	1 207 639	1 369 719	1 363 721	1 358 364	1 425 720	1 502 241	1 591 236

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

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

The peak in training costs of DOE in 2012/13 is due to the changes in the curriculum. The steady increase over the 2016/17 MTEF will address the educators' skills gaps and improve the quality of education, through the availability of the in-service training centre.

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

2014/15 in order to undertake in-house training and capacity building. The increase from 2015/16 is in line with the training needs of the staff.

Spending on training against DOPW reflects a fluctuating trend from 2012/13 to 2014/15 due to training and staff development costs. The decrease in 2014/15 is attributed to the centralisation of the external bursaries budget under OTP which was decentralised to the department in 2015/16. This also accounts for the spike in 2015/16.

The number of staff illustrated on Table 5.18 is higher than the personnel numbers reflected in Table 5.16 from March 2014 to March 2018 due to the inclusion of Members of the Legislature. Table 5.18 provides the number of staff affected by the various training programmes and initiatives, at a provincially aggregated level. It also includes a gender breakdown, an indication of the types of training, as well as details of the number of bursaries and learnerships.

Table 5.18 : Information on training

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Number of staff	205 117	215 126	212 908	218 308	215 900	215 958	214 935	213 541	213 058
Number of personnel trained	33 878	21 116	50 120	57 703	57 418	57 268	60 428	64 322	68 801
of which									
Male	10 622	7 611	25 001	27 692	27 300	27 300	29 008	30 781	32 856
Female	23 256	13 505	25 119	30 011	30 118	29 968	31 420	33 524	35 907
Number of training opportunities	18 580	17 888	53 274	66 464	66 381	66 522	65 850	68 137	71 953
of which	-	-	-	-	-	-	-	-	-
Tertiary	2 126	2 370	4 618	5 263	5 274	5 211	5 261	5 517	5 807
Workshops	3 760	3 613	4 069	4 919	4 953	5 077	4 294	3 899	4 086
Seminars	417	371	595	662	667	747	737	800	812
Other	12 277	11 534	43 992	55 620	55 487	55 487	55 558	57 922	61 248
Number of bursaries offered	1 601	2 405	17 476	8 656	8 595	8 326	9 528	10 614	11 229
Number of interns appointed	1 078	873	1 325	1 180	1 279	1 290	1 369	1 499	1 565
Number of learnerships appointed	290	732	477	571	397	447	436	460	502
Number of days spent on training	8 605	8 675	7 613	8 414	9 033	7 158	5 318	4 364	4 418

6. MEASURING PERFORMANCE IN GOVERNMENT

DPME is now the lead department regarding the measuring of government performance. From 2015/16, the responsibility of collecting and assessing departments' non-financial data at provincial level has devolved from PT to the OTP. In addition, OTP is also now the responsible department for the assessment of SPs and APPs. Due to human resource capacity constraints within OTP, a protocol agreement between PT and OTP was signed whereby PT remains the point of delivery for non-financial quarterly inputs (QPR) and is responsible for the collation and submission of this data to DPME. The capacitation of OTP staff began in 2015/16, and will conclude in 2016/17. The protocol agreement will remain in effect until such time as OTP is fully functional in this regard.

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

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

Uniform budget and programme structures for 2016/17 are applicable to DOE, DOH, DSD, PT, Legislature, OTP, DARD, DOHS, DCSL, DEDTEA, COGTA, DOSR, DAC, DOPW and DOT. The budget and programme structures for these remain unchanged. Note that OTP, DEDTEA, PT, DOPW and DAC do not fully comply with the uniform structure at this stage. Apart from deviations currently under discussion with NT in this regard, it must be noted that Gaming and Betting falls under PT and not DEDTEA and Heritage falls under OTP and not DAC, as required in the uniform structure.

During 2011/12, the A-G conducted a performance audit of a number of departments' and public entities' non-financial measures in order to determine the state of readiness of the province to comply with audit standards. Since then, the A-G has provided findings on non-financial, as well as financial records for each department and public entity as part of the annual audit process, and this will be continued in the 2015/16 audit. Part of the findings was that many of the measures did not meet the SMART principles, namely being specific, measurable, attainable, realistic and timely. Departments and public entities are encouraged to revisit all their measures (even sectoral measures) to ensure that they comply, in order to avoid negative audit opinions going forward.

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

ANNEXURE – OVERVIEW OF PROVINCIAL REVENUE AND EXPENDITURE

Table 1.A : Details of provincial own 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
Tax receipts	1 771 278	1 889 687	2 045 246	2 149 313	2 149 313	2 044 452	2 120 649	2 217 213	2 320 531
Casino taxes	383 056	421 355	467 319	556 890	556 890	466 336	478 167	510 227	545 111
Horse racing taxes	64 674	66 899	71 205	91 337	91 337	77 030	79 171	80 925	83 796
Liquor licences	4 927	5 110	25 596	20 086	20 086	20 086	27 577	28 898	30 574
Motor vehicle licences	1 318 621	1 396 323	1 481 126	1 481 000	1 481 000	1 481 000	1 535 734	1 597 163	1 661 050
Sale of goods and services other than capital asset	416 664	447 633	460 875	449 170	449 170	457 088	487 238	516 229	545 865
Sale of goods and services produced by dept. (excl. capital assets)	415 503	446 921	459 832	448 296	448 296	455 946	486 305	515 242	544 819
Sales by market establishments	30 616	37 398	35 945	49 670	49 670	39 682	44 233	46 882	48 813
Administrative fees	4 812	122 945	121 164	117 301	117 301	119 194	126 341	133 915	141 944
Other sales	380 075	286 578	302 723	281 325	281 325	297 070	315 731	334 445	354 063
of which									
Health patient fees	125 730	145 608	156 079	138 741	138 741	145 320	166 888	176 568	186 810
Tuition fees	2 973	4 686	8 017	8 823	8 823	8 740	7 763	8 057	9 347
Other	908	917	1 353	1 190	1 190	1 165	1 227	1 293	1 364
Sale of scrap, waste, arms and other used current goods (excluding capital assets)	1 161	712	1 043	874	874	1 142	933	987	1 046
Transfers received from:	1 060	-	-	-	-	1 405	-	-	-
Other governmental units	1 000	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	60	-	-	-	-	1 405	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	51 130	39 547	44 808	38 681	38 681	45 694	38 939	41 576	44 399
Interest, dividends and rent on land	274 164	262 846	313 851	284 874	284 874	359 080	303 280	318 457	336 938
Interest	273 783	262 582	313 527	284 650	284 650	358 598	302 897	318 045	336 495
Dividends	293	24	23	28	28	25	27	29	31
Rent on land	88	240	301	196	196	457	356	383	412
Sale of capital assets	63 076	31 147	48 899	18 760	18 760	25 434	24 006	29 586	26 751
Land and subsoil assets	36 121	9 607	14 009	10 000	10 000	3 900	12 000	12 600	13 230
Other capital assets	26 955	21 540	34 890	8 760	8 760	21 534	12 006	16 986	13 521
Transactions in financial assets and liabilities	92 168	101 330	235 316	54 348	54 348	304 194	57 656	60 511	63 956
Total	2 669 540	2 772 190	3 148 995	2 995 146	2 995 146	3 237 347	3 031 768	3 183 572	3 338 439

Overview of Provincial Revenue and Expenditure

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	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	66 247 397	71 893 983	76 473 807	82 943 692	84 438 476	83 749 229	90 176 807	95 602 288	101 826 629
Compensation of employees	49 255 854	54 022 777	57 911 298	62 289 398	63 401 994	63 460 454	67 799 512	72 106 316	76 548 068
Salaries and wages	42 569 033	44 901 210	50 447 334	51 297 095	52 274 889	54 189 590	55 573 289	59 268 007	62 845 581
Social contributions	6 686 821	9 121 567	7 463 964	10 992 303	11 127 105	9 270 864	12 226 223	12 838 309	13 702 487
Goods and services	16 990 860	17 864 660	18 558 514	20 644 062	21 035 345	20 286 141	22 373 950	23 492 663	25 275 636
Administrative fees	26 012	35 330	24 364	36 127	29 379	33 882	30 624	30 765	29 421
Advertising	148 083	194 433	140 474	148 108	172 947	175 073	170 805	176 552	185 221
Assets less than capitalisation threshold	271 041	110 120	122 455	162 502	161 870	167 720	209 769	188 698	202 975
Audit cost: External	62 982	87 220	195 426	74 917	88 486	159 762	92 564	96 968	106 120
Bursaries: Employees	38 447	73 031	79 373	123 431	120 929	144 244	78 578	89 609	96 142
Catering: Departmental activities	133 638	146 986	151 261	135 843	135 922	114 888	134 501	146 959	155 872
Communication (G&S)	292 575	309 176	313 811	279 174	266 528	286 344	281 482	293 759	312 580
Computer services	474 738	546 928	530 743	625 455	685 012	644 959	654 766	640 348	672 913
Cons & prof serv: Business and advisory services	734 212	864 071	755 779	1 071 483	967 955	928 586	922 386	1 011 471	1 148 164
Cons & prof serv: Infras and planning	179 161	226 676	184 578	222 435	165 186	171 489	232 081	289 246	310 272
Cons & prof serv: Laboratory services	539 951	587 884	913 617	939 611	1 209 590	1 358 303	1 631 910	1 646 412	1 709 421
Cons & prof serv: Scientific and tech services	-	-	-	-	-	250	-	-	-
Cons & prof serv: Legal costs	49 258	70 116	72 902	65 364	57 633	185 092	62 846	63 403	66 929
Contractors	1 698 979	1 938 528	1 854 706	2 325 152	2 295 529	1 534 505	2 853 277	2 665 623	2 960 278
Agency and support / outsourced services	2 288 719	2 425 634	2 477 211	2 514 595	2 429 384	2 557 297	2 590 115	2 758 592	2 877 620
Entertainment	819	2 567	740	1 945	1 850	987	1 633	2 263	2 356
Fleet services (incl. govt motor transport)	382 111	356 477	522 433	493 160	502 146	531 784	512 650	534 767	567 078
Housing	-	8 006	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	14 496	23 189	24 752	37 197	37 158	45 758	47 079	49 508
Inventory: Farming supplies	-	147 592	145 546	145 897	315 479	315 487	178 443	160 161	146 316
Inventory: Food and food supplies	105 686	119 026	121 365	135 447	127 102	128 082	135 287	158 654	167 851
Inventory: Fuel, oil and gas	260 325	308 392	171 442	167 834	154 205	178 419	161 959	167 416	177 281
Inventory: Learner and teacher support material	490 941	492 090	455 957	602 358	771 003	650 507	566 677	562 676	595 319
Inventory: Materials and supplies	109 679	118 571	132 628	156 365	175 116	134 072	173 999	182 073	192 137
Inventory: Medical supplies	1 285 569	1 340 288	1 511 591	1 558 744	1 528 460	1 406 029	1 573 053	1 819 039	1 987 667
Inventory: Medicine	2 363 384	2 442 498	2 412 220	3 013 270	3 038 571	2 963 681	3 153 057	3 015 239	4 300 520
Medasas inventory interface	-	-	3	-	-	-	-	-	-
Inventory: Other supplies	60 916	53 308	165 983	185 289	192 684	194 302	195 213	202 751	214 418
Consumable supplies	528 645	313 124	348 813	425 964	451 174	427 460	586 090	535 923	562 733
Consumable: Stationery, printing and office supplies	252 421	227 587	239 136	239 808	269 420	291 126	264 619	239 330	257 614
Operating leases	635 960	391 047	454 823	510 659	506 238	443 119	486 633	515 798	541 666
Property payments	1 655 274	1 828 463	1 967 886	1 825 938	1 968 837	1 997 181	2 207 460	2 260 387	2 376 233
Transport provided: Departmental activity	184 102	268 131	290 530	417 780	401 074	381 543	403 213	443 859	461 335
Travel and subsistence	762 310	829 618	789 711	827 636	799 594	791 192	724 224	730 712	776 548
Training and development	190 545	123 043	150 910	300 523	276 383	259 053	309 549	330 291	349 795
Operating payments	200 170	162 763	215 410	293 760	332 576	318 037	334 076	325 685	335 031
Venues and facilities	199 163	201 397	189 601	137 157	185 267	182 831	127 893	138 472	145 329
Rental and hiring	385 044	400 044	431 897	455 579	214 979	191 698	304 760	221 683	234 973
Interest and rent on land	683	6 547	3 995	10 232	1 137	2 634	3 345	3 309	2 924
Interest	626	6 147	3 932	10 232	971	1 999	3 274	3 234	2 845
Rent on land	57	400	63	-	166	635	71	75	79
Transfers and subsidies to	9 764 582	11 420 899	12 054 854	11 049 595	11 986 342	11 937 111	10 820 225	12 004 799	12 667 527
Provinces and municipalities	1 204 307	1 139 824	1 365 703	1 161 263	1 371 651	1 397 681	1 084 929	1 156 338	1 196 467
Provinces	9 987	11 405	14 140	13 503	14 879	14 052	14 715	16 003	16 872
Provincial Revenue Funds	369	269	325	193	210	238	223	246	244
Provincial agencies and funds	9 618	11 136	13 815	13 310	14 669	13 814	14 492	15 757	16 628
Municipalities	1 194 320	1 128 419	1 351 563	1 147 760	1 356 772	1 383 629	1 070 214	1 140 335	1 179 595
Municipalities	1 175 076	1 117 943	1 330 559	1 146 277	1 355 509	1 382 366	1 064 176	1 140 295	1 179 593
Municipal agencies and funds	19 244	10 476	21 004	1 483	1 263	1 263	6 038	40	42
Departmental agencies and accounts	1 824 199	1 847 630	1 962 753	2 042 536	2 108 951	2 116 720	1 846 560	1 961 318	2 070 760
Social security funds	1	7	6	101	88	65	102	75	73
Entities receiving funds	1 824 198	1 847 623	1 962 747	2 042 435	2 108 863	2 116 655	1 846 458	1 961 243	2 070 687
Higher education institutions	57	501	3 046	-	2 000	2 000	8 500	8 925	9 442
Foreign governments and international organisations	233	221	207	207	207	207	217	228	241
Public corporations and private enterprises	1 214 377	1 396 597	1 699 664	1 403 882	1 745 831	1 612 171	1 389 254	1 428 312	1 483 772
Public corporations	1 190 564	1 306 881	1 438 987	1 390 556	1 556 710	1 423 480	1 321 172	1 384 547	1 438 181
Subsidies on production	808 877	914 416	984 952	1 058 000	1 058 000	924 766	1 011 045	1 071 439	1 121 506
Other transfers	381 687	392 465	454 035	332 556	498 710	498 714	310 127	313 108	316 675
Private enterprises	23 813	89 716	260 677	13 326	189 121	188 691	68 082	43 765	45 591
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	23 813	89 716	260 677	13 326	189 121	188 691	68 082	43 765	45 591
Non-profit institutions	2 487 457	3 324 185	3 021 878	3 101 029	3 101 757	3 099 926	3 232 372	3 451 256	3 620 303
Households	3 033 952	3 711 942	4 001 603	3 340 678	3 655 945	3 708 406	3 258 393	3 998 422	4 286 542
Social benefits	209 315	249 106	365 838	208 744	268 344	309 183	232 146	241 713	255 926
Other transfers to households	2 824 637	3 462 836	3 635 765	3 131 934	3 387 601	3 399 223	3 026 247	3 756 709	4 030 616
Payments for capital assets	8 520 531	8 186 603	8 229 669	7 728 031	8 034 729	9 069 610	7 771 970	7 887 531	8 129 804
Buildings and other fixed structures	7 508 265	7 523 677	7 524 475	6 977 955	7 161 766	8 280 602	6 819 032	6 737 546	6 910 101
Buildings	4 443 817	4 255 783	3 566 301	3 843 545	3 785 331	3 833 626	3 531 843	3 259 419	3 342 839
Other fixed structures	3 064 448	3 267 894	3 958 174	3 134 410	3 376 435	4 446 976	3 287 189	3 478 127	3 567 262
Machinery and equipment	958 517	630 393	665 708	729 732	855 900	770 509	931 253	1 129 529	1 198 939
Transport equipment	341 188	237 599	362 908	375 424	446 672	423 938	425 555	417 767	449 450
Other machinery and equipment	617 329	392 794	302 800	354 308	409 228	346 571	505 698	711 762	749 489
Heritage assets	10 794	4 659	2 608	4 200	2 659	2 659	4 500	4 555	4 819
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	9 542	474	145	606	42	42	636	668	707
Land and sub-soil assets	7 018	-	23 000	-	-	-	-	-	-
Software and other intangible assets	26 395	27 400	13 733	15 538	14 362	15 798	16 549	15 233	15 238
Payments for financial assets	11 012	38 511	5 983	157 598	158 041	160 676	159 249	139 501	252
Total	84 543 522	91 539 995	96 764 313	101 878 916	104 617 588	104 916 626	108 928 251	115 634 119	122 624 211
Statutory payments	67 160	71 095	82 094	82 321	74 321	74 321	77 790	80 343	85 003
Total (including statutory payments)	84 610 682	91 611 090	96 846 407	101 961 237	104 691 909	104 990 947	109 006 041	115 714 462	122 709 214
Unauth. Exp. (1st charge) not available for spending	(1 800)	(2 500)	(2 500)	(157 598)	(157 598)	(157 598)	(157 055)	(139 501)	-
Baseline available for spending after 1st charge	84 608 882	91 608 590	96 843 907	101 803 639	104 534 311	104 833 349	108 848 986	115 574 961	122 709 214

Table 1.C : Information relating to conditional grants

Vote and Grant	2012/13				2013/14				2014/15				2015/16				Medium-term Estimates			
	Adjusted Appropriation	Actual Transfer	Audited Expenditure	Adjusted Appropriation	Actual Transfer	Audited Expenditure	Adjusted Appropriation	Actual Transfer	Audited Expenditure	Adjusted Appropriation	Revised Transfer Estimate	Revised Exp Estimate	Adjusted Appropriation	Revised Transfer Estimate	Revised Exp Estimate	2016/17	2017/18	2018/19		
R thousand																				
Vote 3 : Agriculture and Rural Development																				
Comprehensive Agricultural Support Programme grant	268 440	263 673	272 480	287 036	287 036	264 586	342 760	342 760	319 760	308 525	308 525	308 525	308 525	222 155	235 712	249 472	300 503	314 398	332 751	
Ilimaletsena Projects grant	183 726	183 726	183 726	202 522	202 522	202 522	212 632	212 632	212 632	226 161	226 161	226 161	226 161	69 402	67 356	71 263	222 155	235 712	249 472	
Land Care Programme grant	21 714	16 947	16 046	18 746	18 746	18 746	10 854	10 854	10 854	10 666	10 666	10 666	10 666	10 632	11 330	12 016	10 632	11 330	12 016	
EPWP Integrated Grant for Provinces	-	9 708	-	550	550	550	4 181	4 181	4 181	2 286	2 286	2 286	2 286	3 840	-	-	3 840	-	-	
Vote 4 : Economic Development, Tourism and Enviro Affairs																				
EPWP Integrated Grant for Provinces	10 708	10 708	10 708	550	550	550	16 827	16 827	13 120	9 599	9 599	9 599	9 599	6 927	-	-	6 927	-	-	
Vote 5 : Education																				
Education Infrastructure grant	2 700 002	2 700 002	2 609 393	2 713 125	2 713 125	2 665 918	2 832 290	2 832 290	2 847 881	3 395 026	3 395 026	3 395 026	3 395 026	1 958 321	1 843 980	1 948 887	3 459 225	3 386 987	3 381 387	
HIV and AIDS (Life-Skills Education) grant	1 413 001	1 413 001	1 423 000	1 306 421	1 306 421	1 306 421	1 385 781	1 385 781	1 385 781	1 385 781	1 385 781	1 385 781	1 385 781	50 588	56 115	59 369	1 958 321	1 843 980	1 948 887	
National School Nutrition Programme (NSNP) grant	46 806	46 806	49 954	38 907	38 907	19 348	71 820	71 820	85 893	50 588	50 588	50 588	50 588	1 287 034	1 423 009	1 505 544	53 096	56 115	59 369	
Maths, Science and Technology grant	1 179 358	1 179 358	1 085 489	1 299 705	1 299 705	1 283 939	1 253 300	1 253 300	1 253 708	1 253 300	1 253 300	1 253 300	1 253 300	59 998	63 883	67 587	1 355 247	1 423 009	1 505 544	
OSD for Education Sector Therapists grant	59 837	59 837	50 055	65 092	65 092	54 870	74 291	74 291	75 610	13 079	13 079	13 079	13 079	62 453	63 883	67 587	62 453	63 883	67 587	
Social Sector EPWP Incentive Grant for Provinces	-	-	-	-	-	-	41 581	41 581	41 581	13 079	13 079	13 079	13 079	27 318	-	-	27 318	-	-	
EPWP Integrated Grant for Provinces	1 000	1 000	895	3 000	3 000	1 340	2 937	2 937	-	2 644	2 644	2 644	2 644	2 790	-	-	2 790	-	-	
Vote 7 : Health																				
Health Professions Training and Development grant	5 023 849	5 023 849	5 006 698	5 444 245	5 444 245	5 435 051	6 434 734	6 434 734	6 433 533	6 905 045	6 905 045	6 905 045	6 905 045	299 513	312 377	331 943	7 302 804	8 013 983	8 899 603	
Health Facility Revitalisation grant	261 860	261 860	261 860	276 262	276 262	276 262	292 837	292 837	292 847	1 362 469	1 362 469	1 362 469	1 362 469	1 229 775	1 114 693	1 153 707	312 377	331 943	351 196	
National Tertiary Services grant	1 176 452	1 176 452	1 176 514	1 072 531	1 072 531	1 072 529	1 362 469	1 362 469	1 362 469	1 496 427	1 496 427	1 496 426	1 496 426	1 530 246	1 686 266	1 794 649	1 530 246	1 686 266	1 794 649	
Comprehensive HIV, AIDS and TB grant	1 323 114	1 323 114	1 323 114	1 415 731	1 415 731	1 415 743	1 496 427	1 496 427	1 496 426	3 257 992	3 257 992	3 257 992	3 257 992	3 812 972	4 244 243	4 889 864	3 812 972	4 244 243	4 889 864	
Human Papillomavirus Vaccine grant	2 225 423	2 225 423	2 225 423	2 652 072	2 652 072	2 651 997	3 257 992	3 257 992	3 258 231	-	-	-	-	-	-	-	-	-	-	
Social Sector EPWP Incentive Grant for Provinces	-	-	-	-	-	-	2 580	2 580	2 580	13 000	13 000	13 000	13 000	3 682	7 122	-	13 000	-	-	
EPWP Integrated Grant for Provinces	1 000	1 000	1 000	3 000	3 000	3 000	2 581	2 581	2 581	15 857	15 857	15 857	15 857	-	-	-	15 857	-	-	
National Health Insurance grant	33 000	33 000	17 115	24 649	24 649	15 520	19 848	19 848	18 399	-	-	-	-	-	-	-	-	-	-	
AFCO: Medical Services grant	3 000	3 000	1 672	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 8 : Human Settlements																				
Human Settlements Development grant	2 915 297	2 915 297	3 105 048	3 335 584	3 335 584	3 309 243	3 509 045	3 509 045	3 509 045	3 509 045	3 509 045	3 509 045	3 509 045	3 235 475	3 843 228	4 092 224	3 235 475	3 843 228	4 092 224	
Housing Disaster Relief grant	2 915 297	2 915 297	3 077 411	3 332 584	3 332 584	3 309 243	3 509 045	3 509 045	3 509 045	-	-	-	-	-	-	-	-	-	-	
EPWP Integrated Grant for Provinces	-	-	-	3 000	3 000	-	-	-	-	6 580	6 580	6 580	6 580	15 194	-	-	15 194	-	-	
Vote 9 : Community Safety and Liaison																				
Social Sector EPWP Incentive Grant for Provinces	1 673	1 673	792	5 369	5 369	3 758	2 580	2 580	2 580	1 000	1 000	1 000	1 000	11 043	-	-	11 043	-	-	
Vote 10 : Sport and Recreation																				
Mass Participation and Sport Development grant	91 548	91 548	91 548	84 760	84 760	84 760	96 354	96 354	93 665	93 633	93 633	93 633	93 633	90 131	95 778	101 143	93 633	99 019	95 778	
EPWP Integrated Grant for Provinces	90 548	90 548	90 548	79 883	79 883	79 883	86 194	86 194	83 505	90 131	90 131	90 131	90 131	90 785	95 778	101 143	90 785	95 778	101 143	
Social Sector EPWP Incentive Grant for Provinces	1 000	1 000	1 000	550	550	550	2 102	2 102	2 102	2 000	2 000	2 000	2 000	6 234	-	-	2 000	-	-	
Vote 11 : Co-op, Governance and Traditional Affairs																				
EPWP Integrated Grant for Provinces	-	-	-	-	-	-	3 471	3 471	3 471	4 119	4 119	4 119	4 119	3 667	-	-	3 667	-	-	
Vote 12 : Transport																				
Public Transport Operations grant	2 373 740	2 373 740	2 393 661	2 464 340	2 464 340	2 464 340	2 752 384	2 752 384	2 752 384	2 759 623	2 759 623	2 759 623	2 759 623	924 766	1 071 439	1 121 506	2 759 623	3 110 391	3 278 733	
EPWP Integrated Grant for Provinces	808 279	808 279	808 279	852 325	852 325	852 325	904 783	904 783	904 783	55 602	55 602	55 602	55 602	55 602	56 055	60 952	1 011 045	1 071 439	1 121 506	
Provincial Roads Maintenance grant	64 290	64 290	84 211	88 487	88 487	88 487	59 443	59 443	59 443	1 779 255	1 779 255	1 779 255	1 779 255	1 925 378	2 038 952	2 157 227	1 925 378	2 038 952	2 157 227	
Vote 13 : Social Development																				
Social Sector EPWP Incentive grant	-	-	674	14 610	14 610	14 610	5 746	5 746	5 746	3 000	3 000	3 000	3 000	3 958	92 380	144 948	3 958	92 380	144 948	
EPWP Integrated Grant for Provinces	-	-	674	14 610	14 610	14 610	3 746	3 746	3 746	3 000	3 000	3 000	3 000	-	-	-	3 958	-	-	
Early Childhood Development grant	-	-	-	-	-	-	2 000	2 000	2 000	-	-	-	-	-	-	-	-	-	-	
Vote 14 : Public Works																				
Devolution of Property Rate Funds Grant	552 608	552 608	407 735	3 000	3 000	3 000	3 168	3 168	3 167	3 056	3 056	3 056	3 056	4 471	-	-	4 471	-	-	
EPWP Integrated Grant for Provinces	551 700	551 700	402 443	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 15 : Arts and Culture																				
Community Library Services grant	48 619	48 619	49 180	63 695	63 695	64 472	122 754	122 754	108 428	173 041	173 041	173 041	173 041	165 162	175 404	185 322	173 041	175 404	185 322	
EPWP Integrated Grant for Provinces	48 619	48 619	48 633	63 145	63 145	63 145	122 754	122 754	108 428	1 400	1 400	1 400	1 400	-	-	-	2 000	-	-	
Total																				
	13 986 484	13 981 717	13 947 917	14 416 314	14 416 314	14 310 288	16 122 113	16 122 113	16 092 780	16 887 722	16 887 723	16 887 723	16 887 723	17 489 153	19 032 549	20 816 111	17 489 153	19 032 549	20 816 111	

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Maintenance and repair: Current									
Vote 1: Office of the Premier	3 528	-	-	640	640	-	1 171	882	123
Vote 2: Provincial Legislature	1 943	7 157	6 532	4 050	4 050	4 050	4 095	4 170	4 000
Vote 3: Agriculture and Rural Development	21 639	22 829	24 199	25 312	25 312	25 312	26 654	28 067	29 696
Vote 4: Economic Dev, Tourism and Enviro Affairs	-	-	-	-	-	-	-	-	-
Vote 5: Education	253 554	194 530	194 504	214 383	214 383	177 194	220 526	235 000	235 000
Vote 6: Provincial Treasury	-	-	-	-	-	-	-	-	-
Vote 7: Health	439 636	325 401	354 977	363 758	317 202	338 410	440 294	356 002	413 809
Vote 8: Human Settlements	-	-	-	-	-	-	-	-	-
Vote 9: Community Safety and Liaison	-	-	-	-	-	-	-	-	-
Vote 10: Sport and Recreation	157	-	-	-	-	-	-	-	-
Vote 11: COGTA	-	-	-	-	-	-	-	-	-
Vote 12: Transport	2 666 236	2 709 259	2 830 486	3 564 126	3 323 126	2 438 927	3 644 108	3 720 355	4 071 705
Vote 13: Social Development	16 139	21 655	24 199	17 057	17 057	22 731	16 424	17 260	18 261
Vote 14: Public Works	11 113	9 370	10 514	6 000	6 052	6 723	6 300	4 400	4 000
Vote 15: Arts and Culture	-	-	-	-	-	800	2 000	2 000	2 000
Sub-total: Maintenance and repair: Current	3 413 945	3 290 201	3 445 411	4 195 326	3 907 822	3 014 147	4 361 572	4 368 136	4 778 594
Upgrades and additions: Capital									
Vote 1: Office of the Premier	-	-	-	3 212	9 112	9 412	-	-	-
Vote 2: Provincial Legislature	2 853	4 181	2 055	850	2 350	2 350	395	940	995
Vote 3: Agriculture and Rural Development	-	-	3 228	-	6 487	6 487	-	-	-
Vote 4: Economic Dev, Tourism and Enviro Affairs	-	-	-	-	-	-	-	-	-
Vote 5: Education	987 291	1 297 566	1 025 411	854 838	1 136 734	1 262 437	923 799	732 161	836 859
Vote 6: Provincial Treasury	-	-	-	-	-	-	-	-	-
Vote 7: Health	1 015 627	840 089	633 455	402 569	481 643	530 636	360 261	684 098	732 427
Vote 8: Human Settlements	-	-	-	-	-	-	-	-	-
Vote 9: Community Safety and Liaison	-	-	-	-	-	-	-	-	-
Vote 10: Sport and Recreation	-	-	-	-	-	-	-	-	-
Vote 11: COGTA	-	-	18	-	-	-	-	-	-
Vote 12: Transport	1 738 910	1 846 882	2 516 597	1 635 559	1 835 559	2 769 197	1 733 498	1 840 695	1 831 510
Vote 13: Social Development	8 861	37 327	15 839	13 781	27 074	28 907	14 746	15 483	16 381
Vote 14: Public Works	52 057	51 467	58 122	31 937	31 937	45 094	31 506	35 532	18 635
Vote 15: Arts and Culture	9 438	10 588	4 170	7 500	4 500	4 500	7 500	4 000	6 500
Sub-total: Upgrading and additions: Capital	3 815 037	4 088 100	4 258 895	2 950 246	3 535 396	4 659 020	3 071 705	3 312 909	3 443 307
Refurbishment and rehabilitation: Capital									
Vote 1: Office of the Premier	12 743	24 272	8 553	727	1 027	727	1 937	2 034	2 152
Vote 2: Provincial Legislature	-	-	-	-	-	-	-	-	-
Vote 3: Agriculture and Rural Development	59 978	65 272	26 991	75 413	55 976	55 976	81 351	52 905	55 453
Vote 4: Economic Dev, Tourism and Enviro Affairs	-	-	-	-	-	-	-	-	-
Vote 5: Education	444 754	412 699	590 756	982 776	682 776	408 415	920 686	747 139	670 657
Vote 6: Provincial Treasury	-	-	-	-	-	-	-	-	-
Vote 7: Health	220 027	315 337	271 159	158 958	184 771	164 598	154 800	153 782	166 447
Vote 8: Human Settlements	-	-	-	-	-	-	-	-	-
Vote 9: Community Safety and Liaison	-	-	-	-	-	-	-	-	-
Vote 10: Sport and Recreation	-	-	-	-	-	-	-	-	-
Vote 11: COGTA	5 955	13 560	4 665	11 431	21 274	21 274	21 596	22 674	23 450
Vote 12: Transport	736 296	798 697	760 940	981 867	981 867	981 867	948 079	995 490	1 053 240
Vote 13: Social Development	15 974	16 873	35 889	20 000	27 721	24 127	23 000	22 932	24 262
Vote 14: Public Works	11 442	19 012	18 116	16 043	15 991	15 702	18 903	14 171	20 390
Vote 15: Arts and Culture	4 963	5 165	3 831	1 279	6 436	6 436	-	-	7 500
Sub-total: Refurbishment and rehabilitation: Capital	1 512 132	1 670 887	1 720 900	2 248 494	1 977 839	1 679 122	2 170 352	2 011 127	2 023 551

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

Table 1.D : Summary of provincial infrastructure payments and estimates by category and vote (continued)									
R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
New infrastructure assets: Capital									
Vote 1: Office of the Premier	-	-	1 496	15 690	-	-	-	-	-
Vote 2: Provincial Legislature	-	-	-	-	-	-	-	-	-
Vote 3: Agriculture and Rural Development	95 105	68 192	152 595	40 031	96 912	96 912	54 839	57 591	61 355
Vote 4: Economic Dev, Tourism and Enviro Affairs	-	-	28	-	-	10	-	-	-
Vote 5: Education	1 031 326	648 989	401 702	452 038	452 038	648 501	387 118	406 405	451 827
Vote 6: Provincial Treasury	-	-	-	-	-	-	-	-	-
Vote 7: Health	654 434	475 909	395 254	578 921	527 131	483 982	581 160	579 801	560 854
Vote 8: Human Settlements	1 009	6 799	67 455	12 500	12 500	12 500	31 454	-	-
Vote 9: Community Safety and Liaison	-	312	-	-	500	500	-	-	-
Vote 10: Sport and Recreation	15 078	29 001	40 175	36 314	33 314	33 314	47 609	48 480	49 137
Vote 11: COGTA	18 270	25 509	37 006	66 800	55 327	55 327	55 000	39 000	48 000
Vote 12: Transport	426 008	451 092	398 083	368 517	368 517	499 773	445 855	506 855	541 320
Vote 13: Social Development	132 572	127 884	76 225	102 100	87 287	89 775	83 531	97 076	102 460
Vote 14: Public Works	13 387	4 294	22 010	23 393	23 393	10 525	15 909	16 522	27 200
Vote 15: Arts and Culture	21 059	27 072	46 013	79 700	87 599	87 599	74 500	111 780	71 690
Sub-total: New infrastructure assets: Capital	2 408 248	1 865 053	1 638 042	1 776 005	1 744 519	2 018 719	1 776 975	1 863 510	1 913 843
Infrastructure transfers: Current									
Vote 1: Office of the Premier	-	-	-	-	-	-	-	-	-
Vote 2: Provincial Legislature	-	-	-	-	-	-	-	-	-
Vote 3: Agriculture and Rural Development	-	-	-	-	-	-	-	-	-
Vote 4: Economic Dev, Tourism and Enviro Affairs	-	-	-	-	-	-	-	-	-
Vote 5: Education	-	-	-	-	-	-	-	-	-
Vote 6: Provincial Treasury	-	-	-	-	-	-	-	-	-
Vote 7: Health	-	22	-	-	-	-	-	-	-
Vote 8: Human Settlements	-	-	-	-	-	-	-	-	-
Vote 9: Community Safety and Liaison	-	-	-	-	-	-	-	-	-
Vote 10: Sport and Recreation	4 950	3 300	3 300	1 650	1 650	1 650	2 000	1 650	1 650
Vote 11: Co-operative Governance and Traditional Affa	-	-	-	-	-	-	-	-	-
Vote 12: Transport	-	-	-	-	-	-	-	-	-
Vote 13: Social Development	-	-	-	-	-	-	-	-	-
Vote 14: Public Works	-	-	-	-	-	-	-	-	-
Vote 15: Arts and Culture	-	-	-	-	800	-	-	-	-
Sub-total: Infrastructure transfers: Current	4 950	3 322	3 300	1 650	2 450	1 650	2 000	1 650	1 650
Infrastructure transfers: Capital									
Vote 1: Office of the Premier	-	-	-	-	-	-	-	-	-
Vote 2: Provincial Legislature	-	-	-	-	-	-	-	-	-
Vote 3: Agriculture and Rural Development	-	6 000	2 000	-	-	-	-	-	-
Vote 4: Economic Dev, Tourism and Enviro Affairs	415 613	559 655	540 747	660 015	632 186	632 186	463 691	493 524	530 513
Vote 5: Education	-	-	-	-	-	-	-	-	-
Vote 6: Provincial Treasury	28 012	21 085	31 665	10 062	10 280	10 280	-	-	-
Vote 7: Health	20 000	20 000	-	-	-	-	-	-	-
Vote 8: Human Settlements	115 000	40 384	57 467	148 400	148 741	148 741	85 792	90 172	90 172
Vote 9: Community Safety and Liaison	-	-	-	-	-	-	-	-	-
Vote 10: Sport and Recreation	13 650	18 165	18 900	40 000	20 000	20 000	10 000	10 000	-
Vote 11: COGTA	-	-	-	-	-	-	-	-	-
Vote 12: Transport	-	-	-	-	-	-	-	-	-
Vote 13: Social Development	-	-	-	-	-	-	-	-	-
Vote 14: Public Works	-	-	-	-	-	-	-	-	-
Vote 15: Arts and Culture	18 176	-	2 452	30 000	30 000	30 000	15 000	15 250	15 262
Sub-total: Infrastructure transfers: Capital	610 451	665 289	653 231	888 477	841 207	841 207	574 483	608 946	635 947
Infrastructure transfers: Leases									
Vote 1: Office of the Premier	-	-	-	-	-	-	-	-	-
Vote 2: Provincial Legislature	-	-	-	-	-	-	-	-	-
Vote 3: Agriculture and Rural Development	-	-	-	-	-	-	-	-	-
Vote 4: Economic Dev, Tourism and Enviro Affairs	-	-	-	-	-	-	-	-	-
Vote 5: Education	-	-	-	-	-	-	-	-	-
Vote 6: Provincial Treasury	-	-	-	-	-	-	-	-	-
Vote 7: Health	-	-	-	-	-	-	-	-	-
Vote 8: Human Settlements	17 684	19 151	20 000	-	21 390	21 390	21 285	22 301	23 542
Vote 9: Community Safety and Liaison	-	-	-	-	-	-	-	-	-
Vote 10: Sport and Recreation	-	-	-	-	-	-	-	-	-
Vote 11: COGTA	-	-	-	-	-	-	-	-	-
Vote 12: Transport	-	-	-	-	-	-	-	-	-
Vote 13: Social Development	-	-	-	-	-	-	-	-	-
Vote 14: Public Works	-	-	-	-	-	-	-	-	-
Vote 15: Arts and Culture	-	-	-	-	-	-	-	-	-
Sub-total: Infrastructure transfers: Leases	17 684	19 151	20 000	-	21 390	21 390	21 285	22 301	23 542
Total	11 782 447	11 602 003	11 739 780	12 060 197	12 030 622	12 235 254	11 978 372	12 188 579	12 820 434

Table 1.E : Summary of transfers to municipalities

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
A KZN2000 eThekweni	399 547	484 868	517 367	634 799	723 009	737 944	594 375	638 617	652 777
Total: Ugu Municipalities	52 507	62 312	52 421	53 921	48 641	48 577	35 971	46 123	48 733
B KZN211 Vulamehlo	2 114	2 076	308	9 714	9 714	9 714	421	1 783	1 886
B KZN212 Umdoni	5 387	5 025	8 113	6 315	6 315	7 251	6 422	6 659	7 014
B KZN213 Umzumbe	1 932	2 752	9 457	11 894	11 894	11 894	3 075	11 115	12 121
B KZN214 uMuziwabantu	8 228	11 515	3 524	5 067	5 067	5 067	3 608	5 560	5 877
B KZN215 Ezingolweni	1 209	2 566	2 010	962	962	962	943	1 025	1 079
B KZN216 Hibiscus Coast	20 807	14 438	24 699	19 719	14 439	13 439	15 102	19 581	20 256
C DC21 Ugu District Municipality	12 830	23 940	4 310	250	250	250	6 400	400	500
Total: uMgungundlovu Municipalities	145 812	197 392	197 355	122 641	136 889	139 241	110 628	130 315	137 526
B KZN221 uMshwathi	5 978	7 303	9 155	17 560	17 560	17 560	6 532	19 678	20 812
B KZN222 uMngeni	12 529	25 001	51 020	10 492	10 492	10 492	9 146	11 438	12 079
B KZN223 Mpofana	1 373	1 259	6 111	1 199	1 199	1 604	1 225	1 279	1 345
B KZN224 Impendle	6 044	10 661	1 476	986	986	1 426	1 579	1 060	1 116
B KZN225 Msunduzi	92 390	117 208	111 163	89 697	103 695	104 807	88 685	93 497	98 566
B KZN226 Mkhambathini	977	1 244	681	1 374	1 874	1 874	1 654	1 973	2 068
B KZN227 Richmond	2 610	9 820	1 395	1 083	1 083	1 478	1 407	990	1 040
C DC22 uMgungundlovu District Municipality	23 911	24 896	16 354	250	-	-	400	400	500
Total: Uthukela Municipalities	97 607	66 339	70 168	52 582	70 865	65 118	62 877	57 400	60 427
B KZN232 Emnambithi/Ladysmith	34 194	36 018	28 348	23 704	21 487	19 336	25 891	25 922	27 184
B KZN233 Indaka	1 313	1 815	2 191	2 473	2 473	4 002	2 524	2 594	2 739
B KZN234 Umtshezi	15 821	14 470	18 334	16 117	16 117	13 171	16 849	17 674	18 682
B KZN235 Okhahlamba	14 452	12 076	17 434	6 116	26 116	22 782	12 413	6 710	7 091
B KZN236 Imbabazane	2 093	1 960	3 611	3 922	4 422	5 577	4 000	4 100	4 331
C DC23 Uthukela District Municipality	29 734	-	250	250	250	250	1 200	400	400
Total: Umzinyathi Municipalities	46 537	33 071	85 245	60 154	121 154	118 992	50 758	53 833	53 973
B KZN241 Endumeni	9 811	12 401	16 944	21 214	21 214	20 487	12 253	12 917	13 598
B KZN242 Nquthu	9 593	10 832	24 396	18 459	24 459	23 147	19 283	18 992	18 867
B KZN244 Msinga	4 241	4 271	5 307	5 413	5 413	4 661	5 523	5 653	5 976
B KZN245 Umvoti	6 487	5 088	31 353	14 568	64 568	65 197	13 299	15 271	14 932
C DC24 Umzinyathi District Municipality	16 405	479	7 245	500	5 500	5 500	400	1 000	600
Total: Amajuba Municipalities	79 205	19 719	63 053	24 039	21 477	23 241	23 819	25 412	26 531
B KZN252 Newcastle	31 159	14 119	19 740	15 450	12 888	13 716	14 944	16 106	16 725
B KZN253 eMadlangeni	2 340	3 855	4 859	3 603	3 603	2 802	3 523	3 611	3 815
B KZN254 Dannhauser	26 787	1 745	37 454	4 736	4 736	6 473	4 952	5 195	5 491
C DC25 Amajuba District Municipality	18 919	-	1 000	250	250	250	400	500	500
Total: Zululand Municipalities	94 944	50 865	81 339	46 070	56 820	57 704	55 613	53 608	56 651
B KZN261 eDumbe	5 331	3 370	9 602	4 352	4 352	4 352	3 573	4 395	4 644
B KZN262 uPhongolo	15 438	7 909	11 339	4 655	14 655	14 655	11 614	4 878	5 153
B KZN263 Abaqulusi	21 161	20 178	20 971	9 595	10 345	11 229	10 296	10 781	11 343
B KZN265 Nongoma	2 976	4 310	6 670	5 973	5 973	5 973	6 251	6 559	6 934
B KZN266 Ulundi	9 684	12 863	30 778	19 430	19 430	19 430	21 568	24 073	25 438
C DC26 Zululand District Municipality	40 354	2 235	1 979	2 065	2 065	2 065	2 311	2 922	3 139
Total: Umkhanyakude Municipalities	53 135	26 827	39 997	31 452	40 852	41 214	30 223	32 935	34 875
B KZN271 Umhlabyalingana	8 392	10 403	13 982	11 838	21 838	21 175	13 390	12 982	13 724
B KZN272 Jozini	8 255	4 934	7 375	6 562	7 062	7 097	6 692	6 849	7 240
B KZN273 The Big Five False Bay	1 797	2 547	2 510	2 777	2 777	2 777	3 006	3 086	3 259
B KZN274 Hlabisa	2 549	3 163	1 945	4 147	4 147	5 147	1 616	4 336	4 581
B KZN275 Mtubatuba	3 694	4 780	8 135	5 028	5 028	5 018	5 119	5 282	5 571
C DC27 Umkhanyakude District Municipality	28 448	1 000	6 050	1 100	-	-	400	400	500
Total: uThungulu Municipalities	96 458	85 193	68 863	39 596	42 573	53 242	48 566	44 367	46 746
B KZN281 Mbonambi	3 602	3 832	5 736	1 243	1 243	1 243	1 817	2 018	2 112
B KZN282 uMhlathuze	64 764	42 522	37 603	19 234	20 004	24 769	21 777	21 581	22 631
B KZN283 Ntambanana	4 049	3 509	3 003	1 713	1 713	1 713	1 595	1 645	1 735
B KZN284 Umlalazi	6 182	6 128	9 686	7 310	9 517	13 016	7 823	8 083	8 523
B KZN285 Mthonjaneni	5 419	2 864	3 287	3 348	3 348	3 348	3 416	3 502	3 699
B KZN286 Nkandla	3 542	4 588	7 548	6 498	6 498	8 903	11 738	7 138	7 546
C DC28 uThungulu District Municipality	8 900	21 750	2 000	250	250	250	400	400	500
Total: Ilembe Municipalities	60 874	41 322	61 217	35 374	33 580	30 306	32 989	36 830	39 340
B KZN291 Mandeni	8 707	19 238	5 036	10 842	10 842	10 887	3 270	10 628	11 566
B KZN292 KwaDukuza	23 449	11 899	18 221	13 866	12 072	9 789	16 554	14 420	14 951
B KZN293 Ndwedwe	6 005	2 679	15 560	2 096	2 096	1 144	7 265	2 726	2 865
B KZN294 Maphumulo	3 672	7 006	11 469	8 320	8 320	8 236	5 500	8 656	9 158
C DC29 Ilembe District Municipality	19 041	500	10 931	250	250	250	400	400	800
Total: Harry Gwala Municipalities	67 562	60 487	114 480	45 839	60 839	68 019	22 297	19 145	20 264
B KZN431 Ingwe	4 045	3 841	7 790	10 990	10 990	10 990	1 722	4 025	4 233
B KZN432 Kwa Sani	770	1 127	1 498	1 649	1 649	1 649	1 097	1 578	1 664
B KZ5a3 Matatiele	-	-	-	-	-	-	-	-	-
B KZN433 Greater Kokstad	8 493	19 946	42 949	12 682	12 682	18 962	9 887	2 608	2 748
B KZN434 Ubuhlebezwe	18 374	15 731	43 842	14 676	29 676	30 576	3 813	4 929	5 209
B KZN435 Umzimkhulu	11 280	16 842	17 651	4 742	4 742	4 742	5 378	5 605	5 910
C DC43 Harry Gwala District Municipality	24 600	3 000	750	1 100	1 100	1 100	400	400	500
Unallocated/unclassified	132	24	24	1 293	60	18	2 060	1 710	1 710
Total	1 194 320	1 128 419	1 351 529	1 147 760	1 356 759	1 383 616	1 070 176	1 140 295	1 179 553

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

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
General Public Services									
Executive and Legislature	648 256	716 855	729 046	747 588	741 773	736 017	748 368	779 965	822 388
Office of the Premier	34 619	58 532	52 815	43 906	46 250	46 250	37 411	39 784	41 604
Provincial Legislature	613 637	658 323	676 231	703 682	695 523	689 767	710 957	740 181	780 784
Financial and Fiscal Services	496 736	558 928	605 643	648 224	648 724	600 604	626 009	623 158	658 002
Provincial Treasury	496 736	558 928	605 643	648 224	648 724	600 604	626 009	623 158	658 002
General Services (Public Works, Local Government)	3 295 884	3 361 680	3 718 420	3 665 044	3 915 702	3 927 577	3 831 045	3 858 369	4 091 644
Total: General Public Services	4 440 876	4 637 463	5 053 109	5 060 856	5 306 199	5 264 198	5 205 422	5 261 492	5 572 034
Public Order and Safety									
Police Services	135 892	171 922	179 239	187 069	191 045	191 045	210 123	195 948	207 297
Community Safety and Liaison	135 892	171 922	179 239	187 069	191 045	191 045	210 123	195 948	207 297
Total: Public Order and Safety	135 892	171 922	179 239	187 069	191 045	191 045	210 123	195 948	207 297
Economic Affairs									
General Economic Affairs	1 622 126	2 499 020	2 036 752	2 050 627	2 098 855	2 095 082	1 568 925	1 653 365	1 777 833
Economic Dev, Tourism and Enviro Affairs	1 583 809	2 457 080	1 992 940	2 016 468	2 056 478	2 056 612	1 548 499	1 646 339	1 774 307
Provincial Treasury	38 317	41 940	43 812	34 159	42 377	38 470	20 426	7 026	3 526
Agriculture	1 963 311	1 855 569	1 887 396	2 074 515	2 165 429	2 165 429	2 040 111	2 099 623	2 231 346
Agriculture and Rural Development	1 963 311	1 855 569	1 887 396	2 074 515	2 165 429	2 165 429	2 040 111	2 099 623	2 231 346
Transport	7 399 651	7 797 883	8 792 977	9 045 226	9 051 340	9 053 226	9 261 748	9 692 902	10 237 847
Transport	7 399 651	7 797 883	8 792 977	9 045 226	9 051 340	9 053 226	9 261 748	9 692 902	10 237 847
Total: Economic Affairs	10 985 088	12 152 472	12 717 125	13 170 368	13 315 624	13 313 737	12 870 784	13 445 890	14 247 026
Environmental Protection									
Environmental Affairs and Conservation	814 595	823 604	933 738	923 847	917 008	916 874	983 427	1 012 711	1 066 495
Total: Environmental Protection	814 595	823 604	933 738	923 847	917 008	916 874	983 427	1 012 711	1 066 495
Housing and Community Amenities									
Housing Development	3 377 771	3 617 002	3 873 178	3 584 685	3 822 970	3 822 970	3 485 112	4 205 672	4 475 736
Human Settlements	3 377 771	3 617 002	3 873 178	3 584 685	3 822 970	3 822 970	3 485 112	4 205 672	4 475 736
Total: Housing and Community Amenities	3 377 771	3 617 002	3 873 178	3 584 685	3 822 970	3 822 970	3 485 112	4 205 672	4 475 736
Health									
Outpatient services	7 493 523	8 412 477	9 436 767	10 287 614	10 502 276	10 523 497	11 633 193	12 830 977	14 050 666
Hospital Services	18 974 703	20 102 571	20 772 976	21 620 733	22 394 277	22 717 984	23 976 715	25 687 319	27 035 834
Total: Health	26 468 226	28 515 048	30 209 743	31 908 347	32 896 553	33 241 481	35 609 908	38 518 296	41 086 500
Recreation, Culture and Religion									
Sporting and Recreational Affairs	862 212	1 128 224	1 179 437	1 258 155	1 264 389	1 264 389	1 228 071	1 312 197	1 341 035
Sport and Recreation	367 751	414 968	451 245	454 389	437 827	437 827	426 479	438 628	453 016
Arts and Culture	468 001	684 161	693 043	768 789	791 585	791 585	771 564	841 306	854 030
Office of the Premier	26 460	29 095	35 149	34 977	34 977	34 977	30 028	32 263	33 989
Total: Recreation, Culture and Religion	862 212	1 128 224	1 179 437	1 258 155	1 264 389	1 264 389	1 228 071	1 312 197	1 341 035
Education									
Pre-primary & Primary Phases	16 207 410	17 505 623	18 854 664	21 049 647	21 379 866	21 379 866	22 819 551	24 163 269	25 575 147
Secondary Education Phase	11 306 413	12 200 791	12 950 753	13 141 770	13 701 170	13 701 170	14 200 790	15 090 015	15 971 551
Subsidiary Services to Education	6 226 083	6 497 784	6 342 644	6 898 389	7 001 285	7 001 285	7 312 667	7 075 495	7 431 558
Education not defined by level	1 814 401	2 044 704	2 076 309	2 164 441	2 195 894	2 195 894	2 313 154	2 440 142	2 572 663
Total: Education	35 554 307	38 248 902	40 224 370	43 254 247	44 278 215	44 278 215	46 646 162	48 768 921	51 550 919
Social protection									
Social Services and Population Development	1 971 715	2 316 453	2 476 468	2 613 663	2 699 906	2 697 694	2 767 032	2 993 335	3 162 172
Total: Social protection	1 971 715	2 316 453	2 476 468	2 613 663	2 699 906	2 697 694	2 767 032	2 993 335	3 162 172
Total	84 610 682	91 611 090	96 846 407	101 961 237	104 691 909	104 990 603	109 006 041	115 714 462	122 709 214

Overview of Provincial Revenue and Expenditure

Table 1.F(b) : Details of function

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

Table 1.G : Donor funding and agency receipts

Name of Donor Organisation	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2012/13	2013/14	2014/15	Appropriation	Appropriation	Estimate	2016/17	2017/18	2018/19
R thousand									
Donor funding	26 768	30 874	40 300	57 244	57 265	38 961	87 268	55 397	6 600
Office of the Premier	24 079	24 079	38 020	12 894	12 894	21 700	26 798	6 800	6 600
National Skills Fund	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	-	-
Agriculture and Rural Development	1 805	2 291	-	2 874	2 895	2 895	-	-	-
World Health Organisation (Rabies project)	1 805	2 291	-	2 874	2 895	2 895	-	-	-
Provincial Treasury	-	-	-	39 200	39 200	11 653	60 470	48 597	-
Development of KwaZulu-Natal Science Parks	-	-	-	39 200	39 200	11 653	60 470	48 597	-
Health	884	3 677	927	960	960	960	-	-	-
European Union PHC project	-	2 000	-	-	-	-	-	-	-
HWSETA Learnership - Edendale Campus	126	-	-	-	-	-	-	-	-
HWSETA Learnership - Head Office	199	-	-	-	-	-	-	-	-
HWSETA Learnership - King Edward Sub-Campus	262	-	-	-	-	-	-	-	-
HWSETA Learnership - Ngwelezane	-	158	-	-	-	-	-	-	-
HWSETA Learnership - Nkandla	105	-	-	-	-	-	-	-	-
HWSETA Learnership - Pharmacy	-	28	-	-	-	-	-	-	-
HWSETA Learnership - Social & Aux	137	-	-	-	-	-	-	-	-
HWSETA	-	1 266	718	960	960	960	-	-	-
MRI Novartis Training	55	-	-	-	-	-	-	-	-
PSETA Learnership - Church of Scotland, Ekombe and Nkandla Hospitals	-	225	84	-	-	-	-	-	-
MASEA Awards	-	-	125	-	-	-	-	-	-
Co-operative Governance and Traditional Affairs	-	827	1 353	1 316	1 316	1 753	-	-	-
Development Bank of SA	-	452	-	-	-	-	-	-	-
Dept. of Prov. and Local Govt	-	375	1 353	1 316	1 316	763	-	-	-
LGSETA	-	-	-	-	-	990	-	-	-
Agency receipt	7 585	-	58 536	3 792	3 792	47 345	3 792	3 792	3 792
Transport	7 585	-	58 536	3 792	3 792	47 345	3 792	3 792	3 792
SANRAL	7 585	-	-	3 792	3 792	3 792	3 792	3 792	3 792
RTMC	-	-	40 000	-	-	35 312	-	-	-
eThekwinini Metro	-	-	18 536	-	-	8 241	-	-	-
Total	34 353	30 874	98 836	61 036	61 057	86 306	91 060	59 189	10 392

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

Municipality	Vote 4 4.1	Vote 7 7.1	Vote 8 8.1 8.2	Vote 10 10.1 10.2	Vote 11 11.1 11.2	Vote 14 14.1	Vote 15 15.1 15.2 15.3 15.4	Total
eThekweni	-	169 048	-	-	-	242 000	4 623	594 375
Ugu Municipalities	6 000	-	3 378	59 000	400	11 459	334	35 971
Vulamehlo	-	-	-	-	-	421	-	421
Umdoni	-	-	-	-	-	1 403	-	6 422
Umzumbe	-	-	-	-	-	3 075	-	3 075
uMuziwabantu	-	-	-	-	-	2 870	-	3 608
Ezingoleni	-	-	-	-	-	205	-	943
Hibiscus Coast	-	-	3 378	-	-	3 485	334	15 102
Ugu District Municipality	6 000	-	-	-	400	-	-	6 400
uMgungundlovu Municipalities	-	-	10 389	-	400	71 430	750	110 628
uMshwathi	-	-	-	-	-	5 638	-	6 532
uMngeni	-	-	-	-	-	5 945	175	715
Mpofana	-	-	-	-	-	103	175	2 668
Impendle	-	-	-	-	-	841	179	768
Msunduzi	-	-	10 389	-	-	58 000	400	1 225
Mkhamabathini	-	-	-	-	-	390	-	559
Richmond	-	-	-	-	-	513	-	1 579
uMgungundlovu District Municipality	-	-	-	-	400	-	-	88 685
Uthukela Municipalities	-	-	1 681	-	1 200	44 182	684	1 654
Ennambithi/Ladysmith	-	-	1 681	-	-	20 000	175	1 407
Indaka	-	-	-	-	-	1 764	-	400
Umtshezi	-	-	-	-	-	14 112	334	7 522
Okhahlamba	-	-	-	-	-	5 200	175	3 476
Imbabazane	-	-	-	-	-	3 106	-	25 891
Uthukela District Municipality	-	-	-	-	1 200	-	-	559
Umkhazanyatho Municipalities	-	-	-	-	-	27 723	575	2 045
Endumeni	-	-	-	-	-	8 170	400	16 849
Nquthu	-	-	-	-	-	9 151	-	727
Msinga	-	-	-	-	-	4 763	-	715
Umvoti	-	-	-	-	-	5 639	175	4 000
Umkhazanyatho District Municipality	-	-	-	-	400	-	-	1 200
Amajuba Municipalities	-	-	4 077	-	400	11 300	334	50 758
Newcastle	-	-	4 077	-	-	4 301	334	3 146
eMahlangueni	-	-	-	-	-	2 785	-	12 253
Dannhauser	-	-	-	-	-	4 214	-	1 119
Amajuba District Municipality	-	-	-	-	-	-	-	559
Zululand Municipalities	-	-	-	-	400	-	-	5 523
eDunbe	-	-	-	-	400	-	-	13 299
uPhongolo	-	-	-	-	-	2 500	-	400
Abaqulusi	-	-	-	-	-	3 430	-	6 813
Nongoma	-	-	-	-	-	6 615	175	5 695
Ulundi	-	-	-	-	-	5 513	-	3 523
Zululand District Municipality	-	-	-	-	-	19 589	-	4 952
Umkhanyakude Municipalities	-	-	-	-	400	37 647	175	6 965
Umhlabyalingana	-	-	-	-	-	2 500	-	1 911
Jozini	-	-	-	-	-	11 798	-	201
The Big 5 False Bay	-	-	-	-	-	5 676	-	3573
Hlabisa	-	-	-	-	-	2 142	-	965
Mthabuba	-	-	-	-	-	600	-	3 148
Umkhanyakude District Municipality	-	-	-	-	-	2 356	-	6 251
	-	-	-	-	-	-	-	1 421
	-	-	-	-	-	-	-	21 568
	-	-	-	-	-	-	-	2 311
	-	-	-	-	-	22 572	-	30 223
	-	-	-	-	-	11 798	-	13 390
	-	-	-	-	-	5 676	-	6 692
	-	-	-	-	-	2 142	-	3 006
	-	-	-	-	-	600	-	1 616
	-	-	-	-	-	2 356	-	5 119
	-	-	-	-	-	-	-	400

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

Municipality	Vote 4		Vote 7		Vote 8		Vote 10		Vote 11		Vote 14		Vote 15				Total
	4.1		7.1		8.1	8.2	10.1	10.2	11.1	11.2	14.1	15.1	15.2	15.3	15.4		
R thousand																	
uThungulu Municipalities																	
uMfolozi	-		-		2 154	-	-	-	-	400	29 610	1 237	2 514	-	12 651	48 566	
uMhlatuze	-		-		-	-	-	-	-	-	400	-	358	-	1 059	1 817	
Ntambanana	-		-		2 154	-	-	-	-	-	11 248	175	1 253	-	6 947	21 777	
uMlalazi	-		-		-	-	-	-	-	-	857	-	179	-	559	1 595	
Mthonjaneni	-		-		-	-	-	-	-	-	3 427	1 062	366	-	2 968	7 823	
Nkandla	-		-		-	-	-	-	-	-	2 678	-	179	-	559	3 416	
uThungulu District Municipality	-		-		-	-	-	-	-	-	11 000	-	179	-	559	11 738	
Ilembe Municipalities																	
Mandeni	-		-		5 113	-	-	-	-	-	20 057	175	1 633	-	5 611	32 989	
KwaDukuza	-		-		-	-	-	-	-	-	757	-	716	-	1 797	3 270	
Ndwedwe	-		-		5 113	-	-	-	-	-	7 800	175	537	-	2 929	16 554	
Maphumulo	-		-		-	-	-	-	-	-	6 000	-	380	-	885	7 265	
Ilembe District Municipality	-		-		-	-	-	-	-	-	5 500	-	-	-	-	5 500	
Harry Gwala Municipalities																	
Ingwe	-		-		-	-	-	-	-	-	-	-	-	-	-	400	
Kwa Sani	-		-		-	-	-	-	-	-	15 891	-	1 476	-	4 530	22 297	
Greater Kokstad	-		-		-	-	-	-	-	-	144	-	380	-	1 198	1 722	
Ubuhlebezwe	-		-		-	-	-	-	-	-	359	-	179	-	559	1 097	
Umzimkhulu	-		-		-	-	-	-	-	-	8 200	-	358	-	1 329	9 887	
Harry Gwala District Municipality	-		-		-	-	-	-	-	-	3 075	-	179	-	559	3 813	
Unallocated/unclassified																	
	-		-		-	-	-	-	-	-	4 113	-	380	-	885	5 378	
Total	6 000	169 048	26 792	59 000	2 000	10 000	28 016	4 800	533 931	8 887	37 075	3 822	180 805	1 070 176			

Key	Grant Name	Key	Grant Name
4.1	Africa Bike Week	15.1	Museum subsidies
7.1	Subsidy: Municipal Clinics	15.2	Community Library Services grant
8.1	Operational costs for Accredited Municipalities	15.3	Art Centre (Operational costs)
8.2	CRU Programme	15.4	Provincialisation of libraries
10.1	Maintenance grant		
10.2	Infrastructure		
11.1	Massification Programme (incl. elec. Projects)		
11.2	Development Planning and Shared Services		
14.1	Property rates		

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

Municipality	Vote 4	Vote 7	Vote 8		Vote 10		Vote 11		Vote 14	Vote 15				Total
	4.1	7.1	8.1	8.2	10.1	10.2	11.1	11.2	14.1	15.1	15.2	15.3	15.4	
eThekweni	-	200 000	-	60 000	-	10 000	-	-	249 018	4 868	21 376	2 022	91 333	638 617
Ugu Municipalities	-	-	7 086	-	-	-	7 220	400	16 061	352	2 023	-	12 981	46 123
Vulamehlo	-	-	-	-	-	-	-	-	1 783	-	-	-	-	1 783
Umdoni	-	-	-	-	-	-	-	-	1 432	-	565	-	4 662	6 659
Umzumbi	-	-	-	-	-	-	7 220	-	3 895	-	-	-	-	11 115
uMuziwabantu	-	-	-	-	-	-	-	-	4 789	-	188	-	583	5 560
Eziqoleni	-	-	-	-	-	-	-	-	254	-	188	-	583	1 025
Hibiscus Coast	-	-	7 086	-	-	-	-	-	3 908	352	1 082	-	7 153	19 581
Ugu District Municipality	-	-	-	-	-	-	-	400	-	-	-	-	-	400
uMgungundlovu Municipalities	-	-	8 715	-	-	-	-	400	91 606	789	2 139	-	26 666	130 315
uMshwathi	-	-	-	-	-	-	-	-	18 746	-	188	-	744	19 678
uMngeni	-	-	-	-	-	-	-	-	8 103	184	377	-	2 774	11 438
Mpofana	-	-	-	-	-	-	-	-	109	184	188	-	798	1 279
Impendle	-	-	-	-	-	-	-	-	289	-	188	-	583	1 060
Msunduzi	-	-	8 715	-	-	-	-	-	63 646	421	612	-	20 103	93 497
Mkhambathini	-	-	-	-	-	-	-	-	655	-	398	-	920	1 973
Richmond	-	-	-	-	-	-	-	-	58	-	188	-	744	990
uMgungundlovu District Municipality	-	-	-	-	-	-	-	400	-	-	-	-	-	400
Uthukela Municipalities	-	-	3 696	-	-	-	-	400	43 180	720	1 578	-	7 826	57 400
Emmamibithi/Ladysmith	-	-	3 696	-	-	-	-	-	17 838	184	589	-	3 615	25 922
Indaka	-	-	-	-	-	-	-	-	1 799	-	212	-	583	2 594
Umtshezi	-	-	-	-	-	-	-	-	14 818	352	377	-	2 127	17 674
Okhahlamba	-	-	-	-	-	-	-	-	5 557	184	212	-	757	6 710
Imbabazane	-	-	-	-	-	-	-	-	3 168	-	188	-	744	4 100
Uthukela District Municipality	-	-	-	-	-	-	-	400	-	-	-	-	-	400
Umkhazanyathi Municipalities	-	-	-	-	-	-	16 144	1 000	28 773	605	1 387	-	5 924	53 833
Endumeni	-	-	-	-	-	-	-	-	8 660	421	564	-	3 272	12 917
Nquthu	-	-	-	-	-	-	8 072	-	9 334	-	423	-	1 163	18 992
Msinga	-	-	-	-	-	-	-	-	4 858	-	212	-	563	5 653
Umvoti	-	-	-	-	-	-	8 072	-	5 921	184	188	-	906	15 271
Umkhazanyathi District Municipality	-	-	-	-	-	-	-	1 000	-	-	-	-	-	1 000
Amajuba Municipalities	-	-	4 750	-	-	-	-	500	11 780	352	941	-	7 089	25 412
Newcastle	-	-	4 750	-	-	-	-	-	4 516	352	565	-	5 923	16 106
eMadiangeni	-	-	-	-	-	-	-	-	2 840	-	188	-	583	3 611
Dannhauser	-	-	-	-	-	-	-	-	4 424	-	188	-	583	5 195
Amajuba District Municipality	-	-	-	-	-	-	-	500	-	-	-	-	-	500
Zululand Municipalities	-	-	-	-	-	-	-	900	41 519	184	1 740	2 022	7 243	53 608
eDumbe	-	-	-	-	-	-	-	-	3 277	-	212	-	906	4 395
uPhongolo	-	-	-	-	-	-	-	-	3 499	-	377	-	1 002	4 878
Abaqulusi	-	-	-	-	-	-	-	-	6 946	184	377	-	3 274	10 781
Nongoma	-	-	-	-	-	-	-	-	5 788	-	188	-	583	6 559
Ulundi	-	-	-	-	-	-	-	-	22 009	-	586	-	1 478	24 073
Zululand District Municipality	-	-	-	-	-	-	-	900	-	-	-	2 022	-	2 922
Umkhanyakude Municipalities	-	-	-	-	-	-	-	400	24 980	-	1 129	-	6 426	32 935
Umkhanyakude District Municipality	-	-	-	-	-	-	-	-	11 325	-	188	-	1 469	12 982
Jozini	-	-	-	-	-	-	-	-	5 790	-	188	-	871	6 849
The Big 5 False Bay	-	-	-	-	-	-	-	-	2 185	-	188	-	713	3 086
Hlabisa	-	-	-	-	-	-	-	-	3 277	-	188	-	871	4 336
Mtubatuba	-	-	-	-	-	-	-	-	2 403	-	377	-	2 502	5 282
Umkhanyakude District Municipality	-	-	-	-	-	-	-	400	-	-	-	-	-	400

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

Municipality	Vote 4	Vote 7	Vote 8		Vote 10		Vote 11		Vote 14	Vote 15				Total
	4.1	7.1	8.1	8.2	10.1	10.2	11.1	11.2	14.1	15.1	15.2	15.3	15.4	
uThungulu Municipalities	-	-	1 047	-	-	-	-	400	25 819	1 299	2 641	-	13 161	44 367
uMfolozi	-	-	-	-	-	-	-	-	541	-	376	-	1 101	2 018
uMhlatuze	-	-	1 047	-	-	-	-	-	11 810	184	1 316	-	7 224	21 581
Ntambanana	-	-	-	-	-	-	-	-	874	-	188	-	583	1 645
uMlalazi	-	-	-	-	-	-	-	-	3 496	1 115	385	-	3 087	8 083
Mthonjaneni	-	-	-	-	-	-	-	-	2 731	-	188	-	583	3 502
Nkandla	-	-	-	-	-	-	-	-	6 367	-	188	-	583	7 138
uThungulu District Municipality	-	-	-	-	-	-	-	400	-	-	-	-	-	400
Ilembe Municipalities	-	-	4 878	-	-	-	7 220	400	16 598	184	1 716	-	5 834	36 830
Mandeni	-	-	-	-	-	-	7 220	-	787	-	752	-	1 869	10 628
KwaDukuza	-	-	4 878	-	-	-	-	-	5 748	184	565	-	3 045	14 420
Ndwedwe	-	-	-	-	-	-	-	-	1 407	-	399	-	920	2 726
Maphumulo	-	-	-	-	-	-	-	-	8 656	-	-	-	-	8 656
Ilembe District Municipality	-	-	-	-	-	-	-	400	-	-	-	-	-	400
Harry Gwala Municipalities	-	-	-	-	-	-	-	400	12 479	-	1 552	-	4 714	19 145
Ingwe	-	-	-	-	-	-	-	-	2 380	-	399	-	1 246	4 025
Kwa Sani	-	-	-	-	-	-	-	-	807	-	188	-	583	1 578
Greater Kokstad	-	-	-	-	-	-	-	-	849	-	377	-	1 382	2 608
Ubuhlebezwe	-	-	-	-	-	-	-	-	4 158	-	188	-	583	4 929
Umzimkhulu	-	-	-	-	-	-	-	-	4 285	-	400	-	920	5 605
Harry Gwala District Municipality	-	-	-	-	-	-	-	400	-	-	-	-	-	400
Unallocated/unclassified	-	-	-	-	1 650	-	-	-	60	-	-	-	-	1 710
Total	-	200 000	30 172	60 000	1 650	10 000	30 584	5 200	561 873	9 353	38 222	4 044	189 197	1 140 295

Key	Grant Name	Key	Grant Name
4.1	Africa Bike Week	15.1	Museum subsidies
7.1	Subsidy: Municipal Clinics	15.2	Community Library Services grant
8.1	Operational costs for Accredited Municipalities	15.3	Art Centre (Operational costs)
8.2	CRU Programme	15.4	Provincialisation of libraries
10.1	Maintenance grant		
10.2	Infrastructure		
11.1	Massification Programme (incl. elec. Projects)		
11.2	Development Planning and Shared Services		
14.1	Property rates		

Table 1.H(iii) : Details of transfers to local government: 2018/19

Municipality	Vote 4		Vote 7		Vote 8		Vote 10		Vote 11		Vote 14		Vote 15				Total
	4.1		7.1		8.1	8.2	10.1	10.2	11.1	11.2	14.1	15.1	15.2	15.3	15.4		
R thousand																	
eThekweni	-		205 394		7 086	60 000	-	-	8 000	-	263 458	5 111	21 695	2 139	94 980	652 777	
Ugu Municipalities	-		-		-	-	-	-	-	500	16 993	370	2 123	-	13 661	48 733	
Vulamehlo	-		-		-	-	-	-	-	-	1 886	-	-	-	-	1 886	
Umdoni	-		-		-	-	-	-	-	-	1 515	-	593	-	4 906	7 014	
Umzumbi	-		-		-	-	-	-	8 000	-	4 121	-	-	-	-	12 121	
uMuziwabantu	-		-		-	-	-	-	-	-	5 067	-	197	-	613	5 877	
Ezingolweni	-		-		-	-	-	-	-	-	269	-	197	-	613	1 079	
Hibiscus Coast	-		-		7 086	-	-	-	-	-	4 135	370	1 136	-	7 529	20 256	
Ugu District Municipality	-		-		-	-	-	-	-	500	-	-	-	-	-	500	
uMgungundlovu Municipalities	-		-		8 715	-	-	-	-	500	96 918	827	2 242	-	28 324	137 526	
uMshwathi	-		-		-	-	-	-	-	-	19 833	-	197	-	782	20 812	
uMngeni	-		-		-	-	-	-	-	-	8 573	193	394	-	2 919	12 079	
Mpofana	-		-		-	-	-	-	-	-	115	193	197	-	840	1 345	
Impendle	-		-		-	-	-	-	-	-	306	-	197	-	613	1 116	
Msunduzi	-		-		8 715	-	-	-	-	-	67 337	441	642	-	21 431	98 566	
Mkhambathini	-		-		-	-	-	-	-	-	693	-	418	-	957	2 068	
Richmond	-		-		-	-	-	-	-	-	61	-	197	-	782	1 040	
uMgungundlovu District Municipality	-		-		-	-	-	-	-	500	-	-	-	-	-	500	
Uthukela Municipalities	-		-		3 696	-	-	-	-	400	45 684	756	1 657	-	8 234	60 427	
Ennambithi/Ladysmith	-		-		3 696	-	-	-	-	-	18 873	193	618	-	3 804	27 184	
Indaka	-		-		-	-	-	-	-	-	1 903	-	223	-	613	2 739	
Umtshezi	-		-		-	-	-	-	-	-	15 677	370	396	-	2 239	18 682	
Okhahlamba	-		-		-	-	-	-	-	-	5 879	193	223	-	796	7 091	
Imbabazane	-		-		-	-	-	-	-	-	3 352	-	197	-	782	4 331	
Umninyathi Municipalities	-		-		-	-	-	-	-	400	-	-	-	-	-	400	
Uthukela District Municipality	-		-		-	-	-	-	14 648	-	30 441	635	1 456	-	6 193	53 973	
Endumeni	-		-		-	-	-	-	-	600	9 162	442	592	-	3 402	13 598	
Nquthu	-		-		-	-	-	-	7 324	-	9 875	-	444	-	1 224	18 867	
Msinga	-		-		-	-	-	-	-	-	5 140	-	223	-	613	5 976	
Umvoti	-		-		-	-	-	-	7 324	-	6 264	193	197	-	954	14 932	
Umninyathi District Municipality	-		-		-	-	-	-	-	600	-	-	-	-	-	600	
Amajuba Municipalities	-		-		4 750	-	-	-	-	500	12 464	370	987	-	7 460	26 531	
Newcastle	-		-		4 750	-	-	-	-	-	4 778	370	593	-	6 234	16 725	
eMahlangueni	-		-		-	-	-	-	-	-	3 005	-	197	-	613	3 815	
Dannhauser	-		-		-	-	-	-	-	-	4 681	-	197	-	613	5 491	
Amajuba District Municipality	-		-		-	-	-	-	-	500	-	-	-	-	-	500	
Zululand Municipalities	-		-		-	-	-	-	-	1 000	43 928	193	1 827	2 139	7 564	56 651	
eDumbe	-		-		-	-	-	-	-	-	3 467	-	223	-	954	4 644	
uPhongolo	-		-		-	-	-	-	-	-	3 702	-	396	-	1 055	5 153	
Abaqulusi	-		-		-	-	-	-	-	-	7 349	193	396	-	3 405	11 343	
Nongoma	-		-		-	-	-	-	-	-	6 124	-	197	-	613	6 934	
Ulundi	-		-		-	-	-	-	-	-	23 286	-	615	-	1 537	25 438	
Zululand District Municipality	-		-		-	-	-	-	-	1 000	-	-	-	2 139	-	3 139	
Umkhanyakude Municipalities	-		-		-	-	-	-	-	500	26 429	-	1 184	-	6 762	34 875	
Umhlabyalingana	-		-		-	-	-	-	-	-	11 982	-	197	-	1 545	13 724	
Jozini	-		-		-	-	-	-	-	-	6 126	-	197	-	917	7 240	
The Big 5 False Bay	-		-		-	-	-	-	-	-	2 312	-	197	-	750	3 259	
Hlabisa	-		-		-	-	-	-	-	-	3 467	-	197	-	917	4 581	
Mtubatuba	-		-		-	-	-	-	-	-	2 542	-	396	-	2 633	5 571	
Umkhanyakude District Municipality	-		-		-	-	-	-	-	500	-	-	-	-	-	500	

Table 1.H(iii) : Details of transfers to local government: 2018/19 (continued)

Municipality	Vote 4		Vote 7	Vote 8		Vote 10		Vote 11		Vote 14	Vote 15			Total	
	4.1			8.1	8.2	10.1	10.2	11.1	11.2		15.1	15.2	15.3		15.4
R thousand															
uThungulu Municipalities															
uMfolozi	-		-	1 047	-	-	-	-	500	27 316	1 364	2 772	-	13 747	46 746
uMhlatuze	-		-	-	-	-	-	-	-	572	-	395	-	1 145	2 112
Ntambanana	-		-	1 047	-	-	-	-	-	12 495	193	1 382	-	7 514	22 631
uMlalazi	-		-	-	-	-	-	-	-	925	-	197	-	613	1 735
Mthonjaneni	-		-	-	-	-	-	-	-	3 699	1 171	404	-	3 249	8 523
Nkandla	-		-	-	-	-	-	-	-	2 889	-	197	-	613	3 699
uThungulu District Municipality	-		-	-	-	-	-	-	-	6 736	-	197	-	613	7 546
Ilembe Municipalities															500
Mandeni	-		-	4 878	-	-	-	-	8 000	17 561	193	1 801	-	6 107	39 340
KwaDukuza	-		-	-	-	-	-	-	8 000	833	-	789	-	1 944	11 566
Ndwedwe	-		-	4 878	-	-	-	-	-	6 081	193	593	-	3 206	14 951
Maphumulo	-		-	-	-	-	-	-	-	1 489	-	419	-	957	2 865
Ilembe District Municipality	-		-	-	-	-	-	-	-	9 158	-	-	-	-	9 158
Harry Gwala Municipalities															800
Ingwe	-		-	-	-	-	-	-	-	-	-	1 628	-	4 933	20 264
Kwa Sani	-		-	-	-	-	-	-	-	13 203	-	419	-	1 296	4 233
Greater Kokstad	-		-	-	-	-	-	-	-	2 518	-	197	-	613	1 664
Ubuhebezwe	-		-	-	-	-	-	-	-	854	-	396	-	1 454	2 748
Umtzikhulu	-		-	-	-	-	-	-	-	898	-	197	-	613	5 209
Harry Gwala District Municipality	-		-	-	-	-	-	-	-	4 399	-	419	-	957	5 910
Unallocated/unclassified	-		-	-	-	-	-	-	-	4 534	-	-	-	-	500
Total	-		205 394	30 172	60 000	1 650	-	30 648	5 800	594 455	9 819	39 372	4 278	197 965	1 179 553

Key	Grant Name	Key	Grant Name
4.1	Africa Bike Week	15.1	Museum subsidies
7.1	Subsidy: Municipal Clinics	15.2	Community Library Services grant
8.1	Operational costs for Accredited Municipalities	15.3	Art Centre (Operational costs)
8.2	CRU Programme	15.4	Provincialisation of libraries
10.1	Maintenance grant		
10.2	Infrastructure		
11.1	Massification Programme (incl. elec. Projects)		
11.2	Development Planning and Shared Services		
14.1	Property rates		

**ESTIMATES
OF
PROVINCIAL REVENUE
AND
EXPENDITURE**

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 eThekweni 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 eThekweni 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			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	
					School - primary/ secondary/ specialised; admin block; water: electricity, sanitation/toilet; fencing etc.	Date: Start	Date: Finish							2016/17	2017/18	2018/19	
R thousands	Existing infrastructure assets										-	4 164	2 527	3 108	2 916	2 275	
of which:	Maintenance and repair: Current										-	4 164	-	1 171	882	123	
	Moses Mabhida Building	Ongoing	Msunduzi		Maintenance and Repairs	01 April 2011	31 March 2019	Equitable share	Programme 1	Packaged prog		4 164	-	1 171	882	123	
	Upgrades and additions: Capital										-	-	-	-	-	-	
	Returfishment and rehabilitation: Capital										-	-	2 527	1 937	2 034	851	
	Premier's Parkside Residence	Construction	Msunduzi		Upgrading premier's official residence	01 April 2014	31 March 2019	Equitable share	Programme 1	Packaged prog		-	-	766	804	851	
	Renovations and refurbishments to palaces	Ongoing	Zululand District municipality		Upgrading King's official palace at Enyokeni, KwaKhangela 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											-	-	-	-	-	-	
of which:																	
	Provincial Public Service Training Academy	Construction	eThekweni		Admin Block	01 April 2015	31 March 2019	Equitable share	Programme 2	Packaged prog	-	-	-	-	-		
Infrastructure transfers											-	-	-	-	-	-	
of which:																	
	Infrastructure transfers: Current										-	-	-	-	-	-	
	Infrastructure transfers: Capital										-	-	-	-	-	-	
Infrastructure: Payments for financial assets											-	-	-	-	-	-	
Infrastructure: Leases											-	-	-	-	-	-	
Total											-	4 164	2 527	3 108	2 916	2 275	
Capital infrastructure											-	-	2 527	1 937	2 034	2 152	
Current infrastructure											-	4 164	-	1 171	882	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

VOTE 2

Provincial Legislature

Operational budget	R437 609 000
Remuneration of the Speaker and Deputy Speaker	R 3 253 000 ¹
Statutory amount (Members' remuneration)	R 77 790 000
Total budget	R518 652 000
Total to be appropriated (excl. Members' remuneration)	R 440 862 000
Responsible MEC	Speaker of the Provincial Legislature
Administering department	Provincial Legislature
Accounting officer	Secretary: Provincial Legislature

1. Overview

Vision

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

Mission statement

The Legislature's mission statement is: *To deepen democracy and entrench activism in KwaZulu-Natal through robust oversight, effective public participation and efficient law-making.*

Strategic objectives

Strategic policy direction: By focussing on its oversight role and by encouraging public participation, the Legislature seeks to align its operations and strategic position with the overall aim of government to achieve accountability and effective service delivery for all citizens of the province in the following areas: access to quality education and health care, prevention of crime and eradication of corruption, creation of decent work and expansion of work opportunities, and agrarian reform and rural development.

Law-making

To be an effective, efficient and visible law-maker through:

- Improved technical capacity on law-making by the Legislature.
- Constitutionally compliant laws enacted by the Legislature.

Oversight

To ensure effective execution of oversight on service delivery, governance and implementation of laws (and conventions) by the Provincial Executive Council through:

- Improved oversight on compliance and accountability by provincial organs of state in terms of relevant legislative prescripts and protocols.
- Improved oversight on service delivery targets set in the NDP, PGDP and MTSF and on the achievement of government outcomes.
- Acceleration of economic transformation in the province.

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

Public participation

To ensure enhanced public participation in all legislative processes of the Legislature through:

- Improved citizen engagement and participation in the legislative processes.
- Improved public and civic education programmes to empower the citizens of KwaZulu-Natal.

Governance and leadership

To ensure improved leadership and governance of the Legislature through:

- Improved institutional performance, efficiencies, communication and transformation.
- Improved institutional fiscal discipline and implementation of financial and supply chain prescripts.
- Improved corporate and human capital management services.
- Improved institutional internal controls and governance practices.
- Improved intergovernmental and international relations.

Core functions

In order to achieve the above strategic objectives, the Legislature is responsible for carrying out the following core functions:

- To maintain the highest standards in drafting, amending and passing legislation.
- To timeously consider, pass, amend or reject legislation referred to the Legislature by the Executive Council or the National Council of Provinces (NCOP).
- To maintain oversight over the provincial executive authority in the province, including the implementation of legislation.

Legislative mandates

The following mandates clearly define the duties and the requirements of the Legislature:

- Constitution of the Republic of South Africa (Act No. 108 of 1996)
- Promotion of Access to Information Act (Act No. 2 of 2000)
- Labour Relations Act (Act No. 66 of 1995)
- Basic Conditions of Employment Act (Act No. 75 of 1997)
- Employment Equity Act (Act No. 55 of 1998)
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000)
- Broad-Based Black Economic Empowerment Act (Act No. 53 of 2002)
- State Information Technology Agency Act (Act No. 38 of 2002)
- KZN Petitions Act (Act No. 3 of 2004)
- KZN Funding of Political Parties' Act (Act No. 7 of 2008)
- Financial Management of Parliament Act (Act No. 9 of 2009)
- Financial Management of Parliament Amendment Act (Act No. 34 of 2014)

It is noted that provincial legislatures are no longer governed by the Public Finance Management Act (Act No. 1 of 1999, as amended) and Treasury Regulations. These have been replaced by the Financial Management of Parliament Amendment Act (FMPAA) which was enacted in 2014, to be implemented with effect from 1 April 2015. This is commented on in further detail in Section 2 below.

In addition to the above, the Legislature's functions are governed by the Standing Rules and the Resolutions of the Legislature Executive Committee (LexCo).

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 Legislature, as well as providing a brief discussion on challenges and new developments.

Financial Management of Parliament Amendment Act (FMPAA)

As mentioned, the FMPAA was enacted in 2014, with implementation to commence from 1 April 2015. It is anticipated that the full implementation of the Act will take some time, bearing in mind that the Legislature has been under the PFMA since its enactment, and therefore 2015/16 was seen as a transitional period. Accordingly, the Legislature and Provincial Treasury continued working closely together to review the areas that require change, with the aim being the implementation of the FMPAA as far as possible in 2016/17.

One of the main focus areas in 2015/16 where success was achieved was adapting the 2016/17 MTEF budget process to fall in line with the FMPAA. In this regard, the Speaker, as the Treasury of the Legislature, submitted the Legislature's budget request directly to the MEC for Finance, and not *via* Provincial Treasury's MTEC process which is followed by all provincial departments. The budget request was based on a zero-based budget exercise which was undertaken by the Legislature, in line with a resolution taken by the Legislature's new oversight committee, the Standing Committee on Oversight (STACOV). The outcome of the zero-based budget exercise was determined at a meeting held between the MEC and the Speaker, and is commented on later in this chapter.

Cost-containment plan

In December 2014, to address in-year spending pressures, the Legislature devised and implemented a cost-containment plan. While it is acknowledged that the Legislature is not bound by Cabinet decisions, it has indicated that it will try and adhere to cost-cutting measures, as far as possible, and hence this cost-containment plan was further rolled out in 2015/16. The resultant savings were utilised to alleviate in-year spending pressures, such as the filling of critical posts in terms of the revised organisational structure, as mentioned below. The areas of cost-containment included scaling down on the purchase of furniture and equipment, curtailing travel, overtime and catering costs, reviewing and scaling down public participation events, placing a moratorium on further job evaluations, etc.

Organisational structure

In terms of the provincial cost-cutting measures, Cabinet instructed in 2015/16 that all vacant posts must be frozen, and any revised organograms which have the effect of increasing a department's or entity's total staff number may not be implemented. As mentioned above, though, the Legislature is not bound by Cabinet decisions, and therefore continued filling critical posts in terms of its revised organisational structure, utilising funds reprioritised from enforced savings as far as possible. The revised organisational structure aims to ensure that the Legislature has sufficient capacity to implement the new legislation applicable to provincial legislatures, the various SAP modules, as well as the sector oversight model, which is mentioned below. At the same time, however, rather than employing new staff, the Legislature began looking at business processes, the re-alignment of functions and the re-distribution of workloads, with the aim of improving productivity and enhancing business efficiencies.

Strengthening oversight

The Legislature continued to strengthen oversight through continued implementation of the sector oversight model by giving support to committees and expanding their reach within communities. The sector oversight model was developed in consultation with National Parliament and the National Speakers' Forum, as a standard model to be used by Parliament and the nine legislatures as a mechanism to hold the executive accountable. For instance, in terms of the model, all legislature committees must have their own researchers. Researchers were appointed for some of the bigger committees in the province, and this assisted the oversight role of these committees in 2015/16, and also helped committee members to improve their skills' base and better understand the challenges facing communities. However, the need to implement the Legislature's revised organisational structure on a phased-in basis meant that not all committees received the required support in terms of the sector oversight model, meaning that there was still some reliance on support provided by the Provincial Treasury in 2015/16.

Public participation

In line with the above-mentioned cost-containment plan, the structure of public participation events was changed in 2015/16 to take place as a report-back session on only one day, with no sitting. Sector parliaments were also reduced in number, with the People's Assembly and Learners' Parliaments being taken out of the programme. The participants in the Learners' Parliament were catered for in the Youth Parliament.

Taking into account the above-mentioned changes in structure, the following public participation events continued in 2015/16, including the active use of community radio slots to educate members of the public about the Legislature's roles and functions:

- Workers' Parliament was held in Amajuba.
- Youth Parliament was held in Umzinyathi.
- Women's Parliament was held in Ilembe.
- Senior Citizens' Parliament was held in Umkhanyakude.
- People with Disability Parliament was held in Uthukela.
- One TLTP event was held in Zululand.
- Civil Organisations' Symposium was held in uMgungundlovu.

The focus of the TLTP initiative was on the Executive Council Members providing responses to issues raised in the previous years. As a result, the sessions had greater impact on the public than in prior years, as the public was able to see the link between what they had raised before, and the role of the Legislature in holding the Executive to account. The first sitting which focussed on having report-back sessions on issues raised in previous sessions was held in the Umzimkulu Municipality.

Revamping of the Legislature buildings

The Law Society building, owned by the Legislature, was damaged by fire in 2014/15. During the 2015/16 Adjustments Estimate, the Legislature received a once-off allocation of R1.500 million, based on an assessment by Department of Public Works (DOPW) to renovate this building, and replace the network cables and office furniture. The project consultants were appointed and the site viewing was completed in the third quarter of 2015/16. DOPW was in the process of sourcing the construction contractor toward the end of 2015/16, and it is anticipated that the work will be completed in the first half of 2016/17.

The Legislature received once-off funding in 2015/16 for improvements to the two party caucus rooms, as well as the main chamber (including the galleries). These improvements, the bulk of which will be finalised by the end of the financial year, will allow the holding of parallel hearings in the main chamber and the majority party caucus room. There was slow progress on the revamping of the audio-visual systems in the main chamber due to delays by DOPW in finalising the needs assessment report. It is anticipated that this project will commence in late 2015/16, and will continue into 2016/17.

Improved Hansard production

In 2014/15, the Legislature was allocated additional once-off funding of R14 million for the improved Hansard production project. It was anticipated that the hardware and software would be purchased and installed toward the end of 2014/15, but the required procurement processes took far longer than envisaged, and the Hansard production project funding was largely absorbed by other spending pressures. Although there were no major developments in 2015/16, the Legislature took a decision to continue with this project on a phased-in basis commencing in 2016/17, from reprioritised savings, and this is commented on in Section 3 below.

3. Outlook for the 2016/17 financial year

Section 3 looks at the key focus areas of 2016/17, outlining what the Legislature is hoping to achieve, as well as briefly looking at challenges and proposed new developments. The bulk of the Legislature's budget relates to the areas of law-making and oversight, as well as public participation. The Legislature

will aim to improve its oversight over, among others, departments and public entities during the year. Also, the Legislature will continue to focus on procedures and processes that need to be reviewed and/or changed to facilitate the roll-out of the FMPAA, as outlined below.

Financial Management of Parliament Amendment Act (FMPAA)

As mentioned, it is anticipated that the full implementation of the FMPAA will take some time. In 2016/17, the focus will be on fully establishing the Internal Audit and Treasury components in the Speaker's office.

It is noted that most provinces are in agreement that the budget allocation of provincial legislatures should be top-sliced from the provincial equitable share and elevated to National Government level, as this will ensure the autonomy of provincial legislatures when compared to the other provincial departments, and will be in line with the concepts of the FMPAA. This issue of top-slicing is unlikely to be resolved in the near future, though.

Public participation

In line with the previously mentioned changes to public involvement initiatives like TLTP and sector parliaments, public participation initiatives will continue in 2016/17, although the sector parliaments will continue to be scaled down by the removal of the People's Assembly and Learners' Parliaments from the programme.

The following public participation events are thus scheduled to be held in 2016/17, although the venues will only be confirmed in April 2016:

- Workers' Parliament.
- Youth Parliament.
- Women's Parliament.
- Senior Citizens' Parliament.
- People with Disability Parliament.
- Two TLTP events.

With regard to TLTP, the Legislature identified a gap in the programme's structure in that the report of the oversight committee teams is not debated and adopted in the area where the report back happens. Going forward, the Legislature will arrange a two-day sitting, with the first day dedicated to presentation of the oversight report and responses from the Executive Council, and the second day dedicated to a formal debate on the report. This addition will allow scrutiny of the responses given by the Executive Council, and the adoption of the resolutions contained in the report. The Speaker will then be able to refer the report to the relevant portfolio committees to track the implementation thereof and conduct the necessary oversight.

Improved Hansard production

As mentioned previously, it is the Legislature's intention to commence with the installation of the improved Hansard production project on a phased-in basis over the 2016/17 MTEF, through funds reprioritised from other areas.

Part of this initiative relates to planned improvements to the video conferencing room. The initial idea of video conferencing rooms in the legislative sector was for briefings on NCOP legislation *via* video. The link to all legislatures is through a platform in Parliament (which is booked two days in advance). Legislatures currently cannot use the facility to link up on their own or with other institutions which have the facility. The aim of improving the facility is to widen the scope of operations to enable independent link-up with other legislatures or any other institution that has the facility. In this way, the facility can be used by committees to share experiences, without leaving the respective province, thus saving costs. With prior notification to the Legislature, the facility will also be available for use by departmental HODs to confer with their counterparts in other provinces.

4. Receipts and financing

4.1 Summary of receipts and departmental receipts collection

Table 2.1 below shows the sources of funding and own receipts of Vote 2 over the seven-year period 2012/13 to 2018/19. The table also compares actual and budgeted receipts against actual and budgeted payments. Details of departmental receipts are presented in *Annexure – Vote 2: Provincial Legislature*.

Table 2.1 : Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Treasury funding									
Equitable share	401 748	416 457	436 628	455 259	455 259	455 259	481 842	505 975	535 345
Conditional grants	-	-	-	-	-	-	-	-	-
Total receipts: Treasury funding	401 748	416 457	436 628	455 259	455 259	455 259	481 842	505 975	535 345
Departmental receipts									
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	73	107	69	51	51	63	54	57	60
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	449	802	1 610	432	432	2 214	455	478	506
Sale of capital assets	564	-	486	-	-	-	-	-	-
Transactions in financial assets and liabilities	1 245	3 015	785	252	252	784	265	278	294
Total departmental receipts	2 331	3 924	2 950	735	735	3 061	774	813	860
Total receipts	404 079	420 381	439 578	455 994	455 994	458 320	482 616	506 788	536 205
Total payments	431 718	460 929	476 027	465 494	479 262	479 262	518 652	538 851	569 128
Surplus/(Deficit) before financing	(27 639)	(40 548)	(36 449)	(9 500)	(23 268)	(20 942)	(36 036)	(32 063)	(32 923)
Financing									
of which									
Surplus own revenue surrendered	(1 702)	(3 261)	(2 247)	-	-	-	-	-	-
Surplus own revenue from prior year	953	1 702	263	-	2 247	2 247	-	-	-
Provincial cash resources	27 712	35 998	45 996	9 500	21 021	21 021	36 036	32 063	32 923
Surplus/(Deficit) after financing	(676)	(6 109)	7 563	-	-	2 326	-	-	-

Summary of departmental receipts

The Legislature collects revenue in the form of interest earned on positive cash balances in the bank against *Interest, dividends and rent on land*, commission on insurance, waste paper in respect of *Sale of goods and services other than capital assets*, as well as recoveries of debts and other miscellaneous items reflected against *Transactions in financial assets and liabilities*.

The PFMA and the FMPAA both provide for provincial legislatures to retain any monies received (i.e. revenue collected). Therefore, in contrast to provincial departments, the Legislature retains its own departmental receipts, and is thus funded from two sources, namely Treasury funding (equitable share) and departmental receipts. In accordance with this legislation, the Legislature is allocated any surplus revenue collected in the prior year during the next year's Adjustments Estimate. This explains the *Surplus own revenue surrendered* and *Surplus own revenue from prior year* reflected in the *Financing* section in Table 2.1.

The surplus own revenue from the prior year reflected in the 2014/15 column is far lower than the surplus own revenue surrendered in 2013/14. The reason for this is that the revenue collected in 2013/14 included an amount of R2.998 million, being interest relating to the Political Parties' Fund (PPF). This amount was allocated back to the Legislature in the 2013/14 Adjustments Estimate to increase the PPF allocation in 2013/14, and is therefore excluded from surplus own revenue from the prior year in 2014/15.

Sale of goods and services other than capital assets comprises revenue collected from items such as the sale of old printer cartridges and commission on pay-roll deductions such as insurance and garnishees. This revenue is difficult to predict, accounting for the fluctuations in the prior years.

With regard to *Interest, dividends and rent on land*, the revenue reflected in 2013/14, 2014/15 and the 2015/16 Revised Estimate is fairly high, largely due to the Legislature's under-spending each year in respect of the Members' remuneration, as well as under-spending in respect of the improved Hansard production project in 2014/15. This under-spending resulted in more cash in the bank than anticipated. This category is difficult to predict with accuracy, especially taking into account the reduction in the Members' remuneration allocation following the zero-based budget exercise, as commented on later in this chapter, accounting for the conservative amounts over the MTEF.

Revenue collected against *Sale of capital assets* in 2012/13 and 2014/15 relates to auction sales of redundant assets (mainly vehicles). Such auction sales are difficult to predict, and hence no revenue budget is provided for this category in 2015/16 and over the 2016/17 MTEF at this stage.

Revenue collected against *Transactions in financial assets and liabilities* is difficult to accurately estimate, as it relates to the collection of amounts owing from previous financial years, such as debts relating to both staff and Members, and this accounts for the fluctuating trend, and the conservative amounts reflected over the MTEF. The 2012/13 amount includes a refund of R1.180 million from the Office of the Premier in respect of shared costs for certain events held in 2011/12, including Women's Parliament, People with Disability Parliament, and the International Day of Disabled Persons. The 2013/14 collection includes prior years' interest of R2.998 million relating to the PPF, as explained above.

Summary of receipts and financing

Table 2.1 also compares total receipts and total payments. In 2012/13, the Legislature received provincial cash resources of R27.712 million as follows:

- The operational budget of R17.749 million that was unspent in 2011/12 was allocated back for spending in 2012/13. This was in line with a decision taken by Provincial Treasury and the Finance Portfolio Committee (FPC) at the time, that the Legislature be allowed to retain its surplus voted funds every year from 2012/13 onward.
- R2.755 million was allocated toward the above-budget 2012 wage agreement for the Legislature staff.
- A once-off R7.208 million was allocated to assist with the implementation and roll-out of SAP.

For the first time in several years, the 2012/13 year-end spending of the Legislature was largely on track, with minimal over-spending of R676 000. However, the operational budget was over-spent by R3.815 million, largely because the purchase and installation of the SAP system was higher than anticipated. This was offset by under-spending of R3.139 million against the Members' remuneration due to continued over-provision in the baseline.

In 2013/14, the Legislature received provincial cash resources of R35.998 million, as follows:

- R2.998 million, being the interest earned on the PPF since its inception in 2005, was paid into the Provincial Revenue Fund (PRF) by the Legislature. This amount was formally appropriated back in the 2013/14 Adjustments Estimate, to be used to increase the PPF allocation for 2013/14 only.
- R33 million related to unspent voted funds that remained in the Legislature's bank account over the years. Following a detailed reconciliation from 2003/04, an amount of R33 million was paid into the PRF, and was formally allocated to the Legislature in the 2013/14 Adjustments Estimate, in line with the above-mentioned decision that the Legislature be allowed to retain its surplus voted funds every year. These funds were used to offset in-year spending pressures, including the building revamping projects and the upgrading and filling of critical posts in terms of the sector oversight model.

The Legislature's budget was over-spent by R6.109 million at the end of 2013/14. The operational budget was over-spent by R11.064 million, but this was offset by under-spending of R4.955 million in respect of the Members' remuneration due to the ongoing over-provision in the baseline. The over-spending in respect of the operational budget was largely due to the following:

- Costs relating to the roll-out of SAP were higher than anticipated, partly due to the support and change management services required.
- There were higher than expected costs in respect of public participation events.

- There was spending pressure from the upgrading of posts in terms of the sector oversight model, and the annual wage adjustment for Legislature staff was higher than budgeted for.

In 2014/15, the Legislature received once-off provincial cash resources which resulted in a net increase of R45.996 million as follows:

- R27.855 million was allocated in respect of the special allowance to Members whose tenure of office was affected by these elections, but the full amount was not required. During the Adjustments Estimate, the unspent balance of R19.227 million was split as follows:
 - R8.753 million was redirected to offset in-year spending pressures in the operational budget.
 - R974 000 was suspended from Vote 2 to Vote 6: Provincial Treasury for the payment of the former MEC for Finance's exit package after the 2014 general elections.
 - R9.500 million was suspended from 2014/15 and was reallocated back to Vote 2 in 2015/16 for strengthening oversight and IT infrastructure.
- R7 million was allocated to assist with observing and monitoring the 2014 general elections. Of this, only R2.966 million was spent, but the balance of R4.034 million was redirected in the Adjustments Estimate to offset in-year spending pressures in the operational budget.
- R5 million was allocated for the feasibility study in respect of the proposed new Legislature complex (in line with the revival of the government office precinct project at the time).
- R14 million was allocated for the improved Hansard production project.
- R4.955 million, being Members' remuneration funding that was unspent in 2013/14, was allocated back to increase the operational budget, as follows:
 - R2.998 million was allocated to increase the transfer to the PPF in 2014/15. As mentioned, this amount, which relates to interest earned on the PPF in prior years, was appropriated back to the Legislature in 2013/14 to increase the transfer to the PPF. However, this amount was inadvertently not transferred to the PPF, and this adjustment was to correct that oversight.
 - R1.957 million was allocated to offset in-year spending pressures in the operational budget.
- R2.340 million was deducted relating to previous years' irregular expenditure. Cabinet approved that, where departments were unable to provide sufficient justification for the irregular expenditure, this amount must become a first charge against the vote.

The Legislature's budget was under-spent by R7.563 million at the end of 2014/15, in respect of both the Members' remuneration and the operational budget. The Members' remuneration was under-spent by R4.147 million due to the ongoing over-provision in the baseline, and the operational budget was under-spent by R3.416 million. However, if one takes into account the under-spending in respect of funds that were specifically and exclusively appropriated for the improved Hansard production project and the Legislature complex feasibility study, then the year-end under-spending in respect of the operational budget should have been in the region of R19 million. This means that, in effect, the Legislature over-spent its operational budget by R15.584 million, despite the implementation of a cost-containment plan. The over-spending in respect of the operational budget was largely due to the following:

- There was over-expenditure on consultants and professional services costs relating to SAP.
- There was over-spending on contractors, as a result of late invoicing from DOPW, the implementing agent, in respect of 2013/14 projects such as the Tatham Art Gallery parking for Members.
- Audit costs were over-spent because the 2013/14 audit took far longer to complete than anticipated as a result of problems associated with the change-over to SAP.
- There was over-spending in respect of property payments and operating leases because of higher than budgeted costs, largely in respect of security services, cleaning services, water and electricity, etc.

In the 2015/16 Main Appropriation, the Legislature received once-off provincial cash resources of R9.500 million, which were suspended from 2014/15 and reallocated back in 2015/16 for strengthening oversight and IT infrastructure. In the 2015/16 Adjusted Appropriation, additional cash resources of

R11.521 million were allocated, consisting of R7.563 million allocated back to the Legislature in respect of the operational budget and Members' remuneration funding that was unspent in 2014/15, R2.112 million for the above-budget 2015 wage adjustment for the Legislature staff, R1.500 million to cater for renovations to the Law Society building which was damaged by fire in 2014/15, as well as R346 000 to assist the Legislature to implement a long service recognition policy similar to the Public Service policy implemented in 2012.

As at the end of the third quarter, the Legislature is anticipating to end 2015/16 with a balanced budget. The surplus of R2.236 million in the 2015/16 Revised Estimate relates to the fact that the Legislature is anticipating to over-collect revenue by this amount in 2015/16, as explained above.

The Legislature's budget shows healthy growth over the 2016/17 MTEF as a result of an increase in the baseline of R30.536 million, R32.063 million, and R32.923 million in each year of the MTEF, in line with the zero-based budget exercise. Furthermore, additional once-off funding of R5.500 million was allocated in 2016/17, comprising R1.500 million for the replacement of a lift in the Legislature building, and R4 million for hosting a Commonwealth Parliamentary Association (CPA) conference in the province.

4.2 Donor funding

The Legislature receives no direct funding in respect of the Legislature Support programme, which is funded by the European Union (EU), with the aim of contributing to the strengthening of democracy and good governance. Instead, the programme funds projects which support the entire Legislative sector, mainly aimed at achieving constitutional imperatives. The specific purpose is to support South African Legislatures to fulfil their constitutional mandates in a citizen-oriented manner. The allocation of any EU funding and the payment and monitoring thereof is undertaken centrally at a national level on behalf of the nine provinces.

5. Payment summary

This section summarises the expenditure and budgeted estimates for the vote in terms of programmes and economic classification. Details of the economic classification per programme are given in *Annexure – Vote 2: Provincial Legislature*.

5.1 Key assumptions

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

- All inflation related increases are based on CPI projections.
- Provision was made for the carry-through costs of the above-budget 2015 wage agreement (which, in the case of the Legislature, was similar to provincial departments) 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.
- Although the Legislature is not bound by Cabinet decisions, it has indicated that, over the 2016/17 MTEF, it will try and adhere to, as far as possible, the expanded cost-cutting measures, as reissued by Provincial Treasury in 2015/16, in conjunction with National Treasury Instruction 01 of 2013/14: Cost-containment measures.
- It is noted that, in addition to the above, as a result of the need to lower the expenditure ceiling across the country (see Section 5.2 below), provincial departments had to adhere to the following guidelines:
 - 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.
 - Departments' equitable share funded *Goods and services* budgets were cut by 2 per cent.
 - Departments' and public entities' hosting of events budgets were cut over the MTEF.
- Although the Legislature, like Education and Health, was protected from these cuts, over the MTEF only critical vacant posts will be filled in terms of its revised organisational structure, taking into account that funds will need to be reprioritised internally in this regard. It is noted that the outcome of

the zero-based budget included provision for critical posts that were filled in recent years without adequate carry-through funding.

- Provision was made for ongoing training and change management relating to the roll-out of SAP. SAP training will have to be provided to any new staff and Members on an ongoing basis.
- With regard to public participation, two TLTP sittings and five sectoral parliaments were catered for. The cost of each of these events will vary slightly, depending on location and the population of the area. The cost will only be confirmed in April 2016, once the respective venues are finalised.

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

Table 2.2 shows additional funding received by the Legislature over the three MTEF periods: 2014/15, 2015/16 and 2016/17. The purpose of such a table is two-fold. Firstly, it shows the quantum of additional funding allocated to the Legislature in the past and current MTEF periods. Secondly, it indicates the policies and purposes for which the additional funding was allocated. The carry-through allocations for the 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.

Table 2.2 : 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	19 963	1 860	2 149	2 256	2 387
Legislature complex - feasibility study	5 000	-	-	-	-
Improved Hansard production	14 000	-	-	-	-
Carry-through of previous wage agreements	963	1 860	2 149	2 256	2 387
2015/16 MTEF period		9 500	-	-	-
Unspent statutory funding suspended from 2014/15 for strengthening oversight and IT infrastructure		9 500	-	-	-
2016/17 MTEF period			38 300	34 481	35 505
Above-budget 2015 wage agreement			2 264	2 418	2 582
Zero-based budget baseline adjustment			30 536	32 063	32 923
Commonwealth Parliamentary Association conference			4 000	-	-
Procurement of a lift for Legislature building			1 500	-	-
	19 963	11 360	40 449	36 737	37 892

In the 2014/15 MTEF, additional funding was allocated toward the carry-through costs of the 2013 wage agreement for Legislature staff. Also, a once-off amount of R19 million was allocated in 2014/15, comprising R5 million for the revived feasibility study in respect of the proposed new Legislature complex and a once-off amount of R14 million for the improved Hansard production project.

In the 2015/16 MTEF, a once-off R9.500 million was allocated in 2015/16. Savings were incurred in 2014/15 relating to the once-off allocation for exit packages for Members after the 2014 general elections (which was allocated in the 2013/14 MTEF, and therefore is not evident in the table). These savings were suspended to 2015/16 and reallocated for strengthening oversight and IT infrastructure.

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 was 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 KZN, 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. It is noted that the Legislature's baseline was also protected from these cuts.

As such, in the 2016/17 MTEF, the following additional allocations were made:

- Additional funding was allocated over the MTEF for the carry-through costs of the above-budget 2015 wage agreement for Legislature staff.
- Additional amounts of R30.526 million, R32.063 million and R32.923 million were allocated over the MTEF in respect of the previously mentioned zero-based budget baseline adjustment. In addition (not evident in the table), amounts of R8 million, R8.400 million and R8.887 million were

reprioritised from savings on the statutory Members' remuneration to the operational budget, as part of the baseline adjustment. In total, then, the Legislature's operational budget was increased by R38.536 million, R40.463 million and R42.810 million over the 2016/17 MTEF. It is noted that the baseline was increased to assist the Legislature with operational spending pressures, largely resulting from critical posts that were filled in recent years without adequate carry-through funding, increasing travel and subsistence costs relating to Members and portfolio committees, increasing SAP licence fees and ongoing SAP support, higher than budgeted operating leases and property payments (particularly increased security services costs), as well as an increase in the secretarial and research allowances paid to political parties to bring them in line with national guidelines.

- A once-off amount of R4 million was allocated in respect of the CPA conference that is planned to be held in KZN in 2016. This amount includes, among others, provision for the conference venue hire for six days, accommodation and transport for 250 delegates in and around Durban for this period, welcoming and gala dinner, conference meals, etc.
- A once-off R1.500 million was allocated for the replacement of a lift in the Legislature building.

It is noted that the Legislature requested that the PPF be increased by R5 million in 2015/16, with carry-through, as part of the zero-based budget exercise. The PPF, which is aimed at assisting political parties to carry out their constitutional mandate, in terms of the KZN Funding of Political Parties' Act, No. 7 of 2008, was capped at R30 million in 2011/12, in line with a Cabinet resolution. As such, the "uncapping" of this amount requires Cabinet approval. Subsequent to the zero-based budget exercise, in December 2015, the Legislature obtained Cabinet approval to reverse the capping. However, Cabinet did not indicate how the increase should be funded over the MTEF, and this issue is currently under discussion.

5.3 Summary by programme and economic classification

Tables 2.3 and 2.4 below provide a summary of the vote's expenditure and budgeted estimates over the seven-year period, by programme and economic classification, respectively. It is noted that the Members' remuneration forms a direct charge on the PRF, and so is not included as a programme, but is reflected as *Direct charge on the Provincial Revenue Fund*.

The following comments are made with regard to the Members' remuneration allocation:

- The 2014/15 amount is high because it includes R8.669 million in respect of the allowance paid to Members that exited the Legislature following the 2014 general elections. This accounts for the minimal growth in the Members' remuneration from 2014/15 to the 2015/16 Main Appropriation.
- The 2015/16 Adjusted Appropriation and Revised Estimate reflect a reduction of R8 million, as the Members' remuneration continued to be over-budgeted for. These savings were redirected to offset operational spending pressures in the two programmes in the 2015/16 Adjustments Estimate. Also, as mentioned, as part of the above-mentioned zero-based budget exercise, the Legislature compiled a zero-based budget in respect of the Members' remuneration, based on which the statutory budget was adjusted downwards by approximately R8 million in each year of the MTEF. These savings were redirected to offset operational spending pressures.
- The Members' remuneration grows steadily over the MTEF, following the above-mentioned reductions resulting from the zero-based budget exercise.

Table 2.3 : Summary of payments and estimates by programme: Provincial Legislature

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Administration	148 503	168 686	167 774	142 716	165 529	165 529	171 165	174 990	184 161
2. Parliamentary Business	216 055	221 148	226 159	240 457	239 412	239 412	269 697	283 518	299 964
Direct charge on the Provincial Revenue Fund									
Members' remuneration	67 160	71 095	82 094	82 321	74 321	74 321	77 790	80 343	85 003
Total	431 718	460 929	476 027	465 494	479 262	479 262	518 652	538 851	569 128
of which:									
Departmental receipts	2 331	3 924	2 950	735	735	3 061	774	813	860

Table 2.4 : Summary of provincial payments and estimates by economic classification: Provincial Legislature

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	262 322	290 402	299 174	286 324	306 592	306 592	335 565	348 806	368 061
Compensation of employees	130 132	153 015	160 533	153 269	163 727	163 727	185 627	195 922	206 309
Goods and services	132 083	137 387	138 641	133 055	142 865	142 865	149 938	152 884	161 752
Interest and rent on land	107	-	-	-	-	-	-	-	-
Transfers and subsidies to:	78 199	82 436	84 401	87 372	87 372	87 372	97 097	101 988	107 902
Provinces and municipalities	10	16	20	36	36	36	38	40	42
Departmental agencies and accounts	276	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	233	221	141	207	207	207	217	228	241
Public corporations and private enterprises	-	-	-	26	26	26	27	28	30
Non-profit institutions	77 456	82 199	84 240	86 780	86 780	86 780	95 948	100 782	106 627
Households	224	-	-	323	323	323	867	910	962
Payments for capital assets	24 037	16 996	9 545	9 477	10 977	10 977	8 200	7 714	8 162
Buildings and other fixed structures	2 853	4 181	2 055	850	2 350	2 350	395	940	995
Machinery and equipment	15 352	6 332	4 179	7 139	7 139	7 139	6 238	5 129	5 427
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	5 832	6 483	3 311	1 488	1 488	1 488	1 567	1 645	1 740
Payments for financial assets	-	-	813	-	-	-	-	-	-
Total	364 558	389 834	393 933	383 173	404 941	404 941	440 862	458 508	484 125
of which:									
Departmental receipts	2 331	3 924	2 950	735	735	3 061	774	813	860
Adjusted total	364 558	389 834	393 933	383 173	404 941	404 941	440 862	458 508	484 125
Members' remuneration	67 160	71 095	82 094	82 321	74 321	74 321	77 790	80 343	85 003
Adjusted total (incl. Members' remuneration)	431 718	460 929	476 027	465 494	479 262	479 262	518 652	538 851	569 128

The Legislature's operational budget (i.e. the two programmes excluding the Members' remuneration), reflects several marked fluctuations over the seven years. As mentioned, the Legislature's budget was protected from the MTEF budget cuts. The following paragraphs summarise the trends at programme and economic classification level, while further detail is given in Section 6.

Programme 1: Administration shows a fluctuating trend, largely because the budget for various once-off projects, such as the building revamping projects and other major procurement costs, is centralised under this programme. For instance, the peak in 2013/14 can be ascribed to the continued roll-out of SAP and several building revamping projects, such as the Tatham Art Gallery parking and renovations to the Speaker's cottage. This accounts for the slight reduction from 2013/14 to 2014/15. The 2014/15 amount includes provision for the continued roll-out of SAP, the purchase of tools of trade (such as lap-tops) for all new Members following the 2014 general elections, the purchase of motor vehicles for the Speaker's Office, the revived Legislature complex feasibility study, as well as procurement costs in respect of the improved Hansard production project. Although no expenditure was incurred in respect of the latter two projects, the provision was largely used to absorb other in-year spending pressures. These once-off amounts explain the reduction from 2014/15 to the 2015/16 Main Appropriation. The 2015/16 Adjusted Appropriation included funding for the above-budget wage agreement for the Legislature staff, provision for the renovation of the Law Society building, as well as the reprioritisation of savings from Corporate Governance in Programme 2 to this programme to establish an Auxiliary Services unit which will oversee various transversal activities. In addition, the 2015/16 Adjusted Appropriation included unspent operational and Members' remuneration funding from 2014/15 that was allocated back to cater for in-year-spending pressures, including outstanding commitments from 2014/15 relating to building maintenance and SAP costs, higher than budgeted risk management costs, and continued support and training relating to SAP and GRAP reporting requirements. These largely once-off amounts in 2015/16, as well as the fact that the 2016/17 allocation includes once-off provision for the hosting of the CPA conference and the replacement of a lift in the Legislature building, account for the fairly low growth from 2015/16 to 2016/17. The MTEF allocations include R18.738 million, R19.675 million and R20.816 million of the additional funding allocated as a result of the zero-based budget exercise, contributing to the growth in the MTEF baseline when compared to the 2015/16 Main Appropriation.

Apart from a slight dip in the 2015/16 Adjusted Appropriation and Revised Estimate, Programme 2: Parliamentary Business shows reasonable growth over the seven years. This programme includes substantial provision for public participation initiatives, overseas study tours undertaken by portfolio committees, support for political parties in the form of constituency, secretarial and research allowances, as well as the PPF (which is capped at R30 million at this stage, as mentioned previously). Although there are once-off amounts that affect the trend of this programme in the prior years, they are not as significant as those in Programme 1, and therefore the trend does not show similar fluctuations. As mentioned, in 2014/15, the Legislature implemented a cost-containment plan, whereby enforced savings were identified in Programme 2 to offset Programme 1's projected over-expenditure. These enforced savings included scaling down in respect of public involvement initiatives and associated travel costs, as well as limiting expenditure on non-essential *Goods and services* items, such as catering costs. The slight reduction in the 2015/16 Adjusted Appropriation relates to the reprioritisation of savings from this programme to Programme 1 to establish an Auxiliary Services unit which will oversee various transversal activities. The MTEF allocations include R19.798 million, R20.788 million and R21.994 million of the additional funding allocated to the Legislature as a result of the zero-based budget exercise, again contributing to the growth in the MTEF baseline when compared to the 2015/16 Main Appropriation.

Compensation of employees in Table 2.4 relates to the Legislature staff (excluding the Members' remuneration trends, which have already been explained above). *Compensation of employees* reflects a steady increase, which can be attributed to the implementation of the prior year job evaluation review results (with substantial back-pay in some instances), the filling of critical posts in terms of the revised organisational structure incorporating the sector oversight model, as well as the annual sale of leave (leave encashment). The 2015/16 Main Appropriation is low as the Legislature did not budget adequately for the critical posts that were filled in recent years. This was rectified to some extent in the Adjusted Appropriation by the reprioritisation of funds from other areas, including from the statutory Members' remuneration which was over-provided for. The 2015/16 Adjusted Appropriation includes additional funding for the above-budget 2015 wage agreement for the Legislature staff. The increase over the MTEF provides for the carry-through costs of the above-budget wage agreement, as well as the carry-through costs of critical posts that were filled in prior years without being adequately budgeted for, funded from the zero-based budget exercise.

The slight fluctuations in *Goods and services* in the prior years can largely be ascribed to projects with once-off costs, including the roll-out of SAP, current building revamping projects, as well as other once-off projects which are largely catered for under this category. The high 2013/14 spending relates to outstanding 2012/13 commitments in respect of public participation events, the building revamping projects, as well as costs relating to the SAP implementing agent. Once-off costs continued into 2014/15, including the revived Legislature complex feasibility study, a portion of the funding allocated for the improved Hansard production project, etc. Even though the allocated funds were not spent on these two projects, they were utilised to absorb in-year spending pressures, accounting for the decrease from 2014/15 to the 2015/16 Main Appropriation. The 2015/16 Adjusted Appropriation includes unspent operational and Members' remuneration funding from 2014/15 that was allocated back to cater for in-year spending pressures, such as outstanding commitments from 2014/15 relating to the building revamping projects and SAP costs, higher than budgeted risk management costs, continued support and training relating to SAP and GRAP reporting requirements, etc. The increase over the MTEF comprises additional funding resulting from the zero-based budget exercise to fund escalating costs relating to operating payments, property payments, travel and subsistence, etc. The growth from 2016/17 to 2017/18 is fairly low, because the 2016/17 allocation includes once-off provision for hosting a CPA conference in KZN.

The category *Transfers and subsidies* increases steadily over the seven-year period, as follows:

- *Provinces and municipalities* caters for the payment of motor vehicle licences.
- The 2012/13 amount reflected against *Departmental agencies and accounts* relates to a transfer to SARS in respect of overdue PAYE dating back to prior years. When the Legislature moved from the VIP system to PERSAL in 2003, the balance in the old SARS account was inadvertently not cleared.
- *Foreign governments and international organisations* caters mainly for subscription fees and conference attendance costs in respect of the CPA. The high spending in 2012/13 and 2013/14 relates

to higher than budgeted attendance costs in respect of CPA conferences. The MTEF amounts are based on the actual fees paid in 2015/16.

- *Public corporations and private enterprises* caters for insurance claims for motor vehicle accidents relating to the Legislature's official vehicles. No accident claims were received in prior years.
- *Non-profit institutions*, which comprises constituency, secretarial and research allowances, as well as the PPF, shows a steady increase over the seven years, despite the PPF being capped at R30 million, at this stage, as mentioned previously. The 2014/15 amount includes the once-off R2.998 million relating to prior year interest earned on the PPF. The MTEF allocations include some additional funding allocated for the secretarial and research allowances resulting from the zero-based budget exercise, mainly to provide for support staff, including researchers, as mentioned.
- *Households* caters for donations made as part of the Speaker's Social Responsibility programme, as well as staff exit costs, both of which are difficult to predict.

Buildings and other fixed structures, which relates to capital building revamping projects, fluctuates depending on the nature of the work required – i.e. whether the work is classified as current maintenance and repairs, rather than capital renovations. The prior year amounts, including the peak in 2013/14, are largely made up of the costs of the Tatham Art Gallery parking for Members and renovations to the Speaker's office. The increase in the 2015/16 Adjusted Appropriation includes a once-off provision for the renovation of the Law Society building, accounting for the reduction from 2015/16 to 2016/17. Although the building revamping projects are continuing over the MTEF, the extent and nature of the work to be done are still under review. As such, the bulk of the funding is reflected as current infrastructure under *Goods and services*.

Machinery and equipment shows a fluctuating trend over the seven-year period due to several once-off costs. The significantly high 2012/13 spending can be ascribed to the purchase and installation of SAP, as well as the payment for generators that were procured in 2011/12 but not paid for by year-end. The high 2013/14 amount includes provision for outstanding SAP commitments, while the fairly high 2014/15 amount includes the purchase of tools of trade for all new Members following the 2014 general elections. The 2015/16 Main Appropriation is high as it includes the additional funding for IT infrastructure, accounting for the decrease from 2015/16 to 2016/17. The 2016/17 allocation includes provision for the replacement of a lift in the Legislature building, accounting for the fairly low growth from 2016/17 to 2017/18, whereafter the growth continues at a lower level. The MTEF allocations provide for the purchase of furniture, vehicles and computers for staff and Members.

Software and other intangible assets fluctuates in the prior years, largely due to the roll-out of the various SAP modules, which went live in 2013/14 (hence the high spending in prior years). The decreasing trend from 2013/14 to 2015/16 relates to the fact that the SAP roll-out will be in its final stages.

There was expenditure of R813 000 in respect of *Payments for financial assets* in 2014/15, largely relating to the write-off of previous years' debt, some dating back as far as 2002.

5.4 Summary of conditional grant payments and estimates – Nil

5.5 Summary of infrastructure payments and estimates

Table 2.5 below provides a summary of infrastructure payments and estimates, reflecting the cost of renovations and repairs to the Legislature buildings over the seven-year period, based on input received from DOPW. Further infrastructure details are given in *Annexure – Vote 2: Provincial Legislature*.

Infrastructure spending fluctuates markedly over the seven years, as it is dependent on the nature of the work required to be done to the Legislature buildings. As mentioned, the MTEF infrastructure allocations are preliminary at this stage. *Maintenance and repair: Current* spending in the prior year relates mainly to routine office repairs, including projects such as partitioning in the Administration building to accommodate new staff, etc. From 2013/14 onward, the building revamping projects are included under both *Upgrades and additions: Capital* and *Maintenance and repair: Current*.

Table 2.5 : 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	4 796	11 338	8 587	4 900	6 400	6 400	4 490	5 110	4 995
Maintenance and repair: Current	1 943	7 157	6 532	4 050	4 050	4 050	4 095	4 170	4 000
Upgrades and additions: Capital	2 853	4 181	2 055	850	2 350	2 350	395	940	995
Refurbishment and rehabilitation: Capital	-	-	-	-	-	-	-	-	-
New infrastructure assets: Capital	-	-	-	-	-	-	-	-	-
Infrastructure transfers	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Current	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital	-	-	-	-	-	-	-	-	-
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	-	-	-	-	-	-	-	-	-
Total	4 796	11 338	8 587	4 900	6 400	6 400	4 490	5 110	4 995
Capital infrastructure	2 853	4 181	2 055	850	2 350	2 350	395	940	995
Current infrastructure	1 943	7 157	6 532	4 050	4 050	4 050	4 095	4 170	4 000

Maintenance and repair: Current in 2013/14 includes current repairs undertaken to the Speaker's cottage and offices of the Deputy Speaker, as well as the revamping of the toilets in the main chamber area. The MTEF allocations provide for, among others, lift maintenance, day-to-day maintenance, as well as the painting of the Legislature buildings.

The prior year spending in respect of *Upgrades and additions: Capital* includes renovations undertaken to the Speaker's cottage and costs relating to the Tatham Art Gallery parking for Members. This project was completed by the end of December 2012, but the Legislature is dependent on DOPW for the submission of invoices and supporting documentation. The total cost of the parking project was approximately R6 million, and the bulk was paid in 2013/14, with an outstanding balance paid in 2014/15. The increase in the 2015/16 Adjusted Appropriation includes a once-off provision for the renovation of the Law Society building, accounting for the reduction from 2015/16 to 2016/17. The MTEF allocations provide for continued revamping of the Legislature buildings.

5.6 Summary of Public Private Partnerships – Nil

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

5.8 Transfers to other entities

Table 2.6 reflects spending on *Transfers* to other entities from 2012/13 to 2018/19. Note that these were inadvertently not reported on as other entities in prior year *EPRE* documents.

Table 2.6 : Summary of 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
Commonwealth Parliamentary Association	1.2. Office of the Secretary	233	221	141	207	207	207	217	228	241
Political Parties' Fund	2.5. Members' Facilities	30 000	30 000	32 998	30 000	30 000	30 000	30 000	30 000	30 000
Total		30 233	30 221	33 139	30 207	30 207	30 207	30 217	30 228	30 241

Payments are made to the CPA mainly for subscription fees and attendance costs relating to CPA conferences. The high spending in 2012/13 and 2013/14 comprises higher than budgeted travel and subsistence costs in respect of CPA conferences. The MTEF amounts are based on the estimated fees to be paid in 2015/16. Although the Legislature was allocated an additional R4.500 million in 2016/17 to host a CPA conference in KZN, this amount will not be transferred to the CPA, but will be utilised from the administrative costs of hosting the conference, and therefore is reflected against *Goods and services*.

The Legislature transfers funds annually to the PPF, in terms of the KZN Funding of Political Parties' Act. As mentioned, the annual transfer was capped at its 2010/11 level of R30 million from 2011/12 onward, in line with a Cabinet resolution, although this is once again under discussion. The 2014/15 amount includes the once-off R2.998 million relating to prior years' interest earned on the PPF, as explained previously.

5.9 Transfers to local government – Nil

The Legislature makes no transfer payments to local government. Although the payment of motor vehicle licences falls under *Transfers and subsidies to: Provinces and municipalities*, these funds will not be transferred to any municipality, and hence the table reflecting transfers to local government is excluded.

5.10 Transfers and subsidies

Table 2.7 reflects spending on *Transfers and subsidies* by programme and main category. The category as a whole shows a steady increase from 2012/13 to 2018/19, details of which are provided below the table.

Table 2.7 : 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	743	237	161	592	592	592	1 149	1 206	1 275
Provinces and municipalities	10	16	20	36	36	36	38	40	42
Motor vehicle licences	10	16	20	36	36	36	38	40	42
Departmental agencies and accounts	276	-	-	-	-	-	-	-	-
Transfer to SARS	276	-	-	-	-	-	-	-	-
Foreign government and international organisations	233	221	141	207	207	207	217	228	241
Commonwealth Parliamentary Association	233	221	141	207	207	207	217	228	241
Public corporations and private enterprises	-	-	-	26	26	26	27	28	30
Insurance companies	-	-	-	26	26	26	27	28	30
Households	224	-	-	323	323	323	867	910	962
Social benefits	63	-	-	-	-	-	-	-	-
Other transfers to households	161	-	-	323	323	323	867	910	962
2. Parliamentary Business	77 456	82 199	84 240	86 780	86 780	86 780	95 948	100 782	106 627
Non-profit institutions	77 456	82 199	84 240	86 780	86 780	86 780	95 948	100 782	106 627
Funding for political parties (e.g. const. allow.)	47 456	52 199	51 242	56 780	56 780	56 780	65 948	70 782	76 627
Political Parties' Fund	30 000	30 000	32 998	30 000	30 000	30 000	30 000	30 000	30 000
Total	78 199	82 436	84 401	87 372	87 372	87 372	97 097	101 988	107 902

The category *Transfers and subsidies* under Programme 1 includes the following:

- *Provinces and municipalities* caters for the payment of motor vehicle licences, as mentioned above.
- The 2012/13 amount against *Departmental agencies and accounts* relates to a transfer to SARS for overdue PAYE dating back to prior years, as explained earlier.
- *Foreign governments and international organisations* caters mainly for CPA subscription fees and conference costs, as mentioned.
- The amounts against *Public corporations and private enterprises* cater for insurance claims for motor vehicle accidents relating to the Legislature's official vehicles.
- *Households* caters for donations made as part of the Speaker's Social Responsibility programme, as well as staff exits, both of which are difficult to predict, accounting for the fluctuations.

The category *Transfers and subsidies* under Programme 2 comprises *Non-profit institutions*, which includes the constituency, secretarial and research allowances, as well as the PPF, shows a steady increase, despite the capping of the PPF at R30 million, as mentioned. The 2014/15 amount includes the once-off R2.998 million relating to prior years' interest earned on the PPF. The MTEF allocations include some additional funding allocated for the secretarial and research allowances resulting from the zero-based budget exercise, mainly to increase the allowances provided to support staff, including researchers, as mentioned above.

6. Programme description

The uniform budget and programme structure for all Provincial Legislatures consists of two programmes, namely Programme 1: Administration and Programme 2: Parliamentary Business. The payments and budgeted estimates for these two programmes are summarised in terms of economic classification below, details of which are given in *Annexure – Vote 2: Provincial Legislature*.

6.1 Programme 1: Administration

Programme 1 consists of four sub-programmes, as follows:

- Office of the Speaker provides political and administrative leadership to the Legislature, and ensures the provision of protocol services to Members. This sub-programme caters for the running costs of the Office of the Speaker, as well as the Speaker's Responsibility programme.
- Office of the Secretary co-ordinates planning, performance monitoring, evaluation and reporting, and ensures effectiveness of internal control, risk management and governance processes.
- Financial Management aims to provide efficient and effective financial management, and includes the CFO's office, financial management services, as well as SCM services. The main purpose is to plan the departmental budget, as well as to monitor and evaluate expenditure and revenue collection. In addition, various costs relating to the vote as a whole are centralised under this sub-programme, such as cell-phone, land-line and all current maintenance costs.
- Corporate Services renders corporate services through ICT, communication, human resources management and institutional support (i.e. library services, fleet services, security services, etc). Capital building renovation costs and other major procurement costs are centralised under this sub-programme, accounting for the size of the budget, as well as the fluctuations in trends.

Tables 2.8 and 2.9 below summarise payments and estimates for Programme 1 for the financial years 2012/13 to 2018/19. It is mentioned that various costs relating to the vote as a whole, including current maintenance costs, are centralised under the Financial Management sub-programme, while the Corporate Services sub-programme caters for capital and other major procurement projects. This means that some projects, such as SAP, are catered for under both sub-programmes. Many of these projects have largely once-off costs, accounting for the fluctuating trend from 2012/13 to the 2015/16 Adjusted Appropriation.

Table 2.8 : 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. Office of the Speaker	29 855	28 707	23 682	22 867	24 092	24 092	27 735	29 485	31 195
2. Office of the Secretary	13 437	16 530	18 780	17 298	22 724	22 724	23 808	20 869	22 079
3. Financial Management	52 260	54 176	57 177	50 483	47 955	47 955	56 465	57 032	60 339
4. Corporate Services	52 951	69 273	68 135	52 068	70 758	70 758	63 157	67 604	70 548
Total	148 503	168 686	167 774	142 716	165 529	165 529	171 165	174 990	184 161

Table 2.9 : 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	123 723	151 453	157 255	132 647	153 960	153 960	161 816	166 070	174 724
Compensation of employees	64 971	84 589	82 473	74 669	86 199	86 199	94 633	99 867	104 683
Goods and services	58 645	66 864	74 782	57 978	67 761	67 761	67 183	66 203	70 041
Interest and rent on land	107	-	-	-	-	-	-	-	-
Transfers and subsidies to:	743	237	161	592	592	592	1 149	1 206	1 275
Provinces and municipalities	10	16	20	36	36	36	38	40	42
Departmental agencies and accounts	276	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	233	221	141	207	207	207	217	228	241
Public corporations and private enterprises	-	-	-	26	26	26	27	28	30
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	224	-	-	323	323	323	867	910	962
Payments for capital assets	24 037	16 996	9 545	9 477	10 977	10 977	8 200	7 714	8 162
Buildings and other fixed structures	2 853	4 181	2 055	850	2 350	2 350	395	940	995
Machinery and equipment	15 352	6 332	4 179	7 139	7 139	7 139	6 238	5 129	5 427
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	5 832	6 483	3 311	1 488	1 488	1 488	1 567	1 645	1 740
Payments for financial assets	-	-	813	-	-	-	-	-	-
Total	148 503	168 686	167 774	142 716	165 529	165 529	171 165	174 990	184 161

The high spending in respect of the sub-programme: Office of the Speaker, particularly in 2012/13 and 2013/14, can largely be attributed to outstanding commitments from prior years relating to public participation events, as well as the building of capacity in anticipation of the functions to be allocated to the Office of the Speaker (as the Treasury), in line with the FMPAA. This included largely once-off costs such as establishing systems and skills development, accounting for the dip in 2014/15 and the 2015/16 Main Appropriation. The slight increase in the 2015/16 Adjusted Appropriation relates to unspent operational and Members' remuneration funding from 2014/15 that was allocated back in 2015/16 to cater for in-year spending pressures relating to the phasing in of the revised organisational structure. The MTEF allocations reflect reasonable growth as a result of additional funding allocated in terms of the zero-based budget exercise.

Similarly, the Office of the Secretary sub-programme increased in 2013/14 and 2014/15 to cater for outstanding commitments from prior years, resulting in the slight decrease in the 2015/16 Main Appropriation. The increase in the 2015/16 Adjusted Appropriation relates to unspent operational and Members' remuneration funding from 2014/15 allocated back to cater for in-year spending pressures including the filling of some critical posts in terms of the revised organisational structure and higher than budgeted risk management costs. Also contributing to the increase were savings reprioritised from the sub-programme: Financial Management, as explained below. The MTEF allocations reflect some growth as a result of additional funding from the zero-based budget exercise. The 2016/17 allocation includes the once-off additional funding allocated for the CPA conference, accounting for the slight reduction from 2016/17 to 2017/18.

With regard to the Financial Management sub-programme, the slight fluctuations in the prior years relate to the Legislature building revamping projects, while the peak in 2014/15 is largely due to the payment of some SAP invoices relating to prior years. The service provider had to show improvement in some areas before the Legislature would pay the invoices. These once-off commitments explain the reduction from 2014/15 to 2015/16. The slight reduction in the 2015/16 Adjusted Appropriation relates to the reprioritisation of savings from this sub-programme, as a result of delays in the filling of certain critical posts, as well as the non-filling of posts that are not critical. These savings were moved to the sub-programmes: Office of the Secretary and Corporate Services to fund in-year spending pressures resulting from the filling of critical posts. The MTEF allocations reflect reasonable growth because of additional funding allocated in terms of the zero-based budget exercise, mainly to fund increasing property payments (particularly increased security services costs) and operating leases, largely relating to printing and publication costs pertaining to the Legislature's public participation programme.

The Corporate Services sub-programme fluctuates markedly due to various once-off procurement costs. For instance, the fluctuations in the two prior years can largely be ascribed to the purchase and roll-out of SAP. The 2014/15 amount is far higher than the 2015/16 Main Appropriation as it includes the purchase of tools of trade for all new Members, following the 2014 general elections. Also included is a portion of the once-off funding for the procurement of the new Hansard system (which was not spent on the project itself, but was used to absorb in-year spending pressures, as mentioned above). The 2015/16 Main Appropriation is further under-stated because of a decision taken by the Legislature not to continue establishing the Co-operative Governance unit under Programme 2 at this stage, but rather establish an Auxiliary Services unit under this sub-programme, which will oversee transversal activities, such as facilities and security issues, in line with the revised organisational structure. This decision, which is commented on further in Programme 2 below, was effected in the 2015/16 Adjusted Appropriation. Also contributing to the increase in the Adjusted Appropriation was unspent operational and Members' remuneration funding from 2014/15 allocated back to cater for in-year spending pressures relating to the filling of some critical posts in terms of the revised organisational structure, as well as outstanding 2014/15 commitments in respect of building revamping projects and SAP costs. In addition, savings were reprioritised from the sub-programme: Financial Management, as mentioned above, and there was a once-off provision for the renovation of the Law Society building, all of which account for the reduction from the 2015/16 Adjusted Appropriation to 2016/17. The 2016/17 allocation includes a once-off amount of R1.500 million for the replacement of a lift in the Legislature building. The MTEF allocations reflect reasonable growth when compared to the 2015/16 Main Appropriation, as a result of additional funding allocated in terms of the zero-based budget exercise for various operational spending pressures.

Compensation of employees increased substantially in the prior years, largely due to the annual wage agreements for the Legislature staff, the implementation of the job evaluation review results, the filling of critical posts in terms of the revised organisational structure, as well as the annual leave encashment. The peak in 2013/14 was due to significant once-off back-pay relating to the upgrading of posts, accounting for the slight reduction from 2013/14 to 2014/15. This category was under-budgeted for in 2015/16, and this was corrected in the 2015/16 Adjusted Appropriation by reprioritising savings from other areas, as well as allocating back unspent operational and Members' remuneration funding from 2014/15. The 2015/16 Adjusted Appropriation also includes additional funding for the above-budget 2015 wage agreement. The MTEF allocations provide for the carry-through costs of the above-budget wage agreement, as well as provision for the carry-through costs of critical posts that were filled in recent years, funded through the zero-based budget exercise.

The fluctuations in *Goods and services* can be ascribed to the fact that once-off projects, including the roll-out of SAP and current building revamping projects, are largely catered for under this category. The high 2013/14 amount relates to outstanding 2012/13 commitments, including building revamping projects, as well as the further roll-out of SAP. The 2014/15 amount includes the once-off funding for the Hansard project and the Legislature complex feasibility study (which was not spent on the projects themselves, but was largely used to absorb in-year spending pressures, as mentioned). This accounts for the dip from 2014/15 to 2015/16. The increase in the 2015/16 Adjusted Appropriation relates to unspent operational and Members' remuneration funding from 2014/15 allocated back in 2015/16 to cater for in-year spending pressures, including higher than budgeted risk management costs and the payment of some SAP invoices relating to prior years, accounting for the slight reduction to 2016/17. The 2016/17 allocation includes the once-off additional funding for hosting the CPA conference in KZN. The MTEF allocations show reasonable growth as a result of additional funding allocated in terms of the zero-based budget exercise, largely to fund increasing property payments and operating leases.

The category *Transfers and subsidies* fluctuates in the prior years, as explained below:

- *Provinces and municipalities* reflects the payment of motor vehicle licences, as mentioned.
- The 2012/13 amount reflected against *Departmental agencies and accounts* relates to a transfer to SARS in respect of overdue PAYE dating back to prior years, as explained earlier.
- *Foreign governments and international organisations* caters mainly for subscription fees and conference attendance costs in respect of the CPA, as mentioned.
- *Public corporations and private enterprises* caters for insurance claims for motor vehicle accidents relating to the Legislature's official vehicles. No accident claims were received in prior years.
- *Households* caters for donations made as part of the Speaker's Social Responsibility programme, as well as staff exits, both of which are difficult to predict.

Buildings and other fixed structures, which relates to the Legislature building revamping projects, fluctuates depending on the nature of the work required. The 2012/13 and 2013/14 amounts are largely made up of the costs of the Tatham Art Gallery parking for Members and renovations to the Speaker's office. The fairly high 2014/15 amount includes carry-through costs of some prior year projects. The 2015/16 Adjusted Appropriation includes a once-off provision for the renovation of the Law Society building, as mentioned previously. Although the building revamping projects are continuing over the MTEF, the extent and nature of the work to be done is still under review. As such, the bulk of the funding is reflected as current infrastructure under *Goods and services* at this stage.

Machinery and equipment shows a fluctuating trend from 2012/13 to 2016/17 due to several once-off purchases. The high 2012/13 spending can be ascribed to the purchase and installation of SAP, as well as the payment for generators that were procured in 2011/12 but not paid for by year-end. The high 2013/14 amount includes provision for outstanding SAP commitments, while the fairly high 2014/15 amount provides for the purchase of tools of trade for all new Members following the 2014 general elections. These once-off amounts account for the fluctuations from 2012/13 to 2014/15. Similarly, the 2015/16 Main Appropriation is high as it includes the additional funding for IT infrastructure, accounting for the decrease from 2015/16 to 2016/17. The 2016/17 allocation includes the once-off provision for the

replacement of a lift in the Legislature building. The MTEF allocations provide for the purchase of furniture, vehicles and computers for staff and Members.

Software and other intangible assets fluctuates in the prior years, largely due to the roll-out of the various SAP modules, which went live in 2013/14 (hence the high expenditure in the prior years). There is marginal growth over the MTEF, to cater for ongoing SAP costs.

There was expenditure of R813 000 in respect of *Payments for financial assets* in 2014/15, largely relating to the write-off of previous years' debt, some dating back as far as 2002.

Service delivery measures – Programme 1: Administration

Table 2.10 illustrates the main service delivery measures pertaining to Programme 1. It is noted that the Legislature sector has not yet agreed on standardised service delivery measures. It is further noted that the Legislature has streamlined Programme 1's service delivery measures compared to prior years, and has introduced two new ones, indicated by "New" in the table.

Table 2.10 : Service delivery measures – Programme 1: Administration

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2015/16	2016/17	2017/18	2018/19	
1. Improved performance monitoring and reporting	• No. of performance reports against Annual Oversight Plans (AOP) and APP targets	9	5	5	5	
2. Achieved clean audit by 2016/17	• Quarterly review reports on key controls, audits and risk issues	4	4	4	4	
3. Developed and implemented transformation plan/policy	• No. of reports on the development and implementation of the transformation plan/policy	4	4	4	4	
4. Improved ICT management	• No. of reports on the review and implementation of the ICT plan	New	4	4	4	
5. Improved human resources management and development	• No. of reports on development and implementation of the HR plan	New	4	4	4	
6. Improved control environment and attainment of clean audit in respect of SCM	• No. of reports on the development and implementation of the SCM strategy	New	4	4	4	

6.2 Programme 2: Parliamentary Business

This programme consists of six sub-programmes, conforming to the customised budget structure for the sector. The main objectives and services of these sub-programmes are as follows:

- **Law-making:** To pass effective and relevant laws in the province. This sub-programme also incorporates the functions of House Proceedings and Hansard.
- **NCOP:** To facilitate NCOP liaison services.
- **Oversight:** To execute and conduct effective oversight of the Executive Committees, and to provide research and legal services.
- **Public Participation:** To address complaints through the petitions' system, and to create awareness of legislative processes through public education and the promotion of public involvement. This sub-programme combines both staff and sectoral public participation costs.
- **Members' Facilities:** To provide benefits and facilities in respect of Members and to offer support to political parties. This sub-programme makes provision for the constituency and secretarial allowances, as well as the PPF.
- **Co-operative Governance:** To strengthen inter-parliamentary relations.

Tables 2.11 and 2.12 below summarise payments and estimates for Programme 2 for the period 2012/13 and 2018/19. As mentioned under Programme 1 above, a decision was taken by the Legislature in 2015/16 not to establish the Co-operative Governance unit at this stage, but rather establish an Auxiliary Services

unit under the sub-programme: Corporate Services in Programme 1, to oversee transversal activities, such as facilities and security issues, in line with the revised organisational structure. This decision was taken in view of the fact that the Co-operative Governance unit has not been established after three years, partly because many of the associated governance functions are currently being undertaken by the Office of the Secretary. This decision was implemented in the 2015/16 Adjusted Appropriation, accounting for an amount still being reflected in the 2015/16 Main Appropriation. Prior and ensuing years were adjusted for comparative purposes. As a result of this decision, the Legislature will no longer be using the sub-programme: Co-operative Governance in terms of the budget structure for the Legislature sector.

Programme 2 shows a generally steady growth over the seven-year period. This programme includes substantial funding for public participation events, overseas study tours undertaken by portfolio committees, as well as support for political parties in the form of constituency and secretarial allowances and the PPF. It is noted, too, that the implementation of the sector oversight model impacts mainly on this programme, particularly the sub-programmes: Oversight and Members' Facilities.

Table 2.11 : Summary of payments and estimates by sub-programme: Parliamentary Business

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. Law-making	25 881	37 956	41 535	35 609	40 407	40 407	45 063	47 841	50 616
2. NCOP	1 058	275	692	1 962	1 962	1 962	2 066	2 170	2 296
3. Oversight	51 250	61 383	59 081	66 757	67 277	67 277	78 132	83 630	88 480
4. Public Participation	30 182	29 890	30 097	33 994	32 494	32 494	33 648	33 513	35 457
5. Members' Facilities	107 684	91 644	94 754	97 272	97 272	97 272	110 788	116 364	123 115
6. Co-operative Governance	-	-	-	4 863	-	-	-	-	-
Total	216 055	221 148	226 159	240 457	239 412	239 412	269 697	283 518	299 964

Table 2.12 : Summary of payments and estimates by economic classification: Parliamentary Business

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	138 599	138 949	141 919	153 677	152 632	152 632	173 749	182 736	193 337
Compensation of employees	65 161	68 426	78 060	78 600	77 528	77 528	90 994	96 055	101 626
Goods and services	73 438	70 523	63 859	75 077	75 104	75 104	82 755	86 681	91 711
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	77 456	82 199	84 240	86 780	86 780	86 780	95 948	100 782	106 627
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	77 456	82 199	84 240	86 780	86 780	86 780	95 948	100 782	106 627
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	216 055	221 148	226 159	240 457	239 412	239 412	269 697	283 518	299 964

The sub-programme: Law-making shows steady growth in the prior years. The high 2013/14 amount includes provision for outstanding 2012/13 public participation commitments. The 2014/15 amount includes a portion of the once-off funding for the improved Hansard production project, which was not spent on the system itself, but was utilised to absorb in-year spending pressures, including the Legacy project. This project related to the compilation of an end-of-term handover project, entitled Twenty Years of Democracy: A Legacy Report, with the focus on ensuring a smooth transition between the fourth and fifth Legislatures. This accounts for the dip from 2014/15 to 2015/16. The high Adjusted Appropriation relates to savings identified in the sub-programmes: Oversight and Public Participation because of delays

in the filling of certain critical posts, as well as the non-filling of posts considered not critical. These savings were moved to the Law-making sub-programme to fund in-year spending pressures as a result of the filling of critical posts in terms of the revised organisational structure, including carry-through costs of posts filled from 2014/15. The growth is continued over the 2016/17 MTEF as a result of additional funding from the zero-based budget exercise.

The NCOP sub-programme shows a generally steady increase. The low amounts in 2013/14 and 2014/15 relate to the fact that there were fewer NCOP activities in those years, in view of the build-up to the 2014 general elections.

The sub-programme: Oversight reflects significant increases, in line with the implementation of the sector oversight model. Also contributing to the high spending, particularly in 2013/14, was the payment of outstanding public participation commitments, including outstanding travel claims. This sub-programme increases substantially from 2015/16 onward to provide for the continued roll-out of the sector oversight model. The slight increase in the 2015/16 Adjusted Appropriation relates to additional funding for the above-budget 2015 wage agreement for Legislature staff, offset by enforced savings reprioritised to the Law-making sub-programme. The growth over the MTEF relates to additional funding from the zero-based budget exercise.

With regard to the sub-programme: Public Participation, which combines both staff and sectoral public participation costs, there is a generally steady increase over the seven years. The 2012/13 amount is fairly high, as it includes payment of outstanding public participation commitments relating to prior years. The minor fluctuations over the period relate to enforced savings to offset in-year pressures in other areas, such as Law-making.

The Members' Facilities sub-programme includes provision for the constituency, secretarial and research allowances, as well as the PPF, which is capped at R30 million at this stage, as mentioned previously. The 2012/13 amount is high because it includes payment of outstanding travel claims and prior year commitments in respect of public participation events, accounting for the reduction in 2013/14. The 2014/15 amount includes the once-off R2.998 million relating to prior years' interest earned on the PPF. The healthy growth over the MTEF caters for public participation events and the continued implementation of the sector oversight model. Also, in terms of the zero-based budget exercise, additional funding was allocated for the secretarial and research allowances, including provision for support staff, such as researchers, which are contract based, and are not on the Legislature's organisational structure. The additional amount was allocated to bring these allowances in line with the guidelines from National Parliament, including provision for an annual wage adjustment in respect of these support staff. The MTEF allocations also provide for increased travel and subsistence costs for the various portfolio committees funded from the zero-based budget exercise.

The Co-operative Governance sub-programme has been commented on above.

Compensation of employees shows reasonable growth over the seven-year period as a result of the annual wage adjustments for the Legislature staff. The Legislature commenced implementing the sector oversight model in 2012/13, as explained above, accounting for the increases (as well as the slight fluctuations relating to the upgrading of posts and resultant backpay) from that year to 2015/16. The MTEF allocations include provision for the carry-through of posts filled from 2014/15 without adequate budget in respect of the sector oversight model, funded from the zero-based budget exercise.

The fluctuations in *Goods and services* can be ascribed to the previously mentioned once-off spending in prior years. For instance, 2012/13 is fairly high, as it includes payment of outstanding travel claims and prior year commitments in respect of public participation events, accounting for the reduction from 2012/13 to 2013/14. The further reduction in 2014/15 relates to enforced savings identified under Programme 2 to offset Programme 1's projected over-expenditure, in line with the cost-containment plan. The MTEF allocations include some additional funding resulting from the zero-based budget exercise, largely to provide for increased travel and subsistence costs for the various portfolio committees.

Transfers and subsidies to: Non-profit institutions comprises the constituency, secretarial and research allowances payable to political parties, as well as the PPF. The category shows a steady increase over the

seven years, despite the capping of the PPF at R30 million at this stage. The 2014/15 amount includes the once-off increase of R2.998 million, relating to interest earned on the PPF which was formally appropriated back to the Legislature for increasing the 2014/15 transfer to the PPF. The MTEF allocations include some additional funding for the secretarial and research allowances resulting from the zero-based budget exercise, mainly to provide for support staff, including researchers, as mentioned above.

Service delivery measures – Programme 2: Parliamentary Business

Table 2.13 below illustrates the main service delivery measures relating to Programme 2. The Legislature sector has not yet agreed on standardised service delivery measures. It is noted that the Legislature has introduced two new service delivery measures, indicated by “New” in the table.

Table 2.13: Service delivery measures – Programme 2: Parliamentary Business

Outputs		Performance indicators	Estimated performance	Medium term targets			
			2015/16	2016/17	2017/18	2018/19	
1.	Increased level of awareness and knowledge of the Legislature and its core business	• No. of public education campaigns/workshops	20	20	20	20	
2.	Enhanced oversight, law-making and accountability	• No. of sittings facilitated	26	26	26	26	
3.	Improved oversight over departmental planning	• No. of final draft AOPs submitted	New	18	18	18	
		• No. of progress reports and development of a provincial service delivery baseline	4	4	4	4	
4.	Improved input into the departmental APPs and budgets	• No. of reports on the consideration of 2017/18 draft APPs and budgets tabled at committee meetings	16	15	15	15	
5.	Improved oversight over departmental performance against their APPs and budgets	• No. of analysis reports on quarterly and annual reports	5 per Committee	5 per Committee	5 per Committee	5 per Committee	
6.	Improved tracking of resolutions	• Quarterly reports on resolutions	4	4	4	4	
7.	Improved oversight over financial management and performance of depts. and public entities	• No. of reports on Finance Committee hearings conducted	3	3	3	3	
8.	Improved oversight over depts. and public entities i.r.o. attainment of clean audit reports	• No. of SCOPA hearings conducted	2	2	2	2	
9.	Enhanced oversight through focused intervention studies and oversight visits	• No. of focused intervention studies conducted	8	9	16	16	
		• No. of oversight visits conducted	48	64	64	64	
10.	Empowered committees to perform oversight	• No. of study tours	5	5	5	5	
11.	Improved processing of legislation before committees	• No. of reports on Bills processed	New	4	4	4	

7. Other programme information

7.1 Personnel numbers and costs

Tables 2.14 and 2.15 reflect personnel information pertaining to the Legislature. Note that the tables include information relating to the Legislature staff only, and not the Members of the Legislature.

It is noted that the KZN Legislature’s salary structure is very different to the Public Service. For the most part, the KZN Legislature’s salary levels are higher than Public Service counterparts. This position is exacerbated by the fact that, in recent years (apart from 2015/16), the annual wage adjustments for the administrative staff have been higher than the Public Service wage agreements. This issue of the increasing wage gap was raised as a concern by STACOV at a meeting held in August 2014, and negotiations are underway with the unions in this regard. However, prior year above-budget wage increases continue to have carry-through costs. Also, on occasions when the KZN Legislature received additional funding from Provincial Treasury to provide for the above-budget wage agreement, the additional funding was based on the lower Public Service increase.

Table 2.14 : 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	130	113	115	116	116	116	116
2. Parliamentary Business	104	107	108	109	109	109	109
Total	234	220	223	225	225	225	225
Total provincial personnel cost (R thousand)	130 132	153 015	160 533	163 727	185 627	195 922	206 309
Unit cost (R thousand)	556	696	720	728	825	871	917

Table 2.15 : Summary of 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)	234	220	223	225	225	225	225	225	225
Personnel cost (R thousands)	130 132	153 015	160 533	153 269	163 727	163 727	185 627	195 922	206 309
Human resources component									
Personnel numbers (head count)	8	7	10	9	9	9	10	10	10
Personnel cost (R thousands)	4 554	5 355	5 618	5 730	5 730	5 730	6 497	6 857	7 220
Head count as % of total for department	3.42	3.18	4.48	4.00	4.00	4.00	4.44	4.44	4.44
Personnel cost as % of total for department	3.50	3.50	3.50	3.74	3.50	3.50	3.50	3.50	3.50
Finance component									
Personnel numbers (head count)	23	23	24	17	17	17	18	18	18
Personnel cost (R thousands)	12 752	14 995	15 732	16 045	16 045	16 045	18 191	19 200	20 218
Head count as % of total for department	9.83	10.45	10.76	7.56	7.56	7.56	8.00	8.00	8.00
Personnel cost as % of total for department	9.80	9.80	9.80	10.47	9.80	9.80	9.80	9.80	9.80
Full time workers									
Personnel numbers (head count)	200	200	210	212	212	212	212	212	212
Personnel cost (R thousands)	123 625	145 364	155 506	147 606	157 541	157 541	178 346	188 126	197 994
Head count as % of total for department	85.47	90.91	94.17	94.22	94.22	94.22	94.22	94.22	94.22
Personnel cost as % of total for department	95.00	95.00	96.87	96.30	96.22	96.22	96.08	96.02	95.97
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)	34	20	13	13	13	13	13	13	13
Personnel cost (R thousands)	6 507	7 651	5 027	5 663	6 186	6 186	7 281	7 796	8 315
Head count as % of total for department	14.53	9.09	5.83	5.78	5.78	5.78	5.78	5.78	5.78
Personnel cost as % of total for department	5.00	5.00	3.13	3.70	3.78	3.78	3.92	3.98	4.03

The personnel numbers from 2012/13 onward include the implementation of the job evaluation review results, as well as the filling of critical posts in terms of the revised organisational structure, including the sector oversight model. The following points are noted:

- The high personnel numbers in 2012/13 continuing into 2013/14 relate to the employment of interns during that year, and this accounts for the similar increase in contract worker numbers.
- The “Contract workers” shown in Table 2.15 include interns (in the prior years), Members’ drivers, as well as two SAP specialists, etc. Note that this category excludes contract positions such as management positions, as well as staff in the office of the Speaker and in the Office of the Whipery.
- It is envisaged that a further 26 critical posts in terms of the revised organisational structure will be filled over the MTEF, once the productivity and work system investigations have been undertaken. These are not reflected in the tables at this stage. The required budget adjustments and reprioritisation will be made in-year to fund these critical posts, taking into account the Legislature’s cost-containment plan, as well as the budget cuts facing the province as a whole.

7.2 Training

Tables 2.16 and 2.17 give a summary of the Legislature’s spending and information on training for the period 2012/13 to 2018/19. All training for the Legislature is centralised under Programme 1. Both tables illustrate the number of staff and Members affected by the various training programmes and initiatives, and this accounts for the number of both staff reflected in Table 2.17 being higher than the personnel

numbers reflected in Section 7.1 above. Table 2.17 also includes a gender breakdown, the types of training, and details of the number of bursaries and learnerships.

The Skills Development Act is not applicable to provincial legislatures. The amounts reflected relate to specific training courses that will assist in capacitating the various components of the Legislature. The high 2013/14 amount relates to the training that was conducted to ensure the smooth implementation of SAP and the sector oversight model. The 2015/16 amount includes provision for the ongoing training of new Members following the 2014 general elections. The MTEF allocations provide for ongoing SAP training to both staff and Members, as well as training on the implementation of the FMPAA.

Table 2.16 : 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	3 576	4 484	3 654	5 084	5 084	5 084	4 184	5 454	5 770
Travel and subsistence	967	857	1 125	1 170	1 170	1 170	1 232	1 294	1 369
Payments on tuition	2 609	3 627	2 529	3 914	3 914	3 914	2 952	4 160	4 401
Other	-	-	-	-	-	-	-	-	-
2. Parliamentary Business	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	3 576	4 484	3 654	5 084	5 084	5 084	4 184	5 454	5 770

Table 2.17 : Information on training: Provincial Legislature

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	234	289	292	294	294	294	294	294	294
Number of personnel trained	137	102	176	184	184	184	194	204	216
of which									
Male	68	39	88	92	92	92	97	102	108
Female	69	63	88	92	92	92	97	102	108
Number of training opportunities	38	38	38	41	41	41	44	46	49
of which									
Tertiary	12	12	13	14	14	14	15	16	17
Workshops	15	15	13	14	14	14	15	16	17
Seminars	-	-	-	-	-	-	-	-	-
Other	11	11	12	13	13	13	14	15	16
Number of bursaries offered	17	20	21	22	22	22	23	24	26
Number of interns appointed	-	30	-	-	-	-	-	-	-
Number of learnerships appointed	17	-	21	22	22	22	23	24	26
Number of days spent on training	3	306	3	3	3	3	3	3	3

ANNEXURE – VOTE 2: PROVINCIAL LEGISLATURE

Table 2.A : Details of departmental receipts: Provincial Legislature

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	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	73	107	69	51	51	63	54	57	60
Sale of goods and services produced by department (excl. capital assets)	-	-	-	-	-	-	-	-	-
Sales by market establishments	-	-	-	-	-	-	-	-	-
Administrative fees	-	-	-	-	-	-	-	-	-
Other sales	-	-	-	-	-	-	-	-	-
Sale of scrap, waste, arms and other used current goods (excl. capital assets)	73	107	69	51	51	63	54	57	60
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	449	802	1 610	432	432	2 214	455	478	506
Interest	449	802	1 610	432	432	2 214	455	478	506
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	564	-	486	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	564	-	486	-	-	-	-	-	-
Transactions in financial assets and liabilities	1 245	3 015	785	252	252	784	265	278	294
Total	2 331	3 924	2 950	735	735	3 061	774	813	860

Estimates of Provincial Revenue and Expenditure

Table 2.B : Payments and estimates by economic classification: Provincial Legislature

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	2019/20	2020/21
Current payments	262 322	290 402	299 174	286 324	306 592	306 592	335 565	348 806	368 061
Compensation of employees	130 132	153 015	160 533	153 269	163 727	163 727	185 627	195 922	206 309
Salaries and wages	116 522	132 552	140 817	133 021	141 726	141 726	162 664	171 798	180 786
Social contributions	13 610	20 463	19 716	20 248	22 001	22 001	22 963	24 124	25 523
Goods and services	132 083	137 387	138 641	133 055	142 865	142 865	149 938	152 884	161 752
Administrative fees	3 960	56	970	896	896	896	1 395	1 156	1 221
Advertising	6 529	8 550	6 929	9 006	9 056	9 056	8 935	9 208	9 745
Assets less than the capitalisation threshold	1 282	165	756	727	727	727	285	349	369
Audit cost: External	1 425	2 617	3 560	2 251	3 451	3 451	2 019	2 120	2 243
Bursaries: Employees	549	598	261	643	643	643	756	794	840
Catering: Departmental activities	13 431	12 316	10 669	16 513	16 563	16 563	19 146	19 604	20 743
Communication (G&S)	8 150	11 010	10 067	5 660	5 660	5 660	11 967	10 740	11 362
Computer services	3 617	7 930	2 481	1 129	2 938	2 938	3 494	3 541	3 746
Cons and prof serv: Business and advisory services	1 137	3 630	16 438	2 209	4 956	4 956	5 963	7 356	7 782
Cons and prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons and prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons and prof serv: Scientific and technological services	-	-	-	-	-	-	-	-	-
Cons and prof serv: Legal costs	27	402	387	294	294	294	290	305	323
Contractors	7 556	7 512	11 321	5 793	6 575	6 575	10 459	10 616	11 232
Agency and support / outsourced services	1 586	-	-	-	-	-	-	-	-
Entertainment	71	60	47	270	285	285	673	714	755
Fleet services (including government motor transport)	1 666	2 110	1 536	1 709	1 709	1 709	1 558	1 635	1 730
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	9	-	-	646	646	646	187	28	30
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	329	269	-	400	400	400	-	-	-
Inventory: Materials and supplies	39	101	-	135	135	135	84	88	93
Inventory: Medical supplies	-	-	-	5	5	5	7	7	7
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	111	-	-	-	-	-	-	-	-
Consumable supplies	541	1 226	1 500	364	369	369	1 210	1 268	1 341
Consumable: Stationery, printing and office supplies	776	1 167	1 043	948	948	948	1 169	1 239	1 311
Operating leases	5 857	7 008	8 361	4 758	4 758	4 758	6 473	6 579	6 961
Property payments	6 181	8 263	8 984	5 521	8 556	8 556	5 298	5 563	5 885
Transport provided: Departmental activity	5 996	4 570	2 335	3 430	3 430	3 430	8 743	8 763	9 271
Travel and subsistence	47 175	38 160	33 954	41 785	41 693	41 693	31 593	31 631	33 466
Training and development	2 609	3 627	2 529	3 914	3 914	3 914	2 952	4 160	4 401
Operating payments	3 295	3 845	5 766	9 835	9 979	9 979	9 464	9 945	10 522
Venues and facilities	8 179	12 195	8 747	14 214	14 279	14 279	15 818	15 475	16 373
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	107	-	-	-	-	-	-	-	-
Interest	107	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	78 199	82 436	84 401	87 372	87 372	87 372	97 097	101 988	107 902
Provinces and municipalities	10	16	20	36	36	36	38	40	42
Provinces	10	16	20	36	36	36	38	40	42
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	10	16	20	36	36	36	38	40	42
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	276	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	276	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	233	221	141	207	207	207	217	228	241
Public corporations and private enterprises	-	-	-	26	26	26	27	28	30
Public corporations	-	-	-	-	-	-	27	28	30
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	27	28	30
Private enterprises	-	-	-	26	26	26	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	26	26	26	-	-	-
Non-profit institutions	77 456	82 199	84 240	86 780	86 780	86 780	95 948	100 782	106 627
Households	224	-	-	323	323	323	867	910	962
Social benefits	63	-	-	-	-	-	-	-	-
Other transfers to households	161	-	-	323	323	323	867	910	962
Payments for capital assets	24 037	16 996	9 545	9 477	10 977	10 977	8 200	7 714	8 162
Buildings and other fixed structures	2 853	4 181	2 055	850	2 350	2 350	395	940	995
Buildings	-	4 181	2 055	850	2 350	2 350	395	940	995
Other fixed structures	2 853	-	-	-	-	-	-	-	-
Machinery and equipment	15 352	6 332	4 179	7 139	7 139	7 139	6 238	5 129	5 427
Transport equipment	1 340	1 821	1 594	2 039	2 039	2 039	1 500	2 254	2 385
Other machinery and equipment	14 012	4 511	2 585	5 100	5 100	5 100	4 738	2 875	3 042
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	5 832	6 483	3 311	1 488	1 488	1 488	1 567	1 645	1 740
Payments for financial assets	-	-	813	-	-	-	-	-	-
Total	364 558	389 834	393 933	383 173	404 941	404 941	440 862	458 508	484 125
of which:									
Departmental receipts	2 331	3 924	2 950	735	735	3 061	774	813	860
Adjusted total	364 558	389 834	393 933	383 173	404 941	404 941	440 862	458 508	484 125
Members' remuneration	67 160	71 095	82 094	82 321	74 321	74 321	77 790	80 343	85 003
Adjusted total (incl. Members' remuneration)	431 718	460 929	476 027	465 494	479 262	479 262	518 652	538 851	569 128

Table 2.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	123 723	151 453	157 255	132 647	153 960	153 960	161 816	166 070	174 724
Compensation of employees	64 971	84 589	82 473	74 669	86 199	86 199	94 633	99 867	104 683
Salaries and wages	57 335	73 323	72 693	63 241	73 018	73 018	82 346	86 961	91 029
Social contributions	7 636	11 266	9 780	11 428	13 181	13 181	12 287	12 906	13 654
Goods and services	58 645	66 864	74 782	57 978	67 761	67 761	67 183	66 203	70 041
Administrative fees	3 834	51	850	855	855	855	1 131	877	926
Advertising	3 286	4 319	2 129	1 776	1 776	1 776	2 772	2 319	2 455
Assets less than the capitalisation threshold	1 282	165	756	727	727	727	279	343	363
Audit cost: External	1 425	2 617	3 560	2 251	3 451	3 451	2 019	2 120	2 243
Bursaries: Employees	219	598	261	433	433	433	346	363	384
Catering: Departmental activities	2 813	1 591	1 124	1 556	1 556	1 556	1 500	1 170	1 238
Communication (G&S)	5 786	8 688	7 610	4 766	4 766	4 766	7 310	5 851	6 190
Computer services	3 617	7 856	2 393	1 129	2 938	2 938	3 494	3 541	3 746
Cons and prof serv: Business and advisory services	344	3 124	13 366	2 010	4 757	4 757	5 842	7 228	7 646
Cons and prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons and prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons and prof serv: Scientific and technological services	-	-	-	-	-	-	-	-	-
Cons and prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	4 205	3 199	7 662	4 290	4 897	4 897	4 177	4 020	4 253
Agency and support / outsourced services	955	-	-	-	-	-	-	-	-
Entertainment	64	30	47	214	214	214	335	358	379
Fleet services (including government motor transport)	1 666	2 074	1 530	1 709	1 709	1 709	1 558	1 635	1 730
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	9	-	-	646	646	646	187	28	30
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	329	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	34	101	-	135	135	135	82	86	91
Inventory: Medical supplies	-	-	-	5	5	5	7	7	7
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	541	611	907	341	341	341	1 039	1 091	1 154
Consumable: Stationery, printing and office supplies	659	863	923	761	761	761	865	920	974
Operating leases	5 857	7 008	8 361	4 758	4 758	4 758	6 473	6 579	6 961
Property payments	6 181	8 162	8 969	5 521	8 556	8 556	5 288	5 553	5 875
Transport provided: Departmental activity	(4)	180	-	85	85	85	344	99	105
Travel and subsistence	8 993	8 654	8 614	12 981	13 366	13 366	13 826	12 525	13 251
Training and development	2 609	3 359	2 529	3 414	3 414	3 414	2 454	3 637	3 848
Operating payments	2 742	2 473	2 884	5 215	5 215	5 215	4 514	4 801	5 079
Venues and facilities	1 199	1 141	307	2 400	2 400	2 400	1 341	1 052	1 113
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	107	-	-	-	-	-	-	-	-
Interest	107	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	743	237	161	592	592	592	1 149	1 206	1 275
Provinces and municipalities	10	16	20	36	36	36	38	40	42
Provinces	10	16	20	36	36	36	38	40	42
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	10	16	20	36	36	36	38	40	42
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	276	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	276	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	233	221	141	207	207	207	217	228	241
Public corporations and private enterprises	-	-	-	26	26	26	27	28	30
Public corporations	-	-	-	-	-	-	27	28	30
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	27	28	30
Private enterprises	-	-	-	26	26	26	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	26	26	26	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	224	-	-	323	323	323	867	910	962
Social benefits	63	-	-	-	-	-	-	-	-
Other transfers to households	161	-	-	323	323	323	867	910	962
Payments for capital assets	24 037	16 996	9 545	9 477	10 977	10 977	8 200	7 714	8 162
Buildings and other fixed structures	2 853	4 181	2 055	850	2 350	2 350	395	940	995
Buildings	-	4 181	2 055	850	2 350	2 350	395	940	995
Other fixed structures	2 853	-	-	-	-	-	-	-	-
Machinery and equipment	15 352	6 332	4 179	7 139	7 139	7 139	6 238	5 129	5 427
Transport equipment	1 340	1 821	1 594	2 039	2 039	2 039	1 500	2 254	2 385
Other machinery and equipment	14 012	4 511	2 585	5 100	5 100	5 100	4 738	2 875	3 042
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	5 832	6 483	3 311	1 488	1 488	1 488	1 567	1 645	1 740
Payments for financial assets	-	-	813	-	-	-	-	-	-
Total	148 503	168 686	167 774	142 716	165 529	165 529	171 165	174 990	184 161

Table 2.D : Payments and estimates by economic classification: Parliamentary Business

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	138 599	138 949	141 919	153 677	152 632	152 632	173 749	182 736	193 337
Compensation of employees	65 161	68 426	78 060	78 600	77 528	77 528	90 994	96 055	101 626
Salaries and wages	59 187	59 229	68 124	69 780	68 708	68 708	80 318	84 837	89 757
Social contributions	5 974	9 197	9 936	8 820	8 820	8 820	10 676	11 218	11 869
Goods and services	73 438	70 523	63 859	75 077	75 104	75 104	82 755	86 681	91 711
Administrative fees	126	5	120	41	41	41	264	279	295
Advertising	3 243	4 231	4 800	7 230	7 280	7 280	6 163	6 889	7 290
Assets less than the capitalisation threshold	-	-	-	-	-	-	6	6	6
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	330	-	-	210	210	210	410	431	456
Catering: Departmental activities	10 618	10 725	9 545	14 957	15 007	15 007	17 646	18 434	19 505
Communication (G&S)	2 364	2 322	2 457	894	894	894	4 657	4 889	5 172
Computer services	-	74	88	-	-	-	-	-	-
Cons and prof serv: Business and advisory services	793	506	3 072	199	199	199	121	128	136
Cons and prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons and prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons and prof serv: Scientific and technological services	-	-	-	-	-	-	-	-	-
Cons and prof serv: Legal costs	27	402	387	294	294	294	290	305	323
Contractors	3 351	4 313	3 659	1 503	1 678	1 678	6 282	6 596	6 979
Agency and support / outsourced services	631	-	-	-	-	-	-	-	-
Entertainment	7	30	-	56	71	71	338	356	376
Fleet services (including government motor transport)	-	36	6	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	269	-	400	400	400	-	-	-
Inventory: Materials and supplies	5	-	-	-	-	-	2	2	2
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medias inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	111	-	-	-	-	-	-	-	-
Consumable supplies	-	615	593	23	28	28	171	177	187
Consumable: Stationery, printing and office supplies	117	304	120	187	187	187	304	319	337
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	101	15	-	-	-	10	10	10
Transport provided: Departmental activity	6 000	4 390	2 335	3 345	3 345	3 345	8 399	8 664	9 166
Travel and subsistence	38 182	29 506	25 340	28 804	28 327	28 327	17 767	19 106	20 215
Training and development	-	268	-	500	500	500	498	523	553
Operating payments	553	1 372	2 882	4 620	4 764	4 764	4 950	5 144	5 443
Venues and facilities	6 980	11 054	8 440	11 814	11 879	11 879	14 477	14 423	15 260
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	77 456	82 199	84 240	86 780	86 780	86 780	95 948	100 782	106 627
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving 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	77 456	82 199	84 240	86 780	86 780	86 780	95 948	100 782	106 627
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	216 055	221 148	226 159	240 457	239 412	239 412	269 697	283 518	299 964

Table 2.E: Provincial Legislature - Payments of infrastructure by category

Table 2.2 : Provincial Legislature – Payments on 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)	Total project cost	Expenditure to date from previous years	Total available	MTEF Forward estimates	
				Date: Start	Date: Finish							MTEF 2016/17	MTEF 2017/18
R thousands													
Existing infrastructure assets									-	-	4 490	5 110	4 995
<i>of which:</i>													
Maintenance and repair: Current									-	-	4 095	4 170	4 000
Repairs to Legislature and senate	Ongoing	Msunduzi	Legislature building	Ongoing	Ongoing	Equitable share	Programme 1	Packaged prog	-	-	3 262	3 270	4 000
Routine maintenance and repairs	Ongoing	Msunduzi	Legislature building and admin block	01 April 2016	31 March 2018	Equitable share	Programme 1	Packaged prog	-	-	833	900	-
Upgrades and additions: Capital									-	-	395	940	995
Legislature revamping capital	Ongoing	Msunduzi	Capital revamping of Legislature building	Ongoing	Ongoing	Equitable share	Programme 1	Packaged prog	-	-	395	940	995
Refurbishment and rehabilitation: Capital									-	-	-	-	-
New infrastructure assets: Capital									-	-	-	-	-
Infrastructure transfers									-	-	-	-	-
<i>of which:</i>									-	-	-	-	-
Infrastructure transfers: Current									-	-	-	-	-
Infrastructure transfers: Capital									-	-	-	-	-
Infrastructure: Payments for financial assets									-	-	-	-	-
Infrastructure: Leases									-	-	-	-	-
Total									-	-	4 490	5 110	4 995
<i>Capital Infrastructure</i>									-	-	395	940	995
<i>Current Infrastructure</i>									-	-	4 095	4 170	4 000

VOTE 3

Agriculture and Rural Development

Operational budget	R 2 168 822 423
MEC remuneration	R 1 821 577 ¹
Total amount to be appropriated	R 2 170 644 000
Responsible MEC	MEC for Agriculture and Rural Development
Administering department	Agriculture and Rural Development
Accounting officer	Head: Agriculture and Rural Development

1. Overview

Vision

The vision of the Department of Agriculture and Rural Development (DARD) is: *A united, sustainable and vibrant agricultural sector with thriving rural communities in balance with nature.*

Mission statement

The department's mission is: *To promote, through partnerships, sound agricultural practices that promote economic growth, food security and advancement of rural communities.*

Strategic objectives

Strategic policy direction: The department has taken into account the policy direction and priorities of national and provincial government, as well as its mandate in order to come up with its priority activities.

DARD's new approach to agrarian reform is built on the foundation of sound scientific agricultural technology, and the optimal use of resources as captured in the commodity approach. The next level in the reform is based on a sound business model that will support the development and running of the "farming business". To penetrate the value chain, an agro-processing building block is also advocated so that value is added to primary agricultural production for best value in the market place and to improve shelf life.

The department has set the following goals and strategic objectives in order to achieve this:

Rural development, agrarian reform and social and economic infrastructure development

- Provide technical support, extension, specialist advisory services and progressive training and mentorship to households and farmers.
- Provide and develop support systems and infrastructure for sustainable land use, agricultural development and comprehensive rural development.
- Ensure the prevention, control and/or eradication of animal diseases.
- Create and facilitate improved access to a stable and diversified food supply for improved nutritional well-being and improvement in household income.
- Undertake appropriate adaptive agricultural research and technology development and transfer, to advance agriculture.

Creation of decent work opportunities and ensuring economic growth and infrastructure development

- Create access to local and international markets for local agricultural products.

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

- Develop commercial farming entrepreneurs and agri-business.
- Enhance linkages with international entities, partners, stakeholders and all spheres of government.

Core functions

In order to achieve the above strategic objectives, the department is responsible for carrying out the following core functions:

- Crop production.
- Livestock production.
- Rural development.

Legislative mandate

The core functions are governed by various Acts and regulations, falling under the following categories:

Transversal legislation

- Constitution of the Republic of South Africa (Act No. 108 of 1996)
- Public Finance Management Act (Act No. 1 of 1999, as amended) and Treasury Regulations
- KZN Provincial SCM Policy Framework of 2006
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000)
- Companies Act (Act No. 61 of 1973)
- Public Service Act (Act No. 109 of 1994, as amended) and Public Service Regulations of 2001
- Labour Relations Act (Act No. 66 of 1995)
- Basic Conditions of Employment Act (Act No. 75 of 1997)
- Skills Development Act (Act No. 97 of 1998)
- Promotion of Access to Information Act (Act No. 2 of 2000)
- Occupational Health and Safety Act (Act No. 85 of 1993)
- Compensation for Occupational Injuries and Diseases Act (Act No. 130 of 1993)
- Annual Division of Revenue Act
- Employment Equity Act (Act No. 55 of 1998)
- Public Service Commission Act (Act No. 65 of 1984)
- Promotion of Administrative Justice Act (Act No. 3 of 2000)

Agriculture legislation

- KwaZulu Animal Protection Act (Act No. 4 of 1987)
- Conservation of Agricultural Resources Act (Act No. 43 of 1983)
- Marketing of Agricultural Products Act (Act No. 47 of 1996)
- Control of Market in Rural Areas Ordinance (No. 38 of 1965)
- Subdivision of Agricultural Land Act (Act No. 10 of 1970)
- Plant Improvement Act (Act No. 53 of 1976)
- Agricultural Pests Act (Act No. 36 of 1983)
- Agriculture Law Extension Act (Act No. of 1996)
- KwaZulu General Law Amendment Act (Act No. 3 of 1987)
- KwaZulu General Law Amendment Act (Act No. 21 of 1988)
- National Veld and Forest Fire Act (Act No. 101 of 1998)
- Veterinary and Para-Veterinary Professions Act (Act No. 19 of 1982)
- Livestock Brands Act (Act No. 87 of 1962)
- Livestock Improvement Act (Act No. 25 of 1977)

- Meat Safety Act, 2000 (Act No. 40 of 2000) (Replacing Abattoir and Co-operation Act)
- South African Medicines and Medical Devices Regulatory Authority Act (Act No. 32 of 1998)
- International Animal Health Code of World Organisation for Animal Health (OIE-Office International des Epizooties)
- Animal Diseases Act (Act No. 35 of 1984)
- International Code for Laboratory Diagnostic Procedure for Animal Diseases of World Organisation for Animal Health
- The Sanitary and Phyto-sanitary Agreement of the World Trade Organisation (WTO)
- Water Services Act (Act No. 108 of 1997)
- Marketing of Agricultural Products Act (Act No. 47 of 1996)
- Agricultural Research Act (Act No. 86 1990)
- Agricultural Products Standards Act (Act No. 119 of 1990)
- Agricultural Produce Agents Act (Act No. 12 of 1992)
- Agricultural Development Fund Act (Act No. 175 of 1993)
- Perishable Product Export Control Act (Act No. 9 of 1983)
- Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act (Act No. 36 of 1947)
- Agricultural Credit Act (Act No. 28 of 1966)
- Marketing Act (Act No. 59 of 1958)
- Plant Breeder's Right Act (Act No. 15 of 1976)
- Land Redistribution Policy for Agricultural Development
- Agricultural Debt Management Act (Act No. 45 of 2001)
- Soil User Planning Ordinance (Ordinance No. 15 of 1985)
- Generally Modified Organisms Act (Act No. 15 of 1997)
- Hazardous Substances Act (Act No. 63 of 1973)
- Environment Conservation Act (Act No. 73 of 1989)
- Agri-business Development Agency Bill.

Rural development legislation

- Deeds Registries Act (Act No. 47 of 1937)
- State Land Disposal Act (Act No. 48 of 1961)
- Physical Planning Act (Act No. 88 of 1967)
- Sectional Titles Act (Act No. 95 of 1986)
- Upgrading of Land Tenure Rights Act (Act No. 112 of 1991)
- Land Reform: Provision of Land and Assistance Act (Act No. 126 of 1993)
- Restitution of Land Rights Act (Act No. 22 of 1994)
- Land Reform (Labour Tenants) Act (Act No. 3 of 1996)
- Communal Property Associations Act (Act No. 28 of 1996)
- Land Survey Act (Act No. 8 of 1997)
- Extension of Security of Tenure Act (Act No. 62 of 1997)
- Planning Profession Act (Act No. 36 of 2002)
- Professional and Technical Surveyors Act (Act No. 40 of 1984)
- Spatial Data Infrastructure Act (Act No. 54 of 2003)
- Spatial Planning and Land Use Management Act (Act No. 16 of 2013)
- Data Infrastructure Act (Act No. 54 of 2003)
- Restitution of Land Rights Amendment Act (Act No. 48 of 2003)
- Removal of Restrictions Act (Act No. 84 of 1967)

- Physical Planning Act (Act No. 125 of 1991)
- Land Titles Adjustment Act (Act No. 111 of 1993)
- Communal Land Rights Act (Act No. 11 of 2004)
- Abolition of Certain Title Conditions Act (Act No. 43 of 1999)
- Transformation of Certain Rural Areas Act (Act No. 94 of 1998)
- Interim Protection of Informal Land Rights Act (Act No. 31 of 1996)

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 providing a brief discussion on challenges and new developments.

Revised strategy

The 2015/16 financial year was the first year of the revised strategy of the department. This strategy has a foundation that is focused on:

- Scientific research, technology development and renewed focus on the role of agricultural extension.
- Building close partnerships with critical commodity associations in areas of grains, red meat and poultry production, dairy, etc.
- Emphasising the need to ensure the department's projects are based on sound business principles.
- Encouraging agro-processing, as value-adding creates more income for farmers and more jobs than primary agriculture.
- The strategy has four pillars, namely Communal Estates, River Valley, Agri-villages and Land Reform.

Agriculture

The concept behind the Communal Estates pillar is the consolidation of adjacent parcels of land into viable farming units and the establishment of commercial farming operations by the land owners in partnership with government and possibly investors or neighbouring commercial farmers. During the year, 113 registered communal estates were established and the department distributed tractors and implements to enable them to plough and plant for themselves. As a support, the department provided funding for the operational costs, such as fuel and tractor drivers, by way of a transfer payment. The crop production activities under these communal estates were affected by the severe drought experienced during the planting season. To address these challenges, where possible, crop types were changed from maize to beans which have a longer planting season extending to January, rather than maize which has a planting season cut-off in December. The total number of hectares ploughed and planted was estimated at 14 000, which was lower than the target of 23 698 hectares.

The implementation of the commercial projects, where the department provides a 50:50 funding model, had limited success during the first year of implementation, as beneficiaries were required to raise their 50 per cent share of the project. The department, working with stakeholders, will continue assisting the beneficiaries to raise the 50 per cent moving forward. After a year of reviewing the strategy, the department will reconsider the criteria of this model, in an effort to provide easier access to assistance, particularly with regard to River Valley (irrigation) linked projects and projects funded through conditional grants.

Drought relief

The department responded to the drought situation in the province through the implementation of a drought relief scheme of R114 million, of which R45 million was reprioritised from the Comprehensive Agricultural Support Programme (CASP) grant and the Ilima/Letsema Projects grant, with approval from the National Department of Agriculture, Forestry and Fisheries (DAFF), and R69 million was reprioritised from the equitable share. The relief scheme was made up of the following phases:

- Procurement of inputs for livestock and water harvesting – R60 million.
- Aggressive deworming by veterinary services, as cattle lacking nutrients and in poor condition are more prone to worms – R9 million.

- Provision of boreholes and scooping of stock watering dams – R45 million.

This scheme was implemented from December 2015, following the declaration of a drought disaster in the province.

Rural development

The department's key rural development objective for 2015/16 was to establish provincial and district level mechanisms for improved co-ordination towards the development of vibrant, sustainable and food secure rural communities. The establishment of a provincial inter-departmental task team enabled the department to report on the province's achievements towards Outcome seven (i.e. Rural Development) across all relevant sectors. This also assisted in improving alignment between the national rural development outcomes and targets of the PGDP. The launch of the agri-park strategy, which is a catalyst towards rural economic transformation, also resulted in the department playing a key co-ordination role between all three spheres of government and across sector departments, in 10 districts in the province. The strategy aims to increase the extent of agricultural land under production, improve support to and the participation of smallholder farmers within the agricultural value chains, and transform the agri-business sector as a whole. To date, the achievement has been increasing alignment and co-ordination of funding towards prioritised agricultural commodities and related infrastructure and enterprises involved in the identified commodity value chains. In addition, co-ordinated identification and development of new production and agro-processing sites for smallholders, rural enterprises and industry development is now taking place in all 10 districts.

Mjindi Farming (Pty) Ltd (Mjindi)

Mjindi is a provincial government business enterprise, mandated to provide farming support to farmers in the Makhathini area. The productivity of the farmers in the area depends on the availability of services such as water, and therefore a proper functioning irrigation scheme is critical.

In 2015/16, in line with the recommendations of the Operation Phakisa report, the MEC for Agriculture and Rural Development instituted a mechanical review into the entity, which involves the strategic review and proposed restructuring of Mjindi, taking into account the roles, responsibilities and relations between Mjindi and DARD. A moratorium on the filling of posts was instituted by the MEC, while the mechanical review was underway. In addition, a significant portion of the farms supported by Mjindi were transferred to two new land owners through the land claims process by the National Department of Rural Development and Land Reform. This had a significant impact on the operations of the entity, as the fixed assets and fixtures on those portions of land, including the Mjindi office, staff houses, input store, water pipes, one pump station and a portion of the main canal, etc., were transferred with the land to the new owners. This created some uncertainty around the roles and responsibilities of the entity, which further impacted on its services and capacity in 2015/16.

The seedling nursery started operating in 2015/16. This nursery will save farmers crop production time and will shorten travelling distances to buy seedlings. The service provider appointed in 2015/16 failed to produce seedlings and run the nursery as a business, though. At present, Mjindi is preparing to operate the seedling nursery with its own personnel.

As mentioned above, the input store, which stocks farming supplies, tools, etc., was claimed as part of the land claim, and it is still uncertain how it will operate, as the new land owners have to decide if it will be leased to Mjindi or if they will operate it themselves.

The entity also engaged in farmer development initiatives, which included the training of farmers and introducing farmers to the commercialisation strategy, which encourages farmers to produce on a commercial basis by pooling their resources and producing in line with market demands. Four out of a total of 27 co-operatives participated in the commercialisation programme. The commercialisation strategy, which includes training and informative meetings, is ongoing, to keep farmers up to date and to encourage farmers to participate further. The programme will take some years before it becomes fully acceptable and commonly practised by farmers. The strategy is, however, at risk, due to the uncertainty regarding future operations of the entity, following the successful land claims.

Agri-business Development Agency (ADA)

In 2015/16, ADA underwent a number of changes due to the department's alignment process which started late in 2014/15. In terms of this process, the role of the department versus that of ADA was clarified and ADA was assigned the mandate of driving the growth of a strong, transformed, diversified, dynamic, competitive and sustainable agri-business industry in KZN, with particular focus on the agro-processing sector. ADA engaged on a rigorous strategic review process to chart the new path.

The year was therefore viewed as a transitional period for ADA. The project list for 2015/16 was accordingly designed to move ADA from the primary production to the agro-processing space. Although there are a number of projects in primary production, most of them are seen as setting the platform to move into the new trajectory. These projects, which included setting up piggeries, development of pastures, etc., were received late and required extensive technical support including Environmental Impact Assessments (EIAs), engineering services, business plans and feasibility studies, which impacted on the rate of service delivery. Furthermore, ADA also used this year to develop key pipeline projects for 2016/17, such as brand development programmes, establishment of agri-hubs to assist smallholder farmers with receipt and dispatching of produce, investments in agro-processing infrastructure, among others.

ADA also operated as an implementing agent for three Co-operative Governance and Traditional Affairs' (COGTA) projects. The entity introduced a project management fee between 5 and 10 per cent of the project fee, depending on the nature and complexity of the project. Furthermore, ADA raised R40 million over four years from the Jobs Fund (a National Treasury initiative aimed at addressing unemployment in South Africa), which is being implemented in collaboration with Technoserve, which is a private company that operates in developing countries to build comprehensive farms and grow strong markets that create income and jobs in poor communities. The funding will be used mainly to set up commercially viable ownership structures which incorporate smallholder farmers as owners in agri-hubs. The revision of the mandate has also led to the need to review the organogram of ADA. This process will be finalised before the end of 2015/16.

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.

With the 2016/17 budget allocation, the department will continue to improve agricultural production and food security, as well as focus on the development of rural communities.

Administration

The department's revised structure, which has fewer posts when compared to the previous structure, was formally approved during 2015/16. The migration to the new structure is a process that commenced in 2015/16 where posts were evaluated through the Job Evaluation process and the placement of existing staff was undertaken. The department will migrate to the new structure on PERSAL and BAS with effect from 1 April 2016, coinciding with the commencement of the 2016/17 financial year. The filling of vacant posts will be done according to the provincial cost-cutting measures, as well as taking into account the freezing of non-critical posts. The PERSAL system will be cleaned up to only reflect the budgeted posts and not the entire approved establishment, so that the vacancy rate is a true reflection against budgeted posts.

Agriculture

The department will continue implementing the agrarian transformation strategy in identifying, approving and implementing various programmes and projects to stimulate agricultural development in the province. The Communal Estate pillar will focus on crop production and the foundation built in 2015/16. Communal estates will be further developed to enable these estates to become self-sufficient and economically viable entities. The department will continue providing assistance through the allocation of tractors and implements to be used and managed by the communal estates. The River Valley pillar, which focuses on developing agricultural land along rivers that can be utilised for irrigation, should lead to the development of 34 irrigation schemes and rehabilitation of a further two schemes. The third pillar focuses on the

development of agri-villages, which will contribute to the upliftment of rural communities. The Land Reform pillar provides for continuous post-settlement support and recapitalisation of land reform farms.

Drought relief

There will be continued focus on providing infrastructure for the development and growth of the livestock industry, particularly in the communal areas. In this regard, the department is planning to construct 30 diptanks and rehabilitate 78 existing diptanks, and a further 80 boreholes and 77 stock watering dams will be established.

The department is also planning to rehabilitate two existing irrigation schemes and to develop a further 34 schemes to improve the agricultural productivity along the various river valleys within the province. Through the provision of irrigation, the farmers will be able to reduce the dependency on rain during the planting season, with a planned 2 500 hectares to be under irrigation for smallholder farmers.

Rural development

As the agri-park strategy has a 10-year horizon, the Rural Development branch will continue to co-ordinate the work taking place across the province and in the districts. The focus in the new year will be on commencing implementation of the infrastructure plans in the identified agro-processing hubs and in the farmer production support sites, engaging with the private sector and leveraging their support for the strategy through partnerships that can open up funding, new markets and off-take agreements. A key activity will be providing accessible and relevant support to rural co-operatives and enterprises who are struggling to engage in the agricultural value chains. There will also be a focus on the development of integrated rural development plans linked to the department's four pillars. In particular, implementation of planned infrastructure for identified agri-villages will commence. Support to land reform farms that currently lie fallow will also be escalated.

Mjindi Farming (Pty) Ltd (Mjindi)

The rehabilitation of the irrigation infrastructure will remain a priority for Mjindi to ensure that farmers receive an efficient, uninterrupted supply of water. Over the 2016/17 MTEF, Mjindi will continue to install bulk water meters to measure the actual water usage by the farmers. This will assist in negotiations with the Department of Water and Sanitation (DWS), to be charged only for water that is used by the farmers. Mjindi will continue to engage stakeholders to ensure that the 1 500 hectares of fallow lands are rehabilitated and reclaimed back to production.

Mjindi will commence with the automation of pump stations through the installation of variable speed drives. This will not only ensure efficient supply of water but will also save electricity costs paid to Eskom. Mjindi will also install the remaining in-field water meters. This will allow Mjindi to start charging farmers for actual water used, as opposed to the flat rate system being used currently. Mjindi will continue to issue the remaining irrigation pipes to the farmers, and this will be completed in 2016/17.

Mjindi continues to experience theft of irrigation infrastructure and therefore will continue to engage *Amakhosi*, farmers, SAPS, community leaders and DARD in fighting theft in the irrigation scheme. The entity will continue to employ the services of armed security at offices and pump stations.

The mechanical review has not yet been completed, and hence the moratorium on the filling of posts is still in place, and the future position of the entity is therefore not clear at this stage. This review will also take into account the impact of the land claims. This mechanical review is anticipated to be completed in the first quarter of 2016/17.

Agri-business Development Agency (ADA)

In 2016/17, ADA will fully take the new strategic path and projects, such as the establishment of agri-hubs, the planning of which started in 2015/16. Furthermore, the project list for ADA will focus more on projects in the agro-processing sector, e.g. processing of perishable goods such as vegetables and dairy, macadamia nuts, meat and hide processing, etc. The focus of ADA will not just be on infrastructure investment, but will traverse many areas of development that realise the transformation of the agri-business sector. These will include, among others, capacity building of youth and women entrepreneurs in the various agri-business areas mentioned above, policy advocacy aimed at unleashing agricultural potential to contribute substantially to job creation, as well as enterprise and value chain development and youth and women empowerment.

ADA will continue to establish working partnerships with training institutions and other organisations for capacity building and training in the sector, in order to realise maximum impact. Leveraging of funding is also very high on the agenda for 2016/17. ADA is establishing a helpdesk that will focus on youth and women. The entity also intends to establish a research unit that will assist in providing thought leadership and policy advocacy in order to create an enabling environment for the sector. It is planned that the ADA Bill will be promulgated in 2016/17.

4. Receipts and financing

4.1 Summary of receipts and financing

Table 3.1 indicates the sources of funding for Vote 3 for the period 2012/13 to 2018/19. The department will receive a budget of R2.171 billion for 2016/17, including conditional grants of R300.503 million made up of the Land Care Programme Grant: Poverty Relief and Infrastructure Development (henceforth called the Land Care) grant, the CASP grant, the Ilima/Letsema Projects grant and the EPWP Integrated Grant for Provinces, details of which are provided in Section 5.4 below. It is noted that the allocation for the EPWP Integrated Grant for Provinces does not go beyond 2016/17 at this stage, since this grant is allocated on an annual basis, dependent on the prior year's actual performance by the department.

Table 3.1 : Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Equitable share	1 725 134	1 735 957	1 748 500	1 884 349	1 884 349	1 884 349	1 870 141	1 910 024	2 021 087
Conditional grants	262 968	287 036	319 760	308 525	308 525	308 525	300 503	314 398	332 751
CASP grant	183 726	202 522	212 632	226 161	226 161	226 161	222 155	235 712	249 472
Ilima/Letsema Projects grant	63 000	65 768	92 093	69 402	69 402	69 402	63 876	67 356	71 263
Land Care grant	16 242	18 746	10 854	10 666	10 666	10 666	10 632	11 330	12 016
EPWP Integrated Grant for Provinces	-	-	4 181	2 296	2 296	2 296	3 840	-	-
Total receipts	1 988 102	2 022 993	2 068 260	2 192 874	2 192 874	2 192 874	2 170 644	2 224 422	2 353 838
Total payments	2 109 591	2 005 528	2 003 044	2 203 074	2 292 480	2 292 480	2 170 644	2 224 422	2 353 838
Surplus/(Deficit) before financing	(121 489)	17 465	65 216	(10 200)	(99 606)	(99 606)	-	-	-
Financing									
of which									
Provincial roll-overs	5 610	-	31 800	-	50 506	50 506	-	-	-
Provincial cash resources	116 825	21 000	30 986	10 200	49 100	49 100	-	-	-
Surplus/(Deficit) after financing	946	38 465	128 002	-	-	-	-	-	-

The table shows that, from 2012/13 to 2014/15, the department under-spent its budget allocation by R946 000, R38.465 million and R128.002 million, respectively.

The unspent amounts in respect of the KZN Outreach programme and the Land Care grant were rolled over from 2011/12 to 2012/13, accounting for the roll-over of R5.610 million in 2012/13. The provincial cash resources of R116.825 million comprised additional funding allocated as follows:

- R18.426 million allocated for the higher than anticipated 2012 wage agreement.
- R20 million to assist with spending pressures resulting from the outbreak of rabies in the province.
- R30 million toward the further development of the Makhathini area in line with the Makhathini Integrated Master Development Plan (IMDP), to enable the department to accelerate the completion of projects in terms of the master plan, such as repairs to drainage canals, infield sub-surface drainage, electrical and mechanical repairs, etc.
- R25 million to enable the department to fast-track the provision of stock watering dams, which forms a crucial part of the department's livestock intervention programme.
- R23.399 million to assist Mjindi with repairs to the Mjindi irrigation scheme, such as the replacement of pumps and valves at pump stations, repairing of pump motors, etc.

The budget was slightly under-spent by R946 000 in 2012/13, mainly caused by under-spending on the Land Care grant, largely due to delays in the procurement of fencing for land care projects, and also the procurement of supplies for the nurseries which form part of the land care awareness programme. The

fencing material was delivered and paid for by 31 March 2013, but there was insufficient time to install the fencing. As such, the funding for the payment of stipends for the installation using the EPWP principles was not spent.

In 2013/14, provincial cash resources of R21 million were allocated as follows:

- R20 million toward the further development of the Makhathini area, being the carry-through of the amounts allocated in 2012/13.
- R1 million to fund Operation Sukuma Sakhe (OSS) initiatives, as identified by the MEC. The funds were used at the MEC's discretion, aimed at improving the daily lives of the people of this province.

The under-expenditure of R38.465 million in 2013/14 relates mainly to:

- R23 million for the liming programme under the Ilima/Letsema Projects grant due to delays in the procurement and delivery of the lime and fertilizer required. However, orders were issued but delivery could not be finalised before 31 March 2014.
- R8.847 million for the provision of sheds for the mechanisation programme, as the department had not finalised the procurement process.
- R4.436 million relates to vehicles ordered but not delivered and paid for before year-end.
- R750 000 in respect of Zakhe Agricultural College. This transfer relates to a one-year partnership, whereby the department committed R1 million towards improving the facilities at the college. At the time of finalising the agreement, the department made provision for transfer of R1 million in 2013/14 as it was not certain at what rate the implementation would take place. However, Zakhe Agricultural College could only utilise R250 000 during the year, resulting in the under-spending of R750 000.

The roll-over of R31.800 million in 2014/15 comprised R23 million in respect of the liming programme under the Ilima/Letsema Projects grant, and R8.800 million for the provision of sheds, which were unspent in 2013/14, as mentioned above.

In 2014/15, provincial cash resources of R30.986 million were allocated for the following:

- R8.500 million to provide for sheds in various districts for the department's mechanisation equipment (tractors and implements). This amount was subsequently diverted, with Treasury approval towards rural development initiatives and provision of other infrastructure such as irrigation and fencing due to the decision to review the departments' mechanisation programme.
- R10.200 million for the livestock identification programme.
- R12.286 million to Mjindi for irrigation equipment for the Makhathini irrigation scheme.

The under-expenditure of R128.002 million in 2014/15 was largely as a result of late rains affecting the planting season, as well as procurement delays and SCM challenges including the following:

- R18.778 million relating to the Foot and Mouth Disease (FMD) barrier, irrigation, diptanks, boreholes, stock watering dams and repairs to quarantine camps. This was due to SCM delays, as well as invoices for work done in March not being received in time to process before 31 March 2015.
- R17.825 million in respect of seed scoops, seedlings, Jojo tanks, as well as food production packs.
- R15.739 million in respect of the infrastructure budget that was not spent by the Department of Public Works (DOPW), relating to various infrastructure projects in respect of the department's administration buildings.
- R10.712 million for the mechanisation and food security programmes.
- R6.377 million for the continuation of the project to replace the signage at all departmental offices since the offices are poorly marked and existing signage bears the outdated name of the department.
- R1.553 million in respect of the Exinda project (this software accelerates access to applications and transversal systems, such as BAS, PERSAL, Hardcat, Logis, etc.) on all official computers. There were delays with the service provider in implementing the project.

Of the under-spending of R128.002 million in 2014/15, R50.506 million was rolled over to 2015/16 as follows:

- R1.554 million to install Exinda software on all official computers, as mentioned above.
- R22.490 million in respect of the FMD barrier, irrigation projects in the Makhathini area in respect of irrigation at Ndumo, as well as KwaNgwanase abattoir and Jozini packer house, construction of diptanks, boreholes, stock watering dams and repairs to quarantine camps for the red-line fence, in response to FMD control and maintaining the current FMD free status in northern KZN.
- R26.462 million in respect of animal vaccines that were ordered in 2014/15 but only delivered and paid for in 2015/16, as well as production inputs for the food security programme, which were delayed as a result of late rains and procurement challenges.

In 2015/16, the department received once-off provincial cash resources of R10.200 million for assistance in the form of livestock fodder for the farmers affected by the veld fires disaster in 2014 in the Harry Gwala District. This funding was made available late in 2014/15, however, considering the procurement process, it was deemed financially prudent to only allocate the funding in 2015/16.

The increase from the 2015/16 Main to Adjusted Appropriation against provincial cash resources includes additional funding of R38.900 million which was suspended from the 2014/15 budget to 2015/16. This suspension was included in the 2014/15 Second Adjustments Estimate but was too late to be included in the 2015/16 Main Budget. Of this, R10.200 million related to the livestock identification programme, for which the tender process took longer than anticipated, hence the request for suspension. The remaining R28.700 million related to rural development initiatives.

The equitable share decrease in 2016/17 is 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. Over the 2016/17 MTEF, the equitable share shows steady growth and includes R29.420 million, R31.546 million and R33.931 million in respect of the carry-through costs for the above-budget 2015 wage agreement, as well as R50 million once-off funding in 2016/17 in respect of scooping of stock water dams and buying animal feed for farmers that are affected by drought. It must be noted that conditional grants were also affected by the fiscal consolidation cuts in 2015/16 and 2016/17. Conditional grant funding shows a decrease in 2016/17 in respect of Land Care, Ilima/Letsema Projects grant and CASP. The commitment made by National Treasury to maintain the country's current expenditure ceiling requires that baseline allocations for provincial conditional grants be reduced, hence, CASP was further cut over the 2016/17 MTEF. The EPWP Integrated Grant for Provinces ends in 2016/17 since this grant is allocated on an annual basis, dependent on the prior year's actual performance by the department, as mentioned above.

4.2 Departmental receipts collection

The estimated departmental receipts for Vote 3 are reflected in Table 3.2 below. Further details are provided in *Annexure – Vote 3: Agriculture and Rural Development*.

Table 3.2 : Summary of departmental receipts collection

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	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	14 820	15 709	19 520	19 771	19 771	21 764	18 758	19 729	21 578
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	26	224	369	21	21	14	10	11	12
Sale of capital assets	2 730	138	10 594	3 000	3 000	3 000	3 976	4 187	4 430
Transactions in financial assets and liabilities	1 800	1 811	1 784	500	500	1 124	527	560	592
Total	19 376	17 882	32 267	23 292	23 292	25 902	23 271	24 487	26 612

The major source of revenue for the department is *Sale of goods and services other than capital assets*. This category comprises student fees in respect of the Cedara Agricultural College (Cedara) and Owen Sithole College of Agriculture (OSCA), soil and veterinary analytical services offered at the department's laboratories. The anticipated over-collection in 2015/16 can be attributed to the department's decision to sell some of its biological assets under the value of R5 000, which means that the department will reduce the number of animals on its research farms due to the drought faced by the province. Revenue collection normalises with inflationary increments over the MTEF.

Interest, dividends and rent on land mainly relates to interest charged on outstanding debts. The high revenue reflected in 2013/14 and 2014/15 includes the number of debts previously written-off, which resulted in additional interest being recognised as revenue. It is difficult to budget for this category, hence the department's projections are conservative over the MTEF.

Revenue collected against *Sale of capital assets* is derived from the sale of redundant assets such as the sale of farming equipment, vehicles, etc. The high collection in 2014/15 and low collection in 2013/14 is due to an auction which took place in March 2014, but revenue was only received in April 2014. The department is anticipating to fully collect its revenue budget for 2015/16. Also, the fluctuations relate to the nature of items auctioned, as well as demand at the time. The allocation over the MTEF provides a conservative estimate on the estimated number of assets that are likely to be ready for disposal.

Revenue collected against *Transactions in financial assets and liabilities* comprises staff debts recovered, such as breach of bursary contracts, salary and supplier over-payments, etc. Revenue from this source is difficult to project accurately as it depends on the ability of staff, in most instances, to pay off their debt. The anticipated over-collection as reflected in the 2015/16 Revised Estimate relates to recoverable revenue received from staff debts in respect of kilometres for subsidised vehicles and salary overpayments. The conservative budgeting over the MTEF is a reflection of the department's uncertainty of recovering debts.

4.3 Donor funding

Tables 3.3 and 3.4 below reflect information relating to donor funding that the department receives.

The department had agreements with the World Health Organisation (WHO). The WHO projects continued in 2015/16.

Table 3.3 : 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	1 805	2 291	-	2 874	2 895	2 895	-	-	-
World Health Organisation (Rabies project)	1 805	2 291	-	2 874	2 895	2 895	-	-	-
Total	1 805	2 291	-	2 874	2 895	2 895	-	-	-

Table 3.4 : Details of payments and estimates 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	2 701	1 059	1 410	2 874	2 895	2 895	-	-	-
World Health Organisation (Rabies project)	2 701	1 059	1 410	2 874	2 895	2 895	-	-	-
Total	2 701	1 059	1 410	2 874	2 895	2 895	-	-	-

The agreement with WHO provided funding over five years from 2009/10, aimed at human rabies prevention through dog rabies control and eventual elimination in KZN. This funding was made available by the Bill and Melinda Gates Foundation. The final transfer was received in the first quarter of 2015/16 and the programme ended in December 2015, hence there are no projections over the 2016/17 MTEF.

5. Payment summary

Section 5 reflects payments and budgeted estimates in terms of programmes and economic classification. Details are given in *Annexure – Vote 3: Agriculture and Rural Development*.

5.1 Key assumptions

The following general assumptions were made by the department in formulating the 2016/17 budget:

- All inflation related increases are based on CPI projections.
- Provision was made for 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. Provision was also made for the 1.5 per cent pay progression.
- Provision was made for the carry-through costs of the above-budget 2015 wage agreement.
- 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:
 - 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.
 - Departments' equitable share funded *Goods and services* budgets were cut by 2 per cent.
 - Departments' and public entities' hosting of events budgets were cut over the MTEF.
 - Other baseline cuts were effected against the Office of the Premier (OTP) and the Department of Economic Development, Tourism and Environmental Affairs (DEDTEA) in line with a directive from national in this regard.
- 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.
- The department was given the Rural Development function in 2015/16, which is an unfunded mandate, and the department will continue to reprioritise in-year within its baseline to fund this function.

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

Table 3.5 shows additional funding received by the department over the three MTEF periods: 2014/15, 2015/16 and 2016/17. 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.

In the 2014/15 MTEF, additional funds were allocated toward provision of sheds for the department's tractors in districts, livestock identification (Radio Frequency Identification or RFID), and irrigation equipment for the Makhathini irrigation scheme, for 2014/15 only. Also in the 2014/15 MTEF, additional funds with carry-through were allocated for the function shift of ADA from DEDTEA to the department, and carry-through costs of previous wage agreements. Offsetting this growth, was the centralisation of parts of the communications and external bursaries budgets under the OTP.

Table 3.5 : 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	61 135	36 710	40 001	42 001	44 437
Provision of sheds for dept's tractors in districts	8 500	-	-	-	-
Livestock identification (RFID)	10 200	-	-	-	-
Mjindi - irrigation equipment for Makhathini irrigation scheme	12 286	-	-	-	-
Function shift: ADA from DEDTEA	39 945	41 571	43 774	45 963	48 629
Carry-through of previous wage agreements - DARD	6 195	11 962	13 823	14 514	15 356
Centralisation of communications budget under OTP	(9 568)	(10 104)	(10 568)	(11 096)	(11 740)
Centralisation of external bursaries budget under OTP	(6 423)	(6 719)	(7 028)	(7 379)	(7 807)
2015/16 MTEF period		12 292	2 076	2 079	2 200
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
Disaster funding - Harry Gwala District veld fires in June 2014		10 200	-	-	-
Remainder of Environmental Affairs function shift to DEDTEA		(11 356)	(12 017)	(12 719)	(13 457)
Decentralisation of bursaries budget		4 830	5 071	5 325	5 634
2016/17 MTEF period			(115 159)	(174 440)	(184 276)
Above-budget 2015 wage agreement			29 420	31 546	33 931
Freezing all vacant non-OSD posts			(176 941)	(188 972)	(201 823)
Cutting events' budgets			(4 650)	(4 650)	(4 650)
2% Goods and services cut			(12 988)	(12 364)	(11 734)
Drought relief - scooping of dams and winter fodder			50 000	-	-
Total	61 135	49 002	(73 082)	(130 360)	(137 639)

Over the 2015/16 MTEF, there was a once-off allocation of R10.200 million for assistance in the form of livestock fodder for the farmers affected by the veld fires disaster in 2014 in the Harry Gwala District. In addition, the remainder of Environmental Affairs budget was moved to DEDTEA. The bulk of this happened in the *Explanatory Memorandum to the 2014/15 EPRE*. However, the administrative support for the Environmental Affairs function was only finalised after the *Explanatory Memorandum* and was effected in the 2014/15 Adjustments Estimate. The carry-through of this function shift was therefore undertaken over the 2015/16 MTEF. The 2015/16 MTEF period also included the decentralisation of external bursaries budget from OTP and correction of the amount previously suspended for the centralisation of the bursaries and parts of the communications budget.

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 baseline 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-critical posts, and the department's equitable share funded *Goods and services* budget was cut by 2 per cent over the MTEF. The impact of these cuts on DARD is commented on in Section 5.3 below.

Offsetting these cuts to some extent over the 2016/17 MTEF, is the fact that the department received additional funding for the carry-through of the above-budget 2015 wage agreement. Furthermore, additional funding was allocated to the department in respect of scooping of stock water dams and buying animal feed for farmers that are affected by drought.

5.3 Summary by programme and economic classification

The department's budget structure largely conforms to the uniform programme structure prescribed for the Agriculture and Rural Development sector, which was revised in 2014.

The department has opted to utilise three programmes, namely Administration, Agriculture and Rural Development. The latter was only activated from 2015/16 onwards and provides for rural development co-ordination and social facilitation in KZN. Administration comprises the support services budget and the two core functions are housed under Agriculture and Rural Development.

The bulk of the department's budget allocation is for Agriculture (crop production, livestock farming, natural resources use and management, extension, and land care and agricultural research), Veterinary Services (animal disease control, prevention of zoonotic diseases, inspection services, and primary health care services), as well as Rural Development (co-ordination and social facilitation).

The department also receives various conditional grants and makes transfers to its two public entities, ADA and Mjindi.

Programme 2: Agriculture provides the sector information by sub-programme and sub-sub-programme, due to the level of detail required by the sector in respect of Agriculture. The programme structure and the proposed organisational structure are closely aligned, which enhances financial controls within the programmes and the vote as a whole.

As mentioned, the department has finalised its restructuring process. The major impact on the budget structure is that the human resource and financial management services that were rendered in the regional offices within Programme 2 are now part of the sub-programmes: Corporate Services and Financial Management, respectively within Programme 1: Administration. The prior years and the Revised Estimate for 2015/16 have been adjusted accordingly in the tables for comparative purposes.

Tables 3.6 and 3.7 reflect a summary per programme and per economic classification for the vote, details of which are given in *Annexure – Vote 3: Agriculture and Rural Development*.

The noticeable decrease in 2016/17 relates to the previously mentioned equitable share cuts implemented by National Treasury, as well as the cut against CASP over the 2016/17 MTEF. Due to the extent of the equitable share cuts, which total R194.579 million, R205.986 million and R218.207 million over the MTEF, the department could not cut only against *Compensation of employees* and *Goods and services*. Therefore *Machinery and equipment* was also affected by the budget cuts to a minor extent. It should be noted that all three programmes were affected by the cuts.

Table 3.6 : Summary of payments and estimates by programme: Agriculture and Rural Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Administration	456 651	444 299	419 222	407 830	383 090	496 422	486 144	521 971	557 897
2. Agriculture	1 652 940	1 561 229	1 583 822	1 776 283	1 907 395	1 794 063	1 673 278	1 689 993	1 782 111
3. Rural Development	-	-	-	18 961	1 995	1 995	11 222	12 458	13 830
Total	2 109 591	2 005 528	2 003 044	2 203 074	2 292 480	2 292 480	2 170 644	2 224 422	2 353 838

Table 3.7 : Summary of payments and estimates by economic classification: Agriculture and Rural Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	1 636 620	1 657 712	1 565 342	1 829 246	1 828 833	1 828 833	1 742 000	1 821 637	1 939 416
Compensation of employees	761 872	832 928	851 046	964 988	919 190	919 190	983 934	1 063 588	1 149 862
Goods and services	874 721	824 673	714 125	864 258	909 643	909 643	757 995	757 974	789 475
Interest and rent on land	27	111	171	-	-	-	71	75	79
Transfers and subsidies to:	234 383	167 945	219 116	185 514	229 125	229 125	249 496	247 025	249 148
Provinces and municipalities	1 207	869	1 237	1 260	1 273	1 273	1 466	1 586	1 713
Departmental agencies and accounts	140 734	101 152	108 351	123 119	102 309	102 309	131 350	138 140	146 226
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	71 008	55 243	91 962	54 809	100 453	100 453	83 792	88 172	92 595
Non-profit institutions	10 291	250	5 300	-	13 770	13 770	25 207	11 023	-
Households	11 143	10 431	12 266	6 326	11 320	11 320	7 681	8 104	8 614
Payments for capital assets	238 588	178 798	215 178	188 314	234 522	234 522	179 148	155 760	165 274
Buildings and other fixed structures	155 083	133 464	182 814	115 444	159 375	159 375	136 190	110 496	116 808
Machinery and equipment	73 308	44 817	32 180	72 029	75 105	75 105	42 267	44 536	47 694
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	9 542	474	145	606	42	42	636	668	707
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	655	43	39	235	-	-	55	60	65
Payments for financial assets	-	1 073	3 408	-	-	-	-	-	-
Total	2 109 591	2 005 528	2 003 044	2 203 074	2 292 480	2 292 480	2 170 644	2 224 422	2 353 838

With regard to Programme 1, the actual spending decreases between 2012/13 and 2014/15 due to the once-off expenditure focusing on acquiring additional vehicles in 2012/13 and upgrade of the telecommunication systems. The decrease from 2014/15 to the 2015/16 Main Appropriation is in respect of alignment to the new structure, and prior years were adjusted for comparative purposes. The decrease

from the 2015/16 Main to Adjusted Appropriation is as a result of the number of vacant posts that were not filled due to delays in finalising the revised organisational structure, as well as the moratorium on the filling of non-critical posts, imposed across the province. The increase from the 2015/16 Adjusted Appropriation to the Revised Estimate is in respect of the alignment to the new organisational structure where the human resource and financial management components in the previous regional offices, which were under Programme 2, now form part of Programme 1. The decrease from the Revised Estimate to 2016/17 is due to once-off expenditure of R24 million relating to a new main server and migration from Novell to Microsoft. Furthermore, the reduction in 2016/17 is attributable to the MTEF budget cuts of R8.815 million, R16.661 million and R32.522 million in respect of this programme. The growth thereafter is in respect of the carry-through costs of the above-budget 2015 wage agreement, as well as annual salary increments.

Programme 2: Agriculture shows fluctuations in spending up to 2015/16, whereafter there is steady growth over the outer years. The high expenditure in 2012/13 is due to once-off funding for the control of the outbreak of rabies, development of the Makhathini area, provision of stock watering facilities and irrigation equipment for Mjindi. The low spending in 2014/15 is due to procurement challenges, late rains, as well as SCM challenges which resulted in under-expenditure. The significant increase in the 2015/16 Adjusted Appropriation is in respect of:

- A roll-over of R48.952 million for diptanks, stock watering dams and quarantine camps in the FMD area, as well as animal vaccines and production inputs.
- Virement of R43.260 million from savings in Programmes 1 and 3 to fund operational costs such as fuel and tractor drivers for the Communal Estates, increased transfers in respect of the SA Sugarcane Research Institute, Ithala and agricultural school revitalisation programme, as well as to fund pressures in the Makhathini area in respect of irrigation at Ndumo, the KwaNgwane abattoir and Jozini packer house.
- A suspension of R38.900 million from 2014/15 to 2015/16, which was too late to be included in the 2015/16 Main Budget. Of this R38.900 million, R10.200 million related to the livestock identification programme and R28.700 million related to rural development initiatives, as mentioned previously.

The decrease in the 2015/16 Revised Estimate relates to the above-mentioned re-statement in line with the restructuring, whereby the human resource and financial management components now fall under Programme 1. Programme 2 shows a decrease in 2016/17 due to the once-off allocation of R10.200 million for the fire relief in 2015/16, as well as the roll-over of funds received in 2015/16. Furthermore, the decrease in 2016/17 relates to the above-mentioned cuts against the equitable share and conditional grants, whereby R153.203 million, R155.348 million and R150.009 million was cut under Programme 2 over the MTEF in respect of equitable share.

Programme 3: Rural Development is a new programme that commenced in 2015/16 and provides funding for *Compensation of employees* and related expenditure to perform the rural development co-ordination and social facilitation functions for the province. This function was transferred from the OTP in 2014 without funding or personnel. The department reprioritised funding and provided for 49 posts and running costs for the rural co-ordination and social facilitation components. The reduction in the 2015/16 Adjusted Appropriation is due to the delay in the implementation of the structure, coupled with the moratorium on the filling of non-critical posts. These funds were moved to Programme 2 in the 2015/16 Adjusted Appropriation to fund the pressures in the Makhathini area in respect of the construction of irrigation schemes at Ndumo, as well as KwaNgwanase abattoir and Jozini packer house. The decrease in 2016/17 is attributable to the equitable share budget cuts of R32.561 million, R33.977 million and R35.676 million over the MTEF in respect of this programme. The growth thereafter is in respect of the carry-through costs of the above-budget 2015 wage agreement.

Compensation of employees shows a steady but low increase between 2012/13 and 2014/15 which is mainly in respect of the annual wage adjustments and pay progressions rather than the appointment of additional staff. The increase in the 2015/16 Main Appropriation was to cater for new posts in anticipation of the implementation of the revised structure. There were unforeseen delays which resulted in the department not appointing at the rate anticipated, hence the reduction from the 2015/16 Main to Adjusted

Appropriation. Although this category was reduced by R104.904 million, R162.972 and R221.453 million over the MTEF in respect of the above-mentioned budget cuts, there is still visible growth relating to the carry-through costs of the above-budget 2015 wage agreement, as well as annual salary increments, and the filling of vacant critical posts. The department plans to review this in-year.

The decrease from 2012/13 to 2013/14 and the further decrease to 2014/15 against *Goods and services* is in respect of various once-off amounts, as well as low spending as a result of procurement delays and SCM challenges experienced in 2014/15, as mentioned under Programme 2 above. The increase from the 2015/16 Main to Adjusted Appropriation is in respect of the roll-over of funds, virements and re-allocation of previously suspended amounts, as mentioned above. The decrease in 2016/17 relates to the above-mentioned budget cuts of R119.731 million, R75.397 million and R30.768 million in 2016/17 and 2017/18, respectively, as well as the fact that the department has reprioritised funds from this category back to *Compensation of employees*. These funds were previously realised as savings under this category due to the organisational structure not being finalised and were moved to fund pressures under *Goods and services*. There is low but steady growth in 2017/18 and 2018/19.

Transfers and subsidies to: Provinces and municipalities relates to the payment of motor vehicle licences, and the increase over the MTEF is aligned to the anticipated number of vehicles and tractors in the department.

The growth in *Transfers and subsidies to: Departmental agencies and accounts* relates mainly to the transfers made to ADA, as well as some transfers to the Skills Development Levy. The value of projects allocated to ADA was highest in 2012/13. The funding for ADA is for the operational costs and project implementation by the entity in line with its mandate to improve the secondary agriculture sector in the province. The decrease from the 2015/16 Main to Adjusted Appropriation is due to the review of ADA to ensure that there is no duplication of functions between the department and the entity. This led to delays in the implementation of projects. The category shows steady growth over the MTEF.

Transfers and subsidies to: Public corporations and private enterprises comprise transfers to several entities, the main one being Mjindi. The fluctuations between 2012/13 to 2014/15 are largely due to once-off allocations to Mjindi for repairs to the irrigation scheme and acquisition of farming equipment. During 2013/14, the department provided funding of R6 million for People's Bio Oil (Pty) Ltd in respect of the Moringa Project, which was introduced during the year, and completed in 2014/15 with a further transfer of R2 million. The increase in 2014/15 is due to a once-off amount of R12.286 million for the irrigation scheme at Mjindi. Also, the department transferred R14 million to the SA Sugar Association to assist identified sugar cane farmers. The increase in the 2015/16 Adjusted Appropriation is in respect of the transfer of R25 million to the Communal Estates to fund various operational costs, such as fuel and tractor drivers in respect of the tractors and implements. In addition, a transfer of R12.193 million was also made to Ntingwe Tea Estate via Ithala to meet its payroll obligations during the off-season. From 2016/17, this category provides for increased transfers to Mjindi, as well as transfers for the soil conservation subsidy, agricultural show societies, Communal Estates and the SA Sugarcane Research Institute.

The increase under *Transfers and subsidies to: Non-profit institutions* in the 2015/16 Adjusted Appropriation is in respect of the agricultural schools revitalisation programme. The department is providing R50 million between 2015/16 to 2017/18 to improve the facilities for agricultural education at five agricultural schools, namely Zakhe Agricultural School, Weston Agricultural College, Vryheid Landbou High School, James Nxumalo Agricultural High School and Shakaskraal Secondary School in the province. It should be noted that Zakhe Agricultural School is a private college, unlike the other four government colleges, but is benefitting from the programme and is therefore shown separately in the tables. This allocation is made based on approved business plans and is done in collaboration with the Department of Education (DOE). The prior year expenditure is largely in respect of the KZN Outreach programme where the department had a partnership with the Pmb SPCA, commencing in 2011/12 and continuing in 2012/13. This partnership ended in 2013/14 after all funds transferred were exhausted. The department entered into a similar partnership with the Animal Anti-Cruelty League (AACL) in 2014/15. The R250 000 transferred in 2013/14 relates to funding to the Zakhe Agricultural College, to assist in improving the training facilities for the students, as mentioned previously, with this allocation continuing through to 2017/18.

Transfers and subsidies to: Households caters for staff exit costs.

Buildings and other fixed structures shows a fluctuating trend between 2012/13 and 2015/16, with the high in 2012/13 due to the once-off amounts of R20 million for the development of the Makhathini area and R25 million for the stock-watering dams in districts. The peak in 2014/15 is due to the good progress made in the development of the Makhathini area with projects such as the packer house, abattoir and irrigation scheme. The increase from the 2015/16 Main to the Adjusted Appropriation relates to pressures in the Makhathini area in respect of the construction of the irrigation schemes at Ndumo. The allocation in 2016/17 decreases as a result of a reprioritisation exercise that was done to fund pressures under *Compensation of employees*. The allocations for 2017/18 and 2018/19 show steady increases, and provide for agricultural infrastructure such as irrigation schemes, diptanks, fencing, poultry houses etc. throughout the province.

Machinery and equipment shows a steady decrease up to 2014/15 due to the department not acquiring additional tractors and implements in line with a decision taken by the department to take stock of the existing mechanisation fleet, to ensure optimal utilisation thereof before further purchases are made. In 2012/13, the department acquired additional departmental vehicles in an effort to improve its fleet, as well as tractors and implements for the mechanisation programme. The increase in the 2015/16 Main Appropriation is in respect of replacing the aging main server at Cedara, which was estimated at R10 million. Furthermore, the increase from the 2015/16 Main to Adjusted Appropriation was to offset the shortfall for departmental vehicles required to enhance service delivery. This once-off expenditure explains the slight decline in 2016/17 before increasing steadily thereafter. Also contributing to the decrease, are the above-mentioned budget cuts of R10.789 million, R10.592 million and R10.630 million over the MTEF against this category. The amounts cut were in respect of the purchase of furniture and office equipment for staff which does not affect service delivery.

Biological assets is high in 2012/13, to make provision for the department's Nguni breeding initiative, aimed at revitalising the Nguni breed in KZN. This explains the comparatively low amounts in 2013/14, 2014/15 and the 2015/16 Adjusted Appropriation and over the 2016/17 MTEF, where the allocation is mainly for the purchased animals for research and training at the agricultural colleges.

Software and other intangible assets spending fluctuates as it makes provision for software upgrades as and when required.

Payments for financial assets reflects expenditure in 2013/14 and 2014/15 only, and this relates to approved write-off of thefts and losses.

5.4 Summary of conditional grant payments and estimates

Tables 3.8 and 3.9 illustrate conditional grant payments and estimates from 2012/13 to 2018/19.

Further details are given in *Annexure – Vote 3: Agriculture and Rural Development*.

Note that the conditional grant figures reflected in Table 3.1 for the period 2012/13 to 2018/19 indicate the actual receipts for each grant, as well as other technical adjustments, and therefore should not be compared to the figures reflected in Table 3.8 below, which show the actual expenditure and estimates.

Table 3.8 : Summary of conditional grants payments and estimates by name

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
CASP grant	183 726	202 522	212 632	226 161	226 161	226 161	222 155	235 712	249 472
Ilima/Letsema Projects grant	63 000	42 768	92 093	69 402	69 402	69 402	63 876	67 356	71 263
Land Care grant	16 046	18 746	10 854	10 666	10 666	10 666	10 632	11 330	12 016
EPWP Integrated Grant for Provinces	9 708	550	4 181	2 296	2 296	2 296	3 840	-	-
Total	272 480	264 586	319 760	308 525	308 525	308 525	300 503	314 398	332 751

Table 3.9 : Summary of conditional grants payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	142 781	150 450	185 702	210 829	252 396	252 396	245 500	256 573	273 070
Compensation of employees	-	10 745	17 013	16 000	18 000	18 000	17 893	19 109	20 409
Goods and services	142 781	139 705	168 689	194 829	234 396	234 396	227 607	237 464	252 661
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	65 760	63 000	66 465	81 548	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	65 760	63 000	66 465	81 548	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	63 939	51 136	67 593	16 148	56 129	56 129	55 003	57 825	59 681
Buildings and other fixed structures	50 289	41 795	59 907	6 729	46 710	46 710	47 492	49 867	51 723
Machinery and equipment	13 563	9 257	7 541	9 419	9 419	9 419	7 511	7 958	7 958
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	87	84	145	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	272 480	264 586	319 760	308 525	308 525	308 525	300 503	314 398	332 751

The department is responsible for the following four national conditional grants:

- The CASP grant is aimed at enhancing the capacity of the Agriculture sector by providing support to beneficiaries of land and agrarian reform programmes. This programme also focuses on the revival of agricultural extension services. This grant increases steadily from 2012/13 onward, continuing to 2015/16. It must be noted that, with effect from 2010/11, the department commenced transferring a portion of CASP funding to ADA, who assists the department to implement land reform projects. Also, as from 2013/14, the grant framework required that 70 per cent of the grant funding be allocated toward grain production. This change of grant utilisation was to ensure that there is an increase in food production throughout the country. In KZN, the funds were utilised for the mechanisation programme, where the department provided production inputs (mainly maize and beans), as well as mechanisation services. It is noted that CASP funding is no longer transferred to ADA with effect from 2015/16 Adjusted Appropriation due to the department being of the view that it wants to be accountable for all conditional grant funding and not to restrict the entity with conditions attached to conditional grants, and this accounts for the reduction in *Transfers and subsidies to: Departmental agencies and accounts* in the Adjusted Appropriation. The reduction resulted from a review of the entity's mandate and alignment to the department's strategy, in terms of which ADA will be focussing on secondary agriculture, as well as industrial crops, while the department will focus on primary agriculture. Previously, the entity was funded under CASP, but now it is funded from the equitable share. The commitment made by National Treasury to maintain the country's current expenditure ceiling requires that baseline allocations for provincial conditional grants be reduced, hence, CASP was further cut over the 2016/17 MTEF, as mentioned previously.
- The Ilima/Letsema Projects grant, which falls under the Ilima/Letsema campaign driven by the DAFF, is aimed at unlocking the potential of currently 'dead' land and other assets, particularly in communal areas. In KZN, this grant is utilised for various projects, including the food security and mechanisation programme and the Makhathini development project. The low expenditure in 2013/14 is due to the liming programme that was delayed by prolonged procurement processes and resulted in R23 million not being spent. However, this amount was rolled over to 2014/15, hence the increase in that year and the drop in 2015/16. Apart from this fluctuation and a decrease in 2015/16, the grant fluctuates over the seven-year period and was not affected by conditional grant cuts over the 2016/17 MTEF. As with the CASP grant, 70 per cent of the grant has to be allocated toward grain production from 2013/14 onward.
- The Land Care grant is aimed at optimising the sustainable use of natural resources to ensure greater productivity, food security, job creation, and a better quality of life for all. The 2012/13 amount

includes a roll-over of R705 000 from 2011/12. The supplier was unable to deliver fencing supplies before year-end. The increase in 2013/14 is in respect of additional funding for fencing, hence the drop in 2014/15. The allocation decreases slightly in 2015/16 and 2016/17, due to the fiscal consolidation cuts implemented in 2015/16, before increasing slightly in 2017/18 and 2018/19. There were only fairly minimal cuts effected against this grant over the 2016/17 MTEF.

- The department receives R2.296 million and R3.840 million in 2015/16 and 2016/17, respectively in respect of EPWP Integrated Grant for Provinces. The grant allocation is based on the number of EPWP jobs created in the previous year and therefore allocations are for one year only and not over the MTEF period, hence there is no allocation in 2017/18 and 2018/19. This grant is used to fund additional projects in the department's land care programme, and therefore includes costs for material and wages.

The increase in *Compensation of employees* from 2012/13 to 2013/14 and over the MTEF is in respect of the extension officers funded from the Extension Recovery Plan (ERP) pillar of CASP.

The decrease in *Goods and services* from 2012/13 to 2013/14 relates to R23 million for inputs in respect of the liming programme that was not spent in 2013/14 but rolled over to 2014/15, accounting for the increase in 2014/15. The increase from the 2015/16 Main to Adjusted Appropriation is in respect of a change of the funding source for ADA. Previously, the entity was funded under CASP, but now it is funded from the equitable share, which means that the CASP funding is now allocated against *Goods and services* for the department to undertake these projects. This also accounts for the increase from the 2015/16 Main Budget and over 2016/17 MTEF.

The spending against *Transfers and subsidies to: Departmental agencies and accounts* in 2012/13 to the 2015/16 Main Appropriation relates to transfers made to ADA to implement projects funded from the CASP grant. The decrease from the 2015/16 Main to Adjusted Appropriation and over the 2016/17 MTEF is due to the decision that all projects implemented by ADA will be funded from the equitable share and not via a conditional grant allocation. As such, these funds are moved from *Transfers and subsidies to: Departmental agencies and accounts* to *Goods and services* over the MTEF.

Buildings and other fixed structures is mainly related to agricultural infrastructure such as poultry houses, fencing, irrigation schemes, etc. The fluctuating trend from 2012/13 to 2014/15 is as a result of the rate at which this infrastructure is provided. The increase from the 2015/16 Main to Adjusted Appropriation is to fund the additional projects such as fencing, implemented by DARD instead of ADA, following the review of its mandate and alignment to the department's strategy. The allocation in 2016/17 decreases due to budget cuts in respect of the conditional grants, as mentioned above. The allocations in 2017/18 and 2018/19 show steady increases and provide for agricultural infrastructure such as irrigation schemes, diptanks, fencing, and poultry houses throughout the province.

Machinery and equipment relates to various agricultural equipment, as well as computers and vehicles acquired under the Extension Recovery Programme pillar of CASP. The high 2012/13 amount relates to additional vehicles acquired in 2012/13 to supplement the ailing departmental fleet. The allocation in 2016/17 decreases due to budget cuts in respect of the conditional grants, as mentioned above.

5.5 Summary of infrastructure payments and estimates

Table 3.10 below illustrates infrastructure payments and estimates for the period 2012/13 to 2018/19.

Further details of the department's infrastructure payments and estimates are presented in *Annexure – Vote 3: Agriculture and Rural Development*.

The department's infrastructure budget shows a decreasing trend from 2012/13 to 2014/15, with the high amount in 2012/13 attributed to the focus of providing a platform for provision of poultry houses and piggeries throughout the province reflected against *New infrastructure assets: Capital*.

Table 3.10 : 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	81 617	88 101	54 418	100 725	87 775	87 775	108 005	80 972	85 149
Maintenance and repair: Current	21 639	22 829	24 199	25 312	25 312	25 312	26 654	28 067	29 696
Upgrades and additions: Capital	-	-	3 228	-	6 487	6 487	-	-	-
Refurbishment and rehabilitation: Capital	59 978	65 272	26 991	75 413	55 976	55 976	81 351	52 905	55 453
New infrastructure assets: Capital	95 105	68 192	152 595	40 031	96 912	96 912	54 839	57 591	61 355
Infrastructure transfers	-	6 000	2 000	-	-	-	-	-	-
Infrastructure transfers: Current	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital	-	6 000	2 000	-	-	-	-	-	-
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	-	-	-	-	-	-	-	-	-
Total	176 722	162 293	209 013	140 756	184 687	184 687	162 844	138 563	146 504
<i>Capital infrastructure</i>	<i>155 083</i>	<i>139 464</i>	<i>184 814</i>	<i>115 444</i>	<i>159 375</i>	<i>159 375</i>	<i>136 190</i>	<i>110 496</i>	<i>116 808</i>
<i>Current infrastructure</i>	<i>21 639</i>	<i>22 829</i>	<i>24 199</i>	<i>25 312</i>	<i>25 312</i>	<i>25 312</i>	<i>26 654</i>	<i>28 067</i>	<i>29 696</i>

Maintenance and repair: Current increases at a generally steady rate over the seven-year period and is in respect of maintenance of all the department's buildings, which is mostly outsourced to DOPW and forms part of the department's asset management plan.

Upgrades and additions: Capital in the 2015/16 Adjusted Appropriation was a shift undertaken to correct the classification of the agricultural projects at communal level, as these are predominantly new and not refurbishments or rehabilitation.

Refurbishment and rehabilitation: Capital, increases steadily from 2012/13 to the 2015/16 Main Appropriation. The decrease from the 2015/16 Main to Adjusted Appropriation is in respect of a shift from this category to correct the classification of the agricultural projects at communal level, as mentioned above. The increase in 2016/17 relates to the once-off funding for scooping of stock water dams in respect of drought.

New infrastructure assets: Capital decreases from 2012/13 to 2014/15 partly due to the once-off additional funding received for Makhathini development and stock watering dams, as well as the high expenditure for creating platforms for poultry and piggery structures in 2012/13. The increase from the 2015/16 Main to Adjusted Appropriation is in respect of continued good progress in the construction of the packer house and abattoir in the Makhathini area, as well as a shift to this category to correct the classification of the agricultural projects at communal level, as these are predominantly new and not refurbishments or rehabilitation. The decrease in 2016/17 is in respect of the above-mentioned reprioritisation to fund pressures under *Compensation of employees*.

The category *Infrastructure transfers: Capital* is for infrastructure requirements in respect of the Moringa project undertaken by People's Bio Oil (Pty) Ltd, as previously mentioned.

5.6 Summary of Public Private Partnerships – Nil

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

Table 3.11 shows transfers made by the department to public entities that are listed in terms of Schedule 3 of the PFMA. The financial summaries received from ADA and Mjindi are provided in *Annexure – Vote 3: Agriculture and Rural Development*.

Table 3.11 : Summary of departmental transfers to public entities

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Agri-business Development Agency	140 734	101 152	106 410	123 119	99 500	99 500	128 397	134 948	142 775
Ithala Development Finance Corporation	-	-	11 080	-	12 193	12 193	-	-	-
Mjindi Farming (Pty) Ltd	68 399	46 607	60 816	50 506	50 506	50 506	53 183	56 001	58 801
Total	209 133	147 759	178 306	173 625	162 199	162 199	181 580	190 949	201 576

Agri-business Development Agency (ADA)

As from 2013/14, the oversight of the entity was shifted from DEDTEA to DARD in respect of the ADA Bill (historical figures have been adjusted for comparative purposes). The 2016/17 MTEF allocation is for projects to be implemented by ADA, as well as the operational costs for the entity. The decrease in the 2015/16 Adjusted Appropriation is due to the review of the entity's mandate to ensure that there is no duplication of functions with the department. The entity will, from now on, focus on secondary agriculture with particular focus on the agro-processing sector and the department on primary agriculture aligned to the department's agrarian transformation strategy.

Ithala Development Finance Corporation (Ithala)

The 2014/15 and 2015/16 amounts relating to Ithala cater for a shortfall in salaries of Ntingwe Tea Estate during the off-season. DARD is the main shareholder in the Ntingwe Tea Estate through the significant funding that was provided for the establishment thereof in 2003. Ithala is a lesser shareholder, and provides the management oversight of the entity and has been providing additional funding over the last few years to assist the estate to meet its operational costs. The department uses Ithala as the vehicle to channel the funding to Ntingwe Tea Estate. The provincial government is considering the current funding proposal that has been requested by Ntingwe Tea Estate to turn-around the estate into a profitable entity. Pending a final decision in this regard, the department provided funding in 2014/15 and 2015/16 to cater for the shortfall in wages. The department is awaiting guidance from Cabinet regarding the proposed turn-around strategy presented by Ithala, which required approximately R70 million for Ntingwe Tea Estate to become a viable business entity.

Mjindi Farming (Pty) Ltd (Mjindi)

The fluctuation in expenditure between 2012/13 and 2014/15 is due to various once-off allocations provided for the acquisition of irrigation material and farming equipment. The allocation from 2015/16 onwards provides for the operational costs and maintenance of existing infrastructure over the MTEF. The department is currently undertaking a mechanical review of the entity which may affect its future operations and mandate. The mechanical review has not yet been completed and the moratorium on the filling of posts is still in place, hence the future position of the entity is therefore not clear at this stage. This review will also take into account the impact of the land claims, as mentioned previously.

5.8 Transfers to other entities

Table 3.12 below indicates departmental transfers to other entities. The transfers fluctuate markedly over the seven years, as explained below the table.

Table 3.12 : Summary of departmental transfers to other entities

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Soil conservation subsidy	2.1. Sust. Resource	1 121	1 431	1 269	1 500	1 500	1 500	1 605	1 717	1 817
Agricultural Show Societies	2.2. Farmer Supp.	19	-	-	1 256	-	-	100	105	110
SA Sugarcane Research Institute	2.2. Farmer Supp.	1 439	1 197	918	1 547	2 557	2 557	2 242	2 354	2 472
SA Sugar Association	2.2. Farmer Supp.	-	-	14 604	-	-	-	-	-	-
Lungisisa Indlela Village (LIV)	2.2. Farmer Supp.	-	-	1 200	-	-	-	-	-	-
Nyonende Hatchery	2.2. Farmer Supp.	-	-	-	-	8 300	8 300	-	-	-
Communal Estates	2.2. Farmer Supp.	-	-	-	-	25 392	25 392	26 662	27 995	29 395
People's Bio Oil	2.2. Farmer Supp.	-	6 000	2 000	-	-	-	-	-	-
Pmb SPCA	2.3. Vet. Services	10 291	-	-	-	-	-	-	-	-
Animal Anti-Cruelty League (AACL)	2.3. Vet. Services	-	-	5 300	-	-	-	-	-	-
Zakhe Agricultural College	2.6. Struc. Agric. Edu. and Train.	-	250	-	-	3 089	3 089	3 446	2 540	-
Agricultural Schools	2.6. Struc. Agric. Edu. and Train.	-	-	-	-	10 681	10 681	21 761	8 483	-
Total		12 870	8 878	25 291	4 303	51 519	51 519	55 816	43 194	33 794

The soil conservation subsidy is a provision to business and farming enterprises for sub-surface drainage works, and is a national initiative in response to the Conservation of Agricultural Resources Act (CARA). The allocation over the 2016/17 MTEF is based on past trends in claims received and approved.

The department makes provision for contributions to various agricultural show societies, which are aimed at showcasing the latest developments in agriculture. The expenditure is demand based and the department only makes a transfer if a funding request with required supporting documentation is received.

The partnership with the SA Sugarcane Research Institute, which was formed in 2010/11, continues and grows steadily over the three years of the 2016/17 MTEF. This partnership ensures the provision of specialist extension services to assist small-scale extension farmers. The decrease in 2014/15 and subsequent peak in the 2015/16 Adjusted Appropriation is due to an unforeseen delay in the submitting and processing of the invoice for the final quarter of 2014/15. Also, a new agreement was signed in 2015/16 which has increased the activities of the institute, meaning there will be increased research undertaken by South African Sugarcane Research Institute and, hence, an increased financial contribution by the department.

The two-year partnership with the Pmb SPCA, relating to the KZN Outreach programme, commenced in 2011/12 and was completed in 2012/13. The department entered into a one-year partnership with the AACL in 2014/15 for the same KZN Outreach programme.

The transfer to People's Bio Oil is in respect of a two-year agreement, whereby the department provided funding for the infrastructure development relating to the Moringa Project.

The transfer to Zakhe Agricultural College is in line with a partnership with the department, aimed at improving the facilities at the college to enhance agricultural education at the institution, as mentioned previously. This allocation continues through to 2017/18. Zakhe Agricultural College is one of the five agricultural schools to be improved, but is shown separately due to the fact that it is a private college, unlike the other four which are government colleges, which are mentioned below.

In 2014/15, the department also entered into agreement with the SA Sugar Association to implement specifically approved sugar cane projects to the value of R14.604 million, as well as R1.200 million transferred to Lungisisa Indlela Village (LIV) in respect of a hydroponics projects at this institution supporting orphans.

In 2015/16, the department funded the Nyonende Hatchery to the amount of R8.300 million to enable the hatchery to become economically viable.

The allocation to Communal Estates is for the operational costs such as fuel and tractor drivers in respect of the tractors and implements that the department has transferred to them, in line with its agricultural transformation strategy. This allocation continues over the MTEF.

The department also entered into a funding agreement with the DOE whereby R50 million was made available over the three-years commencing in 2015/16 for the improvement of agricultural facilities as it will enable the practical teaching and learning of agriculture at school level at five agricultural schools in the province, namely Zakhe Agricultural School (a private college, as mentioned above), Weston Agricultural College, Vryheid Landbou High School, James Nxumalo Agricultural High School and Shakaskraal Secondary School, as mentioned previously.

5.9 Transfers to local government

The department does not transfer any funds to local government. It is noted that, although the payment of motor vehicle licences falls under *Transfers and subsidies to: Provinces and municipalities*, these funds are not transferred to any municipality, and so are excluded from the tables.

5.10 Transfers and subsidies

Table 3.13 gives a summary of *Transfers and subsidies* by programme and main category, as explained briefly above and below the table.

Programme 1's *Transfers and subsidies* fluctuate, largely due to the nature of transfers made as follows:

- *Provinces and municipalities* caters for motor vehicle licences. The high expenditure in 2012/13 is due to the additional number of vehicles acquired, while the decrease in 2013/14 is due to some vehicles ordered not being delivered and licensed in that year. The payments against this category are dependent on the number of vehicles registered and are affected by new acquisitions and disposal of vehicles. The provision over the MTEF is based on the planned number of vehicles to be licensed.

- *Departmental agencies and accounts* caters for the Skills Development Levy. The expenditure in 2014/15 relates to the restatement of funds in respect of the Skills Development Levy and the increase in the 2015/16 Adjusted Appropriation is to correct the allocation for the skills development levy. This was previously incorrectly allocated under *Goods and services*.
- *Public corporations and private enterprises* caters for a once-off sponsorship in respect of the SA National Committee on Irrigation and Drainage symposium that was held in the province in 2012/13 and a registration fee paid as a sponsorship for an emerging farmer to attend the World Soya Bean Research Conference. The R5 000 transferred in 2015/16 is in respect of a donation toward the gala dinner for the Edendale Lay Ecumenical Centre centenary celebration, where the National Minister of Finance addressed the guests.
- *Households* caters for staff exits, which are difficult to predict, hence the fluctuating trend.

Table 3.13 : Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Administration	2 648	1 806	5 142	980	4 079	4 610	4 192	4 581	4 995
Provinces and municipalities	719	471	619	980	980	980	770	850	935
Motor vehicle licences	719	471	619	980	980	980	770	850	935
Departmental agencies and accounts	-	-	1 938	-	2 800	2 800	2 952	3 191	3 450
Skills Development Levy	-	-	1 938	-	2 800	2 800	2 952	3 191	3 450
Public corporations and private enterprises	30	8	-	-	5	5	-	-	-
SA Nat. Comm on Irrigation and Drainage	30	-	-	-	-	-	-	-	-
Sponsorship to Emerging Farmers	-	8	-	-	-	-	-	-	-
Edendale Lay Ecumenical Centre	-	-	-	-	5	5	-	-	-
Households	1 899	1 327	2 585	-	294	825	470	540	610
Social benefits	1 899	1 327	2 585	-	294	825	470	540	610
2. Agriculture	231 735	166 139	213 974	184 534	225 046	224 515	245 304	242 444	244 153
Provinces and municipalities	488	398	618	280	293	293	696	736	778
Motor vehicle licences	488	398	584	280	280	280	658	696	736
Municipal agencies and funds	-	-	34	-	13	13	38	40	42
Departmental agencies and accounts	140 734	101 152	106 413	123 119	99 509	99 509	128 398	134 949	142 776
Agri-Business Development Agency	140 734	101 152	106 410	123 119	99 500	99 500	128 397	134 948	142 775
TV and radio licences	-	-	3	-	9	9	1	1	1
Public corporations and private enterprises	70 978	55 235	91 962	54 809	100 448	100 448	83 792	88 172	92 595
Agricultural Show Societies	19	-	-	1 256	-	-	100	105	110
Mjindi	68 399	46 607	60 816	50 506	50 506	50 506	53 183	56 001	58 801
SA Sugarcane Research Institute	1 439	1 197	918	1 547	2 557	2 557	2 242	2 354	2 472
Soil Conservation Subsidy	1 121	1 431	1 269	1 500	1 500	1 500	1 605	1 717	1 817
Ithala Finance Corporation	-	-	11 080	-	12 193	12 193	-	-	-
People's Bio Oil	-	6 000	2 000	-	-	-	-	-	-
SA Sugar Association	-	-	14 604	-	-	-	-	-	-
Lungisisa Indlela Village NPC	-	-	1 200	-	-	-	-	-	-
Donations & Gifts Private Enterprise	-	-	75	-	-	-	-	-	-
Nyonende Hatchery	-	-	-	-	8 300	8 300	-	-	-
Communal Estates	-	-	-	-	25 392	25 392	26 662	27 995	29 395
Non-profit institutions	10 291	250	5 300	-	13 770	13 770	25 207	11 023	-
Pmb SPCA	10 291	-	-	-	-	-	-	-	-
Zakhe Agricultural College	-	250	-	-	3 089	3 089	3 446	2 540	-
Animal Anti-Cruelty League	-	-	5 300	-	-	-	-	-	-
Agricultural Schools	-	-	-	-	10 681	10 681	21 761	8 483	-
Households	9 244	9 104	9 681	6 326	11 026	10 495	7 211	7 564	8 004
Social benefits	9 244	9 104	9 681	6 326	11 026	10 495	7 211	7 564	8 004
Total	234 383	167 945	219 116	185 514	229 125	229 125	249 496	247 025	249 148

Transfers and subsidies under Programme 2 also fluctuates markedly over the seven years, as follows:

- *Provinces and municipalities* provides for the payment of motor vehicle licences. The increase from 2016/17 onward is in line with the planned number of vehicles to be licensed. Municipal agencies and funds are in respect of rates paid for OSCA, which the department is providing for until this function has been moved to DOPW, pending a review of the situation.
- *Departmental agencies and accounts* reflects the transfers made to ADA from 2012/13 onward. The fluctuations take into account the operational costs and projects undertaken by ADA. The decrease from the 2015/16 Main to Adjusted Appropriation is in respect of a reduction in the value of projects to be implemented by ADA following the review of its mandate and alignment to the department's strategy. This was a once-off reduction, hence the increase in 2016/17 and steady growth over the MTEF period.

- *Public corporations and private enterprises* relates mainly to transfers made by the department to Mjindi, as explained in more detail in Section 5.7 above. This category also includes transfers to various other entities, as detailed in Section 5.8. For instance, there is a grant funding agreement with People's Bio Oil for a two-year period, whereby the department provided specific funding toward the establishment of the entity's infrastructure requirements. In 2014/15, the department also transferred R1.200 million to the LIV orphanage in respect of a hydroponics projects at this institution, as mentioned previously. From 2016/17 onward, this category provides for increased transfers to Mjindi, as well as transfers for the soil conservation subsidy, agricultural show societies, Communal Estates and the SA Sugarcane Research Institute.
- The funding for *Non-profit institutions* is dependent on partnerships/agreements that may be in place at any given point in time. For example, the department had a two-year partnership with the Pmb SPCA for the KZN Outreach programme in 2012/13, and then formed a partnership with the AACL for the same project in 2014/15. The 2013/14 transfer of R250 000 to Zakhe Agricultural College in Richmond provides funding to improve the facilities at the college as mentioned previously, this allocation continues through to 2017/18. The transfer in the 2015/16 Adjusted Appropriation against agricultural schools is in respect of the agricultural school revitalisation programme, whereby the department, in partnership with the DOE, is providing funding to improve the agricultural infrastructure at the agricultural schools in the province (including Zakhe Agricultural College) and this allocation continues through to 2017/18.
- *Households* caters for staff exit costs, which are difficult to predict, hence the fluctuating trend.

6. Programme description

The services rendered by the department are categorised under three programmes, which largely conform to the uniform budget and programme structure of the Agriculture and Rural Development sector, as explained previously. At the moment, Programme 2 provides the sector information by sub-programme and sub-sub-programme, because of the level of detail required by the sector. The department will review this use of sub-sub-programmes going forward, though.

6.1 Programme 1: Administration

The primary role of Programme 1 is to support the line function components of the department in achieving their goals. Tables 3.14 and 3.15 summarise payments and estimates relating to Programme 1 for the period 2012/13 to 2018/19.

Programme 1 fluctuates throughout the seven-year period. The high expenditure in 2012/13 is mainly due to the replacement and purchase of new vehicles against *Machinery and equipment* and their associated licence fees against *Provinces and municipalities*, as well as renovations of offices at head office against *Buildings and other fixed structures* and the sub-programme: Financial Management. The increase from the 2015/16 Adjusted Appropriation to the Revised Estimate is due to the alignment of the organisational structure where the human resource and financial management components in the previous regional offices, which were under Programme 2, now form part of Programme 1. The prior year actual expenditure has been adjusted accordingly for comparative purposes. The slight decline from the 2015/16 Revised Estimate to 2016/17 is due to the once-off allocation for the migration from Novell to Microsoft under the sub-programme: Corporate Services, as well as the equitable share budget cuts. The MTEF budget cuts were implemented against *Compensation of employees* and *Machinery and equipment*.

Table 3.14 : Summary of payments and estimates by sub-programme: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Office of the MEC	26 938	27 738	17 968	21 902	16 941	16 941	12 920	13 698	14 538
2. Senior Management	27 188	34 035	27 492	58 012	30 402	30 402	38 301	40 694	43 435
3. Corporate Services	190 939	188 799	196 499	206 096	221 753	251 563	213 771	236 252	251 895
4. Financial Management	179 440	157 459	153 110	88 208	82 675	166 197	190 386	202 759	217 535
5. Communication Services	32 146	36 268	24 153	33 612	31 319	31 319	30 766	28 568	30 494
Total	456 651	444 299	419 222	407 830	383 090	496 422	486 144	521 971	557 897

Table 3.15 : Summary of payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	376 655	405 069	388 012	355 977	325 651	438 093	433 010	467 741	500 550
Compensation of employees	168 099	165 517	173 138	170 652	141 572	193 353	201 857	217 704	234 932
Goods and services	208 529	239 469	214 797	185 325	184 079	244 740	231 153	250 037	265 618
Interest and rent on land	27	83	77	-	-	-	-	-	-
Transfers and subsidies to:	2 648	1 806	5 142	980	4 079	4 610	4 192	4 581	4 995
Provinces and municipalities	719	471	619	980	980	980	770	850	935
Departmental agencies and accounts	-	-	1 938	-	2 800	2 800	2 952	3 191	3 450
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	30	8	-	-	5	5	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 899	1 327	2 585	-	294	825	470	540	610
Payments for capital assets	77 348	36 351	22 660	50 873	53 360	53 719	48 942	49 649	52 352
Buildings and other fixed structures	40 861	17 913	6 140	17 229	15 657	15 684	26 775	26 759	27 789
Machinery and equipment	36 012	18 438	16 520	33 644	37 703	38 035	22 167	22 890	24 563
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	475	-	-	-	-	-	-	-	-
Payments for financial assets	-	1 073	3 408	-	-	-	-	-	-
Total	456 651	444 299	419 222	407 830	383 090	496 422	486 144	521 971	557 897

The sub-programme: Office of the MEC decreases significantly from 2013/14 to 2014/15, with a further decline in 2015/16 and 2016/17, as a result of the functions of the Ministry being aligned to the guidelines for providing support to the Office of the MEC as outlined in the Ministerial handbook. The decrease from the 2015/16 Main to Adjusted Appropriation is due to delays in the filling of vacant budgeted posts. These savings were moved to other areas of spending pressure. The decrease in 2016/17 relates to the above-mentioned budget cuts. The allocation in 2017/18 and 2018/19 shows steady growth.

The fluctuations from 2012/13 to 2015/16 against the sub-programme: Senior Management can be ascribed to the high vacancy rate at senior management level in the department, as well as the once-off expenditure in respect of the forensic investigation. The decrease from the 2015/16 Main to Adjusted Appropriation relates to delays in the filling of vacant posts. The growth from 2016/17 is largely in respect of the carry-through costs of the above-budget 2015 wage agreement, as well as annual salary increments.

The Corporate Support Services sub-programme, which includes Human Resource Management and Development, Legal Services, Security Services, Facilities, etc., fluctuates, with the high expenditure in 2012/13 attributed to the increase in the number of bursaries offered for the 2012 academic year being processed after April 2012. The increase from the 2015/16 Main to Adjusted Appropriation is in respect of a roll-over relating to a project to instal Exinda software on all official computers, as mentioned previously. The peak in the 2015/16 Revised Estimate is as a result of the baseline being corrected in terms of providing adequately for the number of critical vacant posts, increasing costs of water and electricity, as well as the cost for SITA and the once-off allocation for the migration from Novell to Microsoft. The subsequent drop in 2016/17 relates to the previously mentioned budget cuts, as well as the once-off allocation for the migration from Novell to Microsoft. The budget grows steadily thereafter.

The sub-programme: Financial Management shows fluctuations, with the high amount in 2012/13 due to the purchase of additional vehicles for the departmental fleet under Programme 1 through reprioritisation, as well as positive progress on infrastructure related projects during that year. This is also reflective against *Machinery and equipment* and *Buildings and other fixed structures* and explains the decrease in 2013/14. The sub-programme shows a steady increase from the 2015/16 Revised Estimate to 2018/19.

The significant drop in 2014/15 against the sub-programme: Communication Services is largely due to the incorrect amount being suspended in respect of the centralisation of part of the communication function to OTP, which was corrected during 2015/16. The minimal decrease between 2015/16 and 2016/17 is due to the 2015/16 Adjusted Appropriation including once-off funding to replace the outdated signage of the department's offices.

Compensation of employees fluctuates from 2012/13 to 2014/15. The decrease from the 2015/16 Main to Adjusted Appropriation is in respect of funds moved to other areas with spending pressure, as a result of the high vacancy rate, as the department was finalising its organisational structure, as well as the moratorium on filling of posts during this period. The 2015/16 Revised Estimate increases when compared to the Adjusted Appropriation and this is attributable to the fact that the department has provided funding to fill posts in the revised structure. Although this category was reduced in respect of the above-mentioned budget cuts, there is still visible growth over the 2016/17 MTEF, largely relating to the carry-through costs of the above-budget 2015 wage agreement, as well as annual salary increments. The department plans to review the budget allocation for this category in-year.

Goods and services fluctuates over the seven-year period, with a peak in 2013/14 relating to the installation of a new telephonic system, revised SITA costs that are aligned to the number of users, as well as the forensic audit conducted in that year. A further peak in 2015/16 is due to the provision for migration from Novell to Microsoft, as well as correcting the baseline to adequately provide for SITA services, water, electricity, and security services. The MTEF shows steady growth, despite the MTEF budget cuts.

With regard to *Transfers and subsidies*:

- *Provinces and municipalities* relates to the payment of motor vehicle licence fees. The high expenditure in 2012/13 can be ascribed to increased motor vehicle licence costs relating to the increase in the department's vehicle fleet in that year. The reduction in 2013/14 is due to new vehicles ordered not being received and licensed during that year. The provision over the 2016/17 MTEF is aligned to the planned number of vehicles to be licensed. These payments are also affected by the timing of the sale of redundant vehicles, that is, whether the disposal takes place before or after the annual licence renewal.
- Expenditure against *Departmental agencies and accounts* from 2014/15 onward is in respect of the Skills Development Levy payable to the Agriculture SETA.
- *Public corporations and private enterprises* caters for a once-off payment in respect of the SA National Committee on Irrigation and Drainage symposium that was held in KZN in 2012/13 and a sponsorship for an emerging farmer to attend the World Soya Bean Conference in 2013/14. The R5 000 transferred in 2015/16 relates to a donation toward the gala dinner for the Edendale Lay Ecumenical Centre centenary celebration, where the National Minister of Finance addressed the guests.
- *Households* caters for staff exit costs, which are difficult to predict, hence the fluctuating trend.

Buildings and other fixed structures comprises mainly renovations of office buildings at the head office, as well as district offices, and the prior year fluctuations relate to the nature of the work undertaken. The low amount in 2014/15 is due to the slow progress made by the DOPW in respect of the rehabilitation and upgrades of departmental office buildings. This trend is again evident in the reduction from the 2015/16 Main to Adjusted Appropriation. The category shows steady growth over the 2016/17 MTEF.

Machinery and equipment shows a high amount in 2012/13 due to the additional new and replacement vehicles purchased in that particular year which also accounts for the decrease in 2013/14. The increase from the 2015/16 Main to the Adjusted Appropriation is in respect of departmental vehicles bought to enhance service delivery. The high expenditure in the 2015/16 Revised Estimate is in respect of the once-off acquisition of a new IT server. The decrease in 2016/17 relates to the above-mentioned budget cuts. The amounts over the 2016/17 MTEF relate to the purchase of office furniture and equipment, as well as departmental vehicles.

The high expenditure in 2012/13 in respect of *Software and other intangible assets* is a result of 2011/12 software licence fees only being paid for in 2012/13 due to administrative delays. The software licences are now managed through SITA and are provided for under *Goods and services*, hence there is no provision for these over the MTEF.

Payments for financial assets provides for the approved write-off of thefts and losses in 2013/14 and 2014/15 in line with the departmental write-off policy. Due to the nature of these transactions, no provision is made over the MTEF period.

6.2 Programme 2: Agriculture

Programme 2 has two main core functions, namely Agriculture and Veterinary Services. Agriculture encompasses crop production, livestock farming, land use and land reform (a national priority run by DARD at provincial level). Veterinary Services entails animal disease control, prevention of zoonotic diseases, and ensuring safety of food products of animal origin.

Tables 3.16 and 3.17 give information relating to Programme 2, providing detail at sub-programme level, conforming to the uniform budget and programme structure for the sector, as mentioned earlier.

Table 3.16 : Summary of payments and estimates by sub-programme: Agriculture

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Sustainable Resource Management	90 794	112 361	77 460	101 557	86 461	86 461	88 808	91 247	97 409
Engineering Services	47 162	48 222	37 981	62 852	47 880	47 880	34 337	37 378	38 976
Land Care	43 632	64 139	39 479	38 705	38 581	38 581	37 832	35 865	38 954
Land Use Management	-	-	-	-	-	-	13 202	14 281	15 449
Disaster Risk Management	-	-	-	-	-	-	3 437	3 723	4 030
2. Farmer Support and Development	1 130 938	1 021 490	1 049 913	1 223 217	1 314 231	1 200 899	1 154 348	1 149 664	1 211 085
Farmer-settlement and Development	195 474	214 833	234 899	124 116	232 025	232 025	488 319	538 049	542 248
Extension and Advisory Services	889 309	713 482	789 487	1 042 809	1 039 798	926 466	617 129	560 381	615 129
Food Security	46 155	93 175	25 527	56 292	42 408	42 408	48 900	51 234	53 708
3. Veterinary Services	154 386	135 812	182 517	149 111	185 389	185 389	145 959	157 585	170 136
Animal Health	132 481	109 104	155 354	149 111	185 389	150 802	108 935	117 642	127 219
Veterinary Public Health	5 604	7 094	7 400	-	-	8 150	8 752	9 380	10 090
Veterinary Laboratory Services	16 301	19 614	19 763	-	-	26 437	28 272	30 563	32 827
4. Research and Technology Development Services	155 249	163 704	169 990	188 841	204 807	204 807	159 058	172 333	186 851
Research	122 458	121 888	124 758	188 841	204 807	139 623	100 376	110 165	119 988
Infrastructure Support Services	32 791	41 816	45 232	-	-	65 184	58 682	62 168	66 863
5. Agricultural Economic Services	2 231	5 641	6 262	6 900	6 397	6 397	7 492	8 063	8 676
Agri-Business Support and Development	2 231	5 641	6 262	6 900	6 397	6 397	7 492	8 063	8 676
6. Structured Agricultural Education and Training	119 342	122 221	97 680	106 657	110 110	110 110	117 613	111 101	107 954
Higher Education and Training	119 342	122 221	97 680	106 657	110 110	110 110	100 799	87 079	88 944
Further Education and Training (FET)	-	-	-	-	-	-	16 814	24 022	19 010
Total	1 652 940	1 561 229	1 583 822	1 776 283	1 907 395	1 794 063	1 673 278	1 689 993	1 782 111

Table 3.17 : Summary of payments and estimates by economic classification: Agriculture

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	1 259 965	1 252 643	1 177 330	1 455 291	1 501 187	1 388 745	1 298 068	1 341 792	1 425 499
Compensation of employees	593 773	667 411	677 908	777 848	775 870	724 089	775 610	838 938	907 470
Goods and services	666 192	585 204	499 328	677 443	725 317	664 656	522 387	502 779	517 950
Interest and rent on land	-	28	94	-	-	-	71	75	79
Transfers and subsidies to:	231 735	166 139	213 974	184 534	225 046	224 515	245 304	242 444	244 153
Provinces and municipalities	488	398	618	280	293	293	696	736	778
Departmental agencies and accounts	140 734	101 152	106 413	123 119	99 509	99 509	128 398	134 949	142 776
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	70 978	55 235	91 962	54 809	100 448	100 448	83 792	88 172	92 595
Non-profit institutions	10 291	250	5 300	-	13 770	13 770	25 207	11 023	-
Households	9 244	9 104	9 681	6 326	11 026	10 495	7 211	7 564	8 004
Payments for capital assets	161 240	142 447	192 518	136 458	181 162	180 803	129 906	105 757	112 459
Buildings and other fixed structures	114 222	115 551	176 674	98 215	143 718	143 691	109 415	83 737	89 019
Machinery and equipment	37 296	26 379	15 660	37 402	37 402	37 070	19 800	21 292	22 668
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	9 542	474	145	606	42	42	636	668	707
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	180	43	39	235	-	-	55	60	65
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 652 940	1 561 229	1 583 822	1 776 283	1 907 395	1 794 063	1 673 278	1 689 993	1 782 111

Programme 2 as a whole shows some fluctuations between 2012/13 to 2015/16, followed by a decrease in 2016/17 whereafter there is a steady increase to 2018/19. In 2012/13, the department received substantial additional funding for the rabies campaign, stock watering dams, further development of the Makhathini area, and to assist Mjindi with repairs to the irrigation scheme. The decrease in 2013/14 is also due to some under-expenditure on the liming programme funded by the Ilima/Letsema Projects grant and

establishing mechanisation sheds at districts amounting to some R32 million. The decrease in 2016/17 is as a result of the previously mentioned budget cuts against *Compensation of employees, Goods and services* and *Machinery and equipment*.

The Sustainable Resource Management sub-programme, which includes the Engineering Services and Land Care sub-sub-programmes, shows a peak in 2013/14 due to once-off funding being prioritised to 32 land care projects, such as alien weed clearing, bush encroachment, de-stumping, conservation works, etc., within the Ilembe, Umzinyathi and uThungulu District Municipalities. This once-off funding, as well as the decrease in the Land Care grant, due to the fencing component of the grant allocation being phased out, accounts for the reduction in the Land Care sub-sub-programme in 2014/15, before increasing again in the 2015/16 Main Appropriation. The decrease from the 2015/16 Main to Adjusted Appropriation is in respect of delays in the filling of vacant budgeted posts. Fiscal consolidation cuts have impacted on the conditional grant, but it is not that visible due to the extent of equitable share funding in respect of this sub-programme. The decrease in 2016/17 relates to the previously mentioned budget cuts.

The Farmer Support and Development sub-programme houses the bulk of the conditional grants, additional provincial funding for the Makhathini development project, extension services, as well as the fencing and irrigation scheme programmes. It is noted that the Farmer-settlement and Development sub-sub-programme includes ADA's subsidy. Additional funding of R10.200 million in 2015/16 for the 2014 veld fires disaster in the Harry Gwala District was also allocated under this sub-sub-programme. However, this was offset by a reduction in line with fiscal consolidation cuts affected on the 2015/16 MTEF, in respect of conditional grants. The slight decrease in 2016/17 is in respect of the above-mentioned MTEF budget cuts, despite the above-mentioned once-off additional funding in respect of drought relief.

Veterinary Services fluctuates over the seven-year period, except for the high 2012/13 amount, which is due to the substantial once-off additional funding of R20 million for the rabies awareness campaign and vaccination drive, as well as the roll-over of R4.905 million in respect of the KZN Outreach programme, accounting for the dip in 2013/14. The substantial increase in the 2015/16 Adjusted Appropriation is in respect of the roll-over in respect of diptanks and boreholes as part of the redline barrier to control FMD, as well as a virement of funds relating to the construction and rehabilitation of diptanks which was erroneously allocated to this sub-programme instead of Farmer-settlement and Development and this resulted in the reduction in 2016/17, compounded by the above-mentioned budget cuts. There is steady growth thereafter.

The sub-programme: Research and Technology Development Services increases steadily up to 2015/16, despite some challenges in the construction of the main mushroom building at Cedara and its various satellite bases during 2012/13 to 2014/15. The cost of the satellite bases has increased, which will mean that, with the current funding envelope, the department will only be able to build one satellite base per annum instead of the planned two per annum. The budget cuts implemented over the MTEF, as mentioned previously, resulted in the visible decrease in 2016/17. The allocation grows steadily thereafter.

The purpose of the Agricultural Economic Services sub-programme is to market information and facilitate marketing and provide agricultural economic services to clients. This sub-programme was not fully capacitated in 2012/13, and the increased level of spending from 2013/14 coincides with the increased capacity that was obtained to provide a more effective service. It is expected that the activities of this sub-programme will play a leading role in stimulating agri-business and related activities in the rural areas of KZN. As such, this sub-programme increases steadily over the seven-year period.

The Structured Agricultural Education and Training sub-programme houses the department's Cedara and OSCA agricultural colleges. The two colleges provide an accredited three-year diploma in agriculture courses, and various FET short courses. Cedara is also accredited with the University of KZN and provides a three-year B. Agric degree. Funding for improving infrastructure at these colleges is received from the CASP conditional grant and this contributes to the increased level of spending from 2012/13. The assistant extension officers' programme that ended in 2014/15 was funded under this sub-programme, thus explaining the decrease in 2014/15. The reduction over the MTEF is due to the agricultural school revitalisation programme, in respect of which funding commenced in 2015/16 and ends in 2017/18.

Compensation of employees shows steady growth over the seven-year period which is reflective of the annual wage adjustments and the filling of critical vacant posts within the department. The decrease from the 2015/16 Main to Adjusted Appropriation is in respect of delays in the filling of vacant budgeted posts. The growth over the 2016/17 MTEF, despite the budget cuts is in respect of the carry-through costs of the above-budget 2015 wage agreement and filling of critical vacant posts. The department plans to review the allocation to this category in-year.

Goods and services includes the bulk of the conditional grant funding, as well as portion of the Makhathini funding. The high spending in 2012/13 relates to substantial additional funding for the rabies awareness campaign, stock watering dams and the further development of the Makhathini area. This was largely once-off, accounting for the dip in 2013/14. The further decrease in 2014/15 is as a result of procurement challenges which resulted in under-expenditure of R69.400 million in respect of various food security and mechanisation projects. The increase from the 2015/16 Main to Adjusted Appropriation relates to animal vaccines that were ordered in 2014/15 but only delivered and paid for in 2015/16, as well as production inputs for the food security programme, which were delayed as a result of late rains and procurement challenges, and this was rolled over into 2015/16, as well as additional funding of R38.900 million which was suspended from the 2014/15 budget to 2015/16, as mentioned above. In addition, the decrease in 2016/17 emanates from the budgets cuts, as mentioned.

With regard to *Transfers and subsidies*:

- The amounts under *Provinces and municipalities* relates to motor vehicle licences and are dependent on the actual number of vehicles in the departmental fleet.
- *Departmental agencies and accounts* comprises transfers made to ADA, which are dependent on operational costs and the projects to be undertaken by the entity each year and hence the fluctuations. The decrease from the 2015/16 Main to Adjusted Appropriation is as a result of the review of the entity's mandate to ensure that there is no duplication between the department and its entity. The entity will focus on secondary agriculture from 2015/16 onward, and the department on primary agriculture. The MTEF allocations increase steadily, as the reduction was once-off in 2015/16.
- *Public corporations and private enterprises* relates mainly to transfers to Mjindi, but also includes transfers to various other entities, as detailed in Section 5.10. The increase in 2012/13 is due to once-off additional funding for Mjindi for irrigation and farming equipment. This category includes the transfer of R6 million in 2013/14 and R2 million in 2014/15 to People's Bio Oil to provide for infrastructure requirements in respect of the Moringa project. A further once-off allocation in 2014/15 to Mjindi was to provide for the purchase of irrigation equipment for the Makhathini irrigation scheme and this accounts for the decrease in 2015/16. In 2014/15 and the 2015/16 Revised Estimate, provision was made for transfer to Ithala to assist Ntingwe Tea Estate in meeting their operational costs during the tea off-crop season, as well as transfer to SA Sugar Association to assist small scale farmers. Furthermore, a new transfer payment was introduced in 2015/16 in respect of the operational costs (fuel, tractor drivers and minor repairs) of the tractors and implements transferred to the Communal Estates supported by the department. This category also provides for transfers for the soil conservation subsidy, agricultural show societies, and the SA Sugarcane Research Institute over the 2016/17 MTEF. The decrease in 2016/17 is due to the once-off allocation in 2015/16 to Nyonende Hatchery, as well as a transfer to Ithala to assist Ntingwe Tea Estate in meeting their operational costs during the tea off-crop season which is not carried over the MTEF.
- *Non-profit institutions* provides for the transfer to the Pmb SPCA for the KZN Outreach programme in 2012/13, as mentioned previously. The transfer to Zakhe Agricultural College in 2013/14 was to improve its agricultural facilities which will enhance the quality of practicals being done by learners. The department also entered into a partnership with the AACL in 2014/15 to continue with the KZN Outreach programme which was previously done together with the Pmb SPCA. The increase from the 2015/16 Main to Adjusted Appropriation is in respect of the agricultural school revitalisation programme whereby the department, in partnership with DOE, is providing funding to improve the agricultural infrastructure at the agricultural schools in the province, as mentioned above. This continues until 2017/18.
- *Households* caters for staff exit costs, which are difficult to predict, hence the fluctuating trend.

Buildings and other fixed structures shows a steady increase between 2012/13 and 2014/15. The peak in 2014/15 is in respect of the good progress made on the infrastructure projects in the Makhathini area such as the Ndumo irrigation scheme, KwaNganase abattoir and the Jozini packer house. The increase from the 2015/16 Main to Adjusted Appropriation relates to the FMD barrier, irrigation projects in the Makhathini area, construction of diptanks, boreholes, stock watering dams and repairs to quarantine camps for the red-line fence, in response to FMD control and maintaining the FMD free status in the northern parts of the province. The funds were not spent in 2014/15 due to SCM delays, as well as invoices for work done in March not being received in time to process before 31 March 2015 and, hence, were rolled over to 2015/16. The decrease in 2016/17 is the effect of the implementation of the new departmental structure where the department had to reprioritise funding to *Compensation of employees*, as well as the impact of conditional grant cuts, as mentioned earlier.

The expenditure against *Machinery and equipment* fluctuates between 2012/13 to 2015/16 due to the department reviewing the mechanisation programme resulting in no additional tractors and implements being acquired during this period. The noticeable decrease in 2016/17 relates to the above-mentioned budget cuts. The steady increase from 2017/18 provides for farming equipment at the research farms and colleges, as well as office furniture and equipment at the various district and regional agricultural offices.

The high expenditure against *Biological assets* in 2012/13 was in respect of the department's Nguni breeding initiative, which is aimed at revitalising the Nguni breed in KZN. This accounts for the significant drop from 2013/14 onward, where the provision is for acquiring animals for research and educational purposes only.

Software and other intangible assets fluctuates over the period, as this category is dependent on the need for updated software.

Service delivery measures – Programme 2: Agriculture

Table 3.18 shows service delivery measures pertaining to Programme 2, which are largely aligned to the customised measures prescribed for the Agriculture sector. In addition, the department reports on several measures which are not prescribed by the sector.

Table 3.18 : Service delivery measures – Programme 2: Agriculture

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2015/16	2016/17	2017/18	2018/19
1. Sustainable Resource Management					
1.1 Engineering services	<ul style="list-style-type: none"> No. of agricultural engineering advisory reports prepared No. of designs with specification for agricultural engineering solutions provided No. of agricultural infrastructure established 	12 250 100	180 250 337	180 250 350	180 250 350
1.2 Infrastructure	<ul style="list-style-type: none"> No. of dip tanks constructed No. of dip tanks rehabilitated No. of boreholes established No. of irrigation schemes rehabilitated No. of irrigation schemes developed No. of km of fencing erected No. of dams established No. of projects of animal houses implemented (piggery, poultry, etc) No. of agro-processing facilities established 	- 102 42 1 32 329 - - -	30 78 80 2 34 450 77 26 12	35 115 48 3 36 380 76 26 14	40 115 48 3 36 380 76 27 16
1.3 Land use	<ul style="list-style-type: none"> No. of ha of agricultural land protected through guiding subdivision / rezoning / change of agricultural land use No. of natural resource assessments completed No. of soil profiles described (NRS) No. of ha of vegetation sites surveyed e.g. veld condition assessment 	5 000 16 5 000 12 500	4 000 16 5 000 5 000	5 500 20 5 000 5 000	5 500 20 5 000 5 000
1.4 Disaster risk management	<ul style="list-style-type: none"> No. of disaster relief schemes managed No. of disaster risk reduction programmes managed 	3 4	1 1	3 4	3 4
1.5 Land care	<ul style="list-style-type: none"> No. of green jobs created through land care No. of ha protected/rehabilitated to improve agricultural production 	1 000 8 000	2 000 6 500	3 000 6 500	3 000 6 500

Table 3.18 : Service delivery measures – Programme 2: Agriculture

Outputs		Performance indicators	Estimated performance	Medium-term targets		
			2015/16	2016/17	2017/18	2018/19
2. Farmer Support and Development						
2.1	Farmer-settlement and development	<ul style="list-style-type: none">No. of smallholder producers receiving supportNo. of commercial farmers supported	22 253 2 073	3 150 275	4 000 300	4 500 350
2.2	Specialist agricultural advisory services	<ul style="list-style-type: none">No. of scientific evaluation reports on commodity based projectsNo. of scientific value adding reports on diversified agricultural productsNo. of agricultural business plans assessed	90 70 130	90 22 330	90 75 150	90 80 150
2.3	Mentorship	<ul style="list-style-type: none">No. of projects mentored	45	50	55	55
2.4	Extension and advisory services	<ul style="list-style-type: none">No. of smallholder producers supported with agricultural adviceNo. of ha under irrigation used by smallholder farmersNo of jobs createdNo. of communal estates established	8 500 10 000 2 200 113	15 000 2 500 1 000 74	9 000 10 000 3 124 168	9 000 10 000 3 000 201
2.5	Crop production	<ul style="list-style-type: none">No. of ha of maize establishedNo. of ha of beans establishedNo. of ha of vegetables establishedNo. of ha of soya bean establishedNo. of ha of cotton establishedNo. of ha of sugarcane establishedNo. of ha of groundnuts rehabilitatedNo. of ha of banana establishedNo. of ha of macadamia establishedNo. of ha of citrus fruits establishedNo. of ha of pineapple established	19 374 4 324 22 884 40 - - 700 - - - - -	15 500 5 800 700 1 600 1 000 1 445 665 13 150 105 25	21 800 4 860 1 000 1 500 1 000 1 500 800 20 160 110 30	21 800 4 860 1 000 50 1 000 1 500 800 30 170 115 35
2.6	Food security	<ul style="list-style-type: none">No. of households benefitting from agricultural food security initiativesNo. of hectares cultivated for food production in communal areas and land reform projectsNo. of community gardens establishedNo. of household gardens establishedNo. of institutional gardens supportedNo. of food security livestock projects established (goats, layers & indigenous chickens)No. of food security tunnels establishedNo. of food security mushroom projects resuscitated	120 021 27 100 100 1 100 200 - 20 -	2 130 25 865 170 1 370 190 - 198 60	3 000 33 800 110 2 000 200 500 200 80	4 000 33 800 110 2 600 200 500 210 80
3. Veterinary Services						
3.1	Animal health	<ul style="list-style-type: none">No. of epidemiological units visited for veterinary interventionsAnimals vaccinated control / notifiable diseasesNo. of animals surveyed for diseases (TB, CA, rabies, AI, NCD, nagana, BSE)	15 000 1 593 895 67 938	20 000 1 500 000 68 000	25 000 1 500 000 69 000	26 000 1 500 000 69 500
3.2	Export control	<ul style="list-style-type: none">No. of clients serviced for animal and animal products export control	5 352	500	500	500
3.3	Veterinary public health	<ul style="list-style-type: none">% level of abattoir compliance to meat safety legislationNo. of inspections to facilities processing animal product and by-productsNo. of inspections to further processing facilities	60% 832 148	100% 705 600	100% 705 650	100% 705 650
3.4	Veterinary laboratory services	<ul style="list-style-type: none">No. of veterinary laboratory quality control tests which meets ISO 17025 standardsNo. of tests performed	62 400 120 000	65 000 150 000	64 500 150 000	64 500 150 000
4. Research and Technology Development Services						
4.1	Research and technical development	<ul style="list-style-type: none">No. of research and technology development projects implemented to improve agricultural productionNo. of samples analysed	90 34 200	96 35 000	100 35 000	150 36 000
4.2	Infrastructure and support services	<ul style="list-style-type: none">No. of research infrastructure managed	11	11	11	11
4.3	Technology transfer services	<ul style="list-style-type: none">No. of scientific papers published (nationally or internationally)No. of presentations made at scientific events (nationally or internationally)	7 95	11 101	12 110	12 120
5. Agricultural Economic Services						
5.1	Agri-business support and development	<ul style="list-style-type: none">No. of agri-businesses supported with agricultural economics services toward accessing marketsNo. of clients benefitted from agricultural economic advice providedNo. of functional agro-processing facilities established	30 2 000 2	40 1 000 6	50 2 000 8	50 2 000 10
5.2	Macro-economic support	<ul style="list-style-type: none">No. of agricultural economic information responses providedNo. of economic reports compiled	1 500 4	800 5	1 000 5	100 5

Table 3.18 : Service delivery measures – Programme 2: Agriculture

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2015/16	2016/17	2017/18	2018/19
6. Structured Agricultural Education and Training					
6.1 Higher education and training (HET)	• No. of agricultural HET graduates	90	500	550	550
6.2 Further education and training (FET)	• No. of participants trained in agricultural skills development programmes	5 000	2 400	3 200	3 200
	• No. of intervention in revitalisation of agricultural schools	8	5	8	8
	• No. of interventions in schools programmes	4	4	4	4

6.3 Programme 3: Rural Development

This is a new programme from 2015/16, following the function shift from OTP. The programme aims to:

- Initiate, plan and monitor development in specific rural areas (comprehensive rural development project sites) across the three spheres of government.
- Facilitate rural development initiatives by engaging communities on priorities and to institutionalise and support community organisational structures.

The department did not receive additional funding for this function and has reprioritised some funds from within its budget to at least partially fund this function. The cost of the entire staff complement has been calculated at R43.783 million, R46.435 million and R49.506 million over the MTEF, but the department has allocated less than this over the MTEF due to budget constraints, and taking into account the freezing of all non-OSD posts.

Tables 3.19 and 3.20 summarise payments and estimates for Programme 3, which conforms to the uniform budget structure of the Agriculture and Rural Development sector. The MTEF allocation is for the co-ordination and facilitation function only. The proposed organisational structure also provides for rural development enterprise which is not included in this programme. Part of this function will be provided within the Agriculture programme in as far as it relates to agricultural enterprises.

The Rural Development programme has six main priorities which respond directly to the intended outcome of the mandate, which seeks to achieve “vibrant, equitable, sustainable rural communities contributing toward food security for all.” These six main priorities are:

- Improved land administration and spatial planning for integrated development in rural areas.
- Sustainable land reform (agrarian transformation).
- Improved food security.
- Smallholder farmer development and support (technical, financial, infrastructure) for agrarian transformation.
- Increased access to quality basic infrastructure and services, particularly in education, healthcare and public transport in rural areas.
- Growth of sustainable rural enterprises and industries characterised by strong rural-urban linkages, increased investment in agro-processing, trade development and access to markets and financial services, resulting in rural job creation.

The decrease from the 2015/16 Main to Adjusted Appropriation is due to delays in finalising the structure and the filling of the posts. The decrease over the 2016/17 MTEF totals R35.561 million, R33.977 million and R35.676 million and is in respect of the above-mentioned budget cuts against *Compensation of employees, Goods and services* and *Machinery and equipment*.

Table 3.19 : Summary of payments and estimates by sub-programme: Rural Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Rural Development Co-ordination	-	-	-	8 763	1 190	1 190	4 492	4 848	5 183
2. Social Facilitation	-	-	-	10 198	805	805	6 730	7 610	8 647
Total	-	-	-	18 961	1 995	1 995	11 222	12 458	13 830

Table 3.20 : Summary of payments and estimates by economic classification: Rural Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	-	-	-	17 978	1 995	1 995	10 922	12 104	13 367
Compensation of employees	-	-	-	16 488	1 748	1 748	6 467	6 946	7 460
Goods and services	-	-	-	1 490	247	247	4 455	5 158	5 907
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	983	-	-	300	354	463
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	983	-	-	300	354	463
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	18 961	1 995	1 995	11 222	12 458	13 830

The decrease in the 2015/16 Adjusted Appropriation against *Compensation of employees*, relates to delays in the filling of vacant posts. Although this category was reduced over the MTEF in respect of the above-mentioned budget cuts, there is still visible growth relating to the carry-through costs of the above-budget 2015 wage agreement, as well as annual salary increments. The department plans to review this category in-year, in view of the freezing of all vacant non-OSD posts.

The decrease against *Goods and services* from the 2015/16 Main to Adjusted Appropriation relates to costs associated with the filling of vacant posts not being required, as these posts were not filled and funds were moved to other areas of spending pressure. There is visible growth over the 2016/17 MTEF despite the above-mentioned budget cuts being implemented against this category.

The allocation under *Machinery and equipment* provides for computer equipment and vehicles for the newly appointed staff, however, the decrease from the 2015/16 Main to Adjusted Appropriation relates to costs associated with the filling of vacant posts not being required, as these posts were not filled. The provision over the MTEF period is in respect of office furniture and equipment. The visible decrease however, is in respect of budget cuts, as mentioned above.

Service delivery measures – Programme 3: Rural Development

Table 3.21 shows service delivery pertaining to Programme 3.

The information reflected largely complies with the customised measures prescribed for the Agriculture and Rural Development sector.

It is noted that the department reports on only those customised measures that are relevant and quantifiable, as well as on several measures, which are not prescribed by the sector.

Table 3.21 : Service delivery measures – Programme 3: Rural Development

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2015/16	2016/17	2017/18	2018/19	
1. Rural Development Co-ordination						
1.1 Effective Rural Development monitoring and evaluation	<ul style="list-style-type: none"> Develop a provincial policy on Rural Development Develop a KZN programme of action aligned to Outcome 7 Establish a rural infrastructure development database No. of KZN Interdepartmental task team meetings convened to track rural development implementation District rural development plans integrated into IDP's No. of youth, women and people with disabilities who participate in rural development projects Develop outcome 7 performance reports for the province No. of reported sub-outcomes verified No. of impact assessments completed No. of statistical review reports produced 	1 1 1 4 11 1 550 4 2 2 2	- - - 4 11 2 000 4 2 2 2	- - - 4 11 2 000 4 2 2 2	- - - 4 11 2 000 4 2 2 2	
2. Social Facilitation						
2.1 Sustainable enterprises and industries promoted in areas with economic potential	<ul style="list-style-type: none"> Develop a Provincial Rural Enterprise and Industrial Development Strategy for increased participation in the value chain of prioritised commodities Develop rural development plans for each of the 4 pillars – River catalytic, Agri-villages, Communal estates and Land Reform No. of agri-businesses supported with business entity advice Develop a youth in agribusiness empowerment model No. of business entities (incl co-ops) equipped with rural enterprise development skills No. of projects mentored No. of agricultural graduates deployed in rural projects No. of reports on implementation of the agri-park strategy for each district Develop the credit and finance model for rural enterprises No. of partnerships brokered promoting rural development No. of women owned enterprises supported to participate in agricultural value chain 	1 4 65 1 110 50 50 4 1 5 11	- 4 65 1 110 50 50 4 - 5 11	- 4 65 1 110 50 50 4 - 5 11	- 4 65 1 110 50 50 4 - 5 11	

7. Other programme information

7.1 Personnel numbers and costs

Tables 3.22 and 3.23 below illustrate personnel estimates for the department by programme as at 31 March 2013 to 31 March 2019.

The department reviewed its organisational structure following the new mandate of the department, whereby the functions of environmental affairs and conservation were removed, and rural development was added. This revised structure makes provision for 3 719 posts as opposed to the current approved establishment of 3 796 posts, a reduction of 77 posts. This proposed structure includes the provision of the rural development function, which was not previously catered for.

As is evident in the tables, the number of filled posts between 2012/13 and 2014/15 is far below the approved establishment of 3 796 posts for a number of reasons, including the moratorium on filling posts, restructuring and change of management.

Table 3.22 : 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	408	336	377	544	552	552	552
2. Agriculture	3 041	3 034	2 722	2 374	2 394	2 394	2 394
Of which:							
Assistant extension officers	448	686	727	-	-	-	-
3. Rural Development	-	-	-	4	11	11	11
Total	3 897	4 056	3 826	2 922	2 957	2 957	2 957
Total provincial personnel cost (R thousand)	761 872	832 928	851 046	919 190	983 934	1 063 588	1 149 862
Unit cost (R thousand)	196	205	222	315	333	360	389

Table 3.23 : 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)	3 897	4 056	3 826	3 719	2 922	2 922	2 957	2 957	2 957
Personnel cost (R thousands)	761 872	832 928	851 046	964 988	919 190	919 190	983 934	1 063 588	1 149 862
Human resources component									
Personnel numbers (head count)	149	180	150	159	159	159	159	159	159
Personnel cost (R thousands)	28 259	38 429	32 596	53 123	53 123	53 123	56 513	61 097	66 055
Head count as % of total for department	3.82	4.44	3.92	4.28	5.44	5.44	5.38	5.38	5.38
Personnel cost as % of total for department	3.71	4.61	3.83	5.51	5.78	5.78	5.74	5.74	5.74
Finance component									
Personnel numbers (head count)	124	119	120	198	198	198	199	199	199
Personnel cost (R thousands)	22 925	23 226	24 829	61 146	61 146	61 146	66 170	71 525	77 317
Head count as % of total for department	3.18	2.93	3.14	5.32	6.78	6.78	6.73	6.73	6.73
Personnel cost as % of total for department	3.01	2.79	2.92	6.34	6.65	6.65	6.73	6.72	6.72
Full time workers									
Personnel numbers (head count)	3 809	3 927	3 725	3 618	2 821	2 821	2 856	2 856	2 856
Personnel cost (R thousands)	732 804	799 392	824 731	938 673	892 875	892 875	957 619	1 037 273	1 123 547
Head count as % of total for department	97.74	96.82	97.36	97.28	96.54	96.54	96.58	96.58	96.58
Personnel cost as % of total for department	96.18	95.97	96.91	97.27	97.14	97.14	97.33	97.53	97.71
Part-time workers									
Personnel numbers (head count)	-	-	-	-	-	-	-	-	-
Personnel cost (R thousands)	-	-	-	-	-	-	-	-	-
Head count as % of total for department	-	-	-	-	-	-	-	-	-
Personnel cost as % of total for department	-	-	-	-	-	-	-	-	-
Contract workers									
Personnel numbers (head count)	88	129	101	101	101	101	101	101	101
Personnel cost (R thousands)	29 068	33 536	26 315	26 315	26 315	26 315	26 315	26 315	26 315
Head count as % of total for department	2.26	3.18	2.64	2.72	3.46	3.46	3.42	3.42	3.42
Personnel cost as % of total for department	3.82	4.03	3.09	2.73	2.86	2.86	2.67	2.47	2.29

Also affecting the personnel numbers is the assistant extension officer programme between 2012/13 and 2014/15, accounting for the significant increase in personnel numbers under Programme 2 in the same period. This programme was aimed at employing graduates with agricultural diplomas on a contract basis during which they would be provided with experience and an opportunity to upgrade their qualifications from a diploma to an agricultural degree. Government norms and standards for agricultural extension officers require a three-year degree as the minimum entry level. This programme, therefore, provided a means for graduates with diplomas to, at least, reach the minimum qualification that would enable them to apply for extension officer posts in the government sector. The last group of graduates finished their contract in September 2014. Therefore, no provision has been made 2015/16 and over the 2016/17 MTEF for assistant extension officers, as the department is currently reviewing the programme.

As a result of the agricultural research functions at the department's research farms, DARD is fairly labour intensive, with levels 2 to 5 comprising 41 per cent of the total number of posts in the department. These levels include laboratory assistants, farm assistants, etc. This accounts for the fairly low unit cost when compared to other provincial departments.

7.2 Training

Tables 3.24 and 3.25 give a summary of departmental spending and information on training per programme over the seven-year period.

The amounts reflected pertain to capacitating and improving the skills of the staff of the department. As required by the Skills Development Act, the department budgets at least 1 per cent of its salary expense for staff training. This requirement gives credence to government policy on human resource development.

It is noted that information for Programme 3 is not included in these tables as this is a new function and the development requirements will be established once this branch is fully implemented and appointments made. Any training needs will be catered for from existing budget allocations.

Table 3.24 : Payments on training by programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Administration	5 005	4 737	3 511	7 073	3 882	3 884	4 920	5 318	5 750
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	-	-	-	-	-	-	-	-	-
Other	5 005	4 737	3 511	7 073	3 882	3 884	4 920	5 318	5 750
2. Agriculture	6 934	5 693	4 529	7 669	7 318	7 318	5 031	5 323	5 631
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	-	-	-	-	-	-	-	-	-
Other	6 934	5 693	4 529	7 669	7 318	7 318	5 031	5 323	5 631
3. Rural Development	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	11 939	10 430	8 040	14 742	11 200	11 202	9 951	10 641	11 381

Table 3.25 illustrates the number of staff affected by the various training programmes and initiatives. It also includes a gender breakdown, an indication of the types of training, as well as details of the number of bursaries and learnerships. The department will continue to enhance the skills and development of its human capital.

Table 3.25 : Information on training: Agriculture and Rural Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Number of staff	3 897	4 056	3 826	3 719	2 922	2 922	2 957	2 957	2 957
Number of personnel trained	3 300	3 340	2 080	2 750	2 750	2 600	2 000	1 500	2 500
of which									
Male	1 550	1 560	1 000	1 100	1 100	1 100	800	600	1 000
Female	1 750	1 780	1 080	1 650	1 650	1 500	1 200	900	1 500
Number of training opportunities	2 714	2 739	1 859	2 590	2 590	2 731	2 000	1 500	1 500
of which									
Tertiary	200	210	40	190	190	127	150	150	130
Workshops	2 500	2 510	1 800	2 376	2 376	2 500	1 746	1 226	1 266
Seminars	10	15	15	20	20	100	100	120	100
Other	4	4	4	4	4	4	4	4	4
Number of bursaries offered	200	200	40	190	190	127	195	195	206
Number of interns appointed	175	175	128	180	180	149	148	190	201
Number of learnerships appointed	-	-	-	10	10	20	20	20	11
Number of days spent on training	6 820	6 900	5 000	6 875	6 875	5 000	3 700	2 700	2 740

ANNEXURE – VOTE 3: AGRICULTURE AND RURAL DEVELOPMENT

Table 3.A : Details of departmental receipts: Agriculture and Rural Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	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	14 820	15 709	19 520	19 771	19 771	21 764	20 207	21 529	22 778
Sale of goods and services produced by department (excluding capital assets)	14 820	15 708	19 518	19 769	19 769	21 760	20 207	21 529	22 778
Sale by market establishments	2 857	3 511	3 324	3 412	3 412	3 301	3 428	3 445	3 645
Administrative fees	1 530	5	5	11	11	12	11	12	13
Other sales	10 433	12 192	16 189	16 346	16 346	18 447	16 768	18 072	19 120
Of which									
Academic services	2 973	4 686	8 017	8 823	8 823	8 740	7 763	8 057	9 347
Lab services (Soil, plant, feed)	2 050	2 731	2 434	3 088	3 088	3 088	3 370	3 606	3 815
Lab services: Veterinary	1 430	1 483	1 575	1 864	1 864	1 864	1 994	2 133	2 257
Serv rend: Commission, insurance, garnishee	818	886	923	1 000	1 000	1 000	1 050	1 108	1 172
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	-	1	2	2	2	4	-	-	-
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	26	224	369	21	21	14	10	11	12
Interest	18	224	369	21	21	14	10	11	12
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	8	-	-	-	-	-	-	-	-
Sale of capital assets	2 730	138	10 594	3 000	3 000	3 000	3 976	4 187	4 430
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	2 730	138	10 594	3 000	3 000	3 000	3 976	4 187	4 430
Transactions in financial assets and liabilities	1 800	1 811	1 784	500	500	1 124	527	560	592
Total	19 376	17 882	32 267	23 292	23 292	25 902	24 720	26 287	27 812

Table 3.B : Payments and estimates by economic classification: Agriculture and Rural Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	1 636 620	1 657 712	1 565 342	1 829 246	1 828 833	1 828 833	1 742 000	1 821 637	1 939 416
Compensation of employees	761 872	832 928	851 046	964 988	919 190	919 190	983 934	1 063 588	1 149 862
Salaries and wages	659 391	721 705	734 304	843 030	789 848	789 848	839 933	907 858	981 304
Social contributions	102 481	111 223	116 742	121 958	129 342	129 342	144 001	155 730	168 558
Goods and services	874 721	824 673	714 125	864 258	909 643	909 643	757 995	757 974	789 475
Administrative fees	71	304	77	572	1 959	1 959	1 562	1 641	1 722
Advertising	21 755	20 639	9 440	11 031	6 992	6 992	6 450	6 837	7 176
Assets less than capitalisation threshold	5 431	9 406	4 348	15 304	12 097	12 097	8 095	8 633	9 216
Audit cost: External	4 295	14 013	5 324	4 719	6 833	6 833	6 004	6 352	6 720
Bursaries: Employees	12 369	6 086	793	7 323	7 011	7 011	5 622	5 903	6 169
Catering: Departmental activities	8 365	8 629	2 990	3 396	2 450	2 450	2 439	2 638	2 852
Communication (G&S)	30 604	42 973	40 538	38 050	30 623	30 623	29 766	32 256	35 065
Computer services	18 672	32 166	40 996	40 928	66 552	66 552	42 513	38 513	40 634
Cons & prof serv: Business and advisory services	479	93	1 789	3 844	1 390	1 390	637	674	712
Cons & prof serv: Infrastructure and planning	125 030	148 215	74 731	104 687	38 843	38 843	92 918	79 681	89 374
Cons & prof serv: Laboratory services	5	-	54	977	250	250	445	471	499
Cons & prof serv: Scientific and technological services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	4 410	4 184	1 986	5 253	2 071	2 071	2 473	2 673	2 886
Contractors	57 840	74 576	47 843	68 946	58 762	58 762	43 837	46 436	49 188
Agency and support / outsourced services	17 849	9 998	25 975	41 656	11 673	11 673	14 683	15 530	16 430
Entertainment	-	-	-	99	-	-	-	-	-
Fleet services (including government motor transport)	29 227	35 813	35 506	41 555	34 041	34 041	41 721	44 141	46 700
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	5 813	4 872	1 439	8 488	8 488	5 521	5 841	6 163
Inventory: Farming supplies	-	143 060	139 717	145 897	304 636	304 636	167 543	148 716	134 207
Inventory: Food and food supplies	297	8	-	566	-	-	-	-	-
Inventory: Fuel, oil and gas	8 722	10 338	6 068	12 587	3 098	3 098	3 199	3 610	4 045
Inventory: Learner and teacher support material	1 150	920	1 619	1 915	2 031	2 031	1 323	1 423	1 528
Inventory: Materials and supplies	7 812	5 551	5 500	7 699	22 015	22 015	11 232	7 661	8 112
Inventory: Medical supplies	327	592	523	8 711	1 306	1 306	518	548	579
Inventory: Medicine	42 122	17 315	17 859	12 263	9 952	9 952	17 142	18 310	19 546
Medias inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	219	2 861	3 599	27	4 803	4 803	4 059	4 295	4 545
Consumable supplies	281 092	23 294	44 875	58 374	64 381	64 381	27 143	28 939	30 842
Consumable: Stationery, printing and office supplies	9 535	10 962	8 120	13 602	9 250	9 250	9 688	10 248	10 842
Operating leases	25 325	25 104	25 647	29 947	25 605	25 605	30 848	33 697	36 813
Property payments	48 698	58 369	61 046	63 313	65 193	65 193	79 402	94 152	100 991
Transport provided: Departmental activity	1 120	1 044	282	660	450	450	302	320	339
Travel and subsistence	84 208	92 029	78 054	93 636	80 002	80 002	79 676	85 136	91 237
Training and development	11 939	10 430	8 040	14 742	11 200	11 202	9 951	10 641	11 381
Operating payments	7 023	6 752	8 874	7 062	12 848	12 846	9 586	10 196	10 923
Venues and facilities	7 021	3 079	6 686	3 478	2 758	2 758	1 697	1 862	2 039
Rental and hiring	1 709	57	354	-	80	80	-	-	-
Interest and rent on land	27	111	171	-	-	-	71	75	79
Interest	27	37	108	-	-	-	-	-	-
Rent on land	-	74	63	-	-	-	71	75	79
Transfers and subsidies	234 383	167 945	219 116	185 514	229 125	229 125	249 496	247 025	249 148
Provinces and municipalities	1 207	869	1 237	1 260	1 273	1 273	1 466	1 586	1 713
Provinces	1 207	869	1 203	1 260	1 260	1 260	1 428	1 546	1 671
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	1 207	869	1 203	1 260	1 260	1 260	1 428	1 546	1 671
Municipalities	-	-	34	-	13	13	38	40	42
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	34	-	13	13	38	40	42
Departmental agencies and accounts	140 734	101 152	108 351	123 119	102 309	102 309	131 350	138 140	146 226
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	140 734	101 152	108 351	123 119	102 309	102 309	131 350	138 140	146 226
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	71 008	55 243	91 962	54 809	100 453	100 453	83 792	88 172	92 595
Public corporations	69 569	49 243	73 165	54 809	54 563	54 563	57 130	60 177	63 200
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	69 569	49 243	73 165	54 809	54 563	54 563	57 130	60 177	63 200
Private enterprises	1 439	6 000	18 797	-	45 890	45 890	26 662	27 995	29 395
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	1 439	6 000	18 797	-	45 890	45 890	26 662	27 995	29 395
Non-profit institutions	10 291	250	5 300	-	13 770	13 770	25 207	11 023	-
Households	11 143	10 431	12 266	6 326	11 320	11 320	7 681	8 104	8 614
Social benefits	10 469	10 426	12 206	6 326	11 309	11 309	7 681	8 104	8 614
Other transfers to households	674	5	60	-	11	11	-	-	-
Payments for capital assets	238 588	178 798	215 178	188 314	234 522	234 522	179 148	155 760	165 274
Buildings and other fixed structures	155 083	133 464	182 814	115 444	159 375	159 375	136 190	110 496	116 808
Buildings	21 466	5 727	3 654	15 230	15 657	15 657	26 775	26 759	27 789
Other fixed structures	133 617	127 737	179 160	100 214	143 718	143 718	109 415	83 737	89 019
Machinery and equipment	73 308	44 817	32 180	72 029	75 105	75 105	42 267	44 536	47 694
Transport equipment	38 944	16 253	20 481	17 437	25 985	25 985	18 028	18 938	19 889
Other machinery and equipment	34 364	28 564	11 699	54 592	49 120	49 120	24 239	25 598	27 805
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	9 542	474	145	606	42	42	636	668	707
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	655	43	39	235	-	-	55	60	65
Payments for financial assets	-	1 073	3 408	-	-	-	-	-	-
Total	2 109 591	2 005 528	2 003 044	2 203 074	2 292 480	2 292 480	2 170 644	2 224 422	2 353 838

Table 3.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	376 655	405 069	388 012	355 977	325 651	438 093	433 010	467 741	500 550
Compensation of employees	168 099	165 517	173 138	170 652	141 572	193 353	201 857	217 704	234 932
Salaries and wages	146 067	143 331	149 946	154 175	121 827	165 079	172 921	186 490	201 137
Social contributions	22 032	22 186	23 192	16 477	19 745	28 274	28 936	31 214	33 795
Goods and services	208 529	239 469	214 797	185 325	184 079	244 740	231 153	250 037	265 618
Administrative fees	-	7	1	14	854	945	553	583	613
Advertising	20 502	20 525	9 440	9 517	6 786	6 861	6 185	6 557	6 880
Assets less than capitalisation threshold	772	1 156	1 579	1 456	2 048	2 320	1 669	1 754	1 855
Audit cost: External	4 295	14 013	5 324	4 719	6 833	6 833	6 004	6 352	6 720
Bursaries: Employees	9 973	305	204	6 719	6 451	6 451	5 071	5 324	5 590
Catering: Departmental activities	2 194	895	778	927	526	646	796	842	894
Communication (G&S)	22 593	33 333	26 766	12 415	14 025	19 930	17 145	18 386	19 792
Computer services	18 077	29 580	39 951	38 882	63 269	63 269	33 240	35 168	37 208
Cons & prof serv: Business and advisory services	436	1	1 789	3 844	1 093	1 113	637	674	712
Cons & prof serv: Infrastructure and planning	553	165	744	2 000	602	602	764	817	882
Cons & prof serv: Laboratory services	5	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and technological services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	4 410	4 184	1 986	5 253	2 071	2 071	2 473	2 673	2 886
Contractors	15 390	10 063	11 024	9 640	9 019	9 621	9 757	10 322	10 920
Agency and support / outsourced services	353	91	442	11 658	-	-	280	293	310
Entertainment	-	-	-	99	-	-	-	-	-
Fleet services (including government motor transport)	25 692	33 021	32 502	10 335	5 363	31 087	37 913	40 112	42 438
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	70	430	12	558	589	3 456	3 658	3 870
Inventory: Farming supplies	-	1	-	-	-	-	-	-	-
Inventory: Food and food supplies	147	4	-	399	-	-	-	-	-
Inventory: Fuel, oil and gas	84	-	2	50	17	18	25	26	28
Inventory: Learner and teacher support material	9	146	172	-	80	80	-	-	-
Inventory: Materials and supplies	87	184	504	238	5 323	5 323	4 593	628	665
Inventory: Medical supplies	13	9	78	2	-	-	2	2	2
Inventory: Medicine	67	85	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	219	-	-	12	-	-	-	-	-
Consumable supplies	741	973	1 969	979	1 925	2 126	1 358	1 436	1 519
Consumable: Stationery, printing and office supplies	5 797	6 200	5 209	6 191	3 497	4 349	5 775	6 109	6 463
Operating leases	20 953	22 283	21 804	2 445	1 590	21 715	26 354	28 921	31 741
Property payments	23 625	30 550	29 322	25 816	26 921	30 964	42 455	53 182	55 558
Transport provided: Departmental activity	594	372	15	660	-	-	-	-	-
Travel and subsistence	23 152	24 413	16 617	22 688	16 303	18 626	18 063	19 088	20 351
Training and development	5 005	4 737	3 511	7 073	3 882	3 884	4 920	5 318	5 750
Operating payments	1 129	1 306	1 837	669	3 472	3 736	1 205	1 327	1 458
Venues and facilities	1 662	797	457	613	1 571	1 571	460	485	513
Rental and hiring	-	-	340	-	-	10	-	-	-
Interest and rent on land	27	83	77	-	-	-	-	-	-
Interest	27	9	77	-	-	-	-	-	-
Rent on land	-	74	-	-	-	-	-	-	-
Transfers and subsidies	2 648	1 806	5 142	980	4 079	4 610	4 192	4 581	4 995
Provinces and municipalities	719	471	619	980	980	980	770	850	935
Provinces	719	471	619	980	980	980	770	850	935
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	719	471	619	980	980	980	770	850	935
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	1 938	-	2 800	2 800	2 952	3 191	3 450
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	1 938	-	2 800	2 800	2 952	3 191	3 450
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	30	8	-	-	5	5	-	-	-
Public corporations	30	8	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	30	8	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	5	5	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	5	5	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 899	1 327	2 585	-	294	825	470	540	610
Social benefits	1 225	1 322	2 585	-	283	814	470	540	610
Other transfers to households	674	5	-	-	11	11	-	-	-
Payments for capital assets	77 348	36 351	22 660	50 873	53 360	53 719	48 942	49 649	52 352
Buildings and other fixed structures	40 861	17 913	6 140	17 229	15 657	15 684	26 775	26 759	27 789
Buildings	21 466	5 727	3 654	15 230	15 657	15 657	26 775	26 759	27 789
Other fixed structures	19 395	12 186	2 486	1 999	-	27	-	-	-
Machinery and equipment	36 012	18 438	16 520	33 644	37 703	38 035	22 167	22 890	24 563
Transport equipment	22 202	14 311	13 228	14 958	18 981	18 981	15 618	16 400	17 351
Other machinery and equipment	13 810	4 127	3 292	18 686	18 722	19 054	6 549	6 490	7 212
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	475	-	-	-	-	-	-	-	-
Payments for financial assets	-	1 073	3 408	-	-	-	-	-	-
Total	456 651	444 299	419 222	407 830	383 090	496 422	486 144	521 971	557 897

Table 3.D : Payments and estimates by economic classification: Agriculture

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	1 259 965	1 252 643	1 177 330	1 455 291	1 501 187	1 388 745	1 298 068	1 341 792	1 425 499
Compensation of employees	593 773	667 411	677 908	777 848	775 870	724 089	775 610	838 938	907 470
Salaries and wages	513 324	578 374	584 358	675 413	666 568	623 316	661 319	715 255	773 604
Social contributions	80 449	89 037	93 550	102 435	109 302	100 773	114 291	123 683	133 866
Goods and services	666 192	585 204	499 328	677 443	725 317	664 656	522 387	502 779	517 950
Administrative fees	71	297	76	558	1 105	1 014	956	1 002	1 050
Advertising	1 253	114	-	1 514	206	131	265	280	296
Assets less than capitalisation threshold	4 659	8 250	2 769	13 678	10 049	9 777	6 240	6 683	7 151
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	2 396	5 781	589	604	560	560	551	579	579
Catering: Departmental activities	6 171	7 734	2 212	2 469	1 924	1 804	1 176	1 244	1 316
Communication (G&S)	8 011	9 640	13 772	25 520	16 571	10 666	12 467	13 708	15 102
Computer services	595	2 586	1 045	2 046	3 283	3 283	9 273	3 345	3 426
Cons & prof serv: Business and advisory services	43	92	-	-	297	277	-	-	-
Cons & prof serv: Infrastructure and planning	124 477	148 050	73 987	102 687	38 241	38 241	90 154	76 364	85 492
Cons & prof serv: Laboratory services	-	-	54	977	250	250	445	471	499
Cons & prof serv: Scientific and technological services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	42 450	64 513	36 819	59 306	49 743	49 141	34 080	36 114	38 268
Agency and support / outsourced services	17 496	9 907	25 533	29 998	11 673	11 673	14 403	15 237	16 120
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	3 535	2 792	3 004	31 081	28 678	2 954	3 598	3 807	4 028
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	5 743	4 442	1 427	7 930	7 899	2 065	2 183	2 293
Inventory: Farming supplies	-	143 059	139 717	145 897	304 636	304 636	167 543	148 716	134 207
Inventory: Food and food supplies	150	4	-	167	-	-	-	-	-
Inventory: Fuel, oil and gas	8 638	10 338	6 066	12 537	3 081	3 080	3 174	3 584	4 017
Inventory: Learner and teacher support material	1 141	774	1 447	1 915	1 951	1 951	1 323	1 423	1 528
Inventory: Materials and supplies	7 725	5 367	4 996	7 461	16 692	16 692	6 639	7 033	7 447
Inventory: Medical supplies	314	583	445	8 709	1 306	1 306	516	546	577
Inventory: Medicine	42 055	17 230	17 859	12 263	9 952	9 952	17 142	18 310	19 546
Medas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	2 861	3 599	15	4 803	4 803	4 059	4 295	4 545
Consumable supplies	280 351	22 321	42 906	57 395	62 456	62 255	25 785	27 503	29 323
Consumable: Stationery, printing and office supplies	3 738	4 762	2 911	7 315	5 753	4 901	3 810	4 031	4 265
Operating leases	4 372	2 821	3 843	27 429	24 015	3 890	4 397	4 664	4 946
Property payments	25 073	27 819	31 724	37 497	38 272	34 229	36 947	40 970	45 433
Transport provided: Departmental activity	526	672	267	-	450	450	302	320	339
Travel and subsistence	61 056	67 616	61 437	70 051	63 479	61 156	60 658	65 042	69 795
Training and development	6 934	5 693	4 529	7 669	7 318	7 318	5 031	5 323	5 631
Operating payments	5 894	5 446	7 037	6 393	9 376	9 110	8 334	8 818	9 409
Venues and facilities	5 359	2 282	6 229	2 865	1 187	1 187	1 054	1 184	1 322
Rental and hiring	1 709	57	14	-	80	70	-	-	-
Interest and rent on land	-	28	94	-	-	-	71	75	79
Interest	-	28	31	-	-	-	-	-	-
Rent on land	-	-	63	-	-	-	71	75	79
Transfers and subsidies	231 735	166 139	213 974	184 534	225 046	224 515	245 304	242 444	244 153
Provinces and municipalities	488	398	618	280	293	293	696	736	778
Provinces	488	398	584	280	280	280	658	696	736
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	488	398	584	280	280	280	658	696	736
Municipalities	-	-	34	-	13	13	38	40	42
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	34	-	13	13	38	40	42
Departmental agencies and accounts	140 734	101 152	106 413	123 119	99 509	99 509	128 398	134 949	142 776
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	140 734	101 152	106 413	123 119	99 509	99 509	128 398	134 949	142 776
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	70 978	55 235	91 962	54 809	100 448	100 448	83 792	88 172	92 595
Public corporations	69 539	49 235	73 165	54 809	54 563	54 563	57 130	60 177	63 200
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	69 539	49 235	73 165	54 809	54 563	54 563	57 130	60 177	63 200
Private enterprises	1 439	6 000	18 797	-	45 885	45 885	26 662	27 995	29 395
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	1 439	6 000	18 797	-	45 885	45 885	26 662	27 995	29 395
Non-profit institutions	10 291	250	5 300	-	13 770	13 770	25 207	11 023	-
Households	9 244	9 104	9 681	6 326	11 026	10 495	7 211	7 564	8 004
Social benefits	9 244	9 104	9 621	6 326	11 026	10 495	7 211	7 564	8 004
Other transfers to households	-	-	60	-	-	-	-	-	-
Payments for capital assets	161 240	142 447	192 518	136 458	181 162	180 803	129 906	105 757	112 459
Buildings and other fixed structures	114 222	115 551	176 674	98 215	143 718	143 691	109 415	83 737	89 019
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	114 222	115 551	176 674	98 215	143 718	143 691	109 415	83 737	89 019
Machinery and equipment	37 296	26 379	15 660	37 402	37 402	37 070	19 800	21 292	22 668
Transport equipment	16 742	1 942	7 253	2 479	7 004	7 004	2 410	2 538	2 538
Other machinery and equipment	20 554	24 437	8 407	34 923	30 398	30 066	17 390	18 754	20 130
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	9 542	474	145	606	42	42	636	668	707
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	180	43	39	235	-	-	55	60	65
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 652 940	1 561 229	1 583 822	1 776 283	1 907 395	1 794 063	1 673 278	1 689 993	1 782 111

Table 3.E : Details of payments and estimates by economic classification - Sub-programme: Sustainable Resource Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	88 890	106 138	70 594	97 076	82 771	82 771	85 639	87 899	93 884
Compensation of employees	24 183	24 153	24 503	26 094	29 085	29 085	43 200	46 737	50 566
Salaries and wages	21 062	21 061	21 500	24 387	26 034	26 034	37 730	40 815	44 154
Social contributions	3 121	3 092	3 003	1 707	3 051	3 051	5 470	5 922	6 412
Goods and services	64 707	81 985	46 091	70 982	53 686	53 686	42 439	41 162	43 318
Administrative fees	-	-	-	52	104	104	105	108	111
Advertising	-	10	-	42	85	85	-	-	-
Assets less than capitalisation threshold	62	228	41	622	350	350	448	474	501
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	157	-	-	-	-	-
Catering: Departmental activities	208	253	219	246	310	310	261	276	292
Communication (G&S)	394	279	275	587	477	477	372	394	417
Computer services	358	405	941	551	1 000	1 000	1 061	1 123	1 189
Cons & prof serv: Business and advisory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Infras and planning	44 185	59 844	23 057	42 466	37 250	37 250	25 480	23 031	23 943
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	111	139	1 417	699	-	-	1 598	1 691	1 789
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	-	1	-	16	16	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	4 283	1 587	-	1 302	1 302	1 789	1 893	2 003
Inventory: Farming supplies	-	2 766	2 399	-	951	951	1 706	1 763	1 829
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	1	1 603	333	90	3 750	3 750	1 076	1 148	1 221
Inventory: Medical supplies	-	-	-	17	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	12 931	5 993	5 942	19 344	854	854	1 801	2 128	2 477
Consumable: Stationery, printing and office supplies	74	130	112	425	268	268	212	224	237
Operating leases	8	56	89	82	68	68	106	112	118
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	5 930	5 480	5 175	4 803	6 287	6 287	5 837	6 176	6 534
Training and development	69	323	136	485	267	267	153	162	171
Operating payments	213	193	230	157	347	347	269	285	302
Venues and facilities	163	-	4 137	157	-	-	165	174	184
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	1 510	1 485	1 702	1 947	2 260	2 260	2 076	2 213	2 342
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	1 121	1 431	1 269	1 500	1 500	1 500	1 605	1 717	1 817
Public corporations	1 121	1 431	1 269	1 500	1 500	1 500	1 605	1 717	1 817
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	1 121	1 431	1 269	1 500	1 500	1 500	1 605	1 717	1 817
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	389	54	433	447	760	760	471	496	525
Social benefits	389	54	433	447	760	760	471	496	525
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	394	4 738	5 164	2 534	1 430	1 430	1 093	1 135	1 183
Buildings and other fixed structures	-	2 268	3 968	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	2 268	3 968	-	-	-	-	-	-
Machinery and equipment	394	2 443	1 196	2 463	1 430	1 430	1 093	1 135	1 183
Transport equipment	93	54	-	-	-	-	-	-	-
Other machinery and equipment	301	2 389	1 196	2 463	1 430	1 430	1 093	1 135	1 183
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	27	-	71	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	90 794	112 361	77 460	101 557	86 461	86 461	88 808	91 247	97 409

Table 3.F : Details of payments and estimates by economic classification - Sub-programme: Farmer Support and Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	790 340	753 256	682 429	943 401	992 832	880 390	835 977	847 061	891 770
Compensation of employees	315 528	352 782	368 104	461 922	448 878	397 097	462 155	499 810	540 555
Salaries and wages	269 118	302 071	315 508	394 668	384 899	341 647	393 725	425 768	460 428
Social contributions	46 410	50 711	52 596	67 254	63 979	55 450	68 430	74 042	80 127
Goods and services	474 812	400 454	314 300	481 479	543 954	483 293	373 822	347 251	351 215
Administrative fees	10	192	-	50	373	282	266	281	297
Advertising	1 248	104	-	1 100	75	-	265	280	296
Assets less than capitalisation threshold	2 713	4 209	1 364	9 570	8 007	7 735	3 714	3 987	4 276
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	2 396	5 781	589	447	300	300	551	579	579
Catering: Departmental activities	5 815	6 276	1 836	1 800	852	732	685	725	767
Communication (G&S)	6 090	7 959	12 066	23 097	14 601	8 696	10 194	11 288	12 528
Computer services	27	1 969	-	1 100	2 000	2 000	8 000	1 998	2 000
Cons & prof serv: Business and advisory services	43	92	-	-	297	277	-	-	-
Cons & prof serv: Infras and planning	72 220	88 206	50 451	59 928	991	991	64 674	53 333	61 549
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	33 774	59 963	28 835	52 355	42 945	42 343	26 074	27 586	29 186
Agency and support / outsourced services	6 139	1 676	16 844	9 800	405	405	4 129	4 368	4 621
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	1 588	452	660	29 690	26 337	613	908	961	1 017
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	459	1 258	-	4 137	4 106	276	290	290
Inventory: Farming supplies	-	119 688	85 369	135 837	286 373	286 373	156 028	136 567	121 389
Inventory: Food and food supplies	130	4	-	140	-	-	-	-	-
Inventory: Fuel, oil and gas	6 123	7 921	4 330	8 900	289	288	894	1 178	1 477
Inventory: Learner and teacher support material	15	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	6 728	2 014	2 593	4 500	10 014	10 014	2 927	3 097	3 277
Inventory: Medical supplies	42	-	-	-	45	45	-	-	-
Inventory: Medicine	23 047	13 110	12 711	11 500	322	322	11 336	12 167	13 047
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	237 502	13 817	34 689	24 500	54 106	53 905	20 501	21 690	22 948
Consumable: Stationery, printing and office supplies	2 067	2 827	1 132	3 865	3 246	2 394	1 512	1 600	1 693
Operating leases	2 619	1 616	2 443	24 859	22 406	2 281	2 620	2 772	2 933
Property payments	14 773	14 981	19 293	25 371	22 659	18 616	21 039	23 046	25 229
Transport provided: Departmental activity	526	672	267	-	450	450	302	320	339
Travel and subsistence	31 928	35 673	27 768	42 800	32 005	29 682	27 130	28 704	30 369
Training and development	6 786	4 915	3 561	3 440	3 120	3 120	3 816	4 037	4 271
Operating payments	4 111	3 596	4 407	4 990	6 402	6 136	5 092	5 387	5 699
Venues and facilities	4 759	2 282	1 834	1 840	1 187	1 187	889	1 010	1 138
Rental and hiring	1 593	-	-	-	10	-	-	-	-
Interest and rent on land	-	20	25	-	-	-	-	-	-
Interest	-	20	25	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	217 466	160 915	204 975	182 028	205 593	205 062	216 844	227 998	240 530
Provinces and municipalities	400	398	584	280	280	280	658	696	736
Provinces	400	398	584	280	280	280	658	696	736
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	400	398	584	280	280	280	658	696	736
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	140 734	101 152	106 412	123 119	99 500	99 500	128 397	134 948	142 775
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	140 734	101 152	106 412	123 119	99 500	99 500	128 397	134 948	142 775
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	69 857	53 804	90 693	53 309	98 948	98 948	82 187	86 455	90 778
Public corporations	68 418	47 804	71 896	53 309	53 063	53 063	55 525	58 460	61 383
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	68 418	47 804	71 896	53 309	53 063	53 063	55 525	58 460	61 383
Private enterprises	1 439	6 000	18 797	-	45 885	45 885	26 662	27 995	29 395
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	1 439	6 000	18 797	-	45 885	45 885	26 662	27 995	29 395
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	6 475	5 561	7 286	5 320	6 865	6 334	5 602	5 899	6 241
Social benefits	6 475	5 561	7 286	5 320	6 865	6 334	5 602	5 899	6 241
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	123 132	107 319	162 509	97 788	115 806	115 447	101 527	74 605	78 785
Buildings and other fixed structures	85 406	93 784	155 612	83 494	97 383	97 356	92 121	64 666	68 417
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	85 406	93 784	155 612	83 494	97 383	97 356	92 121	64 666	68 417
Machinery and equipment	28 332	13 451	6 752	14 251	18 423	18 091	9 379	9 911	10 338
Transport equipment	14 639	1 888	4 460	2 479	7 004	7 004	2 410	2 538	2 538
Other machinery and equipment	13 693	11 563	2 292	11 772	11 419	11 087	6 969	7 373	7 800
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	9 394	84	145	26	-	-	27	28	30
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	17	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 130 938	1 021 490	1 049 913	1 223 217	1 314 231	1 200 899	1 154 348	1 149 664	1 211 085

Table 3.G : Details of payments and estimates by economic classification - Sub-programme: Veterinary Services

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	142 311	131 438	170 367	145 862	152 234	152 234	144 586	156 030	168 456
Compensation of employees	85 725	94 869	101 537	107 130	112 347	112 347	117 773	127 418	137 860
Salaries and wages	73 578	81 678	87 553	95 622	96 412	96 412	100 732	108 984	117 914
Social contributions	12 147	13 191	13 984	11 508	15 935	15 935	17 041	18 434	19 946
Goods and services	56 586	36 569	68 830	38 732	39 887	39 887	26 813	28 612	30 596
Administrative fees	21	20	21	380	225	225	297	314	332
Advertising	-	-	-	215	13	13	-	-	-
Assets less than capitalisation threshold	145	633	124	1 056	617	617	591	626	663
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	260	260	-	-	-
Catering: Departmental activities	29	33	34	78	23	23	38	40	42
Communication (G&S)	484	511	389	593	425	425	530	567	606
Computer services	6	9	7	123	18	18	53	56	59
Cons & prof serv: Business and advisory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Infrast and planning	4 603	-	-	28	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	558	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	2 922	375	485	434	1 238	1 238	547	579	614
Agency and support / outsourced services	689	380	541	4 537	1 558	1 558	610	645	683
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	167	10	-	513	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	152	422	-	883	883	-	-	-
Inventory: Farming supplies	-	13 146	43 260	-	6 281	6 281	-	-	-
Inventory: Food and food supplies	16	-	-	27	-	-	-	-	-
Inventory: Fuel, oil and gas	457	166	189	721	292	292	265	280	297
Inventory: Learner and teacher support material	10	5	9	277	23	23	106	112	118
Inventory: Materials and supplies	224	242	85	319	139	139	265	280	296
Inventory: Medical supplies	256	577	436	8 669	1 171	1 171	492	521	551
Inventory: Medicine	18 451	3 719	4 570	-	9 086	9 086	5 154	5 453	5 769
Medias inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	1 828	2 118	-	3 811	3 811	2 388	2 527	2 674
Consumable supplies	14 196	181	128	8 096	405	405	1 062	1 124	1 189
Consumable: Stationery, printing and office supplies	498	830	448	1 200	951	951	637	674	713
Operating leases	145	127	144	294	133	133	212	230	249
Property payments	406	88	88	458	216	216	212	224	237
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	11 970	12 520	13 781	8 124	10 471	10 471	11 542	12 443	13 397
Training and development	-	-	-	1 313	-	-	-	-	-
Operating payments	865	1 017	1 551	324	1 648	1 648	1 812	1 917	2 107
Venues and facilities	26	-	-	395	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	11 476	1 938	5 865	306	1 192	1 192	323	340	360
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	1	-	9	9	1	1	1
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	1	-	9	9	1	1	1
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	10 291	-	5 300	-	-	-	-	-	-
Households	1 185	1 938	564	306	1 183	1 183	322	339	359
Social benefits	1 185	1 938	564	306	1 183	1 183	322	339	359
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	599	2 436	6 285	2 943	31 963	31 963	1 050	1 215	1 320
Buildings and other fixed structures	-	-	5 277	-	28 954	28 954	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	5 277	-	28 954	28 954	-	-	-
Machinery and equipment	599	2 436	1 008	2 943	3 009	3 009	1 050	1 215	1 320
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	599	2 436	1 008	2 943	3 009	3 009	1 050	1 215	1 320
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	154 386	135 812	182 517	149 111	185 389	185 389	145 959	157 585	170 136

Table 3.H : Details of payments and estimates by economic classification - Sub-programme: Research and Technology Development Services

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
					2015/16				
Current payments	131 804	149 800	163 619	166 604	182 391	182 391	144 323	156 603	170 034
Compensation of employees	99 586	117 596	124 665	126 019	134 604	134 604	101 719	110 064	119 099
Salaries and wages	85 860	101 664	107 631	110 905	115 669	115 669	86 087	93 134	100 761
Social contributions	13 726	15 932	17 034	15 114	18 935	18 935	15 632	16 930	18 338
Goods and services	32 218	32 204	38 890	40 585	47 787	47 787	42 533	46 464	50 856
Administrative fees	1	1	2	2	73	73	106	112	118
Advertising	-	-	-	-	-	-	-	-	-
Assets less than capitalisation threshold	298	270	472	1 427	751	751	984	1 041	1 101
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	87	83	123	90	89	89	139	147	156
Communication (G&S)	318	248	377	423	353	353	622	667	714
Computer services	59	23	97	272	265	265	159	168	178
Cons & prof serv: Business and advisory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Infras and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	54	419	250	250	445	471	499
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	3 025	2 567	3 202	3 297	3 890	3 890	3 612	3 821	4 043
Agency and support / outsourced services	67	136	63	293	840	840	106	112	118
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	344	410	430	306	427	427	532	563	596
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	716	1 019	1 181	1 340	1 340	-	-	-
Inventory: Farming supplies	-	4 135	5 764	7 122	8 257	8 257	6 501	6 878	7 277
Inventory: Food and food supplies	3	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	1 783	2 094	1 496	2 341	2 263	2 263	1 858	1 966	2 080
Inventory: Learner and teacher support material	-	-	4	-	-	-	-	-	-
Inventory: Materials and supplies	598	1 291	1 766	2 261	2 688	2 688	2 124	2 247	2 377
Inventory: Medical supplies	9	-	9	23	90	90	24	25	26
Inventory: Medicine	286	246	287	343	355	355	324	343	363
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	1 033	1 481	-	957	957	1 671	1 768	1 871
Consumable supplies	9 726	1 210	1 506	4 282	5 988	5 988	1 698	1 796	1 900
Consumable: Stationery, printing and office supplies	512	230	287	780	461	461	398	421	445
Operating leases	627	260	355	574	385	385	450	482	516
Property payments	6 892	7 631	9 498	7 937	7 579	7 579	9 096	10 440	11 981
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	7 007	9 033	9 996	6 617	9 831	9 831	10 828	12 090	13 538
Training and development	11	13	-	25	-	-	-	-	-
Operating payments	463	517	588	570	585	585	856	906	959
Venues and facilities	2	-	-	-	-	-	-	-	-
Rental and hiring	100	57	14	-	70	70	-	-	-
Interest and rent on land	-	-	64	-	-	-	71	75	79
Interest	-	-	1	-	-	-	-	-	-
Rent on land	-	-	63	-	-	-	71	75	79
Transfers and subsidies to	602	1 404	1 010	73	1 759	1 759	576	580	614
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	602	1 404	1 010	73	1 759	1 759	576	580	614
Social benefits	602	1 404	1 010	73	1 759	1 759	576	580	614
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	22 843	12 500	5 361	22 164	20 657	20 657	14 159	15 150	16 203
Buildings and other fixed structures	20 626	5 528	2 144	7 748	6 400	6 400	6 104	6 458	6 833
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	20 626	5 528	2 144	7 748	6 400	6 400	6 104	6 458	6 833
Machinery and equipment	2 051	6 566	3 217	13 910	14 215	14 215	7 524	8 134	8 780
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	2 051	6 566	3 217	13 910	14 215	14 215	7 524	8 134	8 780
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	148	390	-	506	42	42	531	558	590
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	18	16	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	155 249	163 704	169 990	188 841	204 807	204 807	159 058	172 333	186 851

Table 3.I : Details of payments and estimates by economic classification - Sub-programme: Agricultural Economic Services

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2012/13	2013/14	2014/15	Appropriation	Appropriation 2015/16	Estimate	2016/17	2017/18	2018/19
Current payments	2 182	5 641	6 262	6 840	6 357	6 357	7 454	8 022	8 633
Compensation of employees	1 987	4 998	5 491	5 947	5 613	5 613	6 582	7 100	7 657
Salaries and wages	1 765	4 419	4 818	5 471	5 000	5 000	5 846	6 305	6 800
Social contributions	222	579	673	476	613	613	736	795	857
Goods and services	195	643	771	893	744	744	872	922	976
Administrative fees	-	-	-	-	-	-	3	3	3
Advertising	-	-	-	-	-	-	-	-	-
Assets less than capitalisation threshold	-	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication (G&S)	-	8	8	10	48	48	8	8	8
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Infras and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	-	-	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	21	-	70	50	46	46	79	84	89
Operating leases	-	-	-	-	2	2	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	174	635	692	833	648	648	781	826	875
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	-	-	1	-	-	-	1	1	1
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	49	-	-	60	40	40	38	41	43
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	49	-	-	60	40	40	38	41	43
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	49	-	-	60	40	40	38	41	43
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 231	5 641	6 262	6 900	6 397	6 397	7 492	8 063	8 676

Table 3.J : Details of payments and estimates by economic classification - Sub-programme: Structured Agricultural Education and Training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15		2015/16		2016/17	2017/18	2018/19
Current payments	104 438	106 370	84 059	95 508	84 602	84 602	80 089	86 177	92 722
Compensation of employees	66 764	73 013	53 608	50 736	45 343	45 343	44 181	47 809	51 733
Salaries and wages	61 941	67 481	47 348	44 360	38 554	38 554	37 199	40 249	43 547
Social contributions	4 823	5 532	6 260	6 376	6 789	6 789	6 982	7 560	8 186
Goods and services	37 674	33 349	30 446	44 772	39 259	39 259	35 908	38 368	40 989
Administrative fees	39	84	53	74	330	330	179	184	189
Advertising	5	-	-	157	33	33	-	-	-
Assets less than capitalisation threshold	1 441	2 910	768	1 003	324	324	503	555	610
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	32	1 089	-	255	650	650	53	56	59
Communication (G&S)	725	635	657	810	667	667	741	784	829
Computer services	145	180	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Infras and planning	3 469	-	479	265	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	2 618	1 469	2 880	2 521	1 670	1 670	2 249	2 437	2 636
Agency and support / outsourced services	10 601	7 715	8 085	15 368	8 870	8 870	9 558	10 112	10 698
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	1 436	1 920	1 913	572	1 898	1 898	2 158	2 283	2 415
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	133	156	246	268	268	-	-	-
Inventory: Farming supplies	-	3 324	2 925	2 938	2 774	2 774	3 308	3 508	3 712
Inventory: Food and food supplies	1	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	275	157	51	575	237	237	157	160	163
Inventory: Learner and teacher support material	1 116	769	1 434	1 638	1 928	1 928	1 217	1 311	1 410
Inventory: Materials and supplies	174	217	219	291	101	101	247	261	276
Inventory: Medical supplies	7	6	-	-	-	-	-	-	-
Inventory: Medicine	271	155	291	420	189	189	328	347	367
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	15	35	35	-	-	-
Consumable supplies	5 996	1 120	641	1 173	1 103	1 103	723	765	809
Consumable: Stationery, printing and office supplies	566	745	862	995	781	781	972	1 028	1 088
Operating leases	973	762	812	1 620	1 021	1 021	1 009	1 068	1 130
Property payments	3 002	5 119	2 845	3 731	7 818	7 818	6 600	7 260	7 986
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	4 047	4 275	4 025	6 874	4 237	4 237	4 540	4 803	5 082
Training and development	68	442	832	2 406	3 931	3 931	1 062	1 124	1 189
Operating payments	242	123	260	352	394	394	304	322	341
Venues and facilities	409	-	258	473	-	-	-	-	-
Rental and hiring	16	-	-	-	-	-	-	-	-
Interest and rent on land	-	8	5	-	-	-	-	-	-
Interest	-	8	5	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	681	397	422	180	14 242	14 242	25 485	11 313	307
Provinces and municipalities	88	-	34	-	13	13	38	40	42
Provinces	88	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	88	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	34	-	13	13	38	40	42
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	250	-	-	13 770	13 770	25 207	11 023	-
Households	593	147	388	180	459	459	240	250	265
Social benefits	593	147	328	180	459	459	240	250	265
Other transfers to households	-	-	60	-	-	-	-	-	-
Payments for capital assets	14 223	15 454	13 199	10 969	11 266	11 266	12 039	13 611	14 925
Buildings and other fixed structures	8 190	13 971	9 673	6 973	10 981	10 981	11 190	12 613	13 769
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	8 190	13 971	9 673	6 973	10 981	10 981	11 190	12 613	13 769
Machinery and equipment	5 871	1 483	3 487	3 775	285	285	716	856	1 004
Transport equipment	2 010	-	2 793	-	-	-	-	-	-
Other machinery and equipment	3 861	1 483	694	3 775	285	285	716	856	1 004
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	74	-	-	78	82	87
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	162	-	39	147	-	-	55	60	65
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	119 342	122 221	97 680	106 657	110 110	110 110	117 613	111 101	107 954

Table 3.K : Payments and estimates by economic classification: Rural 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	-	-	-	17 978	1 995	1 995	10 922	12 104	13 367
Compensation of employees	-	-	-	16 488	1 748	1 748	6 467	6 946	7 460
Salaries and wages	-	-	-	13 442	1 453	1 453	5 693	6 113	6 563
Social contributions	-	-	-	3 046	295	295	774	833	897
Goods and services	-	-	-	1 490	247	247	4 455	5 158	5 907
Administrative fees	-	-	-	-	-	-	53	56	59
Advertising	-	-	-	-	-	-	-	-	-
Assets less than capitalisation threshold	-	-	-	170	-	-	186	196	210
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	467	552	642
Communication (G&S)	-	-	-	115	27	27	154	162	171
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	2 000	2 500	3 000
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and technological services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	-	-	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	-	-	139	-	-	210	222	234
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	-	-	-	96	-	-	103	108	114
Operating leases	-	-	-	73	-	-	97	112	126
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	897	220	220	955	1 006	1 091
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	-	-	-	-	-	-	47	51	56
Venues and facilities	-	-	-	-	-	-	183	193	204
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Provide list of entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	983	-	-	300	354	463
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	983	-	-	300	354	463
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	983	-	-	300	354	463
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	18 961	1 995	1 995	11 222	12 458	13 830

Table 3.L : Payments and estimates by economic classification: Conditional grants

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
	2015/16								
Current payments	142 781	150 450	185 702	210 829	252 396	252 396	245 500	256 573	273 070
Compensation of employees	-	10 745	17 013	16 000	18 000	18 000	17 893	19 109	20 409
Salaries and wages	-	10 745	17 013	16 000	18 000	18 000	17 893	19 109	20 409
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	142 781	139 705	168 689	194 829	234 396	234 396	227 607	237 464	252 661
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	70	-	-	-	85	85	-	-	-
Assets less than capitalisation threshold	35	406	-	898	4 454	4 454	943	990	990
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	2 396	5 772	507	525	300	300	551	579	579
Catering: Departmental activities	521	1 746	176	2 073	1 022	1 022	745	775	801
Communication (G&S)	62	2 619	6 907	6 379	4 176	4 176	6 698	7 033	7 033
Computer services	27	1 969	-	-	2 000	2 000	8 000	2 000	2 000
Cons and prof serv: Business & advisory services	-	-	-	-	-	-	-	-	-
Cons and prof serv: Infrastructure and planning	24 826	37 141	42 045	71 897	37 908	37 908	60 913	59 853	67 240
Cons and prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons and prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons and prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	354	1 104	7 711	2 520	7 567	7 567	8 913	9 358	9 958
Agency & support/outourced services	13 861	1 965	16 793	10 066	166	166	3 000	3 150	3 300
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	3 006	1 309	553	2 924	2 924	576	592	592
Inventory: Farming supplies	-	69 111	76 730	81 562	165 906	165 906	126 940	141 729	148 529
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	68	4 323	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Material and supplies	558	388	210	550	850	850	1 001	1 100	1 100
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	66 064	-	-	-	-	-	-	-	-
Consumable supplies	21 429	5 074	1 789	1 547	625	625	1 123	1 167	1 167
Consumable: Stationery, printing and office supplies	175	830	25	53	60	60	56	58	58
Operating leases	10	-	28	210	169	169	221	232	232
Property payments	127	-	180	1 116	-	-	-	-	-
Transport provided: Departmental activity	-	247	-	-	-	-	-	-	-
Travel and subsistence	5 178	5 822	2 322	3 893	1 522	1 522	4 064	4 547	4 547
Training and development	5 499	1 389	4 109	6 222	4 320	4 320	3 713	4 136	4 370
Operating payments	-	-	600	3 045	-	-	-	-	-
Venues and facilities	1 099	1 048	2 925	1 720	342	342	150	165	165
Rental and hiring	490	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	65 760	63 000	66 465	81 548	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	65 760	63 000	66 465	81 548	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	65 760	63 000	66 465	81 548	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	63 939	51 136	67 593	16 148	56 129	56 129	55 003	57 825	59 681
Buildings and other fixed structures	50 289	41 795	59 907	6 729	46 710	46 710	47 492	49 867	51 723
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	50 289	41 795	59 907	6 729	46 710	46 710	47 492	49 867	51 723
Machinery and equipment	13 563	9 257	7 541	9 419	9 419	9 419	7 511	7 958	7 958
Transport equipment	7 087	1 889	7 252	3 645	7 004	7 004	2 410	2 538	2 538
Other machinery and equipment	6 476	7 368	289	5 774	2 415	2 415	5 101	5 420	5 420
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	87	84	145	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	272 480	264 586	319 760	308 525	308 525	308 525	300 503	314 398	332 751

Table 3.M : Payments and estimates by economic classification: CASP grant (Prog. 2: Agriculture)

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	87 038	107 027	102 067	128 535	191 102	191 102	182 226	193 711	205 765
Compensation of employees	-	10 745	17 013	16 000	18 000	18 000	17 893	19 109	20 409
Salaries and wages	-	10 745	17 013	16 000	18 000	18 000	17 893	19 109	20 409
Goods and services	87 038	96 282	85 054	112 535	173 102	173 102	164 333	174 602	185 356
Advertising	70	-	-	-	-	-	-	-	-
Assets less than capitalisation threshold	35	406	-	898	4 454	4 454	943	990	990
Bursaries: Employees	2 396	5 772	507	525	300	300	551	579	579
Catering: Departmental activities	314	1 502	37	1 838	576	576	500	525	551
Communication (G&S)	62	2 619	6 907	6 379	4 176	4 176	6 698	7 033	7 033
Computer services	27	1 969	-	-	2 000	2 000	8 000	2 000	2 000
Cons and prof serv: Infrastructure and planning	2 038	26 266	33 124	39 416	28 584	28 584	50 746	53 333	60 034
Contractors	49	-	5 607	2 520	1 598	1 598	2 646	2 778	2 778
Agency & support/outourced services	4 153	1 415	1 394	7 770	166	166	3 000	3 150	3 300
Inventory: Clothing material and accessories	-	-	250	263	2 672	2 672	276	290	290
Inventory: Farming supplies	-	47 214	27 109	37 036	122 532	122 532	83 131	95 453	99 096
Inventory: Fuel, oil and gas	-	68	2 696	-	-	-	-	-	-
Inventory: Material and supplies	558	388	-	-	-	-	-	-	-
Inventory: Other supplies	66 064	-	-	-	-	-	-	-	-
Consumable supplies	-	265	520	546	200	200	573	602	602
Consumable: Stationery, printing and office supplies	175	830	25	53	60	60	56	58	58
Operating leases	10	-	28	210	169	169	221	232	232
Property payments	127	-	180	1 116	-	-	-	-	-
Travel and subsistence	4 076	5 131	1 619	3 213	993	993	3 374	3 542	3 542
Training and development	5 450	1 389	4 026	6 132	4 280	4 280	3 618	4 037	4 271
Operating payments	-	-	600	3 045	-	-	-	-	-
Venues and facilities	944	1 048	425	1 575	342	342	-	-	-
Rental and hiring	490	-	-	-	-	-	-	-	-
Transfers and subsidies	65 760	63 000	66 465	81 548	-	-	-	-	-
Departmental agencies and accounts	65 760	63 000	66 465	81 548	-	-	-	-	-
Entities receiving funds	65 760	63 000	66 465	81 548	-	-	-	-	-
Payments for capital assets	30 928	32 495	44 100	16 078	35 059	35 059	39 929	42 001	43 707
Buildings and other fixed structures	17 332	23 154	36 414	6 729	25 710	25 710	32 492	34 117	35 823
Other fixed structures	17 332	23 154	36 414	6 729	25 710	25 710	32 492	34 117	35 823
Machinery and equipment	13 509	9 257	7 541	9 349	9 349	9 349	7 437	7 884	7 884
Transport equipment	7 087	1 889	7 252	3 645	7 004	7 004	2 410	2 538	2 538
Other machinery and equipment	6 422	7 368	289	5 704	2 345	2 345	5 027	5 346	5 346
Biological assets	87	84	145	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	183 726	202 522	212 632	226 161	226 161	226 161	222 155	235 712	249 472

Table 3.N : Payments and estimates by economic classification: Ilima/Letsema Projects grant (Prog. 2: Agriculture)

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	30 043	24 127	68 600	69 402	48 402	48 402	48 876	51 606	55 363
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	30 043	24 127	68 600	69 402	48 402	48 402	48 876	51 606	55 363
Cons and prof serv: Infrastructure and planning	16 538	3 414	1 122	25 976	-	-	-	-	-
Contractors	305	1 104	2 104	-	5 969	5 969	6 267	6 580	7 180
Agency & support/outourced services	-	-	15 399	-	-	-	-	-	-
Inventory: Farming supplies	-	19 609	48 348	43 426	42 433	42 433	42 609	45 026	48 183
Inventory: Fuel, oil and gas	-	-	1 627	-	-	-	-	-	-
Consumable supplies	13 200	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	32 957	18 641	23 493	-	21 000	21 000	15 000	15 750	15 900
Buildings and other fixed structures	32 957	18 641	23 493	-	21 000	21 000	15 000	15 750	15 900
Other fixed structures	32 957	18 641	23 493	-	21 000	21 000	15 000	15 750	15 900
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	63 000	42 768	92 093	69 402	69 402	69 402	63 876	67 356	71 263

Table 3.0 : Payments and estimates by economic classification: Land Care grant (Prog. 2: Agriculture)

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	15 992	18 746	10 854	10 596	10 596	10 596	10 558	11 256	11 942
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	15 992	18 746	10 854	10 596	10 596	10 596	10 558	11 256	11 942
Advertising	-	-	-	-	85	85	-	-	-
Catering: Departmental activities	207	244	139	235	446	446	245	250	250
Cons and prof serv: Infrastructure and planning	6 250	7 461	4 461	6 505	7 074	7 074	6 327	6 520	7 206
Inventory: Clothing material and accessories	-	3 006	745	290	206	206	300	302	302
Inventory: Farming supplies	-	2 288	980	1 100	941	941	1 200	1 250	1 250
Inventory: Material and supplies	-	-	210	550	850	850	1 001	1 100	1 100
Consumable supplies	8 229	4 809	1 055	1 001	425	425	550	565	565
Transport provided: Departmental activity	-	247	-	-	-	-	-	-	-
Travel and subsistence	1 102	691	681	680	529	529	690	1 005	1 005
Training and development	49	-	83	90	40	40	95	99	99
Venues and facilities	155	-	2 500	145	-	-	150	165	165
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	54	-	-	70	70	70	74	74	74
Machinery and equipment	54	-	-	70	70	70	74	74	74
Other machinery and equipment	54	-	-	70	70	70	74	74	74
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	16 046	18 746	10 854	10 666	10 666	10 666	10 632	11 330	12 016

Table 3.P : Payments and estimates by economic classification: EPWP Integrated Grant for Provinces (Prog. 2: Agriculture)

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	9 708	550	4 181	2 296	2 296	2 296	3 840	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	9 708	550	4 181	2 296	2 296	2 296	3 840	-	-
Cons and prof serv: Infrastructure and planning	-	-	3 338	-	2 250	2 250	3 840	-	-
Agency & support/outourced services	9 708	550	-	2 296	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	314	-	46	46	-	-	-
Inventory: Farming supplies	-	-	293	-	-	-	-	-	-
Consumable supplies	-	-	214	-	-	-	-	-	-
Travel and subsistence	-	-	22	-	-	-	-	-	-
Transfers and subsidies to	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	9 708	550	4 181	2 296	2 296	2 296	3 840	-	-

Table 3.Q : Agriculture and Rural Development - Payments of infrastructure by category

Table 3.4. Agriculture and rural development – 1. 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	
								School - primary/ secondary/ specialised; admin block; water; electricity; sanitation/toilet; fencing etc.	Date: Start	Date: Finish													2016/17	2017/18	2018/19
R thousands																									
Existing infrastructure assets																									
of which:																									
Maintenance and repair: Current																									
Office accommodation		Various	Various	Various	Various	Various	Office accommodation		01 April 2015	Ongoing			Programme 1	Packaged prog											
Farm structures		Various	Various	Various	Various	Various	Fencing, irrigation, poultry, piggyery, etc		01 April 2015	Ongoing			Programme 2	Packaged prog											
Makhathini development project		Various	Various	Various	Various	Various	Irrigation, fencing , drainage canals, etc		01 April 2015	Ongoing			Programme 2	Packaged prog											
Upgrades and additions: Capital																									
Refurbishment and rehabilitation: Capital																									
Office accommodation (Ho and districts)		Various	Various	Various	Various	Various	Office accommodation		01 April 2015	Ongoing			Programme 1	Packaged prog											
Makhathini		Various	Various	Various	Various	Various	Irrigation, fencing, drainage canal, poultry, etc.		01 April 2015	Ongoing			Programme 2	Packaged prog											
Irrigation schemes		Various	Various	Various	Various	Various	Irrigation schemes		01 April 2015	Ongoing			Programme 2	Packaged prog											
Scoping of Dams		Various	Various	Various	Various	Various	Drought relief		01 April 2015	31 March 2017			Programme 2	Individual proj											
Cedar facilities		Various	Various	Various	Various	Various	Access roads, dairy parlour, etc		01 April 2015	Ongoing			Programme 1	Packaged prog											
New infrastructure assets: Capital																									
of which:																									
Misinga mushroom project		Tender	Uncinzinyathi	Uncinzinyathi	Construction of mushroom plant				01 April 2014	31 March 2019			Programme 2	Packaged prog											
Farm structures		Various	Various	Various	Fencing, irrigation, poultry, piggyery, etc.				01 April 2014	31 March 2019			Programme 2	Packaged prog											
Makhathini development project		Various	Various	Various	Irrigation, fencing, drainage canal, etc				01 April 2012	31 March 2019			Programme 2	Packaged prog											
Office accommodation		Various	Various	Various	Offices				01 April 2013	31 March 2019			Programme 1	Packaged prog											
Infrastructure transfers																									
of which:																									
Infrastructure transfers: Current																									
Infrastructure transfers: Capital																									
Infrastructure: Payments for financial assets																									
Infrastructure: Leases																									
Total																									
Capital infrastructure																									
Current infrastructure																									

Table 3.R : Financial summary for Agri-business Development Agency (ADA)

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	674	5 683	2 742	1 035	1 119	1 187	1 258
Interest, dividends and rent on land	642	5 646	2 691	1 000	1 065	1 129	1 197
Other non-tax revenue	32	37	51	35	54	58	61
Transfers received*	136 008	106 909	125 260	105 650	128 397	134 948	142 775
DARD	60 034	88 154	106 410	99 500	128 397	134 948	142 775
COGTA	-	-	18 850	6 150	-	-	-
DRDLR	1 000	-	-	-	-	-	-
DEDTEA	74 974	18 755	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Total revenue	136 682	112 592	128 002	106 685	129 516	136 135	144 033
Expenses							
Current expense	126 853	126 991	171 626	106 685	129 516	136 135	144 033
Compensation of employees	13 958	17 413	21 339	24 812	26 971	29 209	31 634
Project expenditure	100 181	93 561	129 937	60 571	84 539	88 896	94 422
Use of goods and services	12 293	15 233	19 195	21 302	18 004	18 012	17 977
Depreciation	421	782	1 137	-	-	-	-
Interest, dividends and rent on land	-	2	18	-	2	18	-
Transfers and subsidies	-	-	-	-	-	-	-
Total expenses	126 853	126 991	171 626	106 685	129 516	136 135	144 033
Surplus / (Deficit)	9 829	(14 399)	(43 624)	-	-	-	-
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	1 046	(706)	3 790	1 320	1 620	1 920	2 220
Adjustments for:							
Depreciation	421	782	1 137	1 320	1 620	1 920	2 220
Other	625	(1 488)	2 653	-	-	-	-
Operating surplus / (deficit) before changes in working capital	10 875	(15 105)	(39 834)	1 320	1 620	1 920	2 220
Changes in working capital	15 576	(5 690)	(10 465)	-	-	-	-
(Decrease) / increase in accounts payable	15 626	(5 694)	(10 493)	-	-	-	-
Decrease / (increase) in accounts receivable	(50)	4	28	-	-	-	-
(Decrease) / increase in provisions	-	-	-	-	-	-	-
Cash flow from operating activities	26 451	(20 795)	(50 299)	1 320	1 620	1 920	2 220
Transfers from government	136 008	106 909	125 260	125 200	-	-	-
Of which:							
Capital	-	-	-	-	-	-	-
Current	136 008	106 909	125 260	125 200	-	-	-
Cash flow from investing activities	(1 489)	(3 837)	(3 182)	(2 966)	(300)	(300)	(300)
Acquisition of assets	(1 489)	(3 837)	(3 182)	(2 966)	(300)	(300)	(300)
Computer equipment	(879)	(981)	(534)	(300)	(200)	(200)	(200)
Furniture and office equipment	(149)	(66)	(412)	(500)	(100)	(100)	(100)
Other machinery and equipment	-	(124)	(156)	-	-	-	-
Transport assets	-	(729)	-	-	-	-	-
Computer software	(461)	(1 937)	(2 080)	(2 166)	-	-	-
Other flows from investing activities	-	-	-	-	-	-	-
Cash flow from financing activities	-	138	(88)	8	-	-	-
Net increase / (decrease) in cash and cash equivalents	24 962	(24 494)	(53 569)	(1 638)	1 320	1 620	1 920
Balance sheet data							
Carrying value of assets	3 231	5 150	7 377	7 586	7 361	7 722	7 597
Computer equipment	916	1 547	1 439	1 881	2 081	2 281	2 481
Furniture and office equipment	475	387	892	700	800	900	1 000
Other machinery and equipment	31	97	187	95	75	45	25
Transport assets	417	928	643	359	59	400	200
Computer software	1 392	2 191	4 216	4 551	4 346	4 096	3 891
Investments	-	-	-	-	-	-	-
Cash and cash equivalents	97 283	72 788	19 219	30 000	-	-	-
Receivables and prepayments	67	62	34	27	27	27	27
Trade receivables	40	35	7	-	-	-	-
Prepaid expenses	27	27	27	27	27	27	27
Inventory	-	-	-	-	-	-	-
Total assets	100 581	78 000	26 630	37 613	7 388	7 749	7 624
Capital and reserves	2 694	5 245	7 179	7 179	7 179	7 179	7 179
Share capital and premium	5	5	5	5	5	5	5
Accumulated reserves	1 948	2 694	5 240	7 174	7 174	7 174	7 174
Surplus / (Deficit)	741	2 546	1 934	-	-	-	-
Borrowings	-	-	-	-	-	-	-
Post retirement benefits	-	-	-	-	-	-	-
Trade and other payables	11 338	3 179	2 172	-	-	-	-
Trade payables	159	26	26	-	-	-	-
Other	11 179	3 153	2 146	-	-	-	-
Deferred income	-	-	-	-	-	-	-
Provisions	-	305	799	650	-	-	-
Funds managed (e.g. Poverty alleviation fund)	-	-	-	-	-	-	-
Contingent liabilities	86 549	69 271	16 480	29 784	209	570	445
Unspent conditional grant	85 955	69 001	14 728	27 476	209	570	445
Finance lease obligation	-	139	73	-	-	-	-
Operating lease liability	594	131	1 679	2 308	-	-	-
Total equity and liabilities	100 581	78 000	26 630	37 613	7 388	7 749	7 624

*Note: Some Transfers received do not equal amounts in Table 3.11, as portion of the transfer is reflected against other items in the statement of financial position.

Table 3.S : Financial summary for Mjindi Farming (Pty) Ltd (Mjindi)

	Audited outcome			Revised Estimate	Medium-term Estimates		
R thousand	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Revenue							
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	3 964	5 024	6 256	5 302	6 238	7 348	8 666
Sale of goods and services other than capital assets	3 112	4 019	4 729	4 054	4 865	5 838	7 005
Interest, dividends and rent on land	852	1 005	1 527	1 248	1 373	1 510	1 661
Transfers received*	46 681	46 607	60 816	50 506	53 183	56 001	58 801
Sale of capital assets	-	-	-	-	-	-	-
Total revenue	50 645	51 631	67 072	55 808	59 421	63 349	67 467
Expenses							
Current expense	48 049	41 227	54 320	55 808	59 421	63 349	67 467
Compensation of employees	12 354	12 949	15 269	19 955	23 129	24 482	25 500
Use of goods and services	35 695	28 278	39 051	35 853	36 292	38 867	41 967
Depreciation	1 548	2 324	3 114	4 289	6 090	7 891	9 692
Interest, dividends and rent on land	-	40	39	59	59	59	59
Transfers and subsidies	-	-	-	-	-	-	-
Total expenses	48 049	41 227	54 320	55 808	59 421	63 349	67 467
Surplus / (Deficit)	2 596	10 404	12 752	-	-	-	-
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	697	(3 382)	(13 486)	5 628	7 484	9 362	11 314
Adjustments for:							
Depreciation	1 548	2 324	3 114	4 289	6 090	7 891	9 692
Interest	(852)	(1 488)	(965)	1 189	1 314	1 451	1 602
Net (profit) / loss on disposal of fixed assets	1	(4 219)	(15 763)	150	80	20	20
Other lease payments	-	1	128	-	-	-	-
Operating surplus / (deficit) before changes in working capital	3 293	7 022	(734)	5 628	7 484	9 362	11 314
Changes in working capital	33 831	17 834	26 531	(6 705)	(3 767)	(3 517)	(4 119)
(Decrease) / increase in accounts payable	196	2 496	(290)	(103)	(1 911)	(248)	603
Decrease / (increase) in accounts receivable	(1 557)	821	14 236	(9 742)	(1 276)	(1 746)	(739)
(Decrease) / increase in provisions	35 192	14 517	12 585	3 140	(580)	(1 523)	(3 983)
Cash flow from operating activities	37 124	24 856	25 797	(1 077)	3 717	5 845	7 195
Transfers from government	63 323	45 446	70 083	55 808	59 421	63 349	67 467
Capital	6 798	4 219	15 763	-	750	-	-
Current	56 525	41 227	54 320	55 808	58 671	63 349	67 467
Cash flow from investing activities	(6 798)	(4 218)	(15 979)	-	(750)	-	-
Acquisition of assets	(6 798)	(4 218)	(15 979)	-	(750)	-	-
Dwellings	(2 432)	(173)	(100)	-	(250)	-	-
Computer equipment	(1 240)	(2)	-	-	-	-	-
Furniture and office equipment	(85)	-	(46)	-	-	-	-
Other machinery and equipment	(3 026)	(719)	(4 784)	-	(500)	-	-
Transport assets	(15)	(3 324)	(11 049)	-	-	-	-
Other flows from investing activities	-	-	-	-	-	-	-
Cash flow from financing activities	-	-	-	-	-	-	-
Net increase / (decrease) in cash and cash equivalents	30 326	20 638	9 818	(1 077)	2 967	5 845	7 195
Balance sheet data							
Carrying value of assets	47 686	49 312	61 891	48 734	41 696	40 502	39 158
Dwellings	26 613	26 184	25 467	22 958	20 886	20 214	19 888
Investment property	8 300	7 874	7 718	1 000	980	960	941
Computer equipment	1 352	1 068	745	661	600	545	435
Furniture and office equipment	1 050	1 046	969	902	830	748	686
Other machinery and equipment	8 414	8 264	11 758	10 974	8 560	8 276	9 356
Transport assets	1 630	4 559	14 927	11 942	9 553	9 481	7 585
Other intangibles	327	317	307	297	287	277	267
Investments	-	-	-	-	-	-	-
Cash and cash equivalents	36 921	43 120	24 797	6 705	3 017	3 517	4 017
Bank	36 919	43 117	24 794	6 700	3 012	3 512	4 012
Cash on hand	2	3	3	5	5	5	5
Receivables and prepayments	3 442	2 621	11 616	1 873	2 649	3 395	5 134
Trade receivables	1 800	1 473	7 242	1 485	1 623	1 166	2 683
Other receivables	1 641	1 146	4 372	387	1 025	2 228	2 450
Prepaid expenses	1	2	2	1	1	1	1
Inventory	364	738	1 591	439	838	1 038	1 246
Total assets	88 413	95 791	99 895	57 751	48 200	48 452	49 555
Capital and reserves	41 931	46 652	63 182	51 211	41 219	41 219	41 219
Accumulated reserves	2 346	(4 703)	(117)	4 442	4 442	4 442	4 442
Surplus / (Deficit)	-	4 559	16 530	-	-	-	-
Other	39 585	46 796	46 769	46 769	36 777	36 777	36 777
Borrowings	-	-	-	-	-	-	-
Post retirement benefits	-	-	-	-	-	-	-
Trade and other payables	3 566	6 062	5 772	5 835	3 964	3 716	4 319
Trade payables	2 524	2 607	4 732	4 575	2 704	2 204	2 504
Other	1 042	3 455	1 040	1 260	1 260	1 512	1 815
Deferred income	-	-	-	-	-	-	-
Provisions	42 916	43 077	30 941	705	3 017	3 517	4 017
Non-current provision	6 000	6 000	6 000	(6 000)	-	-	-
Transfer and subsidies	36 916	37 077	24 941	6 705	3 017	3 517	4 017
Contingent liabilities	-	-	-	-	-	-	-
Total equity and liabilities	88 413	95 791	99 895	57 751	48 200	48 452	49 555

*Note: Some Transfers received do not equal amounts in Table 3.11, as portion of the transfer is reflected against other items in the statement of financial position.

Table 3.T : Personnel summary for ADA

	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)	13 958	17 413	20 737	23 912	25 651	29 209	31 634
Personnel numbers (head count)	30	32	39	37	38	46	46
Unit cost	465	544	532	646	675	635	688
B. Part-time and temporary contract employees							
Personnel cost (R thousand)	-	-	182	900	900	-	-
Personnel numbers (head count)	-	-	1	5	5	-	-
Unit cost	-	-	182	180	180	-	-
C. Interns							
Personnel cost (R thousand)	-	-	420	-	420	-	-
Personnel numbers (head count)	-	-	5	-	5	-	-
Unit cost	-	-	84	-	84	-	-
Total for entity							
Personnel cost (R thousand)	13 958	17 413	21 339	24 812	26 971	29 209	31 634
Personnel numbers (head count)	30	32	45	42	48	46	46
Unit cost	465	544	474	591	562	635	688
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		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Salary level							
Board Members	6	9	9	8	7	7	7
Executive Management	5	5	5	5	5	5	5
Senior Management	3	3	3	3	3	3	3
Middle Management	12	11	11	12	12	12	12
Professionals	5	7	10	9	10	12	12
Semi-skilled	5	6	11	13	13	14	14
Very low skilled	-	-	5	-	5	-	-
Total	36	41	54	50	55	53	53

Table 3.U : Personnel summary for Mjindi

	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)	12 127	13 943	15 170	19 548	22 579	23 908	25 827
Personnel numbers (head count)	50	53	64	65	75	75	75
Unit cost	243	263	237	301	301	319	344
B. Part-time and temporary contract employees							
Personnel cost (R thousand)	238	127	266	287	310	334	361
Personnel numbers (head count)	13	3	4	7	4	4	4
Unit cost	18	42	67	41	78	84	90
C. Interns							
Personnel cost (R thousand)	-	-	-	120	240	240	240
Personnel numbers (head count)	-	-	-	2	4	4	4
Unit cost	-	-	-	60	60	60	60
Total for entity							
Personnel cost (R thousand)	12 365	14 070	15 436	19 955	23 129	24 482	26 428
Personnel numbers (head count)	63	56	68	74	83	83	83
Unit cost	196	251	227	270	279	295	318
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		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Salary level							
Board Members	8	8	8	8	8	8	8
Executive Management	2	1	1	1	1	1	1
Senior Management	2	3	3	3	3	3	3
Middle Management	1	1	5	5	5	5	5
Professionals	5	4	6	6	6	6	6
Semi-skilled	13	12	39	42	50	50	50
Very low skilled	40	35	14	17	18	18	18
Total	71	64	76	82	91	91	91

VOTE 4

Economic Development, Tourism and Environmental Affairs

Operational budget	R 2 701 170 423
MEC remuneration	R 1 821 577 ¹
Total amount to be appropriated	R 2 702 992 000
Responsible MEC	MEC for Economic Development, Tourism and Environmental Affairs
Administrating department	Economic Development, Tourism and Environmental Affairs
Accounting officer	Head: Economic Development, Tourism and Environmental Affairs

1. Overview

Vision

The vision of the Department of Economic Development, Tourism and Environmental Affairs (DEDTEA) is: *Leading the attainment of inclusive and sustainable economic growth for job creation.*

Mission statement

The department's mission is to: *Provide leadership and facilitate integrated economic planning, be a catalyst for economic transformation and sustainable development, implement strategies that drive economic growth and promote sound environmental management, create a conducive environment for trade, investment and tourism and monitor and enforce sound business and consumer regulations.*

Strategic goals and objectives

Strategic policy direction: The strategic focus for DEDTEA during the 5-year period is to build a resilient KZN provincial economy that can respond to global factors, stimulating provincial economic development, alignment of functions and purpose of all economic development entities, as well as building a vibrant organisation. The key strategic goals and objectives of the department include integrated economic planning and development in the province, sustainable and inclusive economic growth for job creation, preferred tourism destination in the country, sustainable environmental management and achieve institutional excellence responsive to the needs of the country.

The department has identified the following strategic goals and objectives:

Lead and co-ordinate integrated economic planning and development.

- Co-ordinate social partners and other stakeholders in the province.
- Collect, process, maintain and report on economic and other social data.
- Track the implementation of economic interventions.
- Provide research on priority and strategic sectors.
- Develop and maintain an efficient regulatory and governance framework.
- Influence policy direction for economic and infrastructure development.

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

Facilitate sustainable and inclusive economic growth to ensure job creation.

- Facilitate the implementation of economic transformation strategies and policies.
- Implement existing productive and service sector strategies and plans.
- Promote SMMEs and co-operatives.
- Facilitate trade and investment.

Provide preferred tourism destination in the country.

- Provide guidance, support and direction in terms of tourism policies, legislation and strategies.
- Implement the KZN Tourism Master Plan.

Implement sustainable environmental management.

- Implement environmental management strategies and plans.
- Streamline the process of Environmental Impact Assessments (EIAs).
- Promote and facilitate integrated environmental management through capacity building and awareness raising programmes and projects.

Core functions

The department's core functions are summarised as follows:

- To drive the economic development strategies of the province.
- To facilitate strategies to enhance the competitiveness of priority sectors of the economy, in line with the industrial development strategy.
- To promote the development of small business and social enterprises.
- To promote and facilitate economic empowerment programmes.
- To manage the Enterprise Development and Growth Funds.
- To provide an effective and efficient consumer protection service.
- To ensure effective and prudent business regulation in the province.
- To provide effective and efficient environmental management.
- To provide conservation services.

Legislative mandate

The legislative mandate of the department largely stems from the following Acts and Regulations:

- Constitution of the Republic of South Africa (Act No. 108 of 1996)
- Public Service Act (Act No. 103 of 1994)
- Public Service Regulations, 2001
- Public Finance Management Act (Act No. 1 of 1999), as amended, and Treasury Regulations
- Labour Relations Act (Act No. 66 of 1995)
- Promotion of Access to Information Act (Act No. 2 of 2000)
- Employment Equity Act (Act No. 55 of 1998)
- Promotion of Administrative Justice Act (Act No. 3 of 2000)
- Basic Conditions of Employment Act (Act No. 75 of 1997)
- The Companies' Act (Act No. 20 of 2004)
- Equality and Prevention of Unfair Discrimination Act (Act No. 4 of 2000)
- KwaZulu-Natal Liquor Licensing Act (Act No. 6 of 2010)
- KwaZulu-Natal Film Commission Act (Act No. 3 of 2010)
- Trade and Investment KZN Act (Act No. 4 of 2010)
- Businesses Act (Act No. 71 of 1991)

- KwaZulu-Natal Dube TradePort Corporation Act (Act No. 2 of 2010)
- South African National Consumer Protection Act (Act No. 68 of 2008) hereafter referred to as the Consumer Protection Act
- KwaZulu-Natal Liquor Licensing Amendment Act (Act No. 3 of 2013)
- KwaZulu-Natal Consumer Protection Act (Act No. 4 of 2013)
- Tourism Act (Act No. 3 of 2014)
- Special Economic Zones Act (Act No. 16 of 2014)

The following bills have been promulgated, and notification of the respective Act numbers is awaited:

- KwaZulu-Natal Tourism Bill
- Richards Bay Industrial Development Zone Bill
- Ithala Development Finance Corporation Bill
- National Environmental Management Act (NEMA): Integrated Waste Management Bill
- Integrated Coastal Management Bill

Specific Environmental Affairs legislation

- Environmental Management White Paper, 1997
- Environmental Conservation Amendment Act (Act No. 50 of 2003)
- National Environmental Management Act (NEMA) (Act No. 107 of 1998)
- Atmospheric Pollution Prevention Act (Act No. 45 of 1965)
- Prevention of Environmental Pollution Ordinance (Ordinance No. 21 of 1981)
- NEMA: Air Quality Act (Act No. 39 of 2004)
- Marine Living Resources Act (Act No. 18 of 1998)
- NEMA: EIA Regulations 2006 and Amendments
- Sea Shore Act (Act No. 21 of 1935)
- Municipal Systems Act (Act No. 32 of 2000)
- Spatial Planning and Land Use Management White Paper 2001

Specific Conservation legislation

- KwaZulu-Natal Conservation Management Act (Act No. 9 of 1997)
- National Environmental Management Act (NEMA) (Act No. 107 of 1998)
- NEMA: Protected Areas Management Act (Act No. 57 of 2003)
- NEMA: Biodiversity Act (Act No. 10 of 2004)
- National Water Act (Act No. 36 of 1998)
- Marine Living Resources Act (Act No. 18 of 1998)
- National Heritage Resources Act (Act No. 25 of 1999)
- KwaZulu-Natal Heritage Act (Act No. 10 of 1997)
- National Forest Act (Act No. 84 of 1999)
- World Heritage Convention Act (Act No. 49 of 1999)
- Veld and Forest Fire Act (Act No. 101 of 1998)
- Natal Nature Conservation Ordinance (Act No. 15 of 1974)
- Natural Scientific Professions Act (Act No. 27 of 2003)
- Conservation of Agricultural Resources Act (Act No. 43 of 1983)
- Firearms Control Act (Act No. 60 of 2000)
- Expropriation Act (Act No. 63 of 1957)
- Restitution of Land Rights Act (Act No. 22 of 1994)
- Development Facilitation Act (Act No. 67 of 1995)
- Municipal Demarcation Act (Act No. 27 of 1998)

2. Review of the 2015/16 financial year

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

Integrated economic development

In line with the department's purpose of promoting enterprises and empowering communities, the department funded students in areas of skills development and capacity building in partnership with other institutions. The department offered bursaries to 16 students who registered for a Bachelor of Commerce degree and 84 students who registered for a Diploma in the Management of Co-operatives at the University of Zululand (UNIZULU). A total of 21 students who graduated in 2014 with a Diploma in the Management of Co-operatives were placed with various co-operatives as part of the internship programme. A total of 378 co-operatives were trained in the co-operative concept, leadership and governance, as well as basic financial management skills (bookkeeping and marketing) through the partnership between the department and the KZN Coastal Technical and Vocational Education and Training (TVET) College.

The department assisted 63 small enterprises, where business plans were approved and submitted to relevant financial institutions with the aim of securing funding. The department implemented the Entrepreneur and Business Competition Training Programme under the KZN Economic Council (KZNEC). This programme is aimed at assisting SMMEs, especially youth, with knowledge necessary to start and manage a business, business plan preparation and mentorship support. As a result of a partnership with the Technology Station housed at Mangosuthu University of Technology, 108 SMMEs received technical training on chemicals, production of various detergents, business and financial management. The department empowered more than 1 000 youth on technical skills training in areas such as diesel mechanics, fitters and turners, welding, steel works, plumbing and bricklaying, manufacturing, agriculture, maritime, creative industry, IT and financial management services. A total of 70 women were trained and opened market opportunities in the Ilembe, Amajuba, Harry Gwala, Umkhanyakude and Umzinyathi District Municipalities.

The construction of the uMlalazi Trading Centre was completed in 2015/16. The centre is now occupied by small and micro-entrepreneurs trading in the vicinity of the Eshowe Taxi Rank.

Trade and sector development

The department completed the business plan, as well as the associated legislation for the establishment of the Maritime Institute for the province. The department embarked on focused studies in respect of aquaculture and aerotropolis. Seven out of 11 sites for Industrial Economic Hubs were secured at Zululand, Amajuba, Uthukela, Ilembe, uMgungundlovu, Harry Gwala and uThungulu districts. Training in respect of leather collection, which includes leather processing, was started in 2015/16. Four new international routes to King Shaka International Airport (KSIA) were launched.

The department successfully hosted the first Africa Television Market (ATM) including leveraging two television production companies (Starset and Real TV Africa) to mentor the top four graduates of the ATM mentorship programme in developing their content and subsequently airing their productions.

DEDTEA was able to facilitate the signing of Chapter 3 of the KZNEC Social Accord which aims to stimulate growth in the province, as well as successfully hosting of two KZNEC roundtables, a road show in the Harry Gwala District and the Economic Council Summit. District investment strategies are being developed for Zululand, Umkhanyakude and Harry Gwala. Maritime, Aerotropolis strategy and Industrial Economic Hubs form part of Chapter 3 of the KZNEC Social Accord.

Business regulation and governance

The department was involved with three initiatives in terms of the revitalisation of townships and rural economies, namely the establishment of the Provincial Traders' Association which is aimed at providing a unified voice for both formal and informal businesses, to bring about a common organisational arrangement for micro, small and large business industries in the province. The establishment of the SMME academy is being included in the KZN Businesses Bill as additional clauses.

The department re-engineered its consumer education and awareness programme to be more effective in promoting sustainable development, as well as to provide general education and consumer policy training. Successful blitzes done collectively with the National Consumer Commission were concluded. Outreach and capacity building programmes for small businesses and consumers were successfully conducted.

Economic planning

The department prepared the draft provincial innovation strategy, provincial agro-processing strategy and provincial mineral beneficiation strategy. The department also focused on five key value chains, namely mineral sands, aluminum, iron and steel, coal and phosphate, whereby research was undertaken in order to develop a strategy in this regard.

Rooftop photovoltaic (PV) pre-feasibility studies were completed (a photovoltaic system has electricity-generating solar panels mounted on the rooftop of a structure). Five buildings were identified as pilot projects, namely Office of the Premier building, EKZNW head office, and Greys Hospital in PMB, Vryheid Hospital and the COGTA building in Mayville.

The department entered into a three year technology transfer partnership with the University of KwaZulu-Natal, UNIZULU, Durban University of Technology, and the Mangosuthu University of Technology.

Tourism

The department continued to focus on the implementation of the 2030 KZN Tourism Master Plan and developed a Tourism Sector Strategy for the Harry Gwala District Municipality aimed at providing guidance on the planning and development of tourism. Municipal workshops were conducted within all municipalities to assess the implementation of the KZN Tourism Master Plan.

Community-based tourism projects remained a priority of the department, aimed at enhancing rural tourism development. The department established a partnership with Africa Ignite to develop WowZulu Market Places at Khula Village, eMazizini and Ndumo. Furthermore, operations and management of Ntsikeni Lodge, the completion of the business plan for the renovations of Bhambatha Lodge and the feasibility study and the business plan for the construction of KwaMbonambi Wild Palace Lodge were commissioned.

As part of youth development, 51 unemployed graduates and in-service trainees were placed in various municipalities for six to 12 months, for experiential purposes. In order to contribute to transformation, 20 emerging establishments were partnered with well-established product owners as part of a mentorship programme.

In compliance with the national and provincial Tourism Act, the department continued to support tourist guides and tourism businesses. The department hosted various tourism-related events, such as the KZN is Summer campaign, the Vodacom Durban July, Tourism Entrepreneurship Careers Expo and the East3 Route Expedition, aimed at profiling the province as a preferred destination of choice thereby contributing to the growth of domestic tourism and also exposing learners to career opportunities in the tourism sector.

Environmental Affairs

The department managed to complete 98 per cent of EIAs within the legislated timeframes. A pilot project to determine the effectiveness of using an implementing agent to implement the Invasive Alien Species Programme (IASP), coupled with the use of co-operatives, was implemented. The Environmental Management Inspectorate (EMI) capacity was increased and the uMgungundlovu District Municipality signed an implementation protocol for EMI. Two Environmental Management Frameworks (EMFs) were completed for the Umkhanyakude and Uthukela District Municipalities. These EMI tools help guide development while providing a framework for protecting the environment in the province.

Ithala Development Finance Corporation (Ithala)

Ithala is a provincial development finance institution that focuses on economic development through the provision of financial and non-financial services to businesses and individuals.

In line with the revised properties' strategy, better rental returns and improved collections were achieved. In 2015/16, support to lenders yielded positive results with respect to bad debt recoveries, and a healthy

performing loan book, due to better repayments, as well as the restructuring of certain agricultural loans to assist distressed farmers afflicted by drought conditions, decreased bad debt provisions.

Ithala SOC Limited's trading performance was below expectations, largely driven by negative variances in interest income and fee income, mainly as a result of lower fees from deposits and the slow uptake of the debit card product offered to clients.

The entity also continued rolling out its turnaround strategy. The initial focus was on returning the business to profitability through sustainable cost reduction, and on growing the business with an emphasis on transactional fee income, insurance and acquiring new public sector clients, such as other provincial public entities. The increased use of technology facilitated the development of new sales channels, e.g. mobile and internet banking.

KwaZulu-Natal Sharks Board (KZNSB)

The core function of the KZNSB is the protection of bathers against shark attacks. This mandate is fulfilled through the installation and maintenance of shark safety gear, deployed to prevent shark attacks at 38 protected beaches along the KZN coastline. The KZNSB maintained 23.7 km of shark netting and 79 drum-lines off the KZN coast. The KZNSB continued its research on the biodiversity of sharks. The entity also continued its research work into a non-lethal means of protecting bathers in the form of shark repellent technology.

The Maritime Centre of Excellence (MCOE) was established in 2012 with the mandate to facilitate maritime skills development in the province, in line with the KwaZulu-Natal Integrated Maritime Strategy. A total of 352 learners were trained in 2015, of which 187 were trained under the Work Readiness Programme, which prepares unemployed graduates to enter the job market and to develop their careers.

KZN Tourism Authority (TKZN)

TKZN formed a number of strategic partnerships to boost domestic, regional and international tourism numbers. As part of the efforts to address seasonality and creating a more sustainable tourism sector for KZN, numerous major events were hosted to attract more domestic travelers in the province. These included the Metro FM Music Awards, the MTV African Music Awards and the Loeries Awards, to name a few. Events of such magnitude had major economic benefits for the sector and beyond. These events also provided the province with media exposure aimed at attracting more visitor numbers.

At a regional level, TKZN partnered with East Coast Radio, DubeTrade Port, and Trade and Investment KZN (TIK) to usher in greater inter-travel within the Southern African Development Community (SADC) through the ECR initiative *Connecting Africa*. TKZN, focused on driving the marketing of the Harare-Durban and Lusaka-Durban routes through major radio stations in Harare, Lusaka, Gauteng and KZN which reached a combined listenership of over three million.

Internationally, TKZN worked successfully with its parent department and sister entities in hosting the World Routes 2015 conference, a global meeting point for the world's airlines, airports and tourism bodies and where decisions are made on new air routes. The event was attended by over 2 000 international delegates and was a major success, leading to the province securing new airline routes, including Turkish Airlines, Ethiopian Airlines and Qatar Airways.

Dube TradePort Corporation (DTPC)

Dube TradePort Corporation's (DTPC) primary mandate is to facilitate economic growth by developing the Dube TradePort and attracting long term investment to KZN. It plays a multi-faceted role in both enabling and driving the development of the air logistics business.

One of DTPC's key objectives is to attract new international and regional air routes to KSIA, and three new routes were secured in 2015/16 – Turkish Airlines, Ethiopian Airlines and Qatar Airways, operating flights to Istanbul, Addis Ababa and Doha, respectively.

The construction of a double underground basement at Dube City continued and is expected to be completed mid-way through 2016/17. The provisioning of bulk infrastructure at TradeZone 1b is in progress and a number of firm investment options are being finalised for this site.

The delineation of the conservation area, which is required before construction of the Hlawe trunk sewer line can proceed, is in the process of being finalised. The environmental authorisations for AgriZone 2 were rejected by the Department of Environmental Affairs and referred back to the environmental practitioner to address the sewer connectivity issues. This resulted in a delay in the provision of some bulk infrastructure, which was expected to take place in 2015/16.

Trade and Investment KwaZulu-Natal (TIK)

TIK's mandate is to attract foreign and domestic investment, and to promote exports from, and within KZN. Its core activities focus on the promotion and facilitation of fixed investment in KZN, including encouraging and retaining business. TIK continued to place efforts in the promotion of key investment opportunities through marketing and project packaging efforts, particularly within emerging economies.

Some highlights include, among others, the facilitation of seven new investment projects into KZN to the value of R682 million and a number of expansions to the value of R400 million, as well as assistance to companies to participate in industries in Europe and the US and to establish linkages. Through its export development and promotion programme, TIK assisted local exporters by providing platforms to exhibit their products, as well as training and information which enabled them to access new markets. As such, TIK assisted over 100 companies to showcase their products at various exhibitions, such as New York Now (USA), Internacional Fiera de Luanda (Angola), Gulf Foods (UAE), West and Central Africa Mining Show (Ghana), etc. As part of TIK's stakeholder engagement process, several events were hosted in 2015/16. These included, among others, the East3 Route and the World Routes 2015 conference.

Richards Bay Industrial Development Zone (RBIDZ)

RBIDZ is a public entity established to undertake the development of industrial land in the Richards Bay area, in line with a 50-year Master Plan. In 2015/16, phase 1A bulk infrastructure was completed, and agreements signed. These are for a piping plant, logistics company and a techno-hub. In phase 1F, agreements were signed for titanium dioxide and biomass power plants. Significant progress was made around the acquisition of Bayside for the metals cluster and negotiations are ongoing, with the goal being that the RBIDZ will take occupation of office space in 2016/17. RBIDZ hosted an agro-processing seminar, aiming at a possible collaboration with other countries to export processed commodities to them.

RBIDZ faced several challenges, not limited to the uncertainties on the enactment of the Special Economic Zone (SEZ) Regulations and operationalisation of the SEZ Act. The onerous, protracted and often misaligned approval process for EIAs, Water Use Licence Applications (WULA), and the requirements of the Spatial Planning and Land Use Management Act (SPLUMA) were some of the challenges faced, as well as reluctance to sell land by land owners, as this would mean disposing of agricultural land for industrial expansion. The entity also faced challenges regarding the misalignment with Transnet in optimising marine-based opportunities in the region and the lack of coherent institutional support for industrialisation from Transnet, Eskom, SANRAL, water authorities and regulatory authorities also caused difficulties for the RBIDZ.

KZN Liquor Authority (KZNLA)

In 2015/16, the entity continued to implement the KZN Liquor Licensing Act and renewed 7 822 licence holders for trade. The entity trained local committee secretaries on the application receiving processes, such that applications can be lodged at districts successfully. The KZNLA participated in Operation Fiela, led by SAPS, and launched 66 blitz operations, as a result of which 146 illegal outlets were closed.

Furthermore, the entity revised its social responsibility programme in respect of alcohol consumption, applications and compliance guide. KZNLA also conducted 54 trader workshops to educate and assist new applicants with the application processes.

Ezemvelo KZN Wildlife (EKZNW)

EKZNW is a public entity that directs the management of biodiversity conservation within KZN, including protected areas. This encompasses the development and promotion of eco-tourism facilities within protected areas. The development of a revenue generation strategy led to the formulation of plans for marketing, grading, and maintenance of facilities and the standardisation of gate tariffs, which resulted in a minor improvement in revenue, largely due to an increase in trails and rides. EKZNW collaborated with

stakeholders of land and created co-management structures in Hluhluwe Imfolozi Park (HIP), Ndumo, Tembe and Ithala, to engage in eco-tourism matters.

The entity permanently absorbed more than 320 fixed term contract employees, as part of Operation Lungisa aimed at regularising employment conditions, including fringe benefits, such as pension and medical aid. The severe drought in the country took its toll and water points in certain areas ran dry. Some areas, such as Tembe Elephant Park, Ithala Game Reserve, etc. had to transport water for domestic use.

Furthermore, the entity's Biodiversity Stewardship Programme proclaimed 14 sites of combined size of 3 3673 ha. The road upgrades in HIP were completed, and 16 kilometres of fencing were repaired. The entity also invested in furniture replacement, infrastructure upgrades, thatch work and vehicles.

KwaZulu-Natal Film Commission (KZNFC)

In pursuing its strategic objective to promote and market KZN as a choice film destination, the KwaZulu-Natal Film Commission (KZNFC) increased its visibility through attending 14 film festivals/markets and engaging with various stakeholders in the film industry. These platforms were used to sell the value proposition of KZN's unique locations, culture and history.

The KZN Film Fund was established with a budget of R12 million, which funded 38 women, youth and black filmmakers. The KZNFC awarded bursaries to 29 students studying toward various courses associated with the film industry.

KZNFC also engaged professional organisations in the film industry to assist in conducting short courses in filmmaking. The areas identified were script development, production, marketing and distribution. In addition, KZNFC hosted the Simon Mabhunu Sabela Awards in July 2015 to showcase emerging and established film-makers at an international event.

3. Outlook for the 2016/17 financial year

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

The bulk of the department's budget allocation caters for transfers to its entities such as DTPC, EKZNW, TKZN, TIK, RBIDZ and KZNLA. Provision is also made for the establishment of the Small Business Growth Enterprise (SBGE) and the KZN Property Development Holding SOC Ltd which is a subsidiary of Ithala aimed at facilitating strategic investment in fixed property in the province. The budget for 2016/17 caters for support of SMMEs and co-operatives, the KZN Youth Technical Short Skills Training programme, implementation of Industrial Economic Hubs in all districts, conducting a blue flag impact study, as well as IASP.

Integrated economic development

The department will continue with capacity building initiatives with its existing and new partners. New programmes include extending the partnership with the International Labour Organisation (ILO), the hosting of the Master Caterers' Challenge to encourage growth and development in the catering sector, as well as enhancing the revitalisation of township and rural economies through various interventions such as the KZN Provincial Association of Traders, warehousing and bulk buying. The department will provide technical training and mentorship support to co-operatives. An agreement was reached with UKZN Graduate School of Business and Leadership to continue offering the Regional and Local Economic Development (RLED) initiative education and training programme over the next four years, and this will therefore continue.

A total of 44 graduates will be placed within co-operatives to serve in the internship programme. The Call for Proposal (CFP) support programme to small-scale sugar-cane growers will be finalised and implemented in 2016/17. The Swiss Economic Co-operation (SECO) funded LED programme in Ilembe will be contracted and phase 1 implementation will be activated. The department will continue with enterprise development training for youth and women entrepreneurs. In line with this, new programmes will include the KZN Youth Technical Short Skills Training, which is a skills development initiative that is

employment focused. It mainly targets matriculants and below, and the youth are taught various skills, most of which are technical in nature. All the youth trained through this programme are placed in employment. A total of 1 000 youth and 200 women will be trained in various trades in different sectors.

Trade and sector development

The department will implement projects aimed at maximising opportunities presented by the marine sub-sectors such as marine manufacturing, oil and gas, aquaculture and marine protection services and governance, industrial economic hubs, among others, so as to develop the economy and enhance skills capabilities in those areas, as well as create employment opportunities and ensure transformation in the provincial economy.

Business regulation and governance

In 2016/17, the department will launch the Provincial Traders Association with a detailed programme of action. It is also in the process of integrating this structure into the bulk buying projects currently administered by Ithala. The district bulk-buying and warehousing facilities is an initiative aimed at assisting traders, especially co-operatives and SMMEs, in the province. The department will develop and roll-out a detailed Regulatory Impact Assessment (RIA) and Red Tape Reduction programme. The department is going to establish the KZN Consumer Tribunal, and finalise the KZN Business Bill.

Economic planning

In 2016/17, the strategic priorities of the department will be to provide research and development centres of excellence in partnership with higher education institutions and innovative building technology (IBT) research, Regional Innovation Forums (RIFs) will be implemented and quarterly economic performance reviews (Ezomnotho) produced. The department will finalise the establishment of a centralised integrated statistical database.

Tourism

As part of the continued implementation of the 2030 KZN Tourism Master Plan, several projects will be implemented, namely the Drakensberg cable car EIA through Ithala, the Ukhahlamba Drakensberg spatial plan, hospitality tourism levy and the continued revitalisation of Ndumo Lodge, Ingodini Border Caves, and Ntsikeni Lodge through EKZNW as an implementing agent. The department will continue to support the WowZulu Market Places at Ndumo, eMazizini Village and Dukuduku - Khula Village. The department plans to determine the level of transformation within the province and a baseline study will be undertaken in this regard. In advancing the BBBEE objectives, a Tourism Mentorship programme will be implemented with emerging product owners being participants. The Tourism Graduate Development programme, whereby unemployed graduates are placed at various municipalities for experiential training, the department will continue to position KZN as the destination of choice and grow visitor numbers, and will continue to host a number of provincial, national and international events such as the East3 Route Expedition, KZN is Summer campaign and the Tourism Indaba.

Environmental Affairs

The department will promote sound environmental management practices by focusing on completion of the Coastal Management Programme and the KZN Environmental Outlook Report, as well as piloting the use of co-operatives (as implementing agents) to implement the IASP projects to accelerate job creation and clearing of invasive alien species in order to protect the province's biodiversity.

Ithala Development Finance Corporation (Ithala)

The strategy for 2016/17 is to continue to strive toward future sustainability and viability via cost containment, while simultaneously driving revenue growth. Due to the cash constrained environment that Ithala finds itself in, capital investment will be constrained in 2016/17.

The roll-out of the revised properties' strategy will continue into 2016/17. Market-related rentals will be applied to all expired and new tenant contracts and more stringent application of the recovery of utilities from tenants in the industrial estates will be enforced, thereby enhancing revenue generation. The entity will ensure that non-performing loans continue to remain at low levels. Lending to SMMEs will continue to take priority.

Ithala Limited's focus areas are to grow debit card transactional accounts and increase public sector banking. The 2016/17 financial year will be characterised by a significant investment in people, systems and processes. Credit and collections capabilities will be enhanced and new banking and insurance systems will be implemented, allowing new products and services to be introduced to the market. Simultaneously, emphasis will be placed on building human resource capabilities across all components of the business.

KwaZulu-Natal Sharks Board (KZNSB)

The entity will continue with research efforts in respect of producing a shark repellent prototype cable. The KZNSB will also continue to assist provincial, national and international environmental management agencies and other interested parties through sharing of information. It will also continue to conduct awareness programmes and educational services to scholars.

The entity plans to attend local and international expos and trade shows to vigorously market the activities of KZNSB and the MCOE, while implementing the marketing strategy aimed at increasing the entity's revenue. The MCOE seeks to expand its focus in terms of accredited programmes offered and to increase the number of learners trained in 2016/17 from 352 to 1 200.

KZN Tourism Authority (TKZN)

Key outputs for 2016/17 include partnerships with major international tour operators in order to drive greater tourist numbers into KZN from other parts of the world, as well as with the country's major media houses that have a footprint in the province's major African, European and American markets.

TKZN, through the Durban KZN Convention Bureau, will be a key driver in the hosting of major international events which include the World AIDS conference, which will be held in July and which is expected to attract over 10 000 delegates.

The entity will also embark on joint marketing campaigns with airlines that have introduced new routes, including Qatar Airways, Turkish Airlines, Ethiopian Airlines and Proflight Zambia. A number of other airline deals are also in the pipeline for 2016.

TKZN will also be hosting the Loeries Awards for the second year, as well as the Metro FM Music Awards.

Dube TradePort Corporation (DTPC)

Work has begun at the mini-factories at TradeZone 1 and the multi-storey parkade on blocks A and B at Dube City and this will continue in 2016/17. Lease agreements are expected to be signed with private sector investors at TradeZone 1b, which will see the commencement of the construction of top structures in this interim phase of the zone. The DTP IDZ will be converted to a SEZ, pending the SEZ Regulations, which are expected to be finalised in 2016/17.

DTPC will continue to focus on attracting new airlines and expanding existing air routes flying via KSIA. This, in turn, will assist in increasing cargo volumes through the Dube Cargo Terminal (which is expected to increase by 9.6 per cent in 2016/17) as well as assist in attracting additional private sector investment to the Dube TradePort. The purchase of additional land parcels is a key performance target in DTPC's APP. A purchase agreement was signed for an additional 150ha of land in 2015/16. Negotiations are currently underway for the land required for the Automotive Supplier Park (ASP), and this is expected to be concluded in 2016/17.

Trade and Investment KwaZulu-Natal (TIK)

In 2016/17, TIK will take a lead role in the development of the investment environment, through setting up of a bridging finance facility to assist those companies that have been approved for investment incentives. The entity will also establish a Trade and Investment Council to co-ordinate investment promotion and establish the KZN Innovation Fund to support innovation and entrepreneurship.

Richards Bay Industrial Development Zone (RBIDZ)

The RBIDZ is expected to be converted to a SEZ in 2016/17 and the rules and procedures for locating in the RBIDZ and the Custom Controlled Area (CCA) will be concluded. As the RBIDZ becomes established, additional sector-specific private sector investment will be targeted and additional land will be secured for future development. RBIDZ is looking into avenues to optimise economic returns from mineral wealth, the

deep-water port, marine-oriented industries and agricultural produce found in the northern Zululand region, in pursuit of establishing linkages with industrial hubs and in line with Operation Phakisa.

KwaZulu-Natal Liquor Authority (KZNLA)

The KZNLA will continue the roll-out an induction programme for newly approved licensees, and will conduct comprehensive research into the composition of the liquor industry and illegal trade. The entity will develop the capacity of each district office to introduce help-desk services, and will establish a fully-fledged customer care and client contact centre.

Ezemvelo KZN Wildlife (EKZNW)

EKZNW will continue to do everything possible to counter the drought situation in the province and conservation officers are on high alert to rescue large distressed mammals. Sustainable water supply remains a major concern, with water levels in the reserves being significantly low.

The entity will continue to carry out community levy projects, as these are beneficial in managing protected areas. Projects like the Ezemvelo Cup have, in the past, contributed immensely to improving relationships with the communities residing adjacent to the parks to strengthen co-management structures, which assists in the management of protected areas within their vicinity. Ezemvelo will continue to support deserving community projects through its community levy fund.

In an effort to reduce its dependency on government, the entity plans to increase its own revenue through developing and piloting new streams of revenue, including creating an opportunity for private sector investments. EKZNW will also continue to work with various private and public stakeholders and law enforcement agencies, to ensure that poaching of endangered species, such as rhino, is minimised.

KwaZulu-Natal Film Commission (KZNFC)

The KZNFC will continue with support programmes that are aimed at assisting film-makers from the province to grow, and will continue to support film-makers from historically disadvantaged backgrounds.

The KZNFC intends to strengthen its human capital development programmes so that its strategic objectives of training, skills development, transformation and diversification of the local film industry, can be fast-tracked. For instance, the script writer programme will be continued with a focus on creating a pool of skills in the province.

The focus of the Film Fund will gradually move from development to production projects. The entity will be involved in the promotion of the Durban International Film Festival (DIFF), so that it becomes the “Cannes” of the African film industry.

4 Receipts and financing

4.1 Summary of receipts and financing

Table 4.1 shows the sources of funding for the department over the seven-year period 2012/13 to 2018/19. The table also compares actual and budgeted receipts against actual and budgeted payments.

Table 4.1 : Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Equitable share	2 307 380	2 621 128	2 840 316	2 950 707	2 951 842	2 951 842	2 672 140	2 835 373	3 013 504
Conditional grants	10 708	550	16 827	8 162	9 599	9 599	6 927	-	-
EPWP Integrated Grant for Provinces	10 708	550	16 827	8 162	9 599	9 599	6 927	-	-
Total receipts	2 318 088	2 621 678	2 857 143	2 958 869	2 961 441	2 961 441	2 679 067	2 835 373	3 013 504
Total payments	2 421 869	3 311 354	2 955 803	2 973 459	2 997 119	2 997 119	2 702 992	2 844 613	3 022 744
Surplus/(Deficit) before financing	(103 781)	(689 676)	(98 660)	(14 590)	(35 678)	(35 678)	(23 925)	(9 240)	(9 240)
Financing									
of which									
Provincial roll-overs	28 256	-	-	-	12 000	12 000	-	-	-
Provincial cash resources	179 362	690 623	151 312	14 590	23 678	23 678	23 925	9 240	9 240
Surplus/(Deficit) after financing	103 837	947	52 652	-	-	-	-	-	-

The department receives a provincial allocation in the form of an equitable share, and a national conditional grant allocation in respect of the EPWP Integrated Grant for Provinces. Despite a fluctuating trend, the department's baseline has increased from R2.422 billion to R3.023 billion, over the seven-year period.

The department receives conditional grant funding for the EPWP Integrated Grant for Provinces from 2012/13 to 2016/17. The EPWP Integrated Grant for Provinces was under-spent by R3.707 million in 2014/15. As requested by the department, R2.572 was approved to be rolled over to 2015/16. With regard to the balance of R1.135 million, National Treasury implemented Section 22(4) of the Division of Revenue Act and removed this amount from the 2015/16 EPWP Integrated Grant for Provinces allocation. To ensure that this grant was not compromised because of this reduction, Provincial Treasury allocated back to the department an amount of R1.135 million from provincial cash resources and this was therefore treated as an equitable share allocation. The department receives R6.927 million in respect of this grant in 2016/17. There is no allocation for the two outer years of the MTEF, at this stage.

In 2012/13:

- R28.256 million was rolled over from 2011/12 relating to commitments with regard to the Top Gear Festival, as well as Travel Agents Federation of India (TAFI) events, such as the TAFI Convention 2013 and the KZN Durban Convention Bureau Bid Fund.
- The department received R179.362 million from provincial cash resources. Of this amount, R101.411 million was allocated for major provincial events, such as the North Sea Jazz Festival, Metro FM Awards, BRICS Summit, etc. Additional funding was also allocated to TKZN for their SAP and VIP pay-roll system, and to KZNSB, largely for capital requirements. An amount of R28.137 million was allocated to EKZNW for the Rhino Security Intervention Plan, including provision for thermal imaging, helicopter time, field rangers, vehicles, etc. An amount of R40 million was received toward expanding the EPWP job creation initiative of Environmental Affairs, whereby EPWP job opportunities were provided through the expansion of existing programmes. In addition, R9.814 million was allocated to EKZNW for the higher than anticipated 2012 wage agreement.
- The budget was under-spent by R103.837 million in 2012/13, due to expenditure that was deemed to be prepayments for events, such as the Top Gear Festival and MTV Awards, amounting to R15.896 million and R36.212 million, respectively. These contributed to the under-spending due to the fact that expenditure was only recognised when the events took place in the following year. Also contributing, was expenditure relating to the North Sea Jazz Festival which was moved into a debt account to recover R26.900 million paid to the event organisers, since there were serious contractual problems that emerged involving the promoter. This under-spending also related to delays in finalising SLAs and SCM processes for various projects, including the Integrated Craft Hub, Ekhaya Multi-Art Centre, Tourism Mentorship Partnership, Durban International Airport Plan, Durban Film Festival, Fresh Produce Mentorship, among others.

In 2013/14, the department's allocation was increased by R690.623 million from provincial cash resources, as explained below:

- Funds of R535.120 million were returned by Ithala to the Provincial Revenue Fund, for direct transfer by Vote 4 to the KZN Growth Fund Trust which is now a stand-alone entity. Thus, these funds were required to be transferred directly from the parent department to the Trust.
- R19.003 million was allocated for EKZNW's Rhino Security Intervention plan, being the carry-through of the amounts allocated in 2012/13. EKZNW also received additional funding of R20 million for the Rhino Security Intervention plan.
- KZNSB received once-off additional funding of R10.500 million for land purchases, for erection of new offices, since its premises are not suitable for expansion, including the MCOE.
- R105 million was allocated to Ithala for the Ithala Limited capital adequacy ratio.
- The department received R1 million for spending on Operation Sukuma Sakhe (OSS) initiatives.
- The budget was under-spent by R947 000 in 2013/14. While there was over-spending of R236 000 relating to Economic Development and Tourism (which was unauthorised expenditure), there was also

under-spending incurred by Environmental Affairs. The under-spending can be ascribed to late commencement of some environmental projects, such as the aerial photography of the coastline for a coastline study to determine the dynamic interface between the ocean and the land. This was due to lengthy procurement processes. Also contributing were unspent funds in respect of the Greenest Municipality Competition as a result of the Endumeni Municipality not submitting the required business plan. In addition, the annual transfer to Wildlife and Environmental Society of South Africa (WESSA) was not made due to technical problems with the banking details of the institution.

- The 2013/14 over-expenditure of R236 000 resulted in unauthorised expenditure in terms of the adoption of the resolutions of SCOPA by the Legislature on 9 December 2014. Thus, in terms of Section 34(2) of the PFMA, the department was liable for the repayment of this over-expenditure. This resulted in a first charge of R236 000 being implemented against the budget in 2015/16, and is reflected as a footnote in Tables 4.4 and 4.5 below.

In 2014/15, provincial cash resources of R151.312 million were allocated as follows:

- R39.512 million relating to the unspent and uncommitted portion of EKZNW's road maintenance budget which was suspended from 2013/14. This amount was allocated back to the entity in 2014/15.
- R6 million was allocated to the KZNSB for MCOE operational costs.
- R7 million was allocated to TIK for the Technical Assistance Fund (TAF) and marketing.
- R2 million was allocated to KZNLA for the procurement of an IT system, as well as carry-through of previous wage agreements.
- R101.800 million, surrendered from Ithala's Equity Fund and paid into the Provincial Revenue Fund, was allocated as follows:
 - R50 million was transferred to Ithala Limited to ensure that it maintains a certain minimum capital adequacy ratio percentage.
 - R26 million was allocated for the World Routes 2015 conference. Of this amount, R4 million increased the transfer to TKZN, since the entity was responsible for promoting and marketing this event.
 - R25.800 million was allocated for the construction of the Ndumo retail centre and petrol filling station. A portion of R800 000 was to cater for consultants fees relating to the construction of the Ndumo taxi rank and informal stalls.
- The department under-spent by R52.652 million in 2014/15 due to delays in the establishment of SBGE, the World Routes 2015 conference, the East3 Route Legacy project, as well as difficulties in filling vacant posts.

In 2015/16:

- The department received a roll-over of R12 million for the World Routes 2015 conference.
- Additional funds of R23.678 million were allocated from provincial cash resources including carry-through allocations to the KZNSB for MCOE operational costs (R6 million), TIK for TAF and marketing (R7 million) and KZNLA for the procurement of an IT system (R1.590 million). An amount of R9.088 million was allocated in the 2015/16 Adjusted Appropriation to cover the above-budget 2015 wage agreement in respect of the department (R1.181 million), as well as EKZNW (R2.907 million). The balance of R5 million was for the Nelson Mandela Golf Championship event which was suspended from 2014/15 to 2015/16.

Over the 2016/17 MTEF, the equitable share includes carry-through additional allocation to both the department and EKZNW for the above-budget 2015 wage agreement. Funds were also allocated in the form of provincial cash resources to EKZNW in respect of the rhino anti-poaching campaign over the three years of the MTEF. The department receives allocations to the KZNSB for MCOE operational costs, TIK for TAF and marketing, and to fund KZNLA for the procurement of an IT system, in 2016/17 only. It is noted that baseline reduces in 2016/17 as a result of the budget cuts and fiscal consolidation measures implemented by National Treasury to ensure that the expenditure ceiling remains in place.

4.2 Departmental receipts collection

Table 4.2 below gives a summary of the receipts collected by the department.

Details of departmental receipts are given in the *Annexure – Vote 4: Economic Development, Tourism and Environmental Affairs*.

Table 4.2 : Summary of departmental receipts collection

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Tax receipts	4 927	5 110	25 596	20 086	20 086	20 086	27 577	28 898	30 574
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	4 927	5 110	25 596	20 086	20 086	20 086	27 577	28 898	30 574
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	2 219	2 114	2 363	2 210	2 210	1 683	2 219	2 330	2 465
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	703	1 279	1 195	500	500	778	500	525	555
Interest, dividends and rent on land	17	3	5	5	5	5	6	6	7
Sale of capital assets	411	147	302	-	-	-	-	-	-
Transactions in financial assets and liabilities	4 905	902	105 700	51	51	30 985	54	56	60
Total	13 182	9 555	135 161	22 852	22 852	53 537	30 356	31 816	33 661

Liquor licences is the major revenue source for the department. The KZNLA is responsible for the liquor licensing functions including, among others, the surveillance of the industry to ensure that rules of licences are adhered to, and the collection of licence fees. The high collection in 2014/15 was due to the promulgation of the KZN Liquor Licensing Amendment Act, together with the Regulations in February 2014. The increase in collection over the 2016/17 MTEF is due to the factoring in of the new licence tariffs based on the revised licence types. The entity is striving to optimally enhance revenue collections in respect of liquor licences, while promoting growth in the industry.

Revenue from *Sale of goods and services other than capital assets* relates to state property rentals, parking fees, environmental authorisation licence application fees and commission on payroll deductions. The anticipated under-collection in 2015/16 can be attributed to the lower than expected fees from the sale of tender documents. The increase over the MTEF is based on inflationary increments.

Fines, penalties and forfeits can be attributed to the once-off payment of fines by companies or individuals that transgress EIA regulations. The department is anticipating to over-collect its 2015/16 budget as a result of higher than anticipated EIA regulation offences reported. This category is uncertain in nature and therefore difficult to project revenue collections, hence the department is very conservative in terms of budgeting for this category over the MTEF period.

Interest, dividends and rent on land relates to interest on outstanding debt, such as staff debts and is difficult to project due to its uncertain nature.

Sale of capital assets represents revenue collected in respect of redundant assets auctioned by the department. No assets are expected to be disposed of by the department over the 2016/17 MTEF.

Transactions in financial assets and liabilities relates to recoveries of previous years' staff debts, which are difficult to budget for. The substantial collection in 2014/15 relates to, among others, funds from Ithala's Equity Fund paid into the Provincial Revenue Fund, relating to the unallocated balance of the Equity Fund. In addition, a significant amount was transferred in 2013/14 to Umzamo Wethu Bricks Manufacturing co-operative. These funds were returned to the department due to the beneficiary not utilising them as per the agreement. The anticipated over-collection in 2015/16 can be ascribed to funds returned from Ithala which were earmarked in 2014/15 for the construction of a retail centre and a petrol filling station at Ndumo. The funds were returned to the PRF pending approval from the Ngonyama Trust to occupy the land, with an understanding that the funds would be allocated back to the department once the approval process is finalised. Revenue increases over the MTEF, reflecting inflationary increments of staff debt recoveries.

4.3 Donor funding – Nil

5. Payment summary

This section provides information pertaining to the vote as a whole at an aggregated level, including payments and budgeted estimates in terms of programmes and economic classification. Further details are given in Section 6 below, as well as in the *Annexure – Vote 4: Economic Development, Tourism and Environmental Affairs*.

5.1 Key assumptions

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

- 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.
- Where feasible, CPI projections were used to calculate inflation related items.
- 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:
 - 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.
 - Departments equitable share funded *Goods and services* budgets were cut by 2 per cent.
 - Departments' and public entities' hosting of events budgets were cut over the MTEF.
 - 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.
- 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 4.3 shows the additional funding received by the department over the three MTEF periods: 2014/15, 2015/16 and 2016/17. The purpose of the below table is two-fold. Firstly, it shows the quantum of additional funding allocated to the department in the past and current MTEF periods. Secondly, it indicates the policies and purposes for which the additional funding was allocated.

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

The allocation over the 2014/15 MTEF includes once-off additional funding allocated toward EKZNW in respect of road maintenance (being funds that were suspended from 2013/14) and funding was allocated for carry-through costs of previous wage agreements for EKZNW. Also included was the carry-through to KZNSB for MCOE operational costs, TIK for the TAF and marketing, KZNLA for the procurement of an IT system, as well as the carry-through of previous wage agreements. In addition, once-off additional funding was added for the operational costs in respect of the KZNLA which is also funded from increased liquor licences revenue from 2015/16 onward. RBIDZ received once-off additional funding in 2015/16 for infrastructure development in line with the entity's Master Plan. Mitigating this, to some extent, was the function shift in respect of the Agri-business Development Agency (ADA) to DARD, as well as centralisation of the budget in respect of parts of the communications and external bursaries under OTP.

Table 4.3 : 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	37 820	14 562	(26 477)	(27 801)	(29 413)
EKZNW - suspension of parts of road maintenance funds from 13/14	39 512	-	-	-	-
Function shift: ADA to DARD	(39 945)	(41 571)	(43 774)	(45 963)	(48 629)
KZNSB - MCOE	6 000	6 000	6 000	6 300	6 665
TIK - TAF and marketing	7 000	7 000	7 000	7 350	7 776
KZN Liquor Authority - IT system	2 000	1 590	1 685	1 769	1 872
KZN Liquor Authority - Operational costs	25 768	-	-	-	-
RBIDZ - Infrastructure relating to Master Plan	-	40 000	-	-	-
Carry-through of previous wage agreements	1 061	2 048	2 366	2 484	2 628
Carry-through of previous wage agreements - EKZNW	3 661	7 069	8 168	8 576	9 074
Centralisation of communications budget under OTP	(6 737)	(7 074)	(7 399)	(7 769)	(8 220)
Centralisation of external bursaries budget under OTP	(500)	(500)	(523)	(549)	(581)
2015/16 MTEF period		4 259	(380 235)	(385 501)	(394 717)
Removal of KZNSB - MCOE in 2017/18		-	-	(6 300)	(6 665)
Removal of TIK - TAF and marketing in 2017/18		-	-	(7 350)	(7 776)
Removal of KZN Liquor Authority - IT system in 2017/18		-	-	(1 769)	(1 872)
Pmb Bike City shifted to DOSR		(9 391)	(9 832)	(10 323)	(10 922)
KZN Music House shifted to DAC		(12 000)	(12 600)	(13 230)	(13 997)
Remainder of Environmental Affairs function shift from DARD		11 356	12 017	12 719	13 457
Decentralisation of bursaries budget		500	523	549	581
Transfer to KZN Liquor Authority - operational costs		13 794	14 120	15 324	16 213
2016/17 MTEF period			(384 463)	(375 121)	(383 735)
Above-budget 2015 wage agreement			6 798	7 279	7 817
EKZNW - Above-budget 2015 wage agreement			3 116	3 328	3 555
EKZNW - Rhino anti-poaching			9 240	9 240	9 240
Freezing all vacant non-OSD posts			(10 000)	(10 620)	(11 278)
2% Goods and services cut			(39 511)	(23 992)	(26 151)
Cutting transfer to various entities			(354 106)	(360 356)	(366 918)
Total	37 820	18 821	(791 175)	(788 423)	(807 865)

In the 2015/16 MTEF, additional funding was received in respect of the Environmental Affairs function shift, and decentralisation of external bursaries budget to the department from OTP. KZNLA received an increased transfer to provide for the entity's operational costs, which were funded from increased liquor licences revenue collected by this entity. This was reduced by shifting of PMB Bike City funds which were moved to the Department of Sport and Recreation (DOSR) because it is a sport-related event. Also, funding for the KZN Music House was shifted to the Department of Arts and Culture (DAC) as a result of a directive from the Premier. Hence, additional funding was lower than prior years, as amounts were adjusted to take these shifts into account. Note, in 2017/18, the additional allocations for KZNSB for MCOE operational costs, TIK for the TAF and marketing and KZNLA for the procurement of an IT system were removed from the department's baseline. These funds were only made available from 2014/15 to 2016/17.

Over 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 was 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 effect of this on the department was a substantial reduction by R403.617 million, R394.968 million and R404.347 million in the budget over the entire period. The major impact of the baseline cuts was effected by the department against the allocation of DTPC, Ithala (for both the Enterprise Development Fund and KZN Property Development Holding SOC Ltd), EKZNW, TKZN, TIK, MKI, KZNSB, KZNFC, the KZNGFT and SBGE. The department also undertook a major reprioritisation exercise between its entities. Expenditure on *Compensation of employees* was reduced by freezing vacant non-critical posts, while ensuring that funds are available to fill critical posts. The equitable share funded *Goods and services* budget was cut by 2 per cent. The impact of these cuts on DEDTEA is commented on in Section 5.3 below.

Mitigating these cuts, to some extent, was additional funding of R19.154 million, R19.847 million and R20.612 million over the 2016/17 MTEF to cater for the Rhino anti-poaching activities and for the carry-through cost of the above-budget 2015 wage agreement for both the department and EKZNW.

5.3 Summary by programme and economic classification

Tables 4.4 and 4.5 provide a summary of payments and budgeted estimates by programme and economic classification, respectively, for the period 2012/13 to 2018/19.

The department has seven programmes and is made up of two sectors, as explained below.

The budget structure, in particular the Economic Development and Tourism sector, largely conforms to the uniform budget and programme structure for the sector and is made up of six programmes that are directly linked to the department's core functions, namely Administration, Integrated Economic Development Services, Trade and Sector Development, Business Regulation and Governance, Economic Planning and Tourism. The main difference to the budget and programme structure for the sector is that, in KZN, Gambling and Betting falls under Vote 6: Provincial Treasury.

The seventh programme is Environmental Affairs which largely conforms to the uniform programme structure for the Environmental Affairs sector, giving the required information by sub-programme and sub-sub-programme, because of the level of detail required by the sector.

Table 4.4 : Summary of payments and estimates by programme: Economic Development, Tourism and Environmental Affairs

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Administration	212 465	226 097	195 975	233 095	210 326	209 470	226 179	243 909	257 952
2. Integrated Economic Development Services	407 358	1 073 730	502 886	422 715	438 174	437 341	414 345	422 561	446 267
3. Trade and Sector Development	599 493	753 992	832 777	957 259	943 714	943 964	769 338	807 334	862 613
4. Business Regulation and Governance	86 092	68 114	104 536	100 290	99 491	99 493	111 786	115 956	122 473
5. Economic Planning	18 546	20 566	23 186	37 482	32 100	31 975	38 525	40 241	42 575
6. Tourism	283 320	345 251	362 705	298 771	356 306	358 002	285 323	330 880	354 946
7. Environmental Affairs	814 595	823 604	933 738	923 847	917 008	916 874	857 496	883 732	935 918
Total	2 421 869	3 311 354	2 955 803	2 973 459	2 997 119	2 997 119	2 702 992	2 844 613	3 022 744
Unauth. Exp. (1st charge) not available for spending	-	-	-	(236)	(236)	(236)	-	-	-
Baseline available for spending after 1st charge	2 421 869	3 311 354	2 955 803	2 973 223	2 996 883	2 996 883	2 702 992	2 844 613	3 022 744

Table 4.5 : Summary of payments and estimates by economic classification: Economic Development, Tourism and Environmental Affairs

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	782 121	757 711	626 825	927 893	707 732	708 255	823 031	930 360	1 005 449
Compensation of employees	215 531	233 977	264 793	318 426	283 711	281 932	346 398	368 726	393 827
Goods and services	566 590	523 727	362 032	609 467	424 021	426 323	476 633	561 634	611 622
Interest and rent on land	-	7	-	-	-	-	-	-	-
Transfers and subsidies to:	1 619 285	2 541 637	2 295 860	2 038 564	2 285 179	2 284 954	1 871 620	1 905 321	2 007 845
Provinces and municipalities	4 282	11 109	17 029	2 281	1 319	1 339	6 050	53	56
Departmental agencies and accounts	1 236 616	1 442 896	1 544 482	1 550 333	1 542 575	1 542 575	1 315 649	1 378 606	1 473 021
Higher education institutions	-	-	3 030	-	2 000	2 000	8 500	8 925	9 442
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	332 109	406 935	551 961	273 947	513 702	513 272	281 740	255 253	256 221
Non-profit institutions	38 531	669 159	164 515	201 623	214 552	214 552	254 334	260 324	267 638
Households	7 747	11 538	14 843	10 380	11 031	11 216	5 347	2 160	1 467
Payments for capital assets	15 478	12 006	33 107	6 766	3 972	3 674	8 341	8 932	9 450
Buildings and other fixed structures	-	-	28	-	-	10	-	-	-
Machinery and equipment	15 328	5 584	10 079	6 566	3 872	3 614	4 141	4 522	4 784
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	23 000	-	-	-	-	-	-
Software and other intangible assets	150	6 422	-	200	100	50	4 200	4 410	4 666
Payments for financial assets	4 985	-	11	236	236	236	-	-	-
Total	2 421 869	3 311 354	2 955 803	2 973 459	2 997 119	2 997 119	2 702 992	2 844 613	3 022 744
Unauth. Exp. (1st charge) not available for spending	-	-	-	(236)	(236)	(236)	-	-	-
Baseline available for spending after 1st charge	2 421 869	3 311 354	2 955 803	2 973 223	2 996 883	2 996 883	2 702 992	2 844 613	3 022 744

The department reflects an erratic trend over the seven years, mainly relating to once-off additional funding shown in the peak in 2013/14. It is noted that the department effected the MTEF budget cuts across all programmes except Programme 5. The bulk of these cuts were made against various entities with R354.106 million, R360.356 million and R366.918 million being reduced in Programmes 2, 3, 4, 6 and 7, as explained below. Of this amount, a total amount of R10 million, R10.620 million and R11.278 million was reduced from *Compensation of employees* against Programmes 1, 3, 6 and 7, and a total amount of R39.511 million, R23.992 million and R26.151 million was reduced from *Goods and services* in Programme 6.

The high spending in 2013/14 can be ascribed to once-off additional funding for increased transfers to entities such as KZNSB, TKZN, Ithala and the KZNGFT, as well as funding from the Strategic Cabinet Initiatives Fund, for events such as the SA Women's Golf Championship, Metro FM Awards and the Nelson Mandela Golf Tournament, among others. In 2015/16, the department was liable for the repayment of the previous year's over-expenditure, resulting in a first charge against the budget, and this is reflected under Programme 6: Tourism and against *Payments for financial assets*. This is shown as a footnote below the totals in Tables 4.4 and 4.5. The increase in the 2015/16 Adjusted Appropriation relates to roll-over of funds of the World Routes 2015 conference, EPWP Integrated Grant for Provinces, and additional funding for the above-budget 2015 wage agreement, as well as suspension of funds for the Nelson Mandela Golf Championship from 2014/15. The substantial decrease in 2016/17 is driven by budget cuts effected across programmes and various economic categories, as mentioned. Thereafter, the budget grows steadily in the two outer years of the MTEF, despite the budget cuts.

The increase in 2013/14 against Programme 1: Administration was largely due to funding reprioritised from other programmes to fund events/projects such as the Top Gear Festival, the Industrial Economic Hubs, the Royalty Soapie Awards, Ithala Repositioning strategy and the Aerotropolis strategy which were budgeted for under the office of the HOD, explaining the decrease in 2014/15. The decrease in the 2015/16 Adjusted Appropriation and the Revised Estimate was driven by delays in the filling of critical vacant posts, and the moratorium on the filling of non-critical posts. This programme includes the carry-through cost of the above-budget 2015 wage agreement. Despite cuts of R7.328 million, R7.832 million and R8.390 million effected against *Compensation of employees* in this programme, there is growth over the MTEF.

The peak in 2013/14 against Programme 2: Integrated Economic Development Services was attributed to funds reallocated in respect of the KZNGFT which were previously held by Ithala. These funds were reallocated to the KZNGFT, because it had become a stand-alone entity. Furthermore, Ithala Limited received once-off additional funding to assist with its capital adequacy ratio. Additionally, funds were reprioritised from other programmes to provide for the Ndumo Regeneration programme. Spending in 2014/15 includes an additional transfer to ensure Ithala Limited maintains a certain minimum capital adequacy ratio percentage, the Ndumo Regeneration programme, the Ithala turnaround strategy, as well as set-up costs for the SBGE. This explains the decrease in 2015/16. The increase in the 2015/16 Adjusted Appropriation relates to an increased transfer to ensure that Ithala Limited maintains the minimum capital adequacy ratio as prescribed by the South African Reserve Bank, and for the KZN Property Development Holding SOC Ltd, which is a new subsidiary under Ithala responsible for provincial property management, as well as once-off funding to settle a loan that was taken by DAC from Ithala to fund a portion of the Royalty Soapie Awards. The reduction in 2016/17 is mainly ascribed to the cuts effected against transfers to Ithala (for both the Enterprise Development Fund and KZN Property Development Holding SOC Ltd), KZNGFT and SBGE. In total, Programme 2 has been cut by R24.961 million, R26.386 million and R27.900 million over the MTEF. Despite the cut, the two outer years of the MTEF reflect steady growth, and the bulk of the budget over the MTEF is to provide for Ithala, KZNGFT, establishment of the KZN Property Development Holding SOC Ltd and SBGE.

The trend against Programme 3: Trade and Sector Development is mainly influenced by the capital requirements of DTPC, RBIDZ, as well as the Industrial Economic Hubs. The substantial increase in 2013/14 relates to additional funding allocated to DTPC for infrastructure development. The further increase in 2014/15 was mainly due to spending relating to the Industrial Economic Hubs and additional funding to TIK for the TAF and marketing. The significant growth in the 2015/16 Main Appropriation relates to once-off additional funding to RBIDZ for infrastructure development relating to the entity's Master Plan. The decrease in the 2015/16 Adjusted Appropriation can be ascribed to a reduction in the DTPC allocation due to the entity's healthy positive cash balance. These savings were moved to offset spending pressures in other programmes. The dip in 2016/17 is mainly ascribed to the budget cut effected on transfers to entities to DTPC, KZNFC, TIK, RBIDZ and Moses Kotane Institute (MKI), as well as *Compensation of employees*, with R194.033 million, R196.856 million and R199.821 million being reduced over the MTEF. The programme shows steady growth over the MTEF, and the bulk of the funding over the MTEF caters for transfers to DTPC, RBIDZ, TIK and Industrial Economic Hubs.

The high spending in 2012/13 against Programme 4: Business Regulation and Governance is attributed to the establishment costs of the KZNLA. The decrease in 2013/14 was caused by reprioritisation of projects undertaken, whereby projects such as SMS consumer education and the informal trade project were put on hold. These funds were moved to offset pressures in other programmes. The spike in 2014/15 was linked to once-off additional funding to cater for KZNLA's operational costs, as well as the carry-through allocation for the procurement of an IT system. This explains the decrease in the 2015/16 budget. The further decrease in the 2015/16 Adjusted Appropriation and Revised Estimate was mainly ascribed to delays in the filling of vacant posts, as well as cost-cutting measures implemented on items such as travel and subsistence and transport provided for departmental activity. The minimal reduction in 2016/17 is attributed to the budget cuts effected against the transfer to the KZNLA. Offsetting these cuts is additional funding from liquor licences revenue (based on the previous year's collection) to provide for the KZNLA's operational costs, and the programme maintains inflationary growth over the two outer years. Despite the budget cuts, Programme 4 increases a net amount of R3.587 million in each year of the MTEF, this is due to reprioritisation undertaken to fund an increase in the entity's operational costs, in line with an anticipated increase in liquor licence applications.

The increase in 2013/14 against Programme 5: Economic Planning was influenced by research projects, such as the socio-economic impact of DTPC and inner-city regeneration projects, the development of an industrial development strategy, among others. Also contributing was the purchase of the General Algebraic Modelling System (GAMS) for policy analysis. In 2014/15, the department undertook reprioritisation of projects, such as the Renewable Energy Transaction Advisor project, as well as financial controls on items such as travel and subsistence, and these savings were moved to address spending pressures in other programmes, explaining the significant increase in 2015/16. The decline in the 2015/16 Adjusted Appropriation was mainly attributed to delays in the filling of posts, as well as the late finalisation of SLAs for projects such as the integrated statistical database, Green Economy Research and cost-cutting, and savings were moved to address spending pressures in other categories. The further decrease in the Revised Estimate is largely due to delays in the filling of posts, and this accounts for the significant increase in 2016/17. The budget for this programme shows healthy growth over the MTEF, and was not affected by the baseline cuts.

The spending trend from 2012/13 to 2014/15 against Programme 6 was driven by various events funded from the Strategic Cabinet Initiatives Fund, including the Volvo European Golf Championship, the Metro FM Awards, among others. The significant increase in 2013/14 is attributed to the once-off additional funding transferred to the KZNSB for land purchases relating to the construction of new offices in Durban, as well as for events funded from the Strategic Cabinet Initiatives Fund, namely the SA Women's Golf Championship, the Nelson Mandela Golf Tournament, among others. Also contributing was reprioritisation of funds undertaken to fund events such as the MTV Awards, the uMphithi Spring Music Festival, the Umlazi Festival and Expo, Urban Music Tour and the SMME conference. The increase in 2014/15 can largely be ascribed to the Strategic Cabinet Initiatives Fund allocated for events such as World Pro-am Golfers Tournament, World Amateur Golf Tournament and the Metro FM Awards. The decline in the 2015/16 Main Appropriation relates to the Strategic Cabinet Initiatives Fund being discontinued due to fiscal consolidation. However, there was an increase in the 2015/16 Adjusted Appropriation and Revised Estimate ascribed to a roll-over from 2014/15, in respect of the World Routes 2015 conference and an amount of R5 million was suspended from 2014/15 to 2015/16 for the Nelson Mandela Golf Championship event. In addition, savings were moved from other programmes to fund the 2022 Commonwealth Games bidding costs (amounting to R8.750 million), TKZN for tourism-related services relating to the Vodacom Durban July, the uMthayi Marula Festival, the World Amateur Golf Championship and the East3 Route Legacy project. This accounts for the reduction in 2016/17, which is further exacerbated by the budget cut effected on this programme. In total, Programme 6 is reduced by R34.429 million, R18.690 million and R20.595 million over the MTEF, mainly against the transfers to TKZN and KZNSB, as well as the 2 per cent cut on the *Goods and services* budget which was effected against this programme. Despite the cut, the budget of this programme shows strong growth over the MTEF, and caters for projects such as Ndumo Lodge upgrades and a blue flag impact study, among others.

Programme 7: Environmental Affairs is made up of Environmental Affairs and transfers to EKZNW. There is an increasing trend from 2012/13 to 2014/15 partly due to the funding allocated for IASP, which is

continued in the baseline. The increase in 2013/14 can be ascribed to the additional allocation for the Rhino Security Intervention plan under EKZNW. The increase in 2014/15 was driven by the EPWP Integrated Grant for Provinces relating to Environmental Affairs, where the department received a lower amount as a result of an error in allocation made by the National Department of Public Works (NDOPW) in 2013/14, and this was rectified in 2014/15. The further decrease in the 2015/16 Adjusted Appropriation and the Revised Estimate was mainly attributed to delays in the implementation of the IASP. In total, Programme 7 has been cut by R146.454 million, R148.791 million and R151.228 million over the MTEF, mainly against transfer to EKZNW and *Compensation of employees* as a result of the budget cuts. Despite the cut, there is positive growth in the two outer years of the MTEF, and the budget largely caters for EKZNW, Sakha Isibaya project, IASP and the additional allocation for the rhino anti-poaching campaign.

The spending trend against *Compensation of employees* increases from 2012/13 to 2014/15. This increasing trend is linked to filling of posts and various wage agreements. In 2015/16, the department budgeted to fill vacant posts, but these were not filled as planned, due to the difficulty in finding suitable candidates and the moratorium on the filling of non-critical posts, accounting for the reduction in the 2015/16 Adjusted Appropriation and Revised Estimate. These funds were moved to other categories to defray spending pressures. Despite the reduction of R10 million, R10.620 million and R11.278 million effected over the MTEF relating to the freezing of non-critical vacant posts, the budget shows strong growth, and includes carry-through additional funding for previous years' wage agreements. The budget grows by 22 per cent from the 2015/16 Revised Estimate to 2016/17 while the outer years grew by 6.4 per cent each, which is lower than the prescribed annual increments.

Goods and services reflects a declining trend from 2012/13 to 2014/15. The high spending in 2012/13 is attributed to funds rolled over in respect of events such as the Top Gear Festival, TAFI and the Durban Convention Bureau Bid Fund. Also, once-off additional funding was allocated from the Strategic Cabinet Initiatives Fund for the hosting of events such as the Manchester United Tour and the Women's Golf Championship. This explains the decrease in 2013/14. The significant decrease in 2014/15 can be ascribed to delays in respect of the establishment of the SBGE, and late submission of the invoice for the World Routes 2015 conference. The reduction in the 2015/16 Adjusted Appropriation was largely due to delays in the registering of the SBGE, and funds were moved to other categories to address spending pressures. Furthermore, the bulk of funds in the 2015/16 Main Appropriation was allocated for events that are conducted by various private enterprises and, as a result funds were moved from this category to *Transfers and subsidies*. The 2015/16 budget included once-off funding for tourism-related events such as the World Routes 2015 conference, hence there is a decrease in 2016/17. This decrease is also exacerbated by the 2 per cent cuts effected on the department's equitable share funded *Goods and services* budget which was effected by reducing the budget for tourism-related events/projects including the Commonwealth Games, with reductions of R39.511 million, R23.992 million and R26.151 million over the MTEF. In spite of the cuts, the allocation against this category increases at a steady rate over the 2016/17 MTEF, and shows an increase when compared to the 2015/16 Revised Estimate.

Transfers and subsidies to: Provinces and municipalities relates to motor vehicle licensing costs, transfers to municipalities for the development of trading centres, rehabilitation and revitalisation of beaches, as well as for the Greenest Municipality Competition run by Environmental Affairs. The spending in 2012/13 is attributed to expenditure on the Inyoni craft centre and Ndundulu trading centre in the Mthonjaneni and Mandeni Municipalities, respectively. Also contributing was the Richards Bay breakfast event to showcase business opportunities in the Richards Bay area, and to the Sakhisizwe Management Agency for the Ingoma Music Festival. These were held in the uMhlathuze and Umkhanyakude District Municipalities, respectively. The peak in 2013/14 was driven by spending in respect of rehabilitating beach structures which were damaged by storms in the uMhlathuze and Hibiscus Coast Municipalities, as well as for finalisation of joint project funding in the Mandeni Municipality. The increase in 2014/15 was due to once-off spending for projects/events such as the Africa Bike Week event, the SMME Fair and Exhibition, Drakensberg cable car consultations and the Tourism Route Strategy, which were administered by various municipalities, accounting for the decrease in 2015/16. The decline in the 2015/16 Adjusted Appropriation relates to the Greenest Municipality Competition which was reclassified as *Goods and services* after the department reviewed the historic spending of these funds by municipalities who won the competition. It was discovered that municipalities do not spend these funds as indicated in their business plans, and a

decision was therefore taken that the department would appoint service providers to procure the necessary goods or services for the implementation of projects as per the municipalities' business plans. The 2016/17 allocation includes provision for Africa Bike Week, and motor vehicle licence fees.

The spending against *Transfers and subsidies to: Departmental agencies and accounts* relates to entities, such as TIK, KZNSB, TKZN, KZNLA, DTPC and EKZNW. This category shows an increasing trend from 2012/13 to 2014/15. The transfer in 2012/13 relates to KZNLA establishment costs and to EKZNW for the Rhino Security Intervention plan and for the higher than anticipated 2012 wage agreement. The increase in 2013/14 can be ascribed to a shift from *Goods and services* to cater for various projects and events that were hosted by TKZN and TIK. Also, a once-off additional transfer was made to KZNSB for land purchase to construct new offices in Durban. In 2013/14, EKZNW received additional funding for the Rhino Security Intervention plan. The substantial increase in 2014/15 was due to the additional allocation to TIK for TAF and marketing, as well as funding to KZNSB for MCOE operational costs. In addition, KZNLA receives carry-through funding for the procurement of an IT system and substantial once-off funding for its operational costs. Also contributing was the unspent uncommitted portion of EKZNW's road maintenance budget which was suspended from 2013/14. The significant increase in 2014/15 is also attributed to an increased transfer paid to EKZNW for the Sakha Isibaya project, as an implementing agent. TIK received an increased transfer in respect of TAF for the Renewable Energy project as the entity was responsible for this project. TKZN received additional funding for the costs incurred through the participation in the 2014 Carnival International De Victoria at the Seychelles. In addition, the transfer to KZNSB was increased to cater for the once-off hosting of the Sharks International conference. The decrease in the 2015/16 Adjusted Appropriation was caused by a reduction in the DTPC transfer due to the entity's healthy positive cash balance. These funds were utilised to address pressures in other entities, such as RBIDZ and the KZNFC. The bulk of the cuts against this category, totalling R379.428 million, R381.752 million and R384.175 million over the MTEF, is effected against the transfers to DTPC, EKZNW, TKZN, KZNSB and KZNLA. Despite the budget cuts, the allocation in the two outer years of the MTEF increases at a steady rate. Furthermore, the department has undertaken a major reprioritisation exercise which resulted in the reduction of the transfers to DTPC and EKZNW to fund other entities such as the establishment of the SBGE, and the KZN Property Development Holding SOC Ltd, as well as additional funding requirements of the KZNFC, MKI, RBIDZ and KZNSB.

Spending of R3.030 million in 2014/15 against *Transfers and subsidies to: Higher education institutions* relates to the Manufacturing Survey done by UKZN to analyse the rate of survival within the sector, as well as challenges that manufacturing firms are facing. The allocation in the 2015/16 Adjusted Appropriation relates to funding for the KZN University Technology Transfer programme which was allocated to UKZN, Mangosuthu University of Technology and the Durban University of Technology. The 2016/17 MTEF budget caters for the Regional Local Economic Development Initiative that will be co-ordinated by the department in partnership with UKZN, as well as a survey that will be conducted by Mangosuthu University of Technology.

Transfers and subsidies to: Public corporations and private enterprises consists of transfers to the Enterprise Development Fund under Ithala, which includes allocations for the establishment of the KZN Property Development Holding SOC Ltd, RBIDZ and various other entities. In 2012/13, the KZNGFT transfer was reduced and moved to *Goods and services* to fund the Durban Convention Bureau Bid Fund and TAFI, as well as to TKZN for the Tourism Indaba and to KZNSB for MCOE. The increase in 2013/14 relates to once-off funding added for the Ithala capital adequacy ratio. The increase in 2014/15 was driven by once-off funding to Ithala to maintain a certain minimum capital adequacy ratio percentage and for the construction of the Ndumo retail centre, petrol filling station, taxi rank and informal stalls, as well as for the Ithala turnaround strategy. The spending in 2014/15 also included events that were funded from the Strategic Cabinet Initiatives Fund such as MTV Awards, and X-Factor production, European Volvo Golf and the SA India Film Awards. These events were hosted by various private enterprises and were classified under this category. This accounts for the decrease in 2015/16. The spike in the 2015/16 Adjusted Appropriation is made up of once-off funding relating to an increase in the transfer to RBIDZ for the acquisition of land which forms part of the first phase of the proposed RBIDZ expansion area, as defined in the 50-year Master Plan. This accounts for the significant decline in 2016/17, which is also exacerbated by the budget cuts effected against this category of R25.263 million, R21.461 million and R17.453 million

over the MTEF. The department has undertaken a reprioritisation exercise over the MTEF, where funds were reduced from Ithala and added to RBIDZ for the procurement of land. Provision is made for various projects including the KZN Fashion Council, KZN Clothing Textile Cluster, Music Cluster, the Ugu ICT Incubator and the Maritime Cluster, only in 2016/17 at this stage. This accounts for the declining growth in 2017/18, which is followed by slight growth in the outer year.

Transfers and subsidies to: Non-profit institutions relates to funding for the KZNGFT, KZNFC, MKI and SBGE, as well as a number of transfers to NGOs. The peak in 2013/14 is attributed to the KZNGFT which was reclassified against this category, since the entity is in the process of being registered as a separate entity. It is noted that prior years were not adjusted, since transfers were made *via* Ithala. Also contributing to this increase was a reallocation to the KZNGFT of all unspent and committed funds relating to prior years that were previously held by Ithala. This explains the decrease in 2014/15. The increase in the 2015/16 Adjusted Appropriation largely relates to the increased transfer to MKI for the Science, Technology, Engineering and Mathematics Fund, as well as to provide for security services costs for the entity, and to the KZNFC to fund the KZN Film hub. There is a significant decrease from 2016/17 onward, resulting from the budget cuts effected on the transfers to KZNGFT and SBGE, as well as budget cuts against MKI, KZNFC. The SBGE is expected to be fully operational in 2016/17. This entity was previously budgeted against *Goods and services*, explaining the increase over the 2016/17 MTEF. In addition to the budget cuts, funds were reprioritised from the KZNGFT to cater for spending pressures in other entities while, on the other hand, MKI received an increased allocation for Science, Technology Engineering and Mathematics funding. As a result of this reprioritisation exercise, this category increases by a net amount of R59 000 in 2016/17 and is reduced by R65 000 and R2.343 million in the two outer years of the MTEF.

Transfers and subsidies to: Households relates to staff exit costs and external bursaries. This category shows an erratic trend for the period under review. The increase from 2013/14 to 2014/15 relates to external bursaries to students at UKZN who are studying toward their Post-graduate Diplomas and Masters in LED, and for the Co-operative Management Diploma at UNIZULU. The further increase in the 2015/16 Adjusted Appropriation was driven by higher than anticipated staff exit costs. The 2016/17 MTEF allocations cater for staff exit costs and students who intend studying the Co-operative Management Diploma at UNIZULU, and growth increases at an inflationary rate.

Buildings and other fixed structures reflects amounts in 2014/15 and the 2015/16 Revised Estimate which relate to security guard houses procured for the Dundee and Vryheid district offices, as well as the head office in Pietermaritzburg.

Machinery and equipment fluctuates over the period, largely due to the department's actual requirements. The high spending in 2012/13 was due to the increase in the department's vehicle fleet, particularly for Environmental Affairs, explaining the decrease in 2013/14. The peak in 2014/15 was linked to reprioritisation from other categories to provide for the upgrading of the department's servers that was expected to be finalised in 2015/16, accounting for the decrease in 2016/17. The further decline in the 2015/16 Adjusted Appropriation was due to delays in the relocation of the Ministry office from the Marine building in Durban to Pietermaritzburg. There is inflationary growth over the 2016/17 MTEF.

Spending in 2014/15 against *Land and sub-soil assets* is attributed to the purchasing of land for the Industrial Economic Hubs at Ugu District hub for perishable products, and the uMgungundlovu district in respect of a leather processing hub.

The spending against *Software and other intangible assets* in 2012/13 is largely attributed to the purchase of GAMS for policy analysis. The spike in 2013/14 includes funding of Sabinet software subscriptions relating to the department's library information database and new server software and workstation software licences procured. The reduction in the 2015/16 Adjusted Appropriation was due to the difficulty in finding a suitable service provider to develop the Gijima Local Economic Development website. The high amounts over the 2016/17 MTEF cater for the Gijima Local Economic Development website.

Payments for financial assets reflects various losses which were written-off in 2012/13 and 2014/15. The amount in 2015/16 is in respect of the first charge, as previously explained.

5.4 Summary of conditional grant payments and estimates

Table 4.6 below relates to the summary of conditional grants payments, by grant name and economic classification. Further details are provided in the *Annexure – Vote 4: Economic Development, Tourism and Environmental Affairs*. Note that the historical figures set out in Table 4.6 below reflect actual expenditure per grant, and should not be compared to the figures reflected in Table 4.1 which represent the actual receipts for the grant.

Table 4.6 : Summary of conditional grants payments and estimates by name

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
EPWP Integrated Grant for Provinces	10 708	550	13 120	8 162	9 599	9 599	6 927	-	-
Total	10 708	550	13 120	8 162	9 599	9 599	6 927	-	-

The EPWP Integrated Grant for Provinces funding is allocated against *Goods and services*. The bulk of this grant is used by Environmental Affairs for IASP and the KZN Greening programme. The increase from 2013/14 to 2014/15 relates to an incorrect allocation of only R550 000 in 2013/14 by NDOPW, but this was rectified in the following year, thus an amount of R14.827 million was allocated in 2014/15. The balance of R2 million was allocated to the former DEDT for their weed eradication programme. The increase in the 2015/16 Adjusted Appropriation relates to a roll-over in respect of this grant, where the department experienced delays due to the function shift of Environmental Affairs which resulted in late issuing of orders, and this could therefore not be fully spent before the end of 2014/15. Mitigating this, was a reduction as a result of Section 22(4) of the Division of Revenue Act that was implemented by National Treasury by removing R1.135 million from the 2015/16 EPWP Integrated Grant for Provinces allocation. The department receives R6.927 million for this grant in 2016/17 to be used on IASP, with no allocation for the two outer years, at this stage.

5.5 Summary of infrastructure payments and estimates

Table 4.7 below summarises the infrastructure payments and estimates by category for the department. A more detailed listing of infrastructure projects to be undertaken by the department can be found in *Annexure – Vote 4: Economic Development, Tourism and Environmental Affairs*.

Table 4.7 : Summary of infrastructure payments and estimates by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Existing infrastructure assets	-	-	-	-	-	-	-	-	-
Maintenance and repair: Current	-	-	-	-	-	-	-	-	-
Upgrades and additions: Capital	-	-	-	-	-	-	-	-	-
Refurbishment and rehabilitation: Capital	-	-	-	-	-	-	-	-	-
New infrastructure assets: Capital	-	-	28	-	-	10	-	-	-
Infrastructure transfers	415 613	559 655	540 747	660 015	632 186	632 186	463 691	493 524	530 513
Infrastructure transfers: Current	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital	415 613	559 655	540 747	660 015	632 186	632 186	463 691	493 524	530 513
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	-	-	-	-	-	-	-	-	-
Total	415 613	559 655	540 775	660 015	632 186	632 196	463 691	493 524	530 513
<i>Capital infrastructure</i>	<i>415 613</i>	<i>559 655</i>	<i>540 775</i>	<i>660 015</i>	<i>632 186</i>	<i>632 196</i>	<i>463 691</i>	<i>493 524</i>	<i>530 513</i>
<i>Current infrastructure</i>	-	-	-	-	-	-	-	-	-

The department's infrastructure funding is mainly allocated against *Infrastructure transfers* and relates to the capital development projects of the DTPC and RBIDZ. The amounts against *New infrastructure assets: Capital* in 2014/15 and the 2015/16 Revised Estimate relate to the purchase of security guard houses for the Dundee and Vryheid district offices, as well as the head office in Pietermaritzburg.

The low spending in 2012/13 relates to the decreasing funding requirements of DTPC for the completion of the airport portion of the project and the development of the multi-nodal logistics hub at the airport site. This explains the increase in 2013/14. The decrease in 2014/15 was attributed to a carried-through reduction in the DTPC allocation, due to the entity's healthy positive cash balance. The increase in the 2015/16 Main Appropriation can be ascribed to once-off additional funding of R40 million allocated to

RBIDZ for infrastructure projects. However, there was a substantial decrease in the 2015/16 Adjusted Appropriation driven by the reduction in the DTPC transfer due to the entity's healthy positive cash balance. On the other hand, RBIDZ received an increased transfer for the acquisition of land which forms part of the first phase of the proposed RBIDZ expansion area as defined in the 50-year Master Plan. The budget cuts and the reprioritisation exercise undertaken by the department have had an effect on the infrastructure transfer budget, whereby DTPC was reduced by R240.848 million, R241.158 million and R241.487 million over the MTEF. Despite the budget cuts effected against RBIDZ, this entity receives additional funding for the acquisition of land resulting in a net increase of R51.663 million, R49.163 million and R46.538 million over the MTEF. The two outer years of the MTEF reflect steady growth to cater for both DTPC and RBIDZ capital projects, in line with their Master Plans.

5.6 Summary of Public Private Partnerships – Nil

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

Table 4.8 provides a summary of departmental transfers to the public entities that fall under the auspices of the department.

Financial summaries in respect of the various public entities are presented in the *Annexure – Vote 4: Economic Development, Tourism and Environmental Affairs*.

Table 4.8 : Summary of departmental transfers to public entities

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Dube TradePort Corporation	392 308	575 402	515 375	593 609	477 780	477 780	384 223	415 167	452 905
Ezemvelo KwaZulu-Natal Wildlife	549 893	588 522	703 395	651 319	718 966	718 966	604 227	624 280	661 372
Bhambatha lodge, Ingodini Border Caves	-	2 000	500	4 500	4 500	4 500	4 500	4 500	4 500
Subsidy from Vote 4	549 893	588 522	657 895	646 819	649 726	649 726	540 487	572 540	607 428
Sakha Isibaya	-	-	45 000	-	8 000	8 000	-	-	-
Inkululeko Development project	-	-	-	-	4 240	4 240	-	-	-
Invasive Alien Species Programme	-	-	-	-	35 000	35 000	50 000	38 000	40 204
Rhino anti-poaching	-	-	-	-	-	-	9 240	9 240	9 240
Parthenium Weed clearing	-	-	-	-	5 500	5 500	-	-	-
East3 Route Legacy project	-	-	-	-	12 000	12 000	-	-	-
Ithala Development Finance Corporation	249 500	300 000	278 800	149 700	192 100	192 200	121 600	120 298	118 915
Enterprise Development Fund	189 500	185 000	148 000	148 000	148 000	148 000	82 200	81 022	79 771
Ithala Limited and Turnaround strategy	-	105 000	105 000	-	29 900	29 900	-	-	-
Ndumo Regeneration Programme	-	10 000	25 800	-	-	-	-	-	-
Drakensberg Cable Car - EIA	-	-	-	1 700	1 600	1 700	-	-	-
Growth Fund	60 000	-	-	-	-	-	-	-	-
KZN Property Development Holdings SOC Ltd	-	-	-	-	7 500	7 500	39 400	39 276	39 144
Royalty Soapie Awards	-	-	-	-	5 000	5 000	-	-	-
Donation: Mr R. Mqwebu Funeral	-	-	-	-	100	100	-	-	-
KwaZulu-Natal Liquor Authority	55 699	43 920	77 282	67 008	70 008	70 008	73 753	75 990	80 189
KwaZulu-Natal Tourism Authority	118 292	99 983	109 297	101 512	116 445	116 445	101 846	116 980	124 017
KZN Sharks Board	55 371	59 985	57 109	56 678	63 178	63 178	69 175	66 079	69 597
Richards Bay Industrial Development Zone	62 618	25 164	68 170	110 947	198 947	198 947	126 370	127 605	129 530
Trade and Investment KwaZulu-Natal	65 053	75 084	81 476	80 207	96 195	96 195	82 420	80 105	84 935
KZN Film Commission	-	6 030	58 681	60 180	63 180	63 180	68 211	71 843	76 267
Total	1 548 734	1 774 090	1 949 585	1 871 160	1 996 799	1 996 899	1 631 825	1 698 347	1 797 727

DTPC

In 2012/13, transfers to this entity were reduced by R40 million to fund other areas of critical need within the department, such as the MTV Awards and the Project Tour Mentor Partnerships, Integrated Craft Hubs, etc., explaining the substantial increase in 2013/14. The decline in 2014/15 and the 2015/16 Adjusted Appropriation was attributed to reprioritisation undertaken by reducing transfers to DTPC due to the entity's positive cash balance. There is a significant decrease in the baseline from 2016/17, largely as a result of reprioritisation undertaken within the department to fund various priorities, in particular toward drought relief for EKZNW and the acquisition of land by the RBIDZ. This reprioritisation is possible as some key projects implemented by DTPC have been delayed as a result of outstanding EIA and water use licences. In addition, the baseline of the entity was adjusted downward as a result of the budget cuts. The total reduction, made up of the reprioritisation from DTPC and the budget cuts total R240.848 million, R241.158 million and R241.487 million over the MTEF.

EKZNW

The transfers to EKZNW are largely to subsidise the entity's efforts in respect of nature conservation. The 2012/13 and 2013/14 years include specific funding for protected area expansion and road maintenance and the Rhino Security Intervention plan. The peak in 2014/15 was due to the suspension of the unspent and uncommitted road maintenance budget relating to 2013/14. In 2014/15, the entity received once-off funding relating to suspension of parts of the road maintenance funds, as well as funding for the Sakha Isibaya project, which is geared at fencing HIP and building cattle kraals for the adjacent communities. The further increase in the 2015/16 Adjusted Appropriation is due to an agreement between the department and the entity to be the implementing agent for projects such as Sakha Isibaya, Inkululeko Development, IASP, East3 Route Legacy and the Parthenium Weed Clearing project, including the construction of three vehicle wash-down facilities at three main gates entering HIP, as well as additional funding for the above-budget 2015 wage agreement. Allocations of R4.500 million from 2014/15 to 2017/18 provide for the continuation of projects such as the Ntsikeni and May Lodge in the Ntsikeni Reserve (R2.500 million), as well as the revitalisation of Bhambatha Lodge (R2 million). The budget over the MTEF, which shows inflationary growth, caters for operational costs, infrastructure maintenance for EKZNW, and for Ntsikeni and May Lodge, as well as the development of Bhambatha Lodge. The entity receives additional funding toward the rhino anti-poaching effort over the 2016/17 MTEF. In addition, funds were reprioritised from the DTPC to fund drought relief. Mitigating this additional funding was a reduction of R43 million from internal reprioritisation undertaken by the department, based on the projected under-spending of the entity. In total, the baseline of the entity decreases by R144.454 million, R146.704 million and R149.066 million over the MTEF, in line with the budget cuts and reprioritisation exercise undertaken by the department.

Ithala

The department transfers funds to Ithala on a project-specific basis and Ithala then oversees the financing and control of the projects, as well as the recovery of the loans. The 2012/13 transfer included transfers to the Enterprise Development Fund, combining the funding streams of the former Co-operatives and SMMEs funds, as well as the Growth Fund. The Growth Fund became a stand-alone entity from 2013/14 onward, and the transfers from 2013/14 are excluded from this table, as the KZNGFT is a stand-alone entity currently, with its own (autonomous) accounting authority.

In 2013/14, 2014/15 and the 2015/16 Adjusted Appropriation, Ithala received substantial funding in respect of Ithala share capital, to assist it with its capital adequacy ratio, and for the Ndumo Regeneration programme, whereby the entity is commissioned to champion this integrated multi-purpose and multi-sectoral project to revitalise the Ndumo area, as well as funding to cover the loan taken by DAC for the Royalty Soapie Awards, KZN Property Development Holdings SOC Ltd, and once-off funding for conducting the EIA in respect of the Drakensberg cable car. Due to budget cuts effected and the internal reprioritisation exercise undertaken by the department to protect some of the departmental priorities, decreases were effected against the transfer to the Enterprise Development Fund totalling R65.800 million, R66.978 million and R68.289 million over the 2016/17 MTEF.

The KZN Property Development Holding SOC Ltd is a subsidiary of Ithala aimed at facilitating strategic investment in fixed property in the province. The department has reprioritised funds from other entities to fund the establishment of this newly established entity. Provincial Treasury advised the department to ensure that correct procedures are followed in terms of receiving National Treasury approval for the establishment of this new entity, as required by the PFMA.

KZNLA

KZNLA was established in 2012/13 to administer the collection of liquor licence fees, as well as the issuing of liquor licences. The high 2012/13 transfer relates to once-off additional funding provided for the entity's establishment costs, hence the decrease in 2013/14. The increase in 2014/15 relates to once-off additional funding for operational costs, and carry-through funding from 2014/15 to 2016/17 for the procurement of an IT system. The increase in the 2015/16 Adjusted Appropriation was due to once-off funding to cover the cost of additional inspectors and addressing a licensing approval backlog, which explains the marginal increase in 2016/17. Despite budget cuts, the transfer to KZNLA increases by a net amount of R3.587 million in each year of the MTEF. Additionally, there is inflationary growth over the MTEF, to cater for an increase in operational costs, in line with an anticipated increase in liquor licence applications.

TKZN

The 2012/13 transfer to TKZN included additional funds for the Tourism Indaba, East3 Route Expedition and KZN is Summer campaign, as well as the SAP and the VIP pay-roll system. This explains the decrease in 2013/14. The increase in 2014/15 was attributed to costs incurred through the participation in the 2014 Carnival International De Victoria in the Seychelles, promotion and marketing of the East3 Route and organising the KZN is Summer campaign, accounting for the decline in the 2015/16 Main Appropriation. The significant increase in the 2015/16 Adjusted Appropriation can be ascribed to additional funding for the Tourism Indaba debt from previous years, Loeries Creative Week and the 2015 Vodacom Durban July, which explains the decrease in 2016/17. This decrease was exacerbated by the budget cuts. The budget cuts are off-set to some extent by internal reprioritisation by the department where additional funds were added to TKZN, in line with strategic programmes implemented by the entity, such as the Tourism Master Plan and the Airlift Strategy, aimed at increasing international connectivity from KSIA. As a result, a net amount of R4.357 million in each year of the MTEF is reduced from the transfer to the entity.

KZNSB

The transfer to KZNSB reflects an increase in 2013/14 due to once-off additional funding for critical roof repairs at the entity's headquarters and the purchase and installation of a biometric access control system. In addition, KZNSB received funding to investigate more environmentally friendly shark repellent technology and to fill critical vacancies in its SCM unit. The entity also received additional funding to provide for activities of MCOE, including learning material, accreditation of courses, conversion of workshops to classrooms, etc., accounting for the decrease in 2014/15. The transfer in 2014/15 included once-off funding for hosting the Sharks International conference in June 2014, to promote the organisation as an internationally acclaimed centre for shark research. The increase in the 2015/16 Adjusted Appropriation was attributed to funding for MCOE which was incorrectly classified against *Goods and services* and a shift was undertaken to correctly classify this under the KZNSB, as well as once-off funding for hosting the 9th Western Indian Ocean Marine Science Association. Despite the budget cuts effected, the entity reflects steady growth over the MTEF, largely due to reprioritisation undertaken by the department to provide additional funds toward the MCOE, as part of the maritime strategy and Operation Phakisa. As such, the net increase to the transfer to KZNSB is R9.811 million, R10.047 million and R10.315 million over the MTEF.

RBIDZ

The substantial decrease in 2013/14 is due to a reduction in allocation due to the entity's positive cash balance. These funds were reprioritised to projects such as the Co-operatives Incubator programme and the Ndumo Regeneration programme, and this therefore explains the substantial increase in 2014/15. The significant growth in the 2015/16 Main Appropriation is due to a once-off additional transfer for infrastructure relating to the entity's Master Plan. During the 2015/16 Adjusted Appropriation, reprioritisation was undertaken from DPTC, as explained previously, and the entity received once-off additional funding for the acquisition of land which forms part of the first phase of the proposed RBIDZ expansion area as defined in the 50-year Master Plan. The entity received an additional allocation in 2016/17 toward the acquisition of land, funded through the department's internal reprioritisation exercise. However, the increase is offset to a large extent by the MTEF budget cuts resulting in a net increase of R51.663 million, R49.163 million and R46.538 million over the 2016/17 MTEF.

TIK

There is an increasing trend under TIK from 2012/13 to 2014/15. The increase in 2013/14 relates to once-off additional funding for the Makhaya Arts and Culture Development, and for investment seminars assigned to be conducted by the entity. The entity also received once-off funding in 2014/15 for investment seminars associated with the East3 Route Legacy project. The entity was also responsible for the TAF for a Renewable Energy project, explaining the decrease in the 2015/16 Main Appropriation. The increase in the Adjusted Appropriation was due to once-off funding in respect of the East3 Route conference, as well as the Malaysian Investors Tour, accounting for the decline in 2016/17. The decreasing growth from 2016/17 to 2017/18 is linked to funding for the TAF and marketing, which was allocated from 2014/15 to 2016/17. These funds are not carried through beyond 2016/17, hence the significant decrease in 2017/18. In addition, the transfer to TIK was reduced in line with the budget cuts. The decrease in the baseline is offset by funds, identified through the department's internal reprioritisation exercise, allocated to the entity over the MTEF. As a result, the transfer to TIK decreases by a net amount of R3.167 million in each year of the MTEF.

KZNFC

The KZNFC is a listed public entity and its purpose is to promote the film industry in KZN. This entity was established in 2013/14, hence the spending in this year was for set-up costs. The spike in 2014/15 is ascribed to funding allocated to assist the KZNFC with its operational costs and to cover the shortfall for the purchase of computer servers. The increase in the 2015/16 Adjusted Appropriation can be ascribed to additional funding for the establishment of the KZN film hub. The reprioritisation was carried through over the 2016/17 MTEF to provide for operational costs. Allocations from 2015/16 onward include funding yearly events such as the Durban International Film Festival and Simon Mabhunu Sabela Film Awards which are hosted by this entity. The MTEF allocations increase and also provide for costs to set-up a Film Fund which will co-fund production feature films. This increase in funding is also linked to the increase in the number of productions and associated markets and distribution channels. Following a reprioritisation exercise, the entity receives an additional allocation from 2016/17 onward. However, this increase is offset by a reduction in the baseline to the entity, in line with the budget cuts. The entity's budget therefore shows a net decrease of R4.431 million in each year of the MTEF.

5.8 Transfers to other entities

Table 4.9 gives a summary of departmental transfers to other entities, details of which (particularly relating to the MTEF allocations) are given above the table.

The MKI was established to enhance economic development through Science, Technology, Engineering and Mathematics skills. The entity provides various interventions and support to schools, educators, learners and students in these areas for the economic growth and development needs of the province. MKI received once-off funding in the 2015/16 Adjusted Appropriation in respect of the Science, Technology, Engineering and Mathematics fund and security services costs for the entity. This explains the decrease in 2016/17, whereafter the MTEF allocation shows inflationary growth. In 2016/17, MKI plans to increase targeted Science, Technology, Engineering and Mathematics learner academic support as part of 'Operation Bounce Back', which is being implemented by the Department of Education in view of KZN's declining matric pass rate. A further target is to increase the number of post school education and training financially supported through the MKI STEM Innovation Fund, to support educators through upskilling programmes, and train state entities, business and private sector organisations to deliver on strategic objectives to beneficiaries. This entity was affected by the MTEF budget cut, which was offset by reprioritisation by the department to MKI, resulting in a net increase of R3.050 million in each year of the MTEF.

The KZNGFT was established to lend funds to commercially viable projects. In 2013/14, the Growth Fund was restructured, and the KZNGFT was established. Prior to the KZNGFT, the funding was routed *via* Ithala. The KZNGFT's unspent funding relating to previous years and the 2013/14 allocation were moved from Ithala, since the KZNGFT was in the process of being registered as a separate entity at the time. In 2014/15, a net amount of R40 million was reduced from the entity's transfer due to its healthy positive cash balance. These funds were used to fund the SBGE establishment costs, the Growth Fund restructuring feasibility study, an independent Ithala repositioning analysis report, as well as a study into the rationalisation of the department's public entities. Provision has been made for a transfer to this entity over the MTEF, with this transfer being affected by the reprioritisation undertaken by the department, as well as the budget cuts, totalling R30.600 million in each year of the MTEF. The transfer to this entity remains constant over the MTEF.

The department reprioritised funds to cater for the SBGE over the MTEF, with this amount being higher than the R37 million previously allocated to this entity. The transfer to SBGE fluctuates over the MTEF, mainly due to net effect of the budget cuts made against this entity and reprioritisation undertaken by the department to fund SBGE.

Transfers to various entities were made relating to partnership funding and for major events, as reflected in Table 4.9. The increase in 2013/14 and in 2014/15 included the transfers paid to various private enterprises, mainly for events hosted by these enterprises in partnership with the department. During 2015/16, funding was allocated for KZN Tooling, KZN Craft Hub, continuation of the Ugu ICT incubator, and Tourism Enterprise partnership. The increase in the 2015/16 Adjusted Appropriation is attributed to a number of

events such as the MTV Awards, Durban Vodacom July and Metro FM Awards, where the department appointed private enterprises as the events promoters. The budget over the MTEF includes transfers for a blue flag impact study, the Ndumo Lodge upgrade, the Simunye information centre, South African Association for Marine Biological Research (SAAMBR) and WESSA.

Table 4.9 : Summary of departmental transfers to other entities

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Donation - "Stop Killing the Rhino" campaign	1.1 Office of the MEC	-	-	-	-	90	90	-	-	-
Destiny House (NGO), SAPS widows donations	1.2 Office of the HOD	-	-	129	-	-	-	-	-	-
Donation - Youth Leadership training	1.2 Office of the HOD	-	-	-	-	96	96	-	-	-
Donation - Amantungwa Kholwa Annual event	1.2 Office of the HOD	-	-	-	-	-	70	-	-	-
PSETA	1.3 Corporate services	-	-	543	-	-	-	-	-	-
SABC	1.4 Corporate services	-	-	5	-	3	3	5	5	6
MUT - chemical manuf. Sector training	2.1 Enterprise Development	-	-	2 780	-	-	-	-	-	-
SEDA eThekweni	2.1 Enterprise Development	-	3 000	-	-	-	-	-	-	-
Co-operatives Funding	2.1 Enterprise Development	-	10 248	27 890	-	1 954	1 954	-	-	-
The entrepreneur programme	2.1 Enterprise Development	-	-	2 000	-	-	-	-	-	-
Durban Business Fair	2.1 Enterprise Development	-	-	-	-	500	500	-	-	-
KZNGFT	2.1 Enterprise Development	-	620 102	55 000	95 000	95 000	95 000	64 400	64 400	64 400
Ilembe Chamber of Commerce	2.1 Enterprise Development	504	-	-	-	-	-	-	-	-
Ilembe Chamber of Business	2.1 Enterprise Development	-	-	-	-	2 900	2 900	-	-	-
Durban Chamber of Business	2.1 Enterprise Development	-	-	-	-	350	350	-	-	-
SBGE	2.1 Enterprise Development	-	-	-	-	-	-	69 040	68 916	68 784
UKZN RLED Initiative	2.2 Regional and LED	-	-	-	-	-	-	6 000	6 300	6 665
Tongalet Hullellets Cans Trans, Operation Vuselela	2.2 Regional and LED	-	8 178	-	-	-	-	-	-	-
Project Gateway Donation	2.2 Regional and LED	27	-	-	-	-	-	-	-	-
KZN Youth and Women Co-ops Bus, Indab, etc	2.3 Economic Empowerment	-	2 000	3 000	-	-	-	-	-	-
Future Leaders	2.3 Economic Empowerment	-	-	5 500	-	-	-	-	-	-
South African Music Conference	2.3 Economic Empowerment	-	-	-	-	1 500	1 500	-	-	-
Maritime Cluster	3.1 Trade an Investment	-	2 000	2 000	6 000	2 000	2 000	4 000	-	-
KZN Integrated Hub and KZN Exporter Awards	3.1 Trade an Investment	-	-	-	1 000	1 000	1 000	800	-	-
KZN Fashion Council, Clothing Textile Cluster	3.2 Sector Development	-	3 000	4 272	1 700	4 700	4 700	7 200	-	-
Ugu ICT incubator, Music Cluster	3.2 Sector Development	-	-	5 000	3 000	3 788	3 788	5 700	-	-
Business Fashion Fair	3.2 Sector Development	-	-	-	-	500	500	-	-	-
Study Mkuze Airport	3.2 Sector Development	-	-	-	-	5 461	5 461	4 000	-	-
Teledialogue/Tele- Festival & Aerostropolis donation	3.2 Sector Development	-	-	-	600	568	568	1 000	-	-
Moses Kotane Institute	3.2 Sector Development	33 000	36 300	38 478	40 248	49 577	49 577	45 431	47 550	50 131
Durban Film Festival	3.2 Sector Development	-	1 500	-	-	-	-	-	-	-
Manufacturing survey	5.1 Policy and Planning	-	-	250	-	-	-	-	-	-
MUT - Univer. Tech Transfer prog	5.2 Research and Dev	-	-	-	-	893	893	2 500	2 625	2 777
UKZN - Univer. Tech Transfer prog	5.2 Research and Dev	-	-	-	-	640	640	-	-	-
DUT - Univer. Tech Transfer prog	5.2 Research and Dev	-	-	-	-	467	467	-	-	-
Blue Flag impact study	6.1 Tourism Planning	-	-	-	-	-	-	500	525	555
King Shaka Memorial site	6.1 Tourism Planning	-	400	-	-	-	-	-	-	-
Nelson Mandela Golf Tournament	6.2 Tourism and Growth Dev	-	-	-	-	5 000	5 000	-	-	-
World Pro-am Golfer Championship	6.2 Tourism and Growth Dev	-	-	-	-	9 070	9 070	-	-	-
Vodacom Durban July	6.2 Tourism and Growth Dev	-	-	-	-	2 122	2 122	-	5 250	5 555
MTV Africa Awards	6.2 Tourism and Growth Dev	-	-	-	-	40 235	40 235	-	-	-
Umthayi Festival	6.2 Tourism and Growth Dev	5 500	-	8 347	-	4 000	4 000	-	-	-
World Amateur Golfers Tournament	6.2 Tourism and Growth Dev	-	-	-	-	2 721	2 721	9 070	-	-
Metro FM Awards	6.2 Tourism and Growth Dev	-	-	-	-	19 500	19 500	-	-	-
Spring Day Music Explosion	6.2 Tourism and Growth Dev	-	-	-	-	1 500	1 500	-	-	-
uMgababa New Years Festival	6.2 Tourism and Growth Dev	1 500	1 000	1 200	-	1 200	1 200	-	-	-
KwaDukuza Festival	6.2 Tourism and Growth Dev	-	-	-	-	1 500	1 500	-	-	-
Fact Durban Rocks	6.2 Tourism and Growth Dev	1 600	1 000	1 200	-	1 200	1 200	-	-	-
Indlamu	6.2 Tourism and Growth Dev	-	-	2 900	-	1 500	1 500	-	-	-
Durban Summer Festival	6.2 Tourism and Growth Dev	-	1 700	-	-	1 200	1 200	-	-	-
Kasi Tours	6.2 Tourism and Growth Dev	-	-	900	-	900	900	-	-	-
Richards Bay Imbizo	6.2 Tourism and Growth Dev	-	100	-	-	1 500	1 500	-	-	-
Impucuzeko kaMaskandi Festival	6.2 Tourism and Growth Dev	-	-	-	-	1 000	1 000	-	-	-
Ugu Jazz Festival	6.2 Tourism and Growth Dev	-	-	-	-	1 000	1 000	-	-	-
Woza Durban New Year's Picnic	6.2 Tourism and Growth Dev	-	-	-	-	1 500	1 500	-	-	-
Strategic Cabinet Initiatives Fund - Events	6.2 Tourism and Growth Dev	-	30 182	136 282	-	-	-	-	-	-
Ndumo Lodge upgrade	6.2 Tourism and Growth Dev	-	-	-	-	-	-	1 500	1 575	1 666
Durban Beach Festival, DBN underground	6.2 Tourism and Growth Dev	1 500	-	1 200	-	-	-	-	-	-
2nd Annual Maritzburg Corporate Challenge	6.2 Tourism and Growth Dev	-	500	-	-	-	-	-	-	-
Midmar Music Festival	6.2 Tourism and Growth Dev	-	1 500	-	-	-	-	-	-	-
King Shaka Fashion Festival	6.2 Tourism and Growth Dev	-	5 400	-	-	-	-	-	-	-
Mhlacu Festival	6.2 Tourism and Growth Dev	-	1 500	-	-	-	-	-	-	-
Bundu Mix	6.2 Tourism and Growth Dev	-	900	-	-	-	-	-	-	-
Youth Development in Motion	6.2 Tourism and Growth Dev	-	91	-	-	-	-	-	-	-
Township to Township Marathon	6.2 Tourism and Growth Dev	-	-	1 000	-	-	-	-	-	-
uMphithi Spring Festival	6.2 Tourism and Growth Dev	-	-	1 963	-	-	-	-	-	-
Umlazi Festival, Expo and Edu-Sport	6.2 Tourism and Growth Dev	-	-	9 100	-	-	-	-	-	-
Urban Music Tour and iBeach Exp.	6.2 Tourism and Growth Dev	-	-	4 900	-	-	-	-	-	-
SMME Conferences	6.2 Tourism and Growth Dev	-	-	2 000	-	-	-	-	-	-
KZN Air Winter Show	6.2 Tourism and Growth Dev	-	-	2 300	-	-	-	-	-	-
Amazizi WowZulu Craft Centre/ Ndumo CBM	6.2 Tourism and Growth Dev	-	-	-	-	600	600	-	-	-
Africa Ignite	6.2 Tourism and Growth Dev	-	-	300	-	-	-	-	-	-
WowZulu Production - Ndumo lodge upgrades	6.2 Tourism and Growth Dev	-	-	-	-	-	-	500	525	555
Simunye Info. Centre	6.2 Tourism and Growth Dev	-	-	-	-	-	-	200	210	222
Tourism Enterprise partnership	6.3 Tourism Sector Transf	-	-	1 000	1 000	500	-	-	-	-
SAAMBR	7.1 Enviro. Policy Planning	4 600	5 227	5 540	5 795	5 795	5 795	6 102	6 407	6 779
WESSA	7.5 Enviro. Empower	400	-	400	400	400	400	450	473	500
Wildlife Conservation Trust	7.5 Enviro. Empower	-	-	5 987	-	-	-	-	-	-
Total		58 522	744 900	314 403	154 743	276 030	275 500	228 398	204 761	208 595

5.9 Transfers to local government

Tables 4.10 and 4.11 below indicate transfers to local government per category. Details of these transfers are given in *Annexure – Vote 4: Economic Development, Tourism and Environmental Affairs*.

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

Table 4.10 : Summary of departmental transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Category A	-	-	5 417	-	-	-	-	-	-
Category B	3 263	10 597	9 593	1 000	1 000	1 000	-	-	-
Category C	981	479	1 995	250	250	250	6 000	-	-
Unallocated	-	-	-	1 000	-	-	-	-	-
Total	4 244	11 076	17 005	2 250	1 250	1 250	6 000	-	-

Table 4.11: Summary of departmental transfers to local government by grant name

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Joint Project Funding	2.2 Regional and LED	2 953	2 414	-	-	-	-	-	-	-
SMME Fair and Exhibition	2.3 Economic Empowerment	-	-	992	-	-	-	-	-	-
Beaches Rehabilitation	6.3 Tourism Growth and Dev.	-	3 400	900	1 000	1 000	1 000	-	-	-
Dundee July event	6.3 Tourism Growth and Dev.	-	479	495	250	250	250	-	-	-
Sakhisizwe Manag. Agency	6.3 Tourism Growth and Dev.	981	-	-	-	-	-	-	-	-
Richards Bay Breakfast	6.3 Tourism Growth and Dev.	310	-	-	-	-	-	-	-	-
Drakensberg Cable Car	6.3 Tourism Growth and Dev.	-	4 183	1 793	-	-	-	-	-	-
Tourism Route Strategy	6.3 Tourism Growth and Dev.	-	-	500	-	-	-	-	-	-
Africa Bike Week event	6.3 Tourism Growth and Dev.	-	-	6 000	-	-	-	6 000	-	-
Top Gear Festival	6.3 Tourism Growth and Dev.	-	-	4 425	-	-	-	-	-	-
Dev of EMFs and SEAs	7.3 Enviro Quality Mngmnt	-	-	1 000	-	-	-	-	-	-
Greenest Munic. Comp	7.3 Enviro Quality Mngmnt	-	600	900	1 000	-	-	-	-	-
Total		4 244	11 076	17 005	2 250	1 250	1 250	6 000	-	-

In 2014/15, Category A received funds for the SMME Fair and Exhibition that was hosted by the department in partnership with the eThekweni Metro. Also included in Category A was once-off funding of R4.425 million that was transferred to the eThekweni Metro which was responsible for constructing infrastructure relating to the Top Gear Festival.

With regard to Category B:

- The Greenest Municipality Competition falls under Environmental Affairs, and transfers were made from 2012/13 to 2014/15 to municipalities that participated and won the competition. This competition is based on business plans submitted by municipalities. The department reviewed the historic spending of these funds by municipalities that won the competition. It was discovered that municipalities do not spend these funds as indicated in their business plans, and a decision was therefore taken that the department will no longer transfer funds directly to municipalities, but will appoint and pay service providers to procure the necessary goods or services for the implementation of projects as per the municipalities' business plans. Hence, there is no allocation from the 2015/16 Adjusted Appropriation onward.
- In 2012/13 and 2013/14, transfers relate to the construction of trading centres in the Mandeni and Mthonjaneni Municipalities.
- In addition, there was spending on hosting the Richards Bay Breakfast event in the uMhlathuze Municipality under the uThungulu District Municipality.
- Also, in 2013/14 and 2014/15, transfers were made for the Drakensberg cable car consultations in respect of the Okhahlamba Municipality.
- Funding was provided from 2013/14 to 2015/16 for the revitalisation of Alkantstrand Beach in the uMhlathuze Municipality, the revitalisation of Dokodweni Beach in the Mandeni Municipality, as well

as the rehabilitation of South Port Beach in the Hibiscus Coast Municipality. The 2015/16 budget relates to the beaches in the KwaDukuza Municipality.

- In 2014/15, the department transferred R6 million for the Africa Bike Week event 2015 that was hosted by the Hibiscus Coast Municipality.

Regarding Category C:

- In 2012/13, a transfer was made for the Ingoma Music Festival held in the Umkhanyakude District Municipality.
- The amounts from 2013/14 to 2015/16 include the Dundee July rural horse racing event which is held in the Umzinyathi District Municipality, with no allocation over the MTEF.
- In 2014/15, a transfer of R1 million was made to the Umzinyathi District Municipality for the development of EMFs and the SEAs.
- In 2014/15, a transfer was made for the Tourism Route Strategy in respect of the Harry Gwala District Municipality.
- In 2016/17, R6 million is allocated for the Africa Bike Week event, for transfer to the Ugu District Municipality assigned to host the event.

5.10 Transfers and subsidies

Table 4.12 below is a summary of spending on *Transfers and subsidies* by programme and main category.

Transfers against *Households* in all programmes are mainly for staff exit costs, as well as external bursaries for non-employees.

The *Transfers and subsidies* under Programme 1 are as follows:

- Spending in 2012/13 against *Provinces and municipalities* was mainly for motor vehicle licences. The increase in the 2015/16 Adjusted Appropriation can be ascribed to the increase in the number of vehicles purchased.
- *Departmental agencies and accounts* within this programme catered for transfers to the Public Service Sector Education and Training Authority (PSETA) for training. The amount in 2013/14 relates to the PSETA levies. The department was required to set aside 30 per cent of 1 per cent of the *Compensation of employees* budget for training, and pay this over to the PSETA in terms of the Skills Development Act. However, in line with National Treasury Circular of 10 July 2014, national departments applied for the creation of a single transfer to PSETA through DPSA. The result is that departments do not have to transfer funds to PSETA from 2015/16 onward, unless such transfers are meant for a different purpose, hence there is no budget in this regard over the MTEF. Also, transfers to SABC for TV licences were correctly placed, following changes in SCOA in 2014/15. The allocation provides for TV licences over the MTEF.
- During the 2015/16 Adjusted Appropriation, the department made provision for transfers against *Public corporations and private enterprises* for donations made for the “Stop Killing the Rhino campaign” which was conducted by the Sakhisizwe Management Agency in the Mtubatuba area, as well as a donation for Annual #Durban and Fun Youth leadership training and exhibition held at Umlazi, Durban. The 2015/16 Revised Estimate is high due to a donation made to Amantungwa Kholwa annual event. There is no allocation made for this over the MTEF.
- Spending against *Non-profit institutions* in 2014/15 relates to a donation to the Destiny House, where the department purchased computers and provided for transport and meals for Grade 12 learners in various districts to be exposed in the tourism and hospitality field. In addition, a donation was made in respect of the Durban SAPS widows and orphans fund toward fundraising for a golf day event.
- *Households* relates to bursary funds for people with disabilities, which are transferred through the Indumezulu Trust.

Table 4.12 : Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Administration	795	44	1 804	531	1 088	1 329	578	607	643
Provinces and municipalities	21	33	24	31	69	89	50	53	56
Motor Vehicle licences	21	33	24	31	69	89	50	53	56
Departmental agencies and accounts	-	-	548	-	3	3	5	5	6
PSETA	-	-	543	-	-	-	-	-	-
SABC	-	-	5	-	3	3	5	5	6
Public corporations and private enterprises	-	-	-	-	186	256	-	-	-
Donation - Youth Leadership training	-	-	-	-	96	96	-	-	-
Donation - "Stop Killing the Rhino" campaign	-	-	-	-	90	90	-	-	-
Donation - Amantungwa Kholwa Annual event	-	-	-	-	-	70	-	-	-
Non-profit institutions	-	-	129	-	-	-	-	-	-
Donation -Destiny House, DBN SAPS widows	-	-	129	-	-	-	-	-	-
Households	774	11	1 103	500	830	981	523	549	581
Staff exit costs	153	11	104	-	330	481	-	-	-
Social benefit - Bursaries	621	-	999	500	500	500	523	549	581
2. Integrated Economic Development Services	259 294	957 358	388 776	254 580	304 362	304 362	265 764	261 525	259 650
Provinces and municipalities	2 953	2 414	992	-	-	-	-	-	-
Joint project funding	2 953	2 414	-	-	-	-	-	-	-
SMME Fair and Exhibition	-	-	992	-	-	-	-	-	-
Higher education institutions	-	-	2 780	-	-	-	6 000	6 300	6 665
MUT - chemical manu. Sector training	-	-	2 780	-	-	-	-	-	-
UKZN RLED Initiative	-	-	-	-	-	-	6 000	6 300	6 665
Public corporations and private enterprises	249 500	323 426	317 190	149 700	199 404	199 404	121 600	120 298	118 915
Ithala and Growth Fund	249 500	300 000	278 800	149 700	192 100	192 200	121 600	120 298	118 915
SEDA eThekweni	-	3 000	-	-	-	-	-	-	-
Co-operatives Funding	-	10 248	27 890	-	1 954	1 954	-	-	-
KZN Youth and Women Co-ops Bus, Indab, etc	-	2 000	3 000	-	-	-	-	-	-
Tongaat Hulets Cane Trans, Operation Vuselela	-	8 178	-	-	-	-	-	-	-
The entrepreneur programme	-	-	2 000	-	-	-	-	-	-
Ilembe Chamber of Business	-	-	-	-	2 900	2 900	-	-	-
Durban Chamber of Business	-	-	-	-	350	350	-	-	-
Future Leaders	-	-	5 500	-	-	-	-	-	-
Durban Business Fair	-	-	-	-	500	500	-	-	-
South African Music Conference	-	-	-	-	1 500	1 500	-	-	-
Non-profit institutions	531	620 102	55 000	95 000	95 000	95 000	133 440	133 316	133 184
KZNGFT	-	620 102	55 000	95 000	95 000	95 000	64 400	64 400	64 400
Project Gateway Donation	27	-	-	-	-	-	-	-	-
Ilembe Chamber of Commerce	504	-	-	-	-	-	-	-	-
SBGE	-	-	-	-	-	-	69 040	68 916	68 784
Households	6 310	11 416	12 814	9 880	9 958	9 958	4 724	1 611	886
Staff exit costs	23	34	117	-	78	78	-	-	-
Social benefits - Bursaries	6 287	11 382	12 697	9 880	9 880	9 880	4 724	1 611	886
3. Trade and Sector Development	553 073	724 515	773 513	897 491	903 696	903 696	729 355	742 270	793 768
Departmental agencies and accounts	457 361	650 486	596 851	673 816	573 975	573 975	466 643	495 272	537 840
TIK	65 053	75 084	81 476	80 207	96 195	96 195	82 420	80 105	84 935
DTPC	392 308	575 402	515 375	593 609	477 780	477 780	384 223	415 167	452 905
Public corporations and private enterprises	62 618	30 164	79 442	123 247	216 964	216 964	149 070	127 605	129 530
RBIDZ	62 618	25 164	68 170	110 947	198 947	198 947	126 370	127 605	129 530
Maritime Cluster	-	2 000	2 000	6 000	2 000	2 000	4 000	-	-
KZN Fashion Council, Clothing Textile Cluster	-	3 000	4 272	1 700	4 700	4 700	7 200	-	-
Ugu ICT incubator, Music Cluster	-	-	5 000	3 000	3 788	3 788	5 700	-	-
Business Fashion Fair	-	-	-	-	500	500	-	-	-
Study Mkuze Airport	-	-	-	-	5 461	5 461	4 000	-	-
Teledialogue/Tele- Festival & aerostropolis	-	-	-	600	568	568	1 000	-	-
KZN Integrated Hub and KZN Exporter Awards	-	-	-	1 000	1 000	1 000	800	-	-
Non-profit institutions	33 000	43 830	97 159	100 428	112 757	112 757	113 642	119 393	126 398
KZNFC	-	6 030	58 681	60 180	63 180	63 180	68 211	71 843	76 267
MKI	33 000	36 300	38 478	40 248	49 577	49 577	45 431	47 550	50 131
Durban Film Festival	-	1 500	-	-	-	-	-	-	-
Households	94	35	61	-	-	-	-	-	-
Staff exit costs	94	35	61	-	-	-	-	-	-
4. Business Regulation and Governance	55 724	43 932	77 407	67 008	70 065	70 065	73 753	75 990	80 189
Departmental agencies and accounts	55 699	43 920	77 282	67 008	70 008	70 008	73 753	75 990	80 189
KZNLA	55 699	43 920	77 282	67 008	70 008	70 008	73 753	75 990	80 189
Households	25	12	125	-	57	57	-	-	-
Staff exit costs	25	12	125	-	57	57	-	-	-
5. Economic Planning	3	-	266	-	2 007	2 007	2 500	2 625	2 777
Higher education institutions	-	-	250	-	2 000	2 000	2 500	2 625	2 777
Manufacturing survey	-	-	250	-	-	-	-	-	-
MUT - Univer. Tech Transfer prog	-	-	-	-	893	893	2 500	2 625	2 777
UKZN - Univer. Tech Transfer prog	-	-	-	-	640	640	-	-	-
DUT - Univer. Tech Transfer prog	-	-	-	-	467	467	-	-	-
Households	3	-	16	-	7	7	-	-	-
Staff exit costs	3	-	16	-	7	7	-	-	-

Table 4.12 : Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
6. Tourism	194 966	223 379	336 648	164 940	278 621	278 121	188 791	191 144	202 167
Provinces and municipalities	1 291	8 062	14 113	1 250	1 250	1 250	6 000	-	-
Beaches Development	-	3 400	900	1 000	1 000	1 000	-	-	-
Dundee July event	-	479	495	250	250	250	-	-	-
Sakhisizwe Manag. Agency	981	-	-	-	-	-	-	-	-
Richards Bay Breakfast	310	-	-	-	-	-	-	-	-
Drakensberg Cable Car	-	4 183	1 793	-	-	-	-	-	-
Tourism Route Strategy	-	-	500	-	-	-	-	-	-
Africa Bike Week event	-	-	6 000	-	-	-	6 000	-	-
Top Gear Festival	-	-	4 425	-	-	-	-	-	-
Departmental agencies and accounts	173 663	161 968	166 906	162 690	179 623	179 623	171 021	183 059	193 614
KZNSB	55 371	59 985	57 109	56 678	63 178	63 178	69 175	66 079	69 597
TKZN	118 292	99 983	109 297	101 512	116 445	116 445	101 846	116 980	124 017
EKZNW - Ingodini Border Caves	-	2 000	500	4 500	-	-	-	-	-
Public corporations and private enterprises	19 991	53 345	155 329	1 000	97 148	96 648	11 070	7 350	7 776
Tourism Enterprise partnership	-	-	1 000	1 000	500	-	-	-	-
Nelson Mandela Golf Tournament	-	-	-	-	5 000	5 000	-	-	-
World Pro-am Golfer Championship	-	-	-	-	9 070	9 070	-	-	-
Vodacom Durban July	-	-	-	-	2 122	2 122	-	5 250	5 555
MTV Africa Awards	-	-	-	-	40 235	40 235	-	-	-
Umthayi Festival	5 500	-	8 347	-	4 000	4 000	-	-	-
World Amateur Golfers Tournament	-	-	-	-	2 721	2 721	9 070	-	-
Metro FM Awards	-	-	-	-	19 500	19 500	-	-	-
Spring Day Music Explosion	-	-	-	-	1 500	1 500	-	-	-
uMgababa New Years Festival	1 500	1 000	1 200	-	1 200	1 200	-	-	-
KwaDukuza Festival	-	-	-	-	1 500	1 500	-	-	-
Fact Durban Rocks	1 600	1 000	1 200	-	1 200	1 200	-	-	-
Indlamu	-	-	2 900	-	1 500	1 500	-	-	-
Durban Summer Festival	-	1 700	-	-	1 200	1 200	-	-	-
Kasi Tours	-	-	900	-	900	900	-	-	-
Richards Bay Imbizo	-	100	-	-	1 500	1 500	-	-	-
Impucuzeko kaMaskandi Festival	-	-	-	-	1 000	1 000	-	-	-
Ugu Jazz Festival	-	-	-	-	1 000	1 000	-	-	-
Woza Durban New Year's Picnic	-	-	-	-	1 500	1 500	-	-	-
Strategic Cabinet Initiatives Fund - Events	-	30 182	136 282	-	-	-	-	-	-
Blue Flag impact study	-	-	-	-	-	-	500	525	555
Ndumo Lodge upgrade	-	-	-	-	-	-	1 500	1 575	1 666
Durban Beach Festival, DBN underground	1 500	-	1 200	-	-	-	-	-	-
2nd Annual Maritzburg Corporate Challenge	500	-	-	-	-	-	-	-	-
Midmar Music Festival	1 500	-	-	-	-	-	-	-	-
King Shaka Fashion Festival	5 400	-	-	-	-	-	-	-	-
Mhlacu Festival	1 500	-	-	-	-	-	-	-	-
Bundu Mix	900	-	-	-	-	-	-	-	-
Youth Development in Motion	91	-	-	-	-	-	-	-	-
Township to Township Marathon	-	1 000	-	-	-	-	-	-	-
King Shaka Memorial site	-	400	-	-	-	-	-	-	-
uMphithi Spring Festival	-	1 963	-	-	-	-	-	-	-
Umlazi Festival, Expo and Edu-Sport	-	9 100	-	-	-	-	-	-	-
Urban Music Tour and iBeach Exp.	-	4 900	-	-	-	-	-	-	-
SMME Conferences	-	2 000	-	-	-	-	-	-	-
KZN Air Winter Show	-	-	2 300	-	-	-	-	-	-
Non-profit institutions	-	-	300	-	600	600	700	735	777
Amazizi WowZulu Craft Centre/ Ndumo CBM	-	-	-	-	600	600	-	-	-
Africa Ignite	-	-	300	-	-	-	-	-	-
WowZulu Production - Ndumo lodge upgrades	-	-	-	-	-	-	500	525	555
Simunye Info. Centre	-	-	-	-	-	-	200	210	222
Households	21	4	-	-	-	-	-	-	-
Staff exit costs	21	4	-	-	-	-	-	-	-
7. Environmental Affairs	555 430	592 409	717 446	654 014	725 340	725 374	610 879	631 160	668 651
Provinces and municipalities	17	600	1 900	1 000	-	-	-	-	-
Greenest Municipality Competition	-	600	900	1 000	-	-	-	-	-
Dev of EMFs and SEAs	-	-	1 000	-	-	-	-	-	-
Motor vehicle licences	17	-	-	-	-	-	-	-	-
Departmental agencies and accounts	549 893	586 522	702 895	646 819	718 966	718 966	604 227	624 280	661 372
EKZNW	549 893	586 522	702 895	646 819	718 966	718 966	604 227	624 280	661 372
Non-profit institutions	5 000	5 227	11 927	6 195	6 195	6 195	6 552	6 880	7 279
SAAMBR	4 600	5 227	5 540	5 795	5 795	5 795	6 102	6 407	6 779
WESSA	400	-	400	400	400	400	450	473	500
Wildlife Conservation Trust	-	-	5 987	-	-	-	-	-	-
Households	520	60	724	-	179	213	100	-	-
Staff exit costs	520	60	724	-	179	213	100	-	-
Total	1 619 285	2 541 637	2 295 860	2 038 564	2 285 179	2 284 954	1 871 620	1 905 321	2 007 845

The category *Transfers and subsidies* under Programme 2 provides for the following:

- Spending against *Provinces and municipalities* in 2012/13 and 2013/14 relates to joint project funding for the construction of trading centres in various municipalities. In 2014/15, a once-off transfer was made to eThekweni Metro for the SMME Fair and Exhibition.
- The 2014/15 allocation against *Higher education institutions* relates to once-off funding transferred to Mangosuthu University of Technology to facilitate and provide training to small enterprises in the chemical manufacturing sector project. The allocation over the 2016/17 MTEF caters for the RLED initiative programme assigned to UKZN.
- *Public corporations and private enterprises* mainly caters for transfers to Ithala. The low amount in 2012/13 can be ascribed to a reduction in the Growth Fund, where funds were moved to cater for spending pressures, as explained previously. In 2013/14 and 2014/15, once-off additional funding was added for transfer to Ithala to ensure Ithala Limited maintains a certain minimum capital adequacy ratio, as well as for the turnaround strategy. Also, once-off funding was allocated to private enterprises for the co-operative funding and KZN Youth and Women Co-operatives Business Indaba, SEDA eThekweni, and Operation Vuselela. The increase in the 2015/16 Adjusted Appropriation relates to once-off funding for Ithala Limited for its capital adequacy ratio, the KZN Property Development Holding SOC Ltd, the Royalty Soapie Awards and the EIA for the Drakensberg cable car allocated against Ithala. Provision is made for the Enterprise Development Fund, as well as the the KZN Property Development Holding SOC Ltd over the MTEF, which are both transfers to Ithala. As mentioned previously, the transfers to these entities were affected by budget cuts.
- Spending in 2012/13 against *Non-profit institutions* relates to the once-off transfer to the Ilembe Chamber of Commerce in respect of a support desk project, and donations made to Project Gateway, an NGO. The KZNGFT is a separate entity and its funding is no longer transferred *via* Ithala. The peak in 2013/14 relates to unspent funds for the KZNGFT that were previously held by Ithala. This explains the reduction in 2014/15, which was also caused by the entity's positive cash balance. The budget caters for KZNGFT and SBGE, and both entities were affected by the budget cuts over the MTEF.
- *Households* largely relates to external bursaries. The transfer provides for external bursaries to students at UKZN who are studying toward a Post-graduate Diploma and Masters in LED, and for the Co-operative Management Diploma offered at UNIZULU. Funding is also catered for over the 2016/17 MTEF to offer bursaries.

The category *Transfers and subsidies* under Programme 3 provides for the following:

- *Departmental agencies and accounts* covers transfer payments made to TIK and DTPC.
 - The trend increases substantially in 2013/14 against TIK due to funding for the Makhaya Arts and Culture Development which promotes South African arts, culture, people and values in the international arena. In addition, funding for investment seminars was re-classified as a transfer payment to TIK. The transfer in 2014/15 included funding for hosting investment seminars associated with the East3 Route conference to promote the trade and investment industry, as well as TAF for a Renewable Energy project assigned to TIK. The decrease in 2016/17 relates to the budget cuts effected on TIK. Furthermore, the declining growth in 2017/18 results from the funding for the TAF and marketing, falling away in this year.
 - In 2014/15, DTPC's transfer was reduced due to the entity's positive cash balance. Furthermore, in the 2015/16 Adjusted Appropriation, the DTPC allocation was reduced due to the entity's healthy positive cash balance. These funds were used to offset spending pressures in other entities. The MTEF allocation relates to the development of additional infrastructure in line with the DTPC 60-year Master Plan. The decrease in 2016/17 can largely be ascribed to the reprioritisation undertaken by the department from this entity, as well as the budget cuts effected over the MTEF.
- *Public corporations and private enterprises* largely caters for the RBIDZ transfers. In 2013/14, the RBIDZ transfer was reduced due to the entity's positive cash balance, to address spending pressures in other categories. In 2015/16, the entity was allocated once-off additional funding of R40 million for

infrastructure development as mentioned, explaining the significant decrease in 2016/17. Also included against this category are transfers to private enterprises relating to various projects such as the KZN Fashion Council, KZN Clothing Textile Cluster, Music Cluster, the Ugu ICT Incubator and the Maritime Cluster. These projects are catered for only in 2016/17, at this stage. The RBIDZ transfers have been increased over the 2016/17 MTEF as a result of reprioritisation undertaken by the department, and these funds will be utilised for the acquisition of land over the MTEF, as mentioned previously.

- *Non-profit institutions* includes transfers to various entities, as follows:
 - The allocations to MKI increase over the seven years. The significant increase in the 2015/16 Adjusted Appropriation relates to the Science, Technology, Engineering and Mathematics Fund, as well as for security services costs for the entity. Despite the budget cuts effected on the transfer to MKI, funds have been reprioritised to MKI to cater for the the Science, Technology, Engineering and Mathematics Fund. Hence, the allocation shows a net increase and continues to grow steadily over the 2016/17 MTEF.
 - The allocation for the Durban Film Festival is budgeted for under the KZNFC from 2014/15, since this entity is assigned to host the event.
 - The KZNFC's budget is largely for operational costs. The department undertook reprioritisation and transfers to this entity were increased from 2014/15 onward to fund the entity's operational costs at a sustainable level. The allocations from 2014/15 onward include funding for the Durban International Film Festival, as well as the Simon Mabunu Sabela Film Awards. The increase in the 2015/16 Adjusted Appropriation is linked to the KZN Film hub. The allocation reflects increasing growth over the 2016/17 MTEF. The significant increase in 2016/17 is linked to the increase in the number of productions and associated markets and distribution channels, as well as to set-up a Film Fund which will co-fund production of feature films. Despite this entity being affected by baseline cuts, funds have been reprioritised to this entity to cater for the Film hub over the MTEF, hence, the strong growth over the MTEF.

Programme 4 caters for the transfer of funds to the KZNLA under *Departmental agencies and accounts*. The transfer in 2012/13 includes the entity's establishment costs. The increase in 2014/15 relates to once-off additional funding relating to the entity's operational costs which are funded from the liquor licences revenue, as well as the carry-through allocation for procurement of the new IT system. The decrease in the 2015/16 Main Appropriation is ascribed to lower liquor licences collections, in respect of which the forecast had an impact on the operational budget allocation to KZNLA. The increase in the 2015/16 Adjusted Appropriation is attributed to increased costs relating to the appointment of liquor licence inspectors to address the licensing approval backlog. Even though the KZNLA transfers are reduced as a result of the budget cuts, there is steady growth over the MTEF.

With regard to Programme 5, the transfer to UKZN in 2014/15 against *Higher education institutions* was to co-ordinate the Manufacturing Survey, which is a follow-up survey from a survey that was conducted in 2002/03 to profile the state of the manufacturing sector. This survey was conducted to analyse the rate of survival within the sector, as well as challenges that firms are facing. The increase in the 2015/16 Adjusted Appropriation relates to transfers made to various universities for the KZN University Technology Transfer programme. The 2016/17 MTEF allocations cater for a survey to be conducted by Mangosuthu University of Technology.

The category *Transfers and subsidies* under Programme 6 provides for the following:

- *Provinces and municipalities*: The spending in 2012/13 is attributed to the Richards Bay breakfast event and the Ingoma Music Festival that were held at the uThungulu and Umkhanyakude District Municipalities, respectively. The increase in 2013/14 relates to funding for a number of projects that were reclassified from *Goods and services* to this category, such as the revitalisation of Alkantstrand Beach, and rehabilitation of South Port Beach in the uMhlathuze and Hibiscus Coast Municipalities, respectively. Also contributing is the funding for the Dundee July rural horse racing event held in the Umzinyathi District Municipality. The increase in 2014/15 can be ascribed to the Drakensberg cable

car consultations in respect of Okhahlamba Municipality, the Africa Bike Week event 2015, the Tourism Route Strategy for the Harry Gwala District Municipality, revitalisation and rehabilitation of Dokodweni, as well as South Port Beach in Mandeni and Hibiscus Coast Municipalities. The transfers in 2015/16 relate to the Dundee July rural horse racing event and the revitalisation of beaches in the KwaDukuza Municipality. Provision is made for hosting Africa Bike Week in 2016/17 only.

- *Departmental agencies and accounts* caters for transfers to TKZN and KZNSB. The high transfers made in 2012/13 relate to increased capital requirements of the KZNSB, as well as projects under TKZN, such as the KZN Summer campaign and the East3 Route Expedition. This explains the decrease in 2013/14. The increase in 2014/15 was due to once-off funding to TKZN for promotion and marketing of the World Routes 2015 conference, promotion and marketing the East3 Route, as well as the 2014 Carnival International De Victoria. In addition, KZNSB received an increased transfer for hosting the Sharks International conference. The increase in the 2015/16 Adjusted Appropriation can be ascribed to the increase in transfers to TKZN for tourism-related services relating to the Vodacom Durban July, to cover the shortfall for the Tourism Indaba in respect of two previous financial years and for hosting the Loeries Creative week. Also, KZNSB received an increased transfer to fund the 9th Western Indian Ocean Marine Science Association conference. This accounts for the decrease in 2016/17. The additional allocations for KZNSB for MCOE operational costs, are removed from the department's baseline from 2017/18, explaining the decrease in 2017/18. Both entities were affected by the budget cuts, but funds have been reprioritised to KZNSB, as mentioned previously.
- Various once-off projects were funded under *Public corporations and private enterprises* since 2012/13, such as the Midmar Music Festival, the King Shaka Fashion Festival and the uMthayi Marula Festival. In 2013/14, the increase can be ascribed to partnership funding for events such as the uMphithi Spring Music Festival, Umlazi Festival and Expo, Urban Music Tour and the SMME conference that the department hosts in partnership with various private enterprises. The increase in 2014/15 is largely ascribed to additional funding from the Strategic Cabinet Initiatives Fund for various events such as the Nelson Mandela Golf Tournament and the SA Women's Golf Championship events, among others. The increase in the 2015/16 Adjusted Appropriation can be ascribed to tourism-related events, namely World Pro-am Golfers Championship, KwaDukuza Festival, Fact Durban Rocks, Indlamu Sakhisizwe Cultural Tour, Durban Summer Festival, Kasi Tours and Richards Bay Imbizo, which were hosted by various private enterprises. This explains the decrease over the 2016/17 MTEF. This category includes carry-through funding in respect of the blue flag impact study and Ndumo Lodge upgrade. The World Amateur Golfers Tournament is only catered for in 2016/17. The Vodacom Durban July is funded in the two outer years, with no provision made for this event in 2016/17.
- *Non-profit institutions* in 2014/15 relates to the Africa Ignite for the Dukuduku resettlement project. The 2015/16 Adjusted Appropriation including provision to the Amazizi WowZulu Craft Centre and Ndumo Tourism Plan Community-Based Model assigned to Africa Ignite as an implementing agent. The budget over the MTEF provides for the WowZulu Production and Simunye Information Centre.

The category *Transfers and subsidies* under Programme 7 provides for the following:

- *Provinces and municipalities* reflects transfers to various municipalities in respect of the Greenest Municipality Competition from 2013/14 to 2014/15. The budget was moved and reclassified as *Goods and services* in the 2015/16 Adjusted Appropriation after the department reviewed the historic spending of these funds by municipalities who won the competition. It was discovered that municipalities do not spend these funds as indicated in their business plans, and a decision was therefore taken that the department will appoint service providers to procure the necessary goods or services for the implementation of projects as per the municipalities' business plans, hence, there is no allocation over the MTEF.
- *Departmental agencies and accounts* comprises the subsidy paid to EKZNW, which shows an increasing trend over the seven-year period. The 2012/13 year includes specific funding for protected area expansion and road maintenance and the Rhino Security Intervention plan. The increase in 2014/15 was due to the suspension of the unspent and uncommitted road maintenance budget relating

to 2013/14. In 2014/15, the entity received once-off funding relating to suspension of parts of the road maintenance funds, as well as funding for the Sakha Isibaya project. The further increase in the 2015/16 Adjusted Appropriation is due to an agreement between the department and the entity to be the implementing agent for projects such as Sakha Isibaya, Inkululeko Development, IASP, East3 Route Legacy project and EKZNW Parthenium Weed Clearing project, and construction of three vehicle wash-down facilities at three main gates entering the HIP, as well as additional funding for the 2015 above-budget wage agreement. EKZNW receives additional funding for the rhino anti-poaching campaign over the MTEF. The decrease in 2016/17 largely relates to the MTEF budget cut effected, and reprioritisation of funds undertaken from EKZNW. The budget shows healthy growth in the two outer years.

- *Non-profit institutions* consists of transfers to WESSA for environmental education programmes, and the grant-in-aid to SAAMBR. In 2013/14, no transfer payment was made to WESSA following technical problems with the banking details of the institution. In 2014/15, the department transferred funds for the Integrated Greening programme undertaken by the Wildlands Conservation Trust, accounting for the increase in 2014/15. This category shows inflationary growth over the MTEF.

6. Programme description

The services rendered by this department are categorised under seven programmes, which are explained below.

The programme structure largely conforms to the uniform budget and programme structure for the Economic Development and Tourism sector, and the Environmental Affairs sector.

The payments and budgeted estimates for each programme are summarised in terms of sub-programmes and economic classification, details of which are given in *Annexure – Vote 4: Economic Development, Tourism and Environmental Affairs*.

6.1 Programme 1: Administration

The main purpose of Programme 1 is to provide for the overall management of the department, and to render a support service to the other programmes in respect of transversal functions.

This programme consists of four sub-programmes, namely Office of the MEC, Office of the HOD, Financial Management and Corporate Services.

Tables 4.13 and 4.14 below illustrate the payments and estimates of this programme over the seven-year period 2012/13 to 2018/19.

The erratic trend against this programme relates to the additional allocations for events under the sub-programmes' Corporate Services and Office of the HOD. It is noted that the department effected the budget cuts in the Office of the HOD and Financial Management sub-programmes within this programme, with R7.328 million, R7.832 million and R8.390 million being reduced over the MTEF from *Compensation of employees*. This programme includes additional funding for the carry-through cost of the above-budget 2015 wage agreement as shown in Table 4.3 above.

Table 4.13 : Summary of payments and estimates by sub-programme: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Office of the MEC	23 465	30 670	29 125	33 144	23 633	23 633	25 984	27 402	28 991
2. Office of the HOD	50 900	65 640	29 191	36 627	30 109	30 109	31 676	32 890	34 682
3. Financial Management	21 904	24 598	31 293	46 507	38 450	37 594	39 976	42 435	44 908
4. Corporate Services	116 196	105 189	106 366	116 817	118 134	118 134	128 543	141 182	149 371
Total	212 465	226 097	195 975	233 095	210 326	209 470	226 179	243 909	257 952

Table 4.14 : Summary of payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	209 518	215 968	185 522	228 904	207 139	205 742	223 916	241 533	255 438
Compensation of employees	54 090	61 343	70 809	96 316	74 381	72 356	88 281	94 297	100 683
Goods and services	155 428	154 625	114 713	132 588	132 758	133 386	135 635	147 236	154 755
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	795	44	1 804	531	1 088	1 329	578	607	643
Provinces and municipalities	21	33	24	31	69	89	50	53	56
Departmental agencies and accounts	-	-	548	-	3	3	5	5	6
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	186	256	-	-	-
Non-profit institutions	-	-	129	-	-	-	-	-	-
Households	774	11	1 103	500	830	981	523	549	581
Payments for capital assets	2 152	10 085	8 638	3 660	2 099	2 399	1 685	1 769	1 871
Buildings and other fixed structures	-	-	28	-	-	10	-	-	-
Machinery and equipment	2 143	3 669	8 610	3 660	2 099	2 389	1 685	1 769	1 871
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	9	6 416	-	-	-	-	-	-	-
Payments for financial assets	-	-	11	-	-	-	-	-	-
Total	212 465	226 097	195 975	233 095	210 326	209 470	226 179	243 909	257 952

The sub-programme: Office of the MEC reflects a fluctuating trend from 2012/13 to 2015/16. The significant increase in 2013/14 was mainly due to once-off additional funding for OSS initiatives, as well as the set-up and operational costs of the new Ministry offices in Pietermaritzburg, accounting for the decrease thereafter. The significant increase in the 2015/16 Main Appropriation was largely due to reprioritisation of funds from other sub-programmes to provide for furniture required for the Ministry offices in Pietermaritzburg. The decline in the 2015/16 Adjusted Appropriation was driven by delays in the relocation of the Ministry office from the Marine building in Durban to Pietermaritzburg. This sub-programme increases at an inflationary rate over the MTEF.

The peak in 2013/14 can be ascribed to the reprioritisation of projects, where funds were moved from other programmes to fund the Industrial Economic Hubs, Royalty Soapie Awards, Ithala Repositioning, etc. This explains the substantial decrease in 2014/15. The decrease in the 2015/16 Adjusted Appropriation was largely due to the EPWP Integrated Grant for Provinces which was incorrectly allocated against this sub-programme, and a shift was undertaken to correctly place these funds in Programme 7. Despite the cut totalling R6.798 million, R7.279 million and R7.817 million effected against *Compensation of employees*, the sub-programme shows an increasing trend over the MTEF.

The sub-programme: Financial Management reflects an increasing trend from 2012/13 to 2015/16. The significant increase in 2014/15 is attributed to the Environmental Affairs function shift to fund additional human resource capacity needed for administration support services. The reduction in the 2015/16 Adjusted Appropriation was mainly ascribed to the moratorium on the filling of non-critical posts. In total, this sub-programme has been cut against *Compensation of employees* by R530 000, R533 000 and R573 000, but still increases at an inflationary rate over the 2016/17 MTEF.

The high spending in 2012/13 against the Corporate Services sub-programme relates to once-off educational and awareness campaigns held across KZN to educate the public on the KZN Liquor Licensing Amendment Act and KZN Consumer Protection Act. The decrease in 2013/14 was linked to the centralisation of parts of the communications budget, as well as external bursaries under OTP. In 2015/16, the external bursaries budget that was centralised under OTP was decentralised back to all departments from which the budget was previously moved, accounting for the increase in this year. The increase in the 2015/16 Adjusted Appropriation was largely attributed to higher than anticipated staff exit costs and property payment costs. There is significant growth in the two outer years of the MTEF which is mainly ascribed to the anticipated increases in costs relating to operating leases and property payments for the head office and district offices.

Compensation of employees shows an increasing trend from 2012/13 to the 2015/16 Main Appropriation. Even though this programme received additional funding for the above-budget 2015 wage agreement in the

2015/16 Adjusted Appropriation, there was a decrease which is ascribed to the moratorium on the filling of non-critical vacant posts. Despite the budget cuts effected against this category, there is still significant growth over the MTEF, as the department is in the process of absorbing contract workers in order to conform with the Labour Relations Act. Furthermore, the entire additional funding for the carry-through cost of the above-budget 2015 wage agreement was allocated against this programme.

The spending in 2013/14 *Goods and services* included funds that were reprioritised from other programmes to fund projects such as the Industrial Economic Hubs, the Royalty Soapie Awards, Ithala Repositioning and the Aerotropolis strategy, as well as additional funding for OSS. This explains the significant decrease in 2014/15, which was also driven by savings as a result of financial controls implemented on travel and subsistence. The 2015/16 spending included the KZN Tourism Ambassador programme, Project Planning and Performance Management, the Dukuduku Monitoring Unit project to co-ordinate various projects implemented by different departments in Dukuduku, as well as the department holding Business Excellence Awards aimed at recognising the best performing businesses in various sectors, to encourage entrepreneurship and innovation. The category increases at a steady rate over the MTEF.

Spending against *Transfers and subsidies to: Provinces and municipalities* largely relates to motor vehicle licence fees. The increase from 2013/14 can be ascribed to a donation made to Divine Touch FM in Durban for transmission fees, accounting for the decrease from 2014/15. The increase in the 2015/16 Adjusted Appropriation and Revised Estimate is associated with the purchasing of new motor vehicles. The 2016/17 MTEF allocation grows at an inflationary rate and provides for motor vehicle licence fees only.

The 2014/15 spending against *Transfers and subsidies to: Departmental agencies and accounts* was mainly for the skills development levy to PSETA and payment for TV licences. There is no budget for PSETA as departments do not have to transfer funds to PSETA from 2015/16 onward, unless such transfers are meant for a different purpose. A portion of spending in 2014/15 was for payments of TV licences which was reclassified, following changes in SCOA. The allocation in the 2015/16 Adjusted Appropriation was to correctly place the budget for payment of TV licences which was inadvertently allocated for against *Goods and services* instead of this category.

The amount in 2014/15 against *Transfers and subsidies to: Public corporations and private enterprises* relates to a donation of R96 000 relating to the “Stop Killing the Rhino campaign”. Also, a donation of R90 000 was made for the annual #Durban and Fun Youth leadership training and exhibition networking and grooming session aimed at schooling and grooming upcoming stars in the arts/entertainment industry. The further increase in the Revised Estimate was mainly driven by a donation made in respect of the Amantungwa Kholwa Annual event. There is no allocation in respect of donations over the 2016/17 MTEF.

Transfers and subsidies to: Non-profit institutions spending in 2014/15 comprises various donations made to Destiny House, where the department purchased computers. The department also made donations for Grade 12 learners in various districts to be exposed to the tourism and hospitality field. As such, the department made payments for transport and meal costs. In addition, a donation was made in respect of the Durban SAPS widows and orphans fund toward fundraising for their golf day event.

The high spending against *Transfers and subsidies to: Households* in 2012/13 included funds relating to external bursaries for students with disabilities. The funds for external bursaries were centralised under OTP in 2013/14, accounting for the decrease in 2013/14. The spending in 2014/15 relates to bursary funds for people with disabilities, which are transferred through the Indumezulu Trust which was decentralised back to the department from OTP, accounting for the significant increase in that year. The increase in the 2015/16 Adjusted Appropriation and Revised Estimate was mainly to address pressures resulted from higher than anticipated staff exit costs. The MTEF allocation grows at an inflationary rate and caters for external bursaries.

The amounts against *Building and other fixed structures* in 2014/15 and the 2015/16 Revised Estimate relate to security guard houses purchased for the Dundee and Vryheid district offices, as well as the head office in Pietermaritzburg.

Machinery and equipment fluctuates over the seven-year period largely due to actual requirements in respect of equipment. The increase in 2013/14 is attributed to the purchase of motor vehicles for the

Ministry, furniture and also to provide for a new server for the head office. The substantial increase in 2014/15 relates to provision for the upgrading of the department's servers.

The spike against *Software and other intangible assets* in 2013/14 relates to the purchase of Sabinet software subscriptions relating to the department's library information database and new server software and workstation software licences.

Payments for financial assets reflects various losses which were written off in 2014/15.

6.2 Programme 2: Integrated Economic Development Services

The main purpose of this programme is the provision of strategic leadership, direction and co-ordination of economic empowerment initiatives in KZN. Programme 2 consists of three sub-programmes, namely: Enterprise Development, Regional and Local Economic Development, and Economic Empowerment. Tables 4.15 and 4.16 below illustrate payments and estimates for the period 2012/13 to 2018/19.

The fluctuating trend over the seven year period is driven by once-off transfers to Ithala and the KZNGFT from 2012/13 to 2015/16. Thereafter, there is a substantial decline linked to the MTEF cuts effected against the sub-programme: Enterprise Development within this programme, with R24.960 million, R26.386 million and R27.900 million being reduced from transfers to entities such as Ithala, KZNGFT and SBGE. Following the decrease in 2016/17, the two outer years of the MTEF reflect an increasing trend.

Table 4.15 : Summary of payments and estimates by sub-programme: Integrated Economic Development Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Enterprise Development	326 803	981 378	418 037	356 071	371 530	371 530	337 417	341 560	360 568
2. Regional and Local Economic Development	49 462	52 245	39 892	35 210	22 736	21 584	43 724	46 137	48 813
3. Economic Empowerment	31 093	40 107	44 957	31 434	43 908	44 227	33 204	34 864	36 886
Total	407 358	1 073 730	502 886	422 715	438 174	437 341	414 345	422 561	446 267

Table 4.16 : Summary of payments and estimates by economic classification: Integrated Economic Development Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	142 674	116 180	113 698	167 780	133 487	132 739	148 506	160 784	186 350
Compensation of employees	39 437	45 606	51 482	59 230	56 091	55 455	66 339	70 849	75 666
Goods and services	103 237	70 574	62 216	108 550	77 396	77 284	82 167	89 935	110 684
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	259 294	957 358	388 776	254 580	304 362	304 362	265 764	261 525	259 650
Provinces and municipalities	2 953	2 414	992	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	2 780	-	-	-	6 000	6 300	6 665
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	249 500	323 426	317 190	149 700	199 404	199 404	121 600	120 298	118 915
Non-profit institutions	531	620 102	55 000	95 000	95 000	95 000	133 440	133 316	133 184
Households	6 310	11 416	12 814	9 880	9 958	9 958	4 724	1 611	886
Payments for capital assets	405	192	412	355	325	240	75	252	267
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	405	192	412	155	225	190	75	252	267
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	200	100	50	-	-	-
Payments for financial assets	4 985	-	-	-	-	-	-	-	-
Total	407 358	1 073 730	502 886	422 715	438 174	437 341	414 345	422 561	446 267

The peak in 2013/14 against the sub-programme: Enterprise Development was largely attributed to additional funding for the Ithala capital adequacy ratio, and reallocation of previous year's unspent funds in respect of the KZNGFT, as previously mentioned, hence, the significant decline in 2014/15. The 2014/15 spending included an increased transfer to Ithala to ensure Ithala Limited maintains a certain minimum capital adequacy ratio, and provision made for the Ithala turnaround strategy. This accounts for the further decrease in the 2015/16 Main Appropriation. The increase in the 2015/16 Adjusted Appropriation was to

ensure Ithala Limited maintains the minimum capital adequacy ratio as prescribed by the SARB, a transfer to the KZN Property Development Holding SOC Ltd and to settle a loan that was taken by DAC from Ithala to fund a portion of the Royalty Soapie Awards. The significant decrease in 2016/17 relates to the previously mentioned budget cuts which largely affected the transfers to Ithala, and the KZNGFT. The department also reprioritised funds from Ithala and the KZNGFT to cater for the SBGE and the establishment of the KZN Property Development Holding SOC Ltd, which is a subsidiary of Ithala. In 2016/17, this sub-programme reflects a substantial decrease, but there is strong growth in the two outer years mainly to provide for the entities, as well as for various co-operatives, women and youth-related projects/events, such as Co-operative train-a-trainer, Co-operatives Mentorship and International Day of Co-operatives, among others.

The increase in 2013/14 against the sub-programme: Regional and Local Economic Development relates to non-employees' bursaries for students at UKZN who are studying toward Post-graduate Diplomas and Masters in LED and the LED Tongaat Hulett Sugar project, accounting for the decrease in 2014/15. Spending in 2014/15 included once-off costs for hosting the Mandela Exhibition Careers Expo. These funds were inadvertently allocated and paid against this sub-programme instead of the sub-programme: Economic Empowerment, and this accounts for the decrease in 2015/16. The further decrease in the 2015/16 Adjusted Appropriation was due to delays in the implementation of projects including Local Competitiveness Fund (LCF) Sihleza, LCF Automotive, as well as CFP in the Forestry related activities and sugar industry CFP. As such, funds were moved to the sub-programme: Economic Empowerment to fund the Youth Short Skills programme. Also contributing to the reduction was the difficulty in finding a suitable service provider to develop the Gijima Local Economic Development website. This accounts for the significant increase in 2016/17, whereafter the sub-programme increases steadily over the 2016/17 MTEF. The budget cuts were also effected against this sub-programme.

The increase in 2013/14 against the sub-programme: Economic Empowerment can be ascribed to the Mandela Exhibition Career Expos that took place in all districts, as well as uMyezane Awards. The increase in 2014/15 was driven by once-off spending for the Youth Economic Development Expo, the Mhlathuze Women Business Summit and the Newcastle Youth Seminar. The further increase in the 2015/16 Adjusted Appropriation was mainly associated with funds moved from other sub-programmes to provide for the Youth Short Skills programme, accounting for a significant decrease in 2016/17. This decrease is also due to the budget cuts, as mentioned previously. The budget grows at a steady rate in the two outer years.

Compensation of employees shows an increasing trend from 2012/13 to 2014/15. The decrease in the 2015/16 Adjusted Appropriation and Revised Estimate is due to delays in the filling of critical posts. Although no cut is effected against this category over the MTEF, the department will review this category in-year, taking into consideration the freezing of all non-critical vacant posts. The MTEF allocation grows at an inflationary rate.

The high spending in 2012/13 against *Goods and services* largely relates to the LED Tongaat Hulett Sugar project. In 2013/14, there is a decrease largely attributed to LED and SMME projects that were put on hold and the budget was reprioritised mainly to fund projects and events under Programmes 1 and 6. The further decreases in 2014/15 and the 2015/16 Adjusted Appropriation were largely due to delays experienced in the establishment of SBGE. As such, funds were moved to other programmes. The budget in 2016/17 decreases substantially due to the previously mentioned baseline cuts. There is an increase in the two outer years of the MTEF. The budget caters for co-operative and LED projects and the sugar value chain programme on the south coast.

The high spending in 2012/13 against *Transfers and subsidies to: Provinces and municipalities* is due to joint project funding in the Mthonjaneni and Mandeni Municipalities for the construction of trading centres. This accounts for the slight decrease in 2013/14. Spending in 2013/14 was mainly for the completion of the trading centres, explaining the further decrease in 2014/15. Spending in 2014/15 was mainly for the SMME Fair and Exhibition hosted jointly with the eThekweni Metro. There is no allocation from 2015/16 onward.

The spending in 2014/15 against *Transfers and subsidies to: Higher education institutions* was for training provided to small enterprises in the chemical manufacturing sector by the Mangosuthu University of Technology. The allocations over the 2016/17 MTEF provide for the RLED initiatives assigned to UKZN.

The spending in 2012/13 against *Transfers and subsidies to: Public corporations and private enterprises* represents transfers to Ithala for the Growth and Enterprise Development Funds. The substantial increase in 2013/14 was due to additional funding added to Ithala to enable it to maintain its required minimum capital adequacy ratio. This accounts for the decrease in 2014/15. Spending in 2014/15 was mainly attributed to an increased transfers to Ithala to ensure that Ithala Limited maintains a certain minimum capital adequacy ratio percentage, and the Ithala turnaround strategy, accounting for the decrease in 2015/16. The increase in the 2015/16 Adjusted Appropriation relates to Ithala Limited in respect of the capital adequacy ratio, the KZN Property Development Holding SOC Ltd, the Royalty Soapie Awards the Manufacturing Sector Focused Youth Enterprise Development Initiative and the Entrepreneur 2015 Competition and training programme. Due to budget cuts and reprioritisation undertaken by the department from the allocation to Ithala, there is a decreasing trend over the 2016/17 MTEF.

The peak in 2013/14 against *Transfers and subsidies to: Non-profit institutions* largely relates to the KZNGFT where unspent funds held under Ithala were returned to the Provincial Revenue Fund, to be reallocated to this entity, which was reclassified under this category since it became a stand-alone entity, as previously mentioned. The significant decrease in 2014/15 was driven by a reduction in transfer to the KZNGFT due to the entity's positive cash balance. Despite the reprioritisation undertaken and the budget cut effected against the transfers to the KZNGFT, there is significant growth from 2016/17 onward, which is ascribed to a transfer to the SBGE which was previously budgeted for against *Goods and services*.

The 2012/13 amount against *Transfers and subsidies to: Households* pertains to external bursaries for the Co-operative Management Diploma. The increase in 2013/14 was due to new transfers for external bursaries to students at UKZN studying toward Post-graduate Diplomas and Masters in LED, and the Co-operative Management Diploma at UNIZULU. These were not centralised under OTP as they are regarded as one of the department's main projects. The increase in 2014/15 was mainly due to higher than anticipated staff exit costs. The allocations for these external bursaries were reduced from 2015/16 onward, as some students dropped out of the programme.

The fluctuations in *Machinery and equipment* relate to the requirements of new appointments and capital equipment for one-stop-shops for SMMEs and co-operatives. The high spending in 2012/13 was due to the purchase of computer equipment. The increase in the 2015/16 Adjusted Appropriation was mainly to cater for the higher than anticipated costs of replacing computers. The MTEF allocations are based on new appointments' capital equipment requirements and replacement of redundant equipment.

With regard to *Software and other intangible assets*, the decrease in the 2015/16 Adjusted Appropriation and Revised Estimate is attributed to the difficulty in finding a suitable service provider to develop the Gijima Local Economic Development website.

The spending in 2012/13 against *Payments for financial assets* was for losses relating to the SMME risk sharing fund in respect of loan defaulters, in terms of an agreement with Standard Bank.

Service delivery measures – Programme 2: Integrated Economic Development Services

Table 4.17 below shows the main service delivery measures pertaining to Programme 2. There are no current generic measures for this sector. The department reviewed its service delivery measures for 2016/17, and hence a number of new targets are included, indicated by "New" in the 2015/16 column.

Table 4.17 : Service delivery measures – Programme 2: Integrated Economic Development Services

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2015/16	2016/17	2017/18	2018/19	
1. Enterprise Development – SMMEs and Co-operatives						
1.1 SMMEs and Co-operatives registered (have been in operation for more than two years)	• No. of reports on SMMEs and Co-operatives registered (that have been in operation for more than two years)	New	4	4	4	
1.2 SMMEs and Co-operatives supported	• No. of SMMEs and co-operatives registered in KZN that have been in operation for more than 2 years	2 119	2 119	2 330	2 563	

Table 4.17 : Service delivery measures – Programme 2: Integrated Economic Development Services

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2015/16	2016/17	2017/18	2018/19
2. Regional and Local Economic Development					
2.1 Employment opportunities supported by RLED	• No. of employment opportunities supported	50	80	300	600
2.2 Capacity building intervention conducted	• No. of jobs created	100	100	100	100
3. Economic Empowerment					
3.1 BEE Stakeholder engagement initiative co-ordinated	• No. of BEE structures co-ordinated	New	5	5	6
3.2 Facilitate the implementation of economic transformation strategies and policies	• No. of specific interventions implemented	3	3	3	3

6.3 Programme 3: Trade and Sector Development

The main purpose of this programme is to stimulate economic growth through industry development, trade and investment promotion. This programme comprises three sub-programmes, namely Trade and Investment Promotion, Sector Development and Strategic Initiatives.

Tables 4.18 and 4.19 below give a summary of payments and estimates relating to Programme 3 for the period 2012/13 to 2018/19. A large portion of the budget against this programme is for DTPC, RBIDZ and the MKI, as well as transfers to TIK and the KZNFC.

Table 4.18 : Summary of payments and estimates by sub-programme: Trade and Sector Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Trade and Investment Promotion	464 151	658 347	599 746	690 057	584 216	584 216	477 461	505 875	549 058
2. Sector Development	72 724	70 481	164 861	156 255	160 551	160 801	165 507	173 854	184 025
3. Strategic Initiatives	62 618	25 164	68 170	110 947	198 947	198 947	126 370	127 605	129 530
Total	599 493	753 992	832 777	957 259	943 714	943 964	769 338	807 334	862 613

Table 4.19 : Summary of payments and estimates by economic classification: Trade and Sector Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	46 373	29 463	36 136	59 768	39 989	40 213	39 983	65 064	68 845
Compensation of employees	7 532	6 639	8 344	13 630	10 747	10 717	15 934	17 025	18 193
Goods and services	38 841	22 824	27 792	46 138	29 242	29 496	24 049	48 039	50 652
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	553 073	724 515	773 513	897 491	903 696	903 696	729 355	742 270	793 768
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	457 361	650 486	596 851	673 816	573 975	573 975	466 643	495 272	537 840
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	62 618	30 164	79 442	123 247	216 964	216 964	149 070	127 605	129 530
Non-profit institutions	33 000	43 830	97 159	100 428	112 757	112 757	113 642	119 393	126 398
Households	94	35	61	-	-	-	-	-	-
Payments for capital assets	47	14	23 128	-	29	55	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	47	14	128	-	29	55	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	23 000	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	599 493	753 992	832 777	957 259	943 714	943 964	769 338	807 334	862 613

The programme reflects an increasing trend from 2013/16 to 2015/16. The decrease over the MTEF is mainly attributed to the cuts effected across all sub-programmes within this programme, with R300 000, R313 000 and R324 000 being reduced from *Compensation of employees*, and R193.733 million, R196.543 million and R199.497 million being reduced from transfers to DTPC, TIK, RBIDZ, KZNFC and Moses Kotane Institute. These cuts resulted in a significant decrease in 2016/17, but the programme shows steady

growth over the two outer years of MTEF. In addition, the department reprioritised funds from DTPC to fund other entities such as KZNLA, KZNSB and KZN Property Development Holding SOC Ltd.

The sub-programme: Trade and Investment Promotion comprises transfers to TIK and DTPC. The fluctuating trend from 2013/14 to 2015/16 largely relates to capital projects in terms of the DTPC Master Plan. The low spending in 2012/13 was mainly due to a portion of the transfer to DTPC being reduced and reprioritised to fund the MTV Awards. The increase in 2013/14 was to provide for the KZNSB Repositioning strategy which was conducted by the Maritime cluster housed under this sub-programme, and for the Makhaya Arts and Culture Development under TIK. The decrease in 2014/15 and the 2015/16 Adjusted Appropriation was largely attributed to the DTPC allocation, which was reduced due to the entity's healthy positive cash balance. This was offset to some extent by increased transfer to TIK to fund the Malaysian investors' tour and the Green Economy TAF project and Industrial Symbiosis which was shifted from *Goods and services* in Programme 5 to Programme 3 against *Transfers and subsidies to: Departmental agencies and accounts*, as TIK is responsible for this project. Over the MTEF, the department undertook a reprioritisation exercise, and a budget cut was effected against the transfer to DTPC and TIK, as mentioned. Despite the budget cuts, the two outer years of the MTEF reflect strong growth.

The sub-programme: Sector Development caters mainly for transfers to MKI, KZNFC and various projects. The high 2012/13 amount was due to once-off spending relating to various projects. The decrease in 2013/14 was due to certain projects, such as the cutflower, goat commercialisation and ship-building projects being put on hold to fund other spending pressures. The significant increase from 2014/15 is attributed to reprioritisation undertaken to fund the Industrial Economic Hubs and increased transfers to the KZNFC, and once-off costs of hosting events, such as the KZN Fashion Council, KZN Clothing Textile Cluster, KZN Music Cluster, Ugu Incubator and Maritime Cluster. The further increase in the 2015/16 Adjusted Appropriation was linked to increased transfers to KZNFC for the KZN Film Hub. MKI also received an increased transfers associated with the Science, Technology, Engineering and Mathematics Fund, as well as for security service costs for the entity. Although the budget cut was effected against the transfer to MKI and KZNFC, there is significant growth over the MTEF driven by reprioritisation undertaken by the department to fund operational costs and the increase in the number of productions and associated markets and distribution channels of KZNFC and for the Science, Technology, Engineering and Mathematics Fund in respect of MKI.

The sub-programme: Strategic Initiatives reflects the transfers made to the RBIDZ. The significant decline in 2013/14 relates to a reduction in the transfer to RBIDZ due to the entity's positive cash balance, accounting for the increase in 2014/15. The peak in 2015/16 is ascribed to once-off additional funding of R40 million allocated for infrastructure development relating to the RBIDZ's Master Plan. The further increase in the 2015/16 Adjusted Appropriation was mainly due to once-off additional funding for the acquisition of land which forms part of the first phase of the proposed RBIDZ expansion area as defined in the 50-year Master Plan. The substantial growth over the MTEF can be ascribed to funds reprioritised to RBIDZ for the acquisition of land. Although, RBIDZ was affected by the budget cuts, its net effect is positive, as a result this sub-programme increases steadily over the 2016/17 MTEF.

The decreasing trend from 2012/13 to 2013/14 against *Compensation of employees* can be ascribed to high staff turnover and difficulties in filling posts. The increase in 2014/15 was largely driven by expenditure relating to prior years' commitments in respect of the SMS pay progression back-dated from 2009/10. The decline in the 2015/16 Adjusted Appropriation was as a result of non-filling of budgeted vacant posts due to lengthy recruitment processes, as well as the moratorium on the filling of non-critical posts. The category shows steady growth over the MTEF.

The high spending in 2012/13 against *Goods and services* relates to reprioritisation from other programmes to fund sector projects, such as the BRICS Summit. This accounts for the decrease in 2013/14. Also contributing to the decrease was reprioritisation of funds relating to the cutflower, goat commercialisation and ship-building projects that were put on hold in 2013/14. The increase in 2014/15 was driven by reprioritisation undertaken to fund the Industrial Economic Hubs housed in this programme. The decrease in the 2015/16 Adjusted Appropriation was mainly due to delays in the implementation of projects, such as the Industrial Economic Hubs. The significant increase in 2017/18 is associated with the continuation of implementing the Industrial Economic Hubs.

Transfers and subsidies to: Departmental agencies and accounts relates to the transfers to TIK and DTPC. The substantial increase in 2013/14 is attributed to once-off additional funding to TIK for the Makhaya Arts and Culture Development, as well as funding for investment seminars, as TIK was assigned to conduct these projects. The significant decrease in 2014/15 can be ascribed to the reduction in transfers to DTPC, as mentioned above, explaining the significant decrease in 2016/17. This decrease is also due to the reprioritisation exercise undertaken by the department and the budget cuts effected against DTPC, as well as TIK. The bulk of the budget over the 2016/17 MTEF relates to the DTPC Master Plan.

The allocation against *Transfers and subsidies to: Public corporations and private enterprises* relates to transfers to RBIDZ and a number of smaller transfers to private enterprises responsible for hosting various events. The substantial decrease in 2013/14 relates to the RBIDZ transfer that was reduced taking into account the positive cash balance of this entity. These funds were moved to fund the Co-operatives Incubator programme and the Ndumo Regeneration programme in Programme 2, accounting for the increase in 2014/15. In 2015/16, once-off additional funding was allocated to RBIDZ for infrastructure projects relating to its Master Plan. The further increase in the 2015/16 Adjusted Appropriation was to cater for the purchasing of land by RBIDZ, and projects undertaken by various private enterprises, such as the KZN Music Cluster, the fencing project at the Mkuze airport, the Ugu ICT Incubator and the Maritime Cluster. The budget in 2016/17 caters for transfer payments in respect of the Maritime Cluster, Ugu ICT incubator and KZN Fashion Council, followed by a decline in 2017/18. Even though the budget cut was effected against the transfer to RBIDZ, funds were reprioritised to this entity to cater for the acquisition of land, and the budget of the entity therefore shows a net increase over the MTEF.

Transfers and subsidies to: Non-profit institutions pertains to transfers to the MKI, KZNFC and a number of smaller transfers. The substantial increase in 2014/15 relates to reprioritisation of funds to cater for the KZNFC's operational costs. The increase in the 2015/16 Adjusted Appropriation is attributed to the increased transfers to the KZNFC for the KZN film hub, as well as MKI, as explained previously. Despite a reduction in the transfers to MKI and KZNFC, this category grows steadily over the MTEF.

Spending in 2012/13 to 2014/15 against *Transfers and subsidies to: Households* relates to staff exit costs.

Spending in respect of *Machinery and equipment* relates to capital equipment requirements, such as furniture and equipment for newly appointed staff and the replacement of redundant equipment. The increase in 2014/15 was attributed to costs of replacing computers. The 2015/16 Adjusted Appropriation and the increase in the Revised Estimate relates to the unanticipated replacement of computers.

Spending in 2014/15 against *Land and sub-soil assets* can be ascribed to the purchasing of land for the Industrial Economic Hubs, namely the Ugu District hub for perishable produce and uMgungundlovu District which is a leather processing hub.

Service delivery measures – Programme 3: Trade and Sector Development

Table 4.20 shows the main service delivery measures pertaining to Programme 3. There are no current generic measures for this sector. The department reviewed its service delivery measures for 2016/17, and hence a number of new targets are included, indicated by “New” in 2015/16.

Table 4.20 : Service delivery measures – Programme 3: Trade and Sector Development

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2015/16	2016/17	2017/18	2018/19
1. Trade and Investment Promotion					
1.1 Progress reports on trade, exports and investment promoted	<ul style="list-style-type: none"> No. of investment and/or export strategies completed Value of exports facilitated No. of trade exhibitions hosted at airport 	3 New 1	4 - 1	4 R1.5bn 1	4 R1.5bn 1
2. Sector Development					
2.1 Productive and service sector strategies and plans implemented	<ul style="list-style-type: none"> No. of jobs created and sustained 	50	60	75	80
2.2 Economic transformation strategies and policies implemented	<ul style="list-style-type: none"> No. of business plans completed 	2	2	2	3

Table 4.20 : Service delivery measures – Programme 3: Trade and Sector Development

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2015/16	2016/17	2017/18	2018/19	
	<ul style="list-style-type: none"> No. of strategic interventions implemented No. of people trained No. of clusters supported (KZN Music Cluster, KZN CTC and KZNFC, KZNFI) 	20 300 5	20 300 5	20 300 5	20 300 5	
3. Strategic Initiatives						
3.1 Stakeholder engagement report on strategic industrial interventions	<ul style="list-style-type: none"> % of resolutions adopted and implemented by social partners 	60%	65%	70%	90%	
3.2 Productive and service sector strategies and plans implemented	<ul style="list-style-type: none"> No. of investment projects facilitated by aerotropolis and IEHs No. of jobs created through aerotropolis initiative No. of jobs created through maritime initiative No. of jobs created through IEHs initiative No. of business plans or master plans completed No. of review reports on strategic sectors 	New 150 58 50 10 2	3 50 22 74 4 2	3 333 26 607 - 2	5 400 29 773 2 2	

6.4 Programme 4: Business Regulation and Governance

The aim of this programme is to enable an equitable and socially responsible business environment. The programme consists of three sub-programmes, namely Regulation Services, Consumer Protection and Liquor Regulation. The main difference to this programme, when compared to the generic structure for the sector, is that Gambling and Betting falls under Vote 6: Provincial Treasury in this province, as well as the sub-programme: Governance which is not yet incorporated in the department's structure.

Tables 4.21 and 4.22 summarise the payments and estimates for the seven years from 2012/13 to 2018/19.

Table 4.21 : Summary of payments and estimates by sub-programme: Business Regulation and Governance

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Regulation Services	3 079	3 595	4 398	6 575	7 677	7 677	5 879	6 219	6 580
2. Consumer Protection	17 707	20 264	22 856	26 707	21 806	21 806	32 154	33 747	35 704
3. Liquor Regulation	65 306	44 255	77 282	67 008	70 008	70 010	73 753	75 990	80 189
Total	86 092	68 114	104 536	100 290	99 491	99 493	111 786	115 956	122 473

Table 4.22 : Summary of payments and estimates by economic classification: Business Regulation and Governance

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	30 252	24 173	26 904	33 124	29 308	29 299	38 033	39 966	42 284
Compensation of employees	15 152	14 871	16 716	18 915	16 280	16 641	21 241	22 685	24 228
Goods and services	15 100	9 302	10 188	14 209	13 028	12 658	16 792	17 281	18 056
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	55 724	43 932	77 407	67 008	70 065	70 065	73 753	75 990	80 189
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	55 699	43 920	77 282	67 008	70 008	70 008	73 753	75 990	80 189
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	25	12	125	-	57	57	-	-	-
Payments for capital assets	116	9	225	158	118	129	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	116	9	225	158	118	129	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	86 092	68 114	104 536	100 290	99 491	99 493	111 786	115 956	122 473

The programme shows a fluctuating trend over the seven years, with a significant increase from 2012/13 onward due to the establishment of the KZNLA, and was sustained at this high level in 2014/15, due to additional funding for the KZNLA. The budget cuts were effected against KZNLA, which were offset by funding reprioritisation exercise undertaken by the department to this entity to cater for an increase in the entity's operational costs, in line with an anticipated increase in liquor licence applications. As a result there is a net increase R3.587 million in each year of the 2016/17 MTEF against the Liquor Regulation sub-programme in respect of the transfer to the KZNLA.

The Regulation Services sub-programme provides a regulatory framework for the functioning of both formal and informal trade to advance economic development and growth. This sub-programme reflects an increasing trend from 2012/13 to 2014/15. Spending can be ascribed to operational costs and to the filling of posts. The increase in the 2015/16 Adjusted Appropriation relates to higher than anticipated staff exit costs. This explains the decrease in 2016/17. The allocation increases at a steady rate over the MTEF.

The spending against the sub-programme: Consumer Protection from 2012/13 to 2013/14 relates to awareness campaigns with regard to the KZN Consumer Protection Act. The significant increase in 2014/15 was to cater for consumer protection awareness campaigns. The decrease in the 2015/16 Adjusted Appropriation was due to cost-cutting on items such as travel and subsistence and transport provided for departmental activity, etc. This explains the substantial increase in 2016/17, which relates to consumer awareness campaigns. The budget increases at an inflationary rate over the MTEF largely to cater for projects such as research on consumer activities and development of a composite consumer index.

The Liquor Regulation sub-programme pertains to transfers made to the KZNLA. This entity was fully functional from 2012/13, and the transfer included set-up costs relating to the previous year, explaining the decrease in 2013/14. The significant increase in 2014/15 relates to a once-off additional allocation to cater for the shortfall in respect of operational costs, as well as an allocation (for three years) for the procurement of an IT system for this entity. This explains the decrease in 2015/16. The increase in the 2015/16 Adjusted Appropriation relates to the appointment of liquor licence inspectors to address the licensing approval backlog. The allocation to KZNLA shows a slight increase when compared to 2015/16, despite the budget cuts effected against this entity, and thereafter this sub-programme reflects growth in the two outer years. Despite the budget cuts, funds were also reprioritised by the department for transfer to KZNLA to cater for legislated inspections that are required to be undertaken by the entity.

The high 2012/13 spending against *Compensation of employees* included staffing costs for the new Regulation Services sub-programme, as well as the costs of liquor inspectorate staff under the Liquor Regulation sub-programme. The slight decrease in 2013/14 can be ascribed to the movement of Liquor Regulation sub-programme staff to KZNLA. The increase in 2014/15 can be ascribed to the SMS pay progression back-dated to 2009/10. The decrease in the 2015/16 Adjusted Appropriation related to delays in filling critical vacant posts and the moratorium in the filling of non-critical posts. The allocation increases steadily over the 2016/17 MTEF, but the department will review this category in-year, taking into consideration the freezing of vacant non-critical posts.

The high spending in 2012/13 against *Goods and services* was due to costs pertaining to implementing the KZN Consumer Protection Act across the province and set-up costs for the KZNLA. The significant decrease in 2013/14 is largely due to reprioritisation of projects where funds were moved to offset spending pressures in other categories and programmes. This explains the increase in 2014/15. The decrease in the 2015/16 Adjusted Appropriation and Revised Estimate was largely due to cost-cutting on items such as travel and subsistence and transport provided for departmental activity, among others. There is a steady increase over the 2016/17 MTEF.

Transfers and subsidies to: Departmental agencies and accounts comprises transfers to KZNLA. The 2012/13 amount relates to the entity's set-up costs, accounting for the decrease in 2013/14. The transfer increased in 2014/15 due to once-off additional funding for the entity's operational costs, as well as carry-through funding for the procurement of an IT system. This explains the decrease in 2015/16. This entity received additional funding from liquor licences revenue to cater for operational costs in 2015/16. The KZNLA received an increased transfer relating to the appointment of liquor licence inspectors to address the licensing approval backlog. The increase in 2016/17 is associated with reprioritisation of funds

undertaken by the department for transfer to KZNLA, as previously mentioned. It is noted that the funding for the procurement of an IT system is removed from the department's baseline in 2017/18, as mentioned previously. Following a reprioritisation exercise undertaken by the department, the entity receives an additional allocation. However, this increase is offset by a reduction in the baseline to the entity, in line with the budget cuts.

Spending against *Transfers and subsidies to: Households* from 2012/13 to 2014/15 can be ascribed to staff exit costs. The increase in the 2015/16 Adjusted Appropriation was to cater for unanticipated staff exit costs, which are difficult to budget for, due to their nature.

Machinery and equipment relates to capital equipment requirements, such as furniture and equipment for newly appointed staff and the replacement of redundant equipment, hence the fluctuating trend.

Service delivery measures – Programme 4: Business Regulation and Governance

Table 4.23 below provides the main service delivery measures pertaining to Programme 4. There are no current generic measures for this sector.

Table 4.23 : Service delivery measures – Programme 4: Business Regulation and Governance

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2015/16	2016/17	2017/18	2018/19	
1. Regulation Services						
1.1 Formal and Informal Business Regulation	<ul style="list-style-type: none"> No. of municipalities monitored and evaluated with implementation of regulations of barriers identified No. of provincial informal economy policy alignment programmes facilitated No of barriers identified No of barriers addressed 	31	31	31	31	
		20	20	20	20	
		1	3	4	4	
		1	3	4	4	
2. Consumer Protection						
2.1 Develop and maintain an efficient regulatory and governance framework	<ul style="list-style-type: none"> No. of consumer education programmes conducted No. of inspections conducted No. of complaints resolved No. of written complaints received 	1 450	1 500	1 550	1 600	
		400	400	400	400	
		1 700	1 936	2 528	2 600	
		2 200	2 420	2 662	2 700	
3. Liquor Regulation						
3.1 Develop and maintain an efficient regulatory and governance framework	<ul style="list-style-type: none"> No. of KZNLA monitoring reports (tracking the effectiveness of the KZNLA in regulating the industry) No. of reviews of the legislative framework relating to liquor, consumer and regulation services 	4	4	4	4	
		3	4	4	4	

6.5 Programme 5: Economic Planning

The main purpose of this programme is to develop provincial economic policies and strategies to achieve and measure sustainable economic development.

The purpose is also to conduct research proposals relating to changing global trends, and to provide a wide range of information and knowledge that serve as key drivers and to regularly assess the performance of the economy. The sub-programmes consist of Policy and Planning, Research and Development, Knowledge Management and Monitoring and Evaluation.

Tables 4.24 and 4.25 summarise payments and budgeted estimates for the seven-year period 2012/13 to 2018/19. As mentioned previously, this programme was not affected by the budget cuts made over the MTEF.

Table 4.24 : Summary of payments and estimates by sub-programme: Economic Planning

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Policy and Planning	4 327	4 897	4 348	8 134	7 274	7 149	7 445	7 882	8 339
2. Research and Development	6 227	8 538	10 688	14 912	12 093	12 093	15 499	16 360	17 309
3. Knowledge Management	1 710	1 978	2 626	7 639	6 680	6 680	7 419	7 835	8 289
4. Monitoring and Evaluation	6 282	5 153	5 524	6 797	6 053	6 053	8 162	8 164	8 638
Total	18 546	20 566	23 186	37 482	32 100	31 975	38 525	40 241	42 575

Table 4.25 : Summary of payments and estimates by economic classification: Economic Planning

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	18 314	20 455	22 667	37 467	30 075	29 950	32 000	33 389	35 325
Compensation of employees	7 543	10 538	13 031	14 840	14 672	14 494	16 938	17 573	18 768
Goods and services	10 771	9 917	9 636	22 627	15 403	15 456	15 062	15 816	16 557
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	3	-	266	-	2 007	2 007	2 500	2 625	2 777
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	250	-	2 000	2 000	2 500	2 625	2 777
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	3	-	16	-	7	7	-	-	-
Payments for capital assets	229	111	253	15	18	18	4 025	4 227	4 473
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	111	111	253	15	18	18	25	27	29
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	118	-	-	-	-	-	4 000	4 200	4 444
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	18 546	20 566	23 186	37 482	32 100	31 975	38 525	40 241	42 575

Spending against the Policy and Planning sub-programme is largely for operational costs and staff for this sub-programme. The decrease in 2014/15 is attributed to the reprioritisation of funds that were allocated for the job verification exercise project which was terminated due to the expanded scope, as well as financial controls implemented on items such as stationery, printing and office supplies. The decrease in the 2015/16 Adjusted Appropriation was largely due to the moratorium on the filling of non-critical posts. These funds were moved to offset spending pressures in other programmes. This accounts for the increase in 2016/17. The budget grows steadily over the 2016/17 MTEF.

The increase from 2014/15 against the Research and Development sub-programme largely relates to research projects such as Renewable Energy research and agro-processing research, etc., as well as staffing of this sub-programme. The decrease in the 2015/16 Adjusted Appropriation was largely due to funds that were shifted to Programme 3 under TIK, as this entity was assigned to implement the Green Economy TAF project, as well as the late finalisation of SLAs for the Green Economy Research project. There is inflationary growth in the two outer years.

The spending against the Knowledge Management sub-programme relates to the operational costs of this programme. The increasing trend over the seven-year period is mainly driven by the printing and publications of reports. The increase in 2014/15 was due to the installation of a security system in the department's resource centre, to control the outgoing of books and to protect the resource centre's valuable assets against theft. The significant growth in 2015/16 was largely ascribed to the University Technology Transfer Partnership project aimed at assisting KZN universities with the identification, prioritisation and resource allocation for the KZN technology transfer initiatives administered by UKZN, Durban University of Technology and Mangosuthu University of Technology. The decrease in the 2015/16 Adjusted Appropriation was mainly due to delays in the filling of posts, as well as cost-cutting measures implemented against *Goods and services*. The 2016/17 MTEF reflects steady growth and the budget largely

caters for operational costs relating to the department's internal resource centre, as well as increased budget for the printing and publication of reports.

The significant decrease in 2013/14 against the Monitoring and Evaluation sub-programme was driven by the reprioritisation of projects undertaken, where funds were moved to address spending pressures in other programmes. The decrease in the 2015/16 Adjusted Appropriation largely relates to delays in the filling of posts, the late finalisation of SLAs for the Integrated Statistical database and cost-cutting. This accounts for the positive growth in 2016/17. The allocation over the 2016/17 MTEF grows at an inflationary rate.

The low spending in 2012/13 against *Compensation of employees* was mainly due to staff turnover and the difficulty in filling posts, and funds were reprioritised to *Goods and services* to alleviate spending pressures, to *Transfers and subsidies to: Households* to provide for staff exit costs, and to *Machinery and equipment* to cater for a shortfall in respect of capital equipment. The substantial increase from 2013/14 is attributed to staffing the Policy and Planning and Research and Development sub-programmes. The slight decrease in the 2015/16 Adjusted Appropriation is attributed to lengthy recruitment processes, as well as the moratorium on the filling of non-critical posts. Although there is no reduction of the budget by freezing all vacant non-critical posts, the department will review this category in-year. This category grows at a steady rate over the 2016/17 MTEF.

The high spending in 2012/13 against *Goods and services* was due to once-off costs for the finalisation of a number of provincial policies such as the Industrial Development Strategy. The decrease in 2013/14 can be ascribed to the reprioritisation of projects, where funds were moved to Programmes 1 and 6 to offset spending pressures. The decline in 2014/15 was mainly due to reprioritisation against this category in respect of projects such as the job verification exercise, the Renewable Energy Transaction Advisor project, as well as savings related to financial controls implemented on items such as travelling and subsistence, consumable supplies, stationery, printing and office supplies. The significant decrease in the 2015/16 Adjusted Appropriation was driven by the late finalisation of SLAs for projects such as the Integrated Statistical database and Green Economy Research, as well as cost-cutting implemented against *Goods and services*. The budget grows steadily in the two outer years of the MTEF.

The 2014/15 amount of R250 000 against *Transfers and subsidies to: Higher education institutions* relates to a transfer to UKZN to co-ordinate the Manufacturing Survey, which was a follow-up survey from a survey that was conducted in 2002/03 to profile the state of the manufacturing sector. This survey was conducted to analyse the rate of survival within the sector, as well as challenges that manufacturing firms are facing. Allocations from the 2015/16 Adjusted Appropriation onward provide for the KZN University Technology Transfer programme which is the process of transferring skills, knowledge, technologies, methods of manufacturing, samples of manufacturing and facilities among government or universities and other institutions to ensure that scientific and technological developments are accessible to a wider range of users who can then further develop and expand the technology into new products, processes, applications, materials or services. The KZN University Technology Transfer programme is also funded over the MTEF.

Spending against *Households* can be ascribed to staff exit costs.

The spending from 2012/13 to 2013/14 against *Machinery and equipment* was due to the replacement of redundant equipment. The significant increase in 2014/15 is attributed to higher than anticipated costs for the replacement of computers, and the increase in the 2015/16 Adjusted Appropriation relates to the replacement of computers. The allocations over the 2016/17 MTEF grow at an inflationary rate.

The spending in 2012/13 against *Software and other intangible assets* relates to GAMS procured for policy analysis. The budget over the 2016/17 is to fund Sabinet software subscriptions and to acquire knowledge management software. This category grows at a steady rate over the 2016/17 MTEF.

Service delivery measures – Programme 5: Economic Planning

Table 4.26 illustrates the main service delivery measures pertaining to Programme 5: Economic Planning. There are no current generic measures for this sector. The department reviewed its service delivery measures for 2016/17, and hence a number of new targets are included, indicated by "New" in 2015/16.

Table 4.26 : Service delivery measures – Programme 5: Economic Planning

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2015/16	2016/17	2017/18	2018/19	
1. Policy and Planning						
1.1 Economic policy and strategy development	<ul style="list-style-type: none"> No. of policy advocacy reports No. of economic strategies reviewed No. of strategies implemented No. of policy briefs No. of strategy implementation tracking reports 	New 1 1 2 1	2 - 2 2 2	2 1 3 2 2	2 2 3 2 2	
2. Research and Development						
2.1 Research reports on priority and strategy sectors	<ul style="list-style-type: none"> No. of research reports on priority and strategy sectors No. of research and development initiatives supported 	13 5	11 5	10 5	10 5	
3. Knowledge Management						
3.1 Collect, process, maintain and report on economic and other social data	<ul style="list-style-type: none"> No. of operational integrated statistical databases No. of updated project analysis reports against APP targets No. of reports tracking provincial knowledge base indicators 	1 New 4	1 4 4	1 4 4	1 4 4	
4. Monitoring and Evaluation						
4.1 Evaluation assessment reports	<ul style="list-style-type: none"> No. of evaluation assessment reports 	5	5	6	6	
4.2 Annual evaluation plans	<ul style="list-style-type: none"> Approved 3-year evaluation plan 	New	1	1	1	

6.6 Programme 6: Tourism

The main purpose of this programme is to stimulate economic growth through tourism development. This programme comprises three sub-programmes, namely Tourism Planning, Tourism Growth and Development and Tourism Sector Transformation.

The objectives are as follows:

- To create an enabling tourism environment through legislation, policy and strategy development.
- To create demand and supply tourism.
- To ensure sustainability and tourism sector transformation.

Tables 4.27 and 4.28 summarise payments and estimates relating to Programme 6 for the period 2012/13 to 2018/19. This programme includes transfers to KZNSB and TKZN.

As explained, the department is liable for the repayment of over-expenditure from 2013/14, resulting in a first charge of R236 000 against its budget. This is reflected under the sub-programme: Tourism Sector Transformation, and against *Payments for financial assets*. The amount available for spending in 2015/16 has been reduced by R236 000, as reflected in the footnote of Tables 4.27 and 4.28 below.

It is noted that the department effected this programme's budget cuts against *Compensation of employees*, *Goods and services* and *Transfers and subsidies* against the Tourism Planning and Tourism Growth and Development sub-programmes, with R34.429 million, R18.690 million and R20.595 million being reduced over the MTEF.

Table 4.27 : Summary of payments and estimates by sub-programme: Tourism

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Tourism Planning	-	3 224	6 209	7 363	11 484	11 342	12 183	12 896	13 652
2. Tourism Growth and Development	283 320	340 340	351 772	281 045	339 353	341 774	261 561	305 728	328 327
3. Tourism Sector Transformation	-	1 687	4 724	10 363	5 469	4 886	11 579	12 256	12 967
Total	283 320	345 251	362 705	298 771	356 306	358 002	285 323	330 880	354 946
Unauth. Exp. (1st charge) not available for spending	-	-	-	(236)	(236)	(236)	-	-	-
Baseline available for spending after 1st charge	283 320	345 251	362 705	298 535	356 070	357 766	285 323	330 880	354 946

Table 4.28 : Summary of payments and estimates by economic classification: Tourism

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	88 307	121 840	26 057	133 595	77 449	79 645	96 452	139 652	152 690
Compensation of employees	7 066	9 283	8 743	13 140	10 346	10 464	17 412	18 605	19 882
Goods and services	81 241	112 557	17 314	120 455	67 103	69 181	79 040	121 047	132 808
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	194 966	223 379	336 648	164 940	278 621	278 121	188 791	191 144	202 167
Provinces and municipalities	1 291	8 062	14 113	1 250	1 250	1 250	6 000	-	-
Departmental agencies and accounts	173 663	161 968	166 906	162 690	179 623	179 623	171 021	183 059	193 614
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	19 991	53 345	155 329	1 000	97 148	96 648	11 070	7 350	7 776
Non-profit institutions	-	-	300	-	600	600	700	735	777
Households	21	4	-	-	-	-	-	-	-
Payments for capital assets	47	32	-	-	-	-	80	84	89
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	47	26	-	-	-	-	80	84	89
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	6	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	236	236	236	-	-	-
Total	283 320	345 251	362 705	298 771	356 306	358 002	285 323	330 880	354 946
Unauth. Exp. (1st charge) not available for spending	-	-	-	(236)	(236)	(236)	-	-	-
Baseline available for spending after 1st charge	283 320	345 251	362 705	298 535	356 070	357 766	285 323	330 880	354 946

In 2012/13 and 2013/14, once-off additional funding was received in respect of KZNSB, TKZN, as well as from the Strategic Cabinet Initiatives Fund for various events, such as the Volvo European Golf Championship, the BRICS Summit, among others. This explains the decrease in the 2015/16 Main Appropriation. The substantial growth in the 2015/16 Adjusted Appropriation relates to once-off funding received from the Strategic Cabinet Initiatives Fund to fund events such as the World Amateur Golf Tournament, World Pro-am Golfers Tournament and the Metro FM Awards, accounting for the decrease in 2016/17, which was exacerbated by the previously mentioned budget cuts.

In 2013/14, the sub-programme: Tourism Planning expenditure was low largely due to the reprioritisation of projects, and funds were moved to offset spending pressure under the Tourism Growth and Development sub-programme. This accounts for the increase in 2014/15. The significant increase in the 2015/16 Adjusted Appropriation is ascribed to the KZN Summer campaign which was incorrectly added to TKZN's allocation under the Tourism Growth and Development sub-programme. These funds were moved from this category to *Goods and services*, since this event was organised by the department. Although the budget cuts totalling R372 000, R388 000 and R402 000 were effected against *Compensation of employees* in this sub-programme, there is still strong growth over the 2016/17.

The sub-programme: Tourism Growth and Development includes transfers to KZNSB and TKZN. The sharp increase in 2013/14 was due to once-off additional funding from the Strategic Cabinet Initiatives Fund for various events such as the SA Women's Golf Championship and the Metro FM Awards, among others. In 2013/14, once-off additional funding was added to KZNSB for the purchase of land in Durban. As mentioned previously, a reprioritisation exercise was carried out in 2013/14 where funds of halted projects were moved from other programmes and categories to fund events, such as KZN Tourism Train, Urban Music Tour, among others. The 2014/15 increase can be ascribed to additional funding received from the Strategic Cabinet Initiatives Fund for various events such as the Nelson Mandela Golf Tournament, Africa Bike Week, the SA Women's Golf Championship and the uMthayi Marula Festival, as well as once-off costs for the World Routes 2015 conference. This partially explains the significant decrease in 2016/17. The decrease in 2016/17 was exacerbated by the budget cut of R39.511 million, R23.992 million and R26.151 million effected against *Goods and services*, as well as the transfer to the TKZN, which is cut by R4.357 million in each year of the MTEF. On the other hand, funds are reprioritised to KZNSB for the MCOE as part of the implementation of the Maritime Strategy and Operation Phakisa. The budget in the outer years grows steadily.

The low spending in 2013/14 against the Tourism Sector Transformation sub-programme is attributed to reprioritisation of projects where funds were moved to offset spending pressure relating to projects

including the Top Gear Festival and the World Amateur Golf Championship against the sub-programme: Tourism Growth and Development, explaining the significant increase in 2014/15. The increase in 2016/17 relates to the tourism sector transformation study and tourism campaigns. This sub-programme shows an increasing trend over the 2016/17 MTEF.

The increase in 2013/14 against *Compensation of employees* includes the SMS pay progression back-dated from 2009/10. This explains the decrease in 2014/15 which is also exacerbated by delays in filling of posts. The decrease in the 2015/16 Adjusted Appropriation is due to lengthy recruitment processes, as well as the moratorium on the filling of non-critical posts. Despite minimal budget cuts made against this category, the allocation over the 2016/17 MTEF grows at a steady rate. The department will review this category in-year.

The significant increase from 2012/13 to 2013/14 against *Goods and services* relates to funding of once-off initiatives, such as the Nelson Mandela Golf Tournament, the Volvo Golf Championship, the Metro FM Awards, etc. The substantial decrease in 2014/15 was attributed to the shifting of funds relating to partnership funding which was incorrectly classified against this programme instead of *Transfers and subsidies to: Public corporations and private enterprises* from other programmes and categories to fund various projects, such as the Take Me Out Production, the X-Factor Production and the SA India Film Awards. The spike in the 2015/16 Main Appropriation is ascribed to the reprioritisation undertaken to provide for once-off costs for hosting the World Routes 2015 conference and MTV Awards. The decrease in the 2015/16 Adjusted Appropriation relates to tourism events which were moved from *Goods and services* and reclassified under other categories as these events will be hosted by various private enterprises. These events include MTV Awards, World Pro-am Golfers Championship, KwaDukuza Festival, Fact Durban Rocks, Indlamu Sakhisizwe Cultural Tour, Durban Summer Festival, Kasi Tours and Richards Bay Imbizo. This explains the increase in 2016/17. Despite the budget cut effected against this category, the allocations over the MTEF reflect strong growth, and cater for tourism-related projects.

The spending in 2012/13 against *Transfers and subsidies to: Provinces and municipalities* relates to the Richards Bay Breakfast and Ingoma Music Festival conducted by the Sakhisizwe Management Agency. These events were held at the uThungulu and Umkhanyakude District Municipalities, respectively. Also included was once-off expenditure for the Drakensberg cable car consultations, as well as for projects that were reclassified from *Goods and services* to this category, for the revitalisation of Alkantstrand Beach in the uMhlathuze Municipality, for the rehabilitation of South Port Beach in the Hibiscus Coast Municipality and for the Dundee July rural horse-racing event held at the Umzinyathi District Municipality. The significant increase in 2014/15 relates to the revitalisation of Dokodweni Beach in the Mandeni Municipality, the rehabilitation of South Port Beach in the Hibiscus Coast Municipality, the Tourism Route Strategy for the Harry Gwala District Municipality, Drakensberg cable car consultations in respect of the Okhahlamba District Municipality and Africa Bike Week event 2015 that was held at Hibiscus Coast Municipality. The 2015/16 allocation was for the revitalisation of beaches in the KwaDukuza Municipality and the Dundee July rural horse-racing event. The 2016/17 allocation provides funding for Africa Bike Week, and there is no allocation over the two outer years of the MTEF, at this stage.

Transfers and subsidies to: Departmental agencies and accounts consists of transfers to TKZN and KZNSB under the Tourism Growth and Development sub-programme. The high 2012/13 transfers relate to increased capital requirements of KZNSB, such as replacement of boats, outboard motors and vehicles, as well as projects under TKZN, such as the KZN is Summer campaign and the East3 Route Expedition. This explains the decrease in 2013/14. The minimal increase in 2014/15 can be ascribed to the promotion and marketing of the World Routes 2015 conference, and for costs incurred as a result of the participation in the 2014 Carnival International De Victoria in the Seychelles allocated to TKZN. KZNSB also received an increased transfer for hosting the Sharks International conference. The increase in the 2015/16 Adjusted Appropriation was largely due to once-off additional funding transferred to TKZN for tourism-related services relating to the Vodacom Durban July, to cover the shortfall for the Tourism Indaba in respect of two previous financial years and for hosting the Loeries Creative week. Also, KZNSB received an increased transfer to fund the 9th Western Indian Ocean Marine Science Association. The budget in 2016/17 includes carry-through for KZNSB for the MCOE operational costs, which falls away in 2017/18. The substantial decrease in 2016/17 is as a result of the budget cut effected against the transfers to TKZN and KZNSB, as mentioned previously. This category shows a steady increase in the two outer years.

Transfers in 2012/13 against *Transfers and subsidies to: Public corporations and private enterprises* consist of a number of once-off funds transferred to private enterprises relating to partnership agreements with uMthayi Marula Festival, King Shaka Fashion Festival, Durban Beach Festival and Midmar Music Festival. The significant spending from 2013/14 onward relates to tourism-related events where the department entered into partnership with various private enterprises. Most of these events were incorrectly classified against *Goods and services* instead of this category, and a shift was undertaken and was formalised in the Adjustments Estimate to reclassify these events. The budget over the 2016/17 MTEF caters for the blue flag impact study and Ndumo lodge upgrade.

Spending against *Transfers and subsidies to: Non-profit institutions* in 2014/15 relates to Africa Ignite for the Dukuduku resettlement project. The 2015/16 Adjusted Appropriation allocation relates to the Amazizi WowZulu Craft Centre and Ndumo Tourism Plan Community-Based Model assigned to Africa Ignite as an implementing agent. The budget over the MTEF provides for the WowZulu Production and the Simunye Information Centre.

Spending in 2012/13 and 2013/14 against *Transfers and subsidies to: Households* relates to staff exit costs.

The high spending in 2012/13 against *Machinery and equipment* was due to the purchase of capital equipment for the new offices, when the tourism function was transferred to the department from DAC. This explains the decrease in 2013/14. Provision is made over the 2016/17 MTEF for the replacement of computers, and this category maintains inflationary growth.

Spending of R6 000 in 2013/14 against *Software and other intangible assets* relates to the upgrade of computer software licences.

The amount of R236 000 in 2015/16 against *Payments for financial assets* can be ascribed to the first charge relating to 2013/14 unauthorised expenditure, as mentioned previously.

Service delivery measures – Programme 6: Tourism

Table 4.29 illustrates the main service delivery measures pertaining to Programme 6: Tourism. There are no current generic measures for this sector.

Table 4.29 : Service delivery measures – Programme: Tourism

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2015/16	2016/17	2017/18	2018/19
1. Tourism Planning					
1.1 Tourism stakeholder engagement reports	• % of resolutions adopted and implemented by social partners	90%	95%	100%	100%
1.2 Tourism policies, legislation and strategies developed	• No. of tourism research, policies, strategies and frameworks identified and developed	6	7	8	9
2. Tourism Growth and Development					
2.1 Progress reports on the implementation of the KZN Tourism Master Plan	• No. of tourism interventions implemented towards growth and employment creation	5	5	6	6
	• No. of tourist guides/tourism businesses registered	500	500	500	500
3. Tourism Sector Transformation					
3.1 Tourism transformation and policies Implemented	• No. of tourism specific interventions implemented	15	15	15	15

6.7 Programme 7: Environmental Affairs

Programme 7 largely conforms to the budget and programme structure for the Environmental Affairs sector. However, the information is given at sub-programme and sub-sub-programme level because of the level of detail required by the sector. It is noted that the department finds it difficult to provide consistent information for all of the sub-sub-programmes prescribed by the sector. As such, the sub-programmes and

sub-sub-programmes listed in Table 4.29 are the ones for which reliable information is readily available. This programme aims to ensure effective compliance and governance in respect of environmental management. The strategic objectives are as follows:

- To ensure integrated sustainable environmental planning.
- To mitigate the impact of and manage waste and pollutants.
- To empower communities with regard to sustainable resource utilisation.
- To prevent and control the spread of invasive alien species.

This programme also includes the transfers to EKZNW and SAAMBR. These entities are included in the Environmental Affairs sector structure, specifically under the sub-programme: Biodiversity Management.

Tables 4.30 and 4.31 summarise payments and estimates for Programme 7.

Table 4.30 : Summary of payments and estimates by sub-programme: Environmental Affairs

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Environmental Policy Planning and Co-ordination	3 311	3 666	3 764	6 466	7 135	6 609	8 711	9 224	9 759
Intergovt. Co-ordination, Spatial and Dev Planning	2 717	3 666	3 385	5 417	6 641	5 445	7 606	8 064	8 532
Climate Change Management	594	-	379	1 049	494	1 164	1 105	1 160	1 227
2. Compliance and Enforcement	28 659	32 373	32 593	35 997	35 424	38 247	37 934	39 831	42 141
Enviro. Quality Managemt Compliance and Enforcemnt	28 659	32 373	32 593	35 997	35 424	38 247	37 934	39 831	42 141
3. Environmental Quality Management	47 625	27 989	28 098	48 622	42 878	38 405	49 643	52 133	55 195
Impact Management	29 623	27 989	13 839	22 847	19 459	18 851	23 279	24 446	25 883
Air Quality Management	2 391	-	1 938	3 751	4 487	2 403	3 953	4 151	4 392
Pollution and Waste Management	15 611	-	12 321	22 024	18 932	17 151	22 411	23 536	24 920
4. Biodiversity Management	702 028	725 716	823 924	800 827	795 919	796 190	720 253	739 158	782 921
Biodiversity and Protected Area Plan. and Managemt	145 776	133 967	111 898	144 185	67 324	66 731	155 681	146 518	150 264
Conservation Agencies and Services	549 893	586 522	703 946	646 819	718 966	718 966	554 227	581 780	621 168
Coastal Management	6 359	5 227	8 080	9 823	9 629	10 493	10 345	10 860	11 489
5. Environmental Empowerment Services	31 354	32 150	35 567	29 082	30 756	32 729	34 323	36 363	38 472
Environmental Capacity Development and Support	31 354	32 150	35 567	29 082	30 756	32 729	34 323	36 363	38 472
6. Environmental Services Support	1 618	1 710	9 792	2 853	4 896	4 694	6 632	7 023	7 430
Environmental Services Administrative Support	1 618	1 710	9 792	2 853	4 896	4 694	6 632	7 023	7 430
Total	814 595	823 604	933 738	923 847	917 008	916 874	857 496	883 732	935 918

Table 4.31 : Summary of payments and estimates by economic classification: Environmental Affairs

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	246 683	229 632	215 841	267 255	190 285	190 667	244 141	249 972	264 517
Compensation of employees	84 711	85 697	95 668	102 355	101 194	101 805	120 253	127 692	136 407
Goods and services	161 972	143 928	120 173	164 900	89 091	88 862	123 888	122 280	128 110
Interest and rent on land	-	7	-	-	-	-	-	-	-
Transfers and subsidies to:	555 430	592 409	717 446	654 014	725 340	725 374	610 879	631 160	668 651
Provinces and municipalities	17	600	1 900	1 000	-	-	-	-	-
Departmental agencies and accounts	549 893	586 522	702 895	646 819	718 966	718 966	604 227	624 280	661 372
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	5 000	5 227	11 927	6 195	6 195	6 195	6 552	6 880	7 279
Households	520	60	724	-	179	213	100	-	-
Payments for capital assets	12 482	1 563	451	2 578	1 383	833	2 476	2 600	2 750
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	12 459	1 563	451	2 578	1 383	833	2 276	2 390	2 528
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	23	-	-	-	-	-	200	210	222
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	814 595	823 604	933 738	923 847	917 008	916 874	857 496	883 732	935 918

Overall, there is an increasing trend from 2012/13 to 2014/15. The decrease in the 2015/16 Adjusted Appropriation is largely attributed to delays in the implementation of the IASP and savings were moved to Programme 2 and Programme 6 to offset pressures. Due to the budget cuts, the budget for this programme is reduced by R146.454 million, R148.719 million and R151.228 million over the MTEF. These cuts were

made against *Compensation of employees* and the transfer to EKZNW against the Environmental Quality Management and Biodiversity Management sub-programmes.

In 2012/13, savings resulting from delays in the filling of posts and cost-cutting were moved to the sub-programmes: Environmental Policy Planning and Co-ordination under the sub-sub-programme: Climate Change Management, and Environmental Empowerment Services under the sub-sub-programme: Environmental Capacity Development and Support, to offset spending pressures relating to the events leading up to the COP 17 climate change conference. This accounts for the increase in 2013/14. These sub-programmes show steady growth over the 2016/17 MTEF.

Despite the reduction in *Compensation of employees* against the sub-programme Environmental Quality Management, where R800 000, R835 000 and R865 000 was cut over the MTEF against the sub-sub programme: Impact Management and sub-sub programme: Pollution and Waste Management, these reflect strong growth over the MTEF.

The sub-programme: Biodiversity Management houses IASP under the sub-sub-programme: Biodiversity and Protected Area Planning and Management, and the additional funding allocated in this regard (with carry-through costs) accounts for the fluctuation in this sub-programme. The spike in 2012/13 is largely due to additional funding for expanding the department's EPWP job creation initiative. This additional funding was once-off, accounting for the reduction in 2013/14. Also accounting for the decrease in 2013/14 is the reduction in the EPWP Integrated Grant for Provinces. The significant allocation in 2014/15 can be ascribed to the rectification of the EPWP Integrated Grant for Provinces allocation by the NDOPW. The decrease in the 2015/16 Adjusted Appropriation under the sub-sub-programme Biodiversity and protected Area Planning and Management can be ascribed to delays in the implementation of the IASP and savings were moved to other programmes. Despite the decrease, National Treasury approved a roll-over of committed funds from 2014/15 in respect of the EPWP Integrated Grant for Provinces. The grant is used for the IASP and the KZN Greening programme. Even though this sub-sub-programme has been cut by R400 000, R417 000 and R432 000 against *Compensation of employees*, the budget grows in 2016/17, but there is declining growth from 2016/17 to 2017/18 because part of the IASP budget was moved to EKZNW as an implementing agent, and the outer year grows steadily.

The sub-sub-programme: Conservation Agencies and Services comprises the subsidy paid to EKZNW, reflected against *Transfers and subsidies to: Departmental agencies and accounts*. The annual transfer to EKZNW shows good growth due to the carry-through costs of the annual wage agreements, as well as substantial additional funding allocated for various projects. The 2012/13 transfer includes additional funding for protected area expansion and road maintenance (increasing substantially from 2013/14 onward), as well as the Rhino Security Intervention plan. The road maintenance programme progressed much slower than planned, and this resulted in the suspension of unspent and uncommitted funds in 2013/14, with these funds reallocated in 2014/15. This also accounts for the decrease in the 2015/16 Main Appropriation. The suspension in 2013/14 was partly offset by a once-off additional allocation for the entity's Rhino Security Intervention plan. The increase in the 2015/16 Adjusted Appropriation was due to funds added to EKZNW, as an implementing agent for the Sakha Isibaya project, Inkululeko Development programme, IASP and the East3 Route Legacy project. Also contributing to the increase was once-off funding for the Parthenium Weed Clearing Project, and construction of vehicle wash-down facilities at three main gates entering the HIP. This sub-sub-programme maintains inflationary growth over the 2016/17 MTEF to cater for the entity's operational costs and infrastructure maintenance. The reduction in 2016/17 is associated with the budget cuts and reprioritisation undertaken by the department to fund other areas of spending pressures. The cuts and reprioritisation of funds from this sub-sub-programme are offset to some extent by additional funding received for the rhino anti-poaching effort allocated over the MTEF, as well as funds reprioritised by the department towards the drought relief.

The sub-sub-programme: Coastal Management includes the grant-in-aid to SAAMBR. This grant-in-aid is reflected under *Transfers and subsidies to: Non-profit institutions* and is transferred to SAAMBR for marine biological research.

Compensation of employees indicates a steady increase over the seven-year period, due to the implementation of the OSD and annual wage agreements. The slight reduction in 2013/14 and the 2015/16

Adjusted Appropriation relates to delays in the filling of posts. Despite the budget cuts of R2 million, R2.087 million and R2.162 million effected against this category, there is inflationary growth over the 2016/17 MTEF.

Goods and services fluctuates over the seven-year period, largely due to additional funding for IASP. The high spending in 2012/13 is attributed to once-off additional funding allocated toward expanding the department's EPWP job creation initiative, as well as the further increase in the EPWP Integrated Grant for Provinces allocation. This also explains the decrease in 2013/14. This was as a result of an incorrect allocation by the NDOPW in 2013/14, which was rectified in 2014/15. The further decrease in 2014/15 was driven by shifting of funds for the Sakha Isibaya project from *Goods and services* to EKZNW under *Transfers and subsidies*, an implementing agent of this project. The decrease in the 2015/16 Adjusted Appropriation was mainly due to delays in the implementation of IASP, as well as funds moved to EKZNW for IASP and Sakha Isibaya project, as the entity is an implementing agent for these projects. This accounts for the increase in 2016/17. The 2016/17 budget includes the EPWP Integrated Grant for Provinces allocation. There are no allocations for this grant in the two outer years of the MTEF at this stage, explaining the fluctuating trend against this category over the MTEF.

Transfers and subsidies to: Provinces and municipalities reflects transfers to various municipalities in respect of the Greenest Municipality Competition from 2012/13 onward. The low amount in 2012/13 was as a result of the Endumeni Municipality not submitting the required business plan. The budget was moved and reclassified as *Goods and services* in the 2015/16 Adjusted Appropriation, after the department reviewed the historic spending of these funds by municipalities who won the competition. It was discovered that municipalities do not spend these funds as indicated in their business plans, and a decision was therefore taken that the department will appoint service providers to procure the necessary goods or services for the implementation of projects as per the municipalities' business plans. Hence, there is no allocation over the MTEF.

Transfers and subsidies to: Departmental agencies and accounts comprises the subsidy paid to EKZNW, and the trend has been fully explained against the sub-sub-programme Conservation Agencies and Services.

Transfers and subsidies to: Non-profit institutions consists of transfers to WESSA for environmental education programmes and the grant-in-aid to SAAMBR. This category reflects an increasing trend over the period under review. In 2013/14, no transfers were made to WESSA due to technical problems with the banking details of the institution. In 2014/15, the department transferred funds for the Integrated Greening programme undertaken by the Wildlands Conservation Trust, accounting for the increase in that year. This category shows inflationary growth over the 2016/17 MTEF.

Transfers and subsidies to: Households caters for staff exit costs, which are difficult to predict.

The fluctuations in *Machinery and equipment* are linked to the filling of vacant posts and the related purchase of office and computer equipment. The high spending in 2012/13 was due to the increase in the vehicle fleet required for Environmental Affairs, explaining the decrease in 2013/14. The decrease in the 2015/16 Adjusted Appropriation and Revised Estimate was due to savings linked to non-filling of posts. This accounts for the increase in 2016/17. The budget grows steadily over the 2016/17 MTEF.

Software and other intangible assets largely relates to the purchase of environmental software. Provision is made over the 2016/17 MTEF, as the department anticipates replacing computers.

Service delivery measures: Programme 7: Environmental Affairs

Table 4.32 shows the service delivery measures pertaining to Programme 7 which are standardised in terms of the sector. The performance indicators provided largely conform to the customised measures for the Environmental Affairs sector. The department reviewed its service delivery measures for 2016/17, and hence a number of new targets are included. The performance target "New" in the 2015/16 Estimated performance illustrates that the indicator did not exist in 2015/16, and that it is a new indicator from 2016/17 onward.

Table 4.32 : Service delivery measures – Programme 7: Environmental Affairs

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2015/16	2016/17	2017/18	2018/19	
1. Environmental Policy Planning and Co-ordination						
1.1 Progress reports on the development of environmental strategies and plans	<ul style="list-style-type: none"> No. of intergovernmental sector tools reviewed No. of legislative tools developed No. of environmental research projects undertaken No. of functional environmental information management systems No. of climate change response tools developed 	80 12 2 12 1	61 14 3 12 1	61 16 4 12 1	61 16 6 12 1	
2. Compliance and Enforcement						
2.1 Environmental regulation and governance reports	<ul style="list-style-type: none"> No. of enforcement actions finalised for non-compliance with environmental legislation No. of compliance inspections conducted No. of received S24G applications finalised 	376 750 20	360 770 20	300 800 25	250 800 25	
3. Environmental Quality Management						
3.1 Air Quality Management (AQM)	<ul style="list-style-type: none"> % of EIA applications finalised within legislated timeframes 	94%	98%	98%	98%	
3.2 Impact management	<ul style="list-style-type: none"> No. of designated organs of state with approved AQMPs 	1	1	1	1	
3.3 Pollution and waste management	<ul style="list-style-type: none"> % Atmospheric Emission Licences with complete applications issued within legislated timeframes % of facilities with Atmospheric Emission Licences reporting to the National Atmospheric Emissions Inventory System (NAEIS) % of waste licence applications finalised within legislated timeframes 	New 50% 80%	100% 70% 85%	100% 100% 90%	100% 100% 90%	
4. Biodiversity Management						
4.1 Progress reports on biodiversity management	<ul style="list-style-type: none"> No. of coastal management programmes adopted No. of hectares cleared of invasive alien species Reduction in the percentage rate of decline of existing endangered species 	2 160 000 New	2 160 000 7%	2 160 000 8%	2 200 000 10%	
5. Environmental Empowerment Services						
5.1 Progress reports on the implementation of environment empowerment services	<ul style="list-style-type: none"> No. of environmental capacity building activities conducted No. of environmental awareness activities conducted No of work opportunities created through environmental initiatives 	New 1 000 7 000	44 1 000 7 500	50 1 000 8 000	50 1 000 8 000	

7. Other programme information

7.1 Personnel numbers and costs

Tables 4.33 and 4.34 show the approved personnel establishment per programme, the total personnel costs of the department and provides details of the personnel numbers and costs.

As Table 4.33 shows, the department employs only full-time personnel in 2012/13 and 2013/14. Due to the lengthy process of reviewing its organisational structure, the department appointed contract workers from 2014/15, and these are expected to remain with the department until the new structure is approved. Hence, there are contract workers over the MTEF. The contract workers reflected in Table 4.34 from 2014/15 onward relate to various posts.

The low personnel numbers in 2012/13 against Programmes 2, 3, 5 and 6 is largely ascribed to the moratorium on the filling of non-critical posts, and also difficulty in recruiting suitably qualified candidates. Hence the increase in staff numbers in 2013/14. The significant decline against Programme 4 in staff numbers is due to all the Liquor Regulation staff being transferred to KZNLA.

Personnel numbers remain constant over the MTEF, taking into account the impact of freezing non-critical posts, the department has provided for filling some posts over the MTEF, as well as absorbing contract workers. The department indicated that it is obliged to comply with the Labour Relations Act by absorbing 145 contract workers, hence there is an increase in personnel numbers from 2016 to 2017.

Table 4.33 : 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	125	172	166	177	183	183	183
2. Integrated Economic Development Services	90	115	125	124	124	124	124
3. Trade and Sector Development	12	25	18	23	24	24	24
4. Business Regulation and Governance	31	33	37	37	38	38	38
5. Economic Planning	17	25	28	28	28	28	28
6. Tourism	22	21	75	35	37	37	37
7. Environmental Affairs	270	236	238	238	237	237	237
Total	567	627	687	662	671	671	671
Total provincial personnel cost (R thousand)	215 531	233 977	264 793	281 932	346 398	368 726	393 827
Unit cost (R thousand)	380	373	385	426	516	550	587

Table 14.34 : 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)	567	627	687	726	662	662	671	671	671
Personnel cost (R thousands)	215 531	233 977	264 793	318 426	283 711	281 932	346 398	368 726	393 827
Human resources component									
Personnel numbers (head count)	29	33	31	33	33	33	33	33	33
Personnel cost (R thousands)	11 557	12 730	11 835	15 278	14 917	14 917	16 721	17 858	19 072
Head count as % of total for department	5.11	5.26	4.51	4.55	4.98	4.98	4.92	4.92	4.92
Personnel cost as % of total for department	5.36	5.44	4.47	4.80	5.26	5.29	4.83	4.84	4.84
Finance component									
Personnel numbers (head count)	25	21	21	25	21	21	21	21	21
Personnel cost (R thousands)	7 976	9 083	9 629	13 146	12 553	12 553	13 730	14 664	15 661
Head count as % of total for department	4.41	3.35	3.06	3.44	3.17	3.17	3.13	3.13	3.13
Personnel cost as % of total for department	3.70	3.88	3.64	4.13	4.42	4.45	3.96	3.98	3.98
Full time workers									
Personnel numbers (head count)	567	627	542	581	517	517	526	526	526
Personnel cost (R thousands)	215 531	233 977	240 913	293 018	258 303	256 524	319 389	340 015	363 164
Head count as % of total for department	100.00	100.00	78.89	80.03	78.10	78.10	78.39	78.39	78.39
Personnel cost as % of total for department	100.00	100.00	90.98	92.02	91.04	90.99	92.20	92.21	92.21
Part-time workers									
Personnel numbers (head count)	-	-	-	-	-	-	-	-	-
Personnel cost (R thousands)	-	-	-	-	-	-	-	-	-
Head count as % of total for department	-	-	-	-	-	-	-	-	-
Personnel cost as % of total for department	-	-	-	-	-	-	-	-	-
Contract workers									
Personnel numbers (head count)	-	-	145	145	145	145	145	145	145
Personnel cost (R thousands)	-	-	23 880	25 408	25 408	25 408	27 009	28 711	30 663
Head count as % of total for department	-	-	21.11	19.97	21.90	21.90	21.61	21.61	21.61
Personnel cost as % of total for department	-	-	9.02	7.98	8.96	9.01	7.80	7.79	7.79

7.2 Training

Table 4.35 below reflects the payments and estimates on training for the seven-year period.

The amounts reflected pertain to capacitating and improving the skills of the staff of the department. The department was required to set aside 30 per cent of 1 per cent of the *Compensation of employees*’ budget for training, and pay over to the PSETA in terms of the Skills Development Act. However, in line with National Treasury Circular of 10 July 2014, national departments applied for the creation of a single transfer to PSETA through DPSA.

The substantial amount in 2012/13 against Programme 2 relates to non-employees’ bursary funds transferred to OTP. The bulk of the training budget is under Programmes 1 and 7, for capacitating and improving the skills of the Environmental Affairs staff.

Table 4.35 : 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	208	1 588	2 042	1 016	798	747	1 125	1 182	1 250
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	208	-	2 042	1 016	798	747	1 125	1 182	1 250
Other	-	1 588	-	-	-	-	-	-	-
2. Integrated Economic Development Services	13 509	-	30	100	82	88	600	630	668
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	13 509	-	30	100	82	88	600	630	668
Other	-	-	-	-	-	-	-	-	-
3. Trade and Sector Development	78	-	-	-	1	26	150	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	78	-	-	-	1	26	150	-	-
Other	-	-	-	-	-	-	-	-	-
4. Business Regulation and Governance	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
5. Economic Planning	-	-	21	135	110	110	78	82	87
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	-	-	21	135	110	110	78	82	87
Other	-	-	-	-	-	-	-	-	-
6. Tourism	451	-	-	70	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	451	-	-	70	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
7. Environmental Affairs	928	670	269	2 596	2 207	2 108	942	989	1 046
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	-	-	-	-	-	-	-	-	-
Other	928	670	269	2 596	2 207	2 108	942	989	1 046
Total	15 174	2 258	2 362	3 917	3 198	3 079	2 895	2 883	3 051

Table 4.36 provides further information on training analysed into gender and type of training for the seven-year period.

Table 4.36 : Information on training: Economic Development, Tourism and Environmental Affairs

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Number of staff	567	627	687	726	662	662	671	671	671
Number of personnel trained	121	337	346	346	346	346	346	363	384
of which									
Male	50	107	137	137	137	137	137	137	137
Female	71	230	209	209	209	209	209	209	209
Number of training opportunities	14	90	90	90	90	90	90	95	100
of which									
Tertiary	1	30	30	30	30	30	30	32	33
Workshops	1	40	40	40	40	40	40	42	44
Seminars	-	20	20	20	20	20	20	21	22
Other	12	-	-	-	-	-	-	-	-
Number of bursaries offered	12	53	56	56	56	56	56	59	62
Number of interns appointed	36	36	38	38	38	38	38	40	42
Number of learnerships appointed	-	20	21	21	21	21	21	22	23
Number of days spent on training	290	200	211	211	211	211	211	222	234

ANNEXURE – VOTE 4: ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS

Table 4.A : Details of departmental receipts: Economic Development, Tourism and Environmental Affairs

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Tax receipts	4 927	5 110	25 596	20 086	20 086	20 086	27 577	28 898	30 574
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	4 927	5 110	25 596	20 086	20 086	20 086	27 577	28 898	30 574
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	2 219	2 114	2 363	2 210	2 210	1 683	2 219	2 330	2 465
Sale of goods and services produced by department (excluding capital assets)	1 967	2 076	2 363	2 210	2 210	1 683	2 219	2 330	2 465
Sales by market establishments	1 967	1 983	141	2 210	2 210	1 683	2 219	2 330	2 465
Administrative fees	-	30	1 994	-	-	-	-	-	-
Other sales	-	63	228	-	-	-	-	-	-
Sale of scrap, waste, arms and other used current goods (excluding capital assets)	252	38	-	-	-	-	-	-	-
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	703	1 279	1 195	500	500	778	500	525	555
Interest, dividends and rent on land	17	3	5	5	5	5	6	6	7
Interest	1	3	5	5	5	5	6	6	7
Dividends	16	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	411	147	302	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	411	147	302	-	-	-	-	-	-
Transactions in financial assets and liabilities	4 905	902	105 700	51	51	30 985	54	56	60
Total	13 182	9 555	135 161	22 852	22 852	53 537	30 356	31 816	33 661

Table 4.B : Payments and estimates by economic classification: Economic Development, Tourism and Environmental Affairs

R thousand	Audited Outcome			Revised Estimate	Medium-term Estimates	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	782 121	757 711	626 825	927 893	707 732	708 255	823 031	930 360	1 005 449
Compensation of employees	215 531	233 977	264 793	318 426	283 711	281 932	346 398	368 726	393 827
Salaries and wages	190 767	206 249	234 820	277 320	248 649	249 282	295 618	314 944	336 424
Social contributions	24 764	27 728	29 973	41 106	35 062	32 650	50 780	53 782	57 403
Goods and services	566 590	523 727	362 032	609 467	424 021	426 323	476 633	561 634	611 622
Administrative fees	612	546	2 295	1 105	1 860	2 275	1 245	1 306	1 381
Advertising	10 948	22 637	9 977	8 515	10 962	14 400	12 182	15 445	16 340
Assets less than the capitalisation threshold	1 887	1 721	660	3 131	2 189	2 185	6 828	6 903	7 305
Audit cost: External	2 279	2 586	2 468	3 102	4 636	4 636	4 800	5 040	5 061
Bursaries: Employees	156	113	77	766	414	394	1 775	1 864	1 971
Cons & prof serv: Laboratory services	-	-	-	61	86	25	20	21	22
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	1 069	2 133	11 394	2 344	3 540	5 188	2 720	2 856	3 021
Contractors	72 750	53 277	25 438	11 544	10 957	21 857	16 286	17 975	19 016
Agency and support / outsourced services	133 186	117 646	89 274	121 592	40 709	44 297	71 386	67 873	71 608
Entertainment	-	-	-	39	26	-	340	909	961
Fleet services (incl. govt motor transport)	2 133	2 594	2 351	1 795	2 308	2 055	4 219	4 431	4 688
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	250	223	-	5	5	5 415	5 686	6 016
Inventory: Farming supplies	-	4 471	5 824	-	10 843	10 851	10 900	11 445	12 109
Inventory: Food and food supplies	70	-	-	44	1	1	60	67	71
Inventory: Fuel, oil and gas	3 466	-	-	22	22	22	-	-	-
Inventory: Learner and teacher support material	94	-	-	226	83	16	-	-	-
Inventory: Materials and supplies	165	3	-	33	17	17	100	368	389
Inventory: Medical supplies	-	-	-	70	70	69	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	5	40	41	43
Consumable supplies	2 943	1 014	3 523	9 567	5 871	4 973	1 543	1 658	1 755
Consumable: Stationery, printing and office supplies	3 078	2 548	3 738	6 501	3 783	4 093	4 321	4 504	4 767
Operating leases	25 022	28 031	28 160	34 348	35 374	31 122	37 220	39 060	40 971
Property payments	11 005	13 119	15 792	16 124	16 114	17 345	18 606	19 533	20 666
Transport provided: Departmental activity	941	2 301	1 589	4 567	3 282	2 680	3 650	4 154	4 395
Travel and subsistence	32 524	41 742	36 784	45 191	37 650	36 982	45 841	47 414	49 404
Training and development	15 174	2 258	2 362	3 917	3 198	3 079	2 895	2 883	3 051
Operating payments	5 945	2 564	5 469	4 401	4 721	3 820	5 157	5 259	5 559
Venues and facilities	16 201	11 081	4 877	8 180	4 241	4 475	8 910	11 225	11 875
Rental and hiring	2 269	8 493	3 364	732	1 113	1 213	2 000	2 363	2 500
Interest and rent on land	-	7	-	-	-	-	-	-	-
Interest	-	7	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 619 285	2 541 637	2 295 860	2 038 564	2 285 179	2 284 954	1 871 620	1 905 321	2 007 845
Provinces and municipalities	4 282	11 109	17 029	2 281	1 319	1 339	6 050	53	56
Provinces	38	33	24	31	69	89	50	53	56
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	38	33	24	31	69	89	50	53	56
Municipalities	4 244	11 076	17 005	2 250	1 250	1 250	6 000	-	-
Municipalities	-	600	900	1 000	-	-	-	-	-
Municipal agencies and funds	4 244	10 476	16 105	1 250	1 250	1 250	6 000	-	-
Departmental agencies and accounts	1 236 616	1 442 896	1 544 482	1 550 333	1 542 575	1 542 575	1 315 649	1 378 606	1 473 021
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	1 236 616	1 442 896	1 544 482	1 550 333	1 542 575	1 542 575	1 315 649	1 378 606	1 473 021
Higher education institutions	-	-	3 030	-	2 000	2 000	8 500	8 925	9 442
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	332 109	406 935	551 961	273 947	513 702	513 272	281 740	255 253	256 221
Public corporations	312 118	325 164	346 970	260 647	394 047	394 047	247 970	247 903	248 445
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	312 118	325 164	346 970	260 647	394 047	394 047	247 970	247 903	248 445
Private enterprises	19 991	81 771	204 991	13 300	119 655	119 225	33 770	7 350	7 776
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	19 991	81 771	204 991	13 300	119 655	119 225	33 770	7 350	7 776
Non-profit institutions	38 531	669 159	164 515	201 623	214 552	214 552	254 334	260 324	267 638
Households	7 747	11 538	14 843	10 380	11 031	11 216	5 347	2 160	1 467
Social benefits	839	156	1 147	-	651	836	100	-	-
Other transfers to households	6 908	11 382	13 696	10 380	10 380	10 380	5 247	2 160	1 467
Payments for capital assets	15 478	12 006	33 107	6 766	3 972	3 674	8 341	8 932	9 450
Buildings and other fixed structures	-	-	28	-	-	10	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	28	-	-	10	-	-	-
Machinery and equipment	15 328	5 584	10 079	6 566	3 872	3 614	4 141	4 522	4 784
Transport equipment	12 270	-	4 024	-	1 200	1 200	2 500	2 625	2 777
Other machinery and equipment	3 058	5 584	6 055	6 566	2 672	2 414	1 641	1 897	2 007
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	23 000	-	-	-	-	-	-
Software and other intangible assets	150	6 422	-	200	100	50	4 200	4 410	4 666
Payments for financial assets	4 985	-	11	236	236	236	-	-	-
Total	2 421 869	3 311 354	2 955 803	2 973 459	2 997 119	2 997 119	2 702 992	2 844 613	3 022 744
Unauth. Exp. (1st charge) not available for spending	-	-	-	(236)	(236)	(236)	-	-	-
Baseline available for spending after 1st charge	2 421 869	3 311 354	2 955 803	2 973 223	2 996 883	2 996 883	2 702 992	2 844 613	3 022 744

Table 4.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	209 518	215 968	185 522	228 904	207 139	205 742	223 916	241 533	255 438
Compensation of employees	54 090	61 343	70 809	96 316	74 381	72 356	88 281	94 297	100 683
Salaries and wages	47 722	54 293	63 165	83 689	65 510	64 326	75 530	80 679	86 140
Social contributions	6 368	7 050	7 644	12 627	8 871	8 030	12 751	13 618	14 543
Goods and services	155 428	154 625	114 713	132 588	132 758	133 386	135 635	147 236	154 755
Administrative fees	290	155	1 905	576	1 123	1 233	828	869	919
Advertising	5 930	16 195	4 211	3 179	4 046	5 908	4 200	4 961	5 249
Assets less than the capitalisation threshold	312	425	121	754	350	352	1 394	1 197	1 267
Audit cost: External	2 253	2 586	2 468	2 728	4 262	4 262	4 800	5 040	5 061
Bursaries: Employees	156	121	77	700	335	335	725	761	805
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	998	1 871	2 696	2 210	2 711	3 824	2 720	2 856	3 021
Contractors	30 628	8 289	7 278	6 014	3 434	8 383	7 040	8 442	8 931
Agency and support / outsourced services	332	-	23	-	120	334	1 860	2 159	2 284
Entertainment	-	-	-	17	6	-	20	415	439
Fleet services (incl. govt motor transport)	1 578	1 923	2 123	1 733	2 264	2 011	4 216	4 427	4 684
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	20	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	76	-	-	-	1	1	-	263	278
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	43	383	149	150	107	111	446	468	496
Consumable: Stationery, printing and office supplies	1 350	1 101	2 086	3 913	2 684	2 741	1 980	2 079	2 200
Operating leases	24 447	27 552	25 205	33 500	34 742	30 510	37 020	38 850	40 749
Property payments	10 822	13 055	15 623	15 906	15 961	17 174	18 606	19 533	20 666
Transport provided: Departmental activity	477	82	210	972	547	481	650	1 003	1 062
Travel and subsistence	9 810	16 408	14 206	16 693	11 284	9 970	11 927	12 330	12 863
Training and development	208	1 588	2 042	1 016	798	747	1 125	1 182	1 250
Operating payments	1 524	554	3 266	1 584	1 304	1 118	1 352	1 924	2 035
Venues and facilities	2 551	1 537	319	3 521	1 794	1 402	3 500	3 875	4 100
Rental and hiring	1 325	753	216	732	432	436	20	21	22
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	795	44	1 804	531	1 088	1 329	578	607	643
Provinces and municipalities	21	33	24	31	69	89	50	53	56
Provinces	21	33	24	31	69	89	50	53	56
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	21	33	24	31	69	89	50	53	56
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	548	-	3	3	5	5	6
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	548	-	3	3	5	5	6
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	186	256	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	186	256	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	186	256	-	-	-
Non-profit institutions	-	-	129	-	-	-	-	-	-
Households	774	11	1 103	500	830	981	523	549	581
Social benefits	153	11	104	-	330	481	-	-	-
Other transfers to households	621	-	999	500	500	500	523	549	581
Payments for capital assets	2 152	10 085	8 638	3 660	2 099	2 399	1 685	1 769	1 871
Buildings and other fixed structures	-	-	28	-	-	10	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	28	-	-	10	-	-	-
Machinery and equipment	2 143	3 669	8 610	3 660	2 099	2 389	1 685	1 769	1 871
Transport equipment	1 149	-	4 024	-	1 200	1 200	1 500	1 575	1 666
Other machinery and equipment	994	3 669	4 586	3 660	899	1 189	185	194	205
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	9	6 416	-	-	-	-	-	-	-
Payments for financial assets	-	-	11	-	-	-	-	-	-
Total	212 465	226 097	195 975	233 095	210 326	209 470	226 179	243 909	257 952

Table 4.D : Payments and estimates by economic classification: Integrated Economic Development Services

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	142 674	116 180	113 698	167 780	133 487	132 739	148 506	160 784	186 350
Compensation of employees	39 437	45 606	51 482	59 230	56 091	55 455	66 339	70 849	75 666
Salaries and wages	35 126	40 753	46 393	51 434	49 679	50 004	57 842	61 775	65 975
Social contributions	4 311	4 853	5 089	7 796	6 412	5 451	8 497	9 074	9 691
Goods and services	103 237	70 574	62 216	108 550	77 396	77 284	82 167	89 935	110 684
Administrative fees	86	13	153	140	144	160	190	200	211
Advertising	473	2 634	1 772	798	915	989	2 595	4 825	5 104
Assets less than the capitalisation threshold	86	131	74	429	398	387	557	585	619
Audit cost: External	26	-	-	-	-	-	-	-	-
Bursaries: Employees	-	(8)	-	21	(6)	(27)	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	1	119	368	-	203	203	-	-	-
Contractors	309	15 696	3 249	100	21	21	680	714	755
Agency and support / outsourced services	3	22	15	-	3	3	-	-	-
Entertainment	-	-	-	-	-	-	-	158	167
Fleet services (incl. govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	7	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	259	71	1 745	10	12	12	11	12	13
Consumable: Stationery, printing and office supplies	129	21	16	40	43	38	230	242	256
Operating leases	-	-	170	100	100	98	-	-	-
Property payments	183	64	-	-	-	36	-	-	-
Transport provided: Departmental activity	70	1 712	866	-	119	119	1 610	1 691	1 789
Travel and subsistence	6 278	7 896	6 341	7 278	5 674	6 165	8 609	9 039	9 564
Training and development	13 509	-	30	100	82	88	600	630	668
Operating payments	260	218	69	577	624	521	411	431	453
Venues and facilities	4 613	3 901	1 343	1 900	1 093	1 101	3 385	5 360	5 671
Rental and hiring	300	6 360	2 794	-	126	248	1 980	2 079	2 200
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	259 294	957 358	388 776	254 580	304 362	304 362	265 764	261 525	259 650
Provinces and municipalities	2 953	2 414	992	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	2 953	2 414	992	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	2 953	2 414	992	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	2 780	-	-	-	6 000	6 300	6 665
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	249 500	323 426	317 190	149 700	199 404	199 404	121 600	120 298	118 915
Public corporations	249 500	300 000	278 800	149 700	195 100	195 100	121 600	120 298	118 915
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	249 500	300 000	278 800	149 700	195 100	195 100	121 600	120 298	118 915
Private enterprises	-	23 426	38 390	-	4 304	4 304	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	23 426	38 390	-	4 304	4 304	-	-	-
Non-profit institutions	531	620 102	55 000	95 000	95 000	95 000	133 440	133 316	133 184
Households	6 310	11 416	12 814	9 880	9 958	9 958	4 724	1 611	886
Social benefits	23	34	117	-	78	78	-	-	-
Other transfers to households	6 287	11 382	12 697	9 880	9 880	9 880	4 724	1 611	886
Payments for capital assets	405	192	412	355	325	240	75	252	267
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	405	192	412	155	225	190	75	252	267
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	405	192	412	155	225	190	75	252	267
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	200	100	50	-	-	-
Payments for financial assets	4 985	-	-	-	-	-	-	-	-
Total	407 358	1 073 730	502 886	422 715	438 174	437 341	414 345	422 561	446 267

Table 4.E : Payments and estimates by economic classification: Trade and Sector 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	46 373	29 463	36 136	59 768	39 989	40 213	39 983	65 064	68 845
Compensation of employees	7 532	6 639	8 344	13 630	10 747	10 717	15 934	17 025	18 193
Salaries and wages	6 745	5 931	7 491	11 694	9 445	9 661	13 966	14 923	15 948
Social contributions	787	708	853	1 936	1 302	1 056	1 968	2 102	2 245
Goods and services	38 841	22 824	27 792	46 138	29 242	29 496	24 049	48 039	50 652
Administrative fees	23	283	51	60	110	141	42	44	47
Advertising	1 358	1 422	1 146	1 000	2 640	3 169	920	966	1 022
Assets less than the capitalisation threshold	11	2	23	250	129	129	520	546	578
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	86	86	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	112	-	-	-	-	-	-	-
Contractors	656	1 422	1 754	-	1 500	2 042	2 040	2 142	2 266
Agency and support / outsourced services	-	-	8	-	6	6	-	-	-
Entertainment	-	-	-	-	-	-	120	126	133
Fleet services (incl. govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	3	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	42	313	3	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	13	4	-	20	16	5	204	214	226
Operating leases	356	-	2 294	-	30	30	-	-	-
Property payments	-	-	167	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	180	180	-	-	-
Travel and subsistence	1 615	2 474	2 735	2 667	2 406	2 399	2 660	2 793	2 956
Training and development	78	-	-	-	1	26	150	-	-
Operating payments	55	109	38	230	257	232	120	158	167
Venues and facilities	2 653	2 352	1 607	-	(13)	81	250	126	133
Rental and hiring	57	-	-	-	44	44	-	263	278
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	553 073	724 515	773 513	897 491	903 696	903 696	729 355	742 270	793 768
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	457 361	650 486	596 851	673 816	573 975	573 975	466 643	495 272	537 840
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	457 361	650 486	596 851	673 816	573 975	573 975	466 643	495 272	537 840
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	62 618	30 164	79 442	123 247	216 964	216 964	149 070	127 605	129 530
Public corporations	62 618	25 164	68 170	110 947	198 947	198 947	126 370	127 605	129 530
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	62 618	25 164	68 170	110 947	198 947	198 947	126 370	127 605	129 530
Private enterprises	-	5 000	11 272	12 300	18 017	18 017	22 700	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	5 000	11 272	12 300	18 017	18 017	22 700	-	-
Non-profit institutions	33 000	43 830	97 159	100 428	112 757	112 757	113 642	119 393	126 398
Households	94	35	61	-	-	-	-	-	-
Social benefits	94	35	61	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	47	14	23 128	-	29	55	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	47	14	128	-	29	55	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	47	14	128	-	29	55	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	23 000	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	599 493	753 992	832 777	957 259	943 714	943 964	769 338	807 334	862 613

Table 4.F : Payments and estimates by economic classification: Business Regulation and Governance

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	30 252	24 173	26 904	33 124	29 308	29 299	38 033	39 966	42 284
Compensation of employees	15 152	14 871	16 716	18 915	16 280	16 641	21 241	22 685	24 228
Salaries and wages	13 266	13 051	14 697	16 213	14 211	14 519	17 876	19 092	20 391
Social contributions	1 886	1 820	2 019	2 702	2 069	2 122	3 365	3 593	3 837
Goods and services	15 100	9 302	10 188	14 209	13 028	12 658	16 792	17 281	18 056
Administrative fees	182	9	35	-	40	52	-	-	-
Advertising	2 528	1 589	1 800	2 190	1 841	2 344	2 550	2 678	2 834
Assets less than the capitalisation threshold	155	2	68	281	17	22	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	500	525	555
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	70	31	-	-	-	-	-	-	-
Agency and support / outsourced services	(4 636)	1 002	3 459	2 088	2 548	2 205	1 400	1 295	1 370
Entertainment	21	-	3	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	8	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	101	43	4	10	7	7	5	5	5
Consumable: Stationery, printing and office supplies	242	210	32	10	10	5	-	-	-
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	115	387	247	746	426	426	720	756	800
Travel and subsistence	2 269	1 938	1 704	3 088	3 192	2 977	2 934	3 080	3 259
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	1 222	288	397	428	409	379	660	-	-
Venues and facilities	1 151	306	108	450	180	206	170	179	189
Rental and hiring	568	1 332	287	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	55 724	43 932	77 407	67 008	70 065	70 065	73 753	75 990	80 189
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	55 699	43 920	77 282	67 008	70 008	70 008	73 753	75 990	80 189
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	55 699	43 920	77 282	67 008	70 008	70 008	73 753	75 990	80 189
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	25	12	125	-	57	57	-	-	-
Social benefits	25	12	125	-	57	57	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	116	9	225	158	118	129	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	116	9	225	158	118	129	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	116	9	225	158	118	129	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	86 092	68 114	104 536	100 290	99 491	99 493	111 786	115 956	122 473

Table 4.G : Payments and estimates by economic classification: Economic Planning

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	18 314	20 455	22 667	37 467	30 075	29 950	32 000	33 389	35 325
Compensation of employees	7 543	10 538	13 031	14 840	14 672	14 494	16 938	17 573	18 768
Salaries and wages	6 849	9 513	11 706	12 731	12 821	13 056	14 086	15 044	16 067
Social contributions	694	1 025	1 325	2 109	1 851	1 438	2 852	2 529	2 701
Goods and services	10 771	9 917	9 636	22 627	15 403	15 456	15 062	15 816	16 557
Administrative fees	-	86	25	1	41	67	-	-	-
Advertising	51	13	27	250	219	201	191	202	214
Assets less than the capitalisation threshold	57	501	115	336	402	385	271	285	302
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	50	53	56
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	1	1	34	-	-	-	-	-	-
Agency and support / outsourced services	-	-	-	-	-	-	202	212	224
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	14	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	94	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	5	-	-	-
Consumable supplies	1	29	28	51	97	72	20	58	61
Consumable: Stationery, printing and office supplies	383	22	190	564	11	116	314	294	311
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	1 091	2 014	1 486	2 319	2 287	2 337	1 722	1 803	1 881
Training and development	-	-	21	135	110	110	78	82	87
Operating payments	1 799	361	633	928	837	847	1 341	1 409	1 490
Venues and facilities	1 378	20	1 037	1 290	897	897	1 050	1 103	1 167
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	3	-	266	-	2 007	2 007	2 500	2 625	2 777
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	250	-	2 000	2 000	2 500	2 625	2 777
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	3	-	16	-	7	7	-	-	-
Social benefits	3	-	16	-	7	7	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	229	111	253	15	18	18	4 025	4 227	4 473
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	111	111	253	15	18	18	25	27	29
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	111	111	253	15	18	18	25	27	29
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	118	-	-	-	-	-	4 000	4 200	4 444
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	18 546	20 566	23 186	37 482	32 100	31 975	38 525	40 241	42 575

Table 4.H : Payments and estimates by economic classification: Tourism

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	88 307	121 840	26 057	133 595	77 449	79 645	96 452	139 652	152 690
Compensation of employees	7 066	9 283	8 743	13 140	10 346	10 464	17 412	18 605	19 882
Salaries and wages	6 386	8 396	7 820	11 256	9 021	9 449	15 044	16 076	17 181
Social contributions	680	887	923	1 884	1 325	1 015	2 368	2 529	2 701
Goods and services	81 241	112 557	17 314	120 455	67 103	69 181	79 040	121 047	132 808
Administrative fees	-	-	49	-	45	95	-	-	-
Advertising	85	287	945	340	87	558	1 120	1 176	1 244
Assets less than the capitalisation threshold	5	-	5	-	-	3	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	41 466	25 036	9 358	160	314	5 178	2 560	2 688	2 844
Agency and support / outsourced services	-	-	3	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	200	210	222
Fleet services (incl. govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	15	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	13	19	11	100	65	65	170	179	190
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	230	72	252	400	516	516	550	578	611
Travel and subsistence	1 864	1 430	1 573	2 162	1 572	2 064	2 375	2 494	2 640
Training and development	451	-	-	70	-	-	-	-	-
Operating payments	44	72	75	380	21	27	350	367	388
Venues and facilities	2 552	1 142	-	-	-	26	-	-	-
Rental and hiring	19	9	67	-	511	485	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	194 966	223 379	336 648	164 940	278 621	278 121	188 791	191 144	202 167
Provinces and municipalities	1 291	8 062	14 113	1 250	1 250	1 250	6 000	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	1 291	8 062	14 113	1 250	1 250	1 250	6 000	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	1 291	8 062	14 113	1 250	1 250	1 250	6 000	-	-
Departmental agencies and accounts	173 663	161 968	166 906	162 690	179 623	179 623	171 021	183 059	193 614
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	173 663	161 968	166 906	162 690	179 623	179 623	171 021	183 059	193 614
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	19 991	53 345	155 329	1 000	97 148	96 648	11 070	7 350	7 776
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	19 991	53 345	155 329	1 000	97 148	96 648	11 070	7 350	7 776
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	19 991	53 345	155 329	1 000	97 148	96 648	11 070	7 350	7 776
Non-profit institutions	-	-	300	-	600	600	700	735	777
Households	21	4	-	-	-	-	-	-	-
Social benefits	21	4	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	47	32	-	-	-	-	80	84	89
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	47	26	-	-	-	-	80	84	89
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	47	26	-	-	-	-	80	84	89
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	6	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	236	236	236	-	-	-
Total	283 320	345 251	362 705	298 771	356 306	358 002	285 323	330 880	354 946
Unauth. Exp. (1st charge) not available for spending	-	-	-	(236)	(236)	(236)	-	-	-
Baseline available for spending after 1st charge	283 320	345 251	362 705	298 535	356 070	357 766	285 323	330 880	354 946

Table 4.1 : Payments and estimates by economic classification: Environmental Affairs

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	246 683	229 632	215 841	267 255	190 285	190 667	244 141	249 972	264 517
Compensation of employees	84 711	85 697	95 668	102 355	101 194	101 805	120 253	127 692	136 407
Salaries and wages	74 673	74 312	83 548	90 303	87 962	88 267	101 274	107 355	114 722
Social contributions	10 038	11 385	12 120	12 052	13 232	13 538	18 979	20 337	21 685
Goods and services	161 972	143 928	120 173	164 900	89 091	88 862	123 888	122 280	128 110
Administrative fees	31	-	77	328	357	527	185	193	204
Advertising	523	497	76	758	1 214	1 231	606	637	673
Assets less than the capitalisation threshold	1 261	660	254	1 081	893	907	4 086	4 290	4 539
Audit cost: External	-	-	-	374	374	374	-	-	-
Bursaries: Employees	-	-	-	45	(1)	-	500	525	555
Cons & prof serv: Laboratory services	-	-	-	61	86	25	20	21	22
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	8 330	134	626	1 161	-	-	-
Contractors	4 326	1 831	306	3 182	3 140	4 028	2 566	2 694	2 850
Agency and support / outsourced services	132 830	117 624	89 222	121 592	40 580	43 954	69 324	65 502	69 100
Entertainment	-	-	-	22	20	-	-	-	-
Fleet services (incl. govt motor transport)	555	671	228	62	44	44	3	4	4
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	250	223	-	5	5	5 415	5 686	6 016
Inventory: Farming supplies	-	4 471	5 824	-	10 843	10 851	10 900	11 445	12 109
Inventory: Food and food supplies	18	-	-	44	1	1	60	67	71
Inventory: Fuel, oil and gas	3 466	-	-	22	22	22	-	-	-
Inventory: Learner and teacher support material	-	-	-	226	83	16	-	-	-
Inventory: Materials and supplies	89	3	-	33	16	16	100	105	111
Inventory: Medical supplies	-	-	-	70	70	69	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	40	41	43
Consumable supplies	2 497	175	1 579	9 346	5 648	4 771	1 061	1 115	1 180
Consumable: Stationery, printing and office supplies	948	1 171	1 403	1 854	954	1 123	1 423	1 496	1 584
Operating leases	219	479	491	748	502	484	200	210	222
Property payments	-	-	2	218	153	135	-	-	-
Transport provided: Departmental activity	49	48	14	2 449	1 494	958	120	126	133
Travel and subsistence	9 597	9 582	8 739	10 984	11 235	11 070	15 614	15 875	16 241
Training and development	928	670	269	2 596	2 207	2 108	942	989	1 046
Operating payments	1 041	962	991	274	1 269	696	923	970	1 026
Venues and facilities	1 303	1 823	463	1 019	290	762	555	582	615
Rental and hiring	-	39	-	-	-	-	-	-	-
Interest and rent on land	-	7	-	-	-	-	-	-	-
Interest	-	7	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	555 430	592 409	717 446	654 014	725 340	725 374	610 879	631 160	668 651
Provinces and municipalities	17	600	1 900	1 000	-	-	-	-	-
Provinces	17	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	17	-	-	-	-	-	-	-	-
Municipalities	-	600	1 900	1 000	-	-	-	-	-
Municipalities	-	600	900	1 000	-	-	-	-	-
Municipal agencies and funds	-	-	1 000	-	-	-	-	-	-
Departmental agencies and accounts	549 893	586 522	702 895	646 819	718 966	718 966	604 227	624 280	661 372
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	549 893	586 522	702 895	646 819	718 966	718 966	604 227	624 280	661 372
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	5 000	5 227	11 927	6 195	6 195	6 195	6 552	6 880	7 279
Households	520	60	724	-	179	213	100	-	-
Social benefits	520	60	724	-	179	213	100	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	12 482	1 563	451	2 578	1 383	833	2 476	2 600	2 750
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	12 459	1 563	451	2 578	1 383	833	2 276	2 390	2 528
Transport equipment	11 121	-	-	-	-	-	1 000	1 050	1 111
Other machinery and equipment	1 338	1 563	451	2 578	1 383	833	1 276	1 340	1 417
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	23	-	-	-	-	-	200	210	222
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	814 595	823 604	933 738	923 847	917 008	916 874	857 496	883 732	935 918

Table 4.J : Details of payments and estimates by economic classification - Sub-programme: Environmental Policy Planning and Co-ordination

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	3 311	3 608	3 754	6 466	7 135	6 609	8 436	8 935	9 453
Compensation of employees	1 924	2 001	3 000	3 521	4 292	4 149	4 273	4 564	4 874
Salaries and wages	1 687	1 751	2 678	3 255	3 871	3 772	3 758	4 014	4 287
Social contributions	237	250	322	266	421	377	515	550	587
Goods and services	1 387	1 607	754	2 945	2 843	2 460	4 163	4 371	4 579
Administrative fees	-	-	22	-	65	69	5	5	5
Advertising	-	-	-	121	94	28	100	105	111
Assets less than the capitalisation threshold	-	-	-	-	-	8	280	294	311
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	35	28	25	182	91	91	20	21	22
Communication (G&S)	27	-	-	138	72	61	16	17	18
Computer services	66	-	-	111	111	111	-	-	-
Cons & prof serv: Business and advisory services	133	-	-	957	730	730	1 800	1 890	1 954
Cons & prof serv: Infras and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	-	1 110	-	-	-	-	-	-	-
Agency and support / outsourced services	-	-	-	-	-	-	990	1 040	1 100
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	9	-	-	-	-	3	3	3
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-	50	53	56
Consumable: Stationery, printing and office supplies	11	-	29	344	287	125	115	121	128
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	1 041	429	655	1 004	1 239	1 170	688	721	764
Training and development	-	-	-	-	-	-	18	19	20
Operating payments	19	17	23	-	66	67	78	82	87
Venues and facilities	55	14	-	88	88	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	58	10	-	-	-	275	289	306
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	58	10	-	-	-	75	79	84
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	58	10	-	-	-	75	79	84
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	200	210	222
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	3 311	3 666	3 764	6 466	7 135	6 609	8 711	9 224	9 759

Table 4.K : Details of payments and estimates by economic classification - Sub-programme: Compliance and Enforcement

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	27 953	32 208	32 343	35 777	35 169	37 958	37 373	39 242	41 518
Compensation of employees	23 511	28 036	28 199	28 532	28 920	32 240	28 826	30 786	32 879
Salaries and wages	20 343	24 294	24 337	25 259	25 460	27 231	24 128	25 769	27 521
Social contributions	3 168	3 742	3 862	3 273	3 460	5 009	4 698	5 017	5 358
Goods and services	4 442	4 165	4 144	7 245	6 249	5 718	8 547	8 456	8 639
Administrative fees	-	-	-	75	58	58	-	-	-
Advertising	41	-	14	12	-	2	-	-	-
Assets less than the capitalisation threshold	86	51	75	414	245	245	370	388	411
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	26	-	6	12	5	5	-	-	-
Communication (G&S)	664	774	464	337	172	144	632	664	703
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	-	-	-	770	770	-	-	-	-
Cons & prof serv: Infras and planning	-	250	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	20	21	22
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	54	54	-	-	-	-
Contractors	41	4	-	62	62	950	-	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	38	10	7	20	20	20	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	115	85	-	-	-	250	263	278
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	1	1	1	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	56	56	-	-	-	-
Inventory: Materials and supplies	1	1	-	9	3	3	-	-	-
Inventory: Medical supplies	-	-	-	1	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	266	12	-	302	129	102	-	-	-
Consumable: Stationery, printing and office supplies	168	122	116	312	67	160	150	158	167
Operating leases	172	190	183	309	216	190	-	-	-
Property payments	-	-	2	72	36	30	-	-	-
Transport provided: Departmental activity	-	-	-	536	536	-	-	-	-
Travel and subsistence	2 708	2 321	2 560	3 731	3 470	3 458	6 825	6 647	6 725
Training and development	-	40	-	55	55	55	-	-	-
Operating payments	231	271	197	60	249	250	300	315	333
Venues and facilities	-	4	435	45	45	45	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	7	-	-	-	-	-	-	-
Interest	-	7	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	446	22	74	-	25	59	-	-	-
Provinces and municipalities	17	-	-	-	-	-	-	-	-
Provinces	17	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	17	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	429	22	74	-	25	59	-	-	-
Social benefits	429	-	74	-	25	59	-	-	-
Other transfers to households	-	22	-	-	-	-	-	-	-
Payments for capital assets	260	143	176	220	230	230	561	589	623
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	260	143	176	220	230	230	561	589	623
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	260	143	176	220	230	230	561	589	623
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	28 659	32 373	32 593	35 997	35 424	38 247	37 934	39 831	42 141

Table 4.L : Details of payments and estimates by economic classification - Sub-programme: Environmental Quality Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	35 627	26 603	26 971	45 594	42 070	38 181	49 063	51 524	54 551
Compensation of employees	32 181	22 878	24 757	34 076	30 947	28 624	42 041	44 152	47 208
Salaries and wages	29 252	19 776	21 625	29 802	26 766	24 772	36 125	37 766	40 388
Social contributions	2 929	3 102	3 132	4 274	4 181	3 852	5 916	6 386	6 820
Goods and services	3 446	3 725	2 214	11 518	11 123	9 557	7 022	7 372	7 343
Administrative fees	30	-	55	153	65	193	100	105	111
Advertising	-	-	-	172	132	233	14	15	15
Assets less than the capitalisation threshold	145	84	129	40	61	76	60	63	67
Audit cost: External	-	-	-	374	374	374	-	-	-
Bursaries: Employees	-	-	-	45	(1)	-	-	-	-
Catering: Departmental activities	32	49	42	85	66	54	44	46	49
Communication (G&S)	117	-	-	143	72	126	278	292	309
Computer services	12	-	-	498	-	498	-	-	-
Cons & prof serv: Business and advisory services	-	202	331	1 562	3 200	562	3 125	3 281	3 013
Cons & prof serv: Infras and planning	-	157	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	61	86	25	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	80	183	773	-	-	-
Contractors	667	57	1	626	420	420	1 000	1 050	1 111
Agency and support / outsourced services	55	-	-	416	58	59	-	-	-
Entertainment	-	-	-	22	20	-	-	-	-
Fleet services (incl. govt motor transport)	6	3	3	26	24	24	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	72	54	-	5	5	105	110	116
Inventory: Farming supplies	-	65	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	22	22	22	-	-	-
Inventory: Learner and teacher support material	-	-	-	16	16	16	-	-	-
Inventory: Materials and supplies	-	-	-	13	13	13	-	-	-
Inventory: Medical supplies	-	-	-	69	69	69	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	40	41	43
Consumable supplies	421	14	2	412	352	158	50	52	55
Consumable: Stationery, printing and office supplies	160	147	52	318	228	228	210	220	233
Operating leases	-	3	-	353	181	191	-	-	-
Property payments	-	-	-	146	69	57	-	-	-
Transport provided: Departmental activity	-	-	-	1 913	958	958	-	-	-
Travel and subsistence	1 303	2 181	1 258	1 516	2 454	2 501	1 516	1 593	1 688
Training and development	-	-	-	2 010	1 374	1 374	200	210	222
Operating payments	241	329	287	74	465	391	280	294	311
Venues and facilities	257	362	-	353	157	157	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	67	638	900	1 000	11	11	-	-	-
Provinces and municipalities	-	600	900	1 000	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	600	900	1 000	-	-	-	-	-
Municipalities	-	600	900	1 000	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	67	38	-	-	11	11	-	-	-
Social benefits	67	38	-	-	11	11	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	11 931	748	227	2 028	797	213	580	609	644
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	11 931	748	227	2 028	797	213	580	609	644
Transport equipment	11 121	-	-	-	-	-	-	-	-
Other machinery and equipment	810	748	227	2 028	797	213	580	609	644
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	47 625	27 989	28 098	48 622	42 878	38 405	49 643	52 133	55 195

Table 4.M : Details of payments and estimates by economic classification - Sub-programme: Biodiversity Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	147 285	133 389	114 485	148 103	71 029	71 261	109 904	108 450	114 748
Compensation of employees	8 664	10 937	13 488	14 037	11 371	9 384	18 298	19 552	20 895
Salaries and wages	7 509	9 504	12 110	12 732	10 173	8 653	15 122	16 160	17 272
Social contributions	1 155	1 433	1 378	1 305	1 198	731	3 176	3 392	3 623
Goods and services	138 621	122 452	100 997	134 066	59 658	61 877	91 606	88 898	93 853
Administrative fees	1	-	-	33	51	23	10	10	11
Advertising	12	19	-	27	-	-	-	-	-
Assets less than the capitalisation threshold	984	405	14	204	204	204	2 870	3 014	3 188
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	19	17	6	-	-	-	-	-	-
Communication (G&S)	285	342	253	52	28	42	388	407	431
Computer services	-	-	-	-	-	-	84	88	93
Cons & prof serv: Business and advisory services	329	228	51	1 545	987	133	1 300	1 365	1 444
Cons & prof serv: Infras and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	2 800	-	-	-	-	-	-
Contractors	3 618	615	291	2 428	1 706	1 706	-	-	-
Agency and support / outsourced services	125 667	113 873	88 707	120 654	39 792	43 211	68 334	64 462	68 000
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	491	649	218	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	40	-	-	-	-	5 000	5 250	5 555
Inventory: Farming supplies	-	3 199	5 195	-	10 866	10 865	9 000	9 450	9 998
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	3 466	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	85	-	-	11	-	-	100	105	111
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medias inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	1 070	74	1 523	6 794	3 905	3 745	946	994	1 052
Consumable: Stationery, printing and office supplies	156	540	498	222	132	132	283	298	315
Operating leases	31	260	288	33	50	58	200	210	222
Property payments	-	-	-	-	48	48	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	1 413	1 512	843	1 959	1 252	1 099	2 941	3 087	3 266
Training and development	928	630	269	27	504	505	120	126	133
Operating payments	19	49	41	77	133	106	30	32	34
Venues and facilities	47	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	554 514	591 749	709 439	652 614	724 780	724 780	610 329	630 687	668 151
Provinces and municipalities	-	-	1 000	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	1 000	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	1 000	-	-	-	-	-	-
Departmental agencies and accounts	549 893	586 522	702 895	646 819	718 966	718 966	604 227	624 280	661 372
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	549 893	586 522	702 895	646 819	718 966	718 966	604 227	624 280	661 372
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	4 600	5 227	5 540	5 795	5 795	5 795	6 102	6 407	6 779
Households	21	-	4	-	19	19	-	-	-
Social benefits	21	-	4	-	19	19	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	229	578	-	110	110	149	20	21	22
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	206	578	-	110	110	149	20	21	22
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	206	578	-	110	110	149	20	21	22
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	23	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	702 028	725 716	823 924	800 827	795 919	796 190	720 253	739 158	782 921

Table 4.N : Details of payments and estimates by economic classification - Sub-programme: Environmental Empowerment Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	30 917	32 129	29 117	28 462	30 012	31 998	33 733	35 848	37 928
Compensation of employees	17 230	20 548	24 019	20 617	23 304	25 083	23 574	25 177	26 889
Salaries and wages	14 828	17 826	20 873	17 861	19 663	21 618	19 388	20 706	22 114
Social contributions	2 402	2 722	3 146	2 756	3 641	3 465	4 186	4 471	4 775
Goods and services	13 687	11 581	5 098	7 845	6 708	6 915	10 159	10 671	11 039
Administrative fees	-	-	-	67	76	132	70	73	77
Advertising	470	478	9	362	509	513	362	380	402
Assets less than the capitalisation threshold	44	120	33	232	252	300	501	526	557
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	500	525	555
Catering: Departmental activities	485	877	158	405	345	610	950	998	1 056
Communication (G&S)	27	-	332	553	277	299	560	588	622
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Infras and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	-	45	14	66	952	952	66	69	73
Agency and support / outsourced services	7 108	3 751	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	20	-	-	16	-	-	-	1	1
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	23	84	-	-	-	60	63	67
Inventory: Farming supplies	-	1 207	525	-	(23)	(14)	1 900	1 995	2 111
Inventory: Food and food supplies	18	-	-	43	-	-	60	67	71
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	154	11	-	-	-	-
Inventory: Materials and supplies	3	2	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	1	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	740	75	54	1 838	1 255	759	-	-	-
Consumable: Stationery, printing and office supplies	437	353	708	650	236	476	655	688	729
Operating leases	-	6	5	26	18	14	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	49	48	14	-	-	-	120	126	133
Travel and subsistence	2 811	2 818	2 763	2 333	2 187	2 275	2 966	3 114	3 043
Training and development	-	-	-	504	274	174	604	634	671
Operating payments	531	296	371	63	338	275	235	247	261
Venues and facilities	944	1 443	28	533	-	150	550	577	610
Rental and hiring	-	39	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	403	-	6 412	400	524	524	550	473	500
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	400	-	6 387	400	400	400	450	473	500
Households	3	-	25	-	124	124	100	-	-
Social benefits	3	-	25	-	124	124	100	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	34	21	38	220	220	207	40	42	44
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	34	21	38	220	220	207	40	42	44
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	34	21	38	220	220	207	40	42	44
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	31 354	32 150	35 567	29 082	30 756	32 729	34 323	36 363	38 472

Table 4.0 : Details of payments and estimates by economic classification - Sub-programme: Environmental Services Support

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	1 590	1 695	9 171	2 853	4 870	4 660	5 632	5 973	6 319
Compensation of employees	1 201	1 297	2 205	1 572	2 360	2 325	3 241	3 461	3 662
Salaries and wages	1 054	1 161	1 925	1 394	2 029	2 221	2 753	2 940	3 140
Social contributions	147	136	280	178	331	104	488	521	522
Goods and services	389	398	6 966	1 281	2 510	2 335	2 391	2 512	2 657
Administrative fees	-	-	-	-	42	52	-	-	-
Advertising	-	-	53	64	479	455	130	137	145
Assets less than the capitalisation threshold	2	-	3	191	131	74	5	5	5
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	22	-	-	-	-	24	25	26
Communication (G&S)	34	26	14	28	16	58	24	25	26
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	-	-	-	-	24	-	-	-	-
Cons & prof serv: Infras and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	5 530	-	389	388	-	-	-
Contractors	-	-	-	-	-	-	1 500	1 575	1 666
Agency and support / outsourced services	-	-	515	522	730	684	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	104	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	7	7	15	16	17
Consumable: Stationery, printing and office supplies	16	9	-	8	4	2	10	11	12
Operating leases	16	20	15	27	37	31	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	321	321	660	441	633	567	678	713	755
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	-	-	72	-	18	(393)	-	-	-
Venues and facilities	-	-	-	-	-	410	5	5	5
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	-	-	621	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	621	-	-	-	-	-	-
Social benefits	-	-	621	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	28	15	-	-	26	34	1 000	1 050	1 111
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	28	15	-	-	26	34	1 000	1 050	1 111
Transport equipment	-	-	-	-	-	-	1 000	1 050	1 111
Other machinery and equipment	28	15	-	-	26	34	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 618	1 710	9 792	2 853	4 896	4 694	6 632	7 023	7 430

Table 4.P : Payments and estimates by economic classification: EPWP Integrated Grant for Provinces (Prog 7: Environmental Affairs)

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2012/13	2013/14	2014/15	Appropriation	Appropriation 2015/16	Estimate	2016/17	2017/18	2018/19
Current payments	10 708	550	13 120	8 162	9 599	9 599	6 927	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Salaries and wages	-	-	-	-	-	-	-	-	-
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	10 708	550	13 120	8 162	9 599	9 599	6 927	-	-
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Assets less than the capitalisation threshold	-	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication (G&S)	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Infras and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	-	-	-	-
Agency and support / outsourced services	10 708	550	13 120	8 162	9 599	9 599	6 927	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	-	-
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	-	-	-	-	-	-	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	10 708	550	13 120	8 162	9 599	9 599	6 927	-	-

Table 4.R : Summary of transfers to local government

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
A KZN2000 eThekweni	-	-	5 417	-	-	-	-	-	-
Total: Ugu Municipalities	-	3 000	6 300	1 000	1 000	-	6 000	-	-
B KZN211 Vulamehlo	-	-	-	-	-	-	-	-	-
B KZN212 Umdoni	-	-	-	-	-	-	-	-	-
B KZN213 Umzumbe	-	-	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	-	-	-	-	-	-	-	-	-
B KZN215 Ezinqoleni	-	-	-	-	-	-	-	-	-
B KZN216 Hibiscus Coast	-	3 000	6 300	1 000	1 000	-	-	-	-
C DC21 Ugu District Municipality	-	-	-	-	-	-	6 000	-	-
Total: uMgungundlovu Municipalities	-	-	100	-	-	-	-	-	-
B KZN221 uMshwathi	-	-	-	-	-	-	-	-	-
B KZN222 uMngeni	-	-	100	-	-	-	-	-	-
B KZN223 Mpofana	-	-	-	-	-	-	-	-	-
B KZN224 Impendle	-	-	-	-	-	-	-	-	-
B KZN225 Msunduzi	-	-	-	-	-	-	-	-	-
B KZN226 Mkhambathini	-	-	-	-	-	-	-	-	-
B KZN227 Richmond	-	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	4 183	1 943	-	-	-	-	-	-
B KZN232 Ennambithi/Ladysmith	-	-	150	-	-	-	-	-	-
B KZN233 Indaka	-	-	-	-	-	-	-	-	-
B KZN234 Umtshezi	-	-	-	-	-	-	-	-	-
B KZN235 Okhahlamba	-	4 183	1 793	-	-	-	-	-	-
B KZN236 Imbabazane	-	-	-	-	-	-	-	-	-
C DC23 Uthukela District Municipality	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	479	1 495	250	250	250	-	-	-
B KZN241 Endumeni	-	-	-	-	-	-	-	-	-
B KZN242 Nquthu	-	-	-	-	-	-	-	-	-
B KZN244 Msinga	-	-	-	-	-	-	-	-	-
B KZN245 Umvoti	-	-	-	-	-	-	-	-	-
C DC24 Umzinyathi District Municipality	-	479	1 495	250	250	250	-	-	-
Total: Amajuba Municipalities	-	400	300	-	-	-	-	-	-
B KZN252 Newcastle	-	400	300	-	-	-	-	-	-
B KZN253 eMadlangeni	-	-	-	-	-	-	-	-	-
B KZN254 Dannhauser	-	-	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	50	-	-	-	-	-	-
B KZN261 eDumbe	-	-	-	-	-	-	-	-	-
B KZN262 uPhongolo	-	-	-	-	-	-	-	-	-
B KZN263 Abaqulusi	-	-	50	-	-	-	-	-	-
B KZN265 Nongoma	-	-	-	-	-	-	-	-	-
B KZN266 Ulundi	-	-	-	-	-	-	-	-	-
C DC26 Zululand District Municipality	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	981	-	200	-	-	-	-	-	-
B KZN271 Umhlabuyalingana	-	-	200	-	-	-	-	-	-
B KZN272 Jozini	-	-	-	-	-	-	-	-	-
B KZN273 The Big 5 False Bay	-	-	-	-	-	-	-	-	-
B KZN274 Hlabisa	-	-	-	-	-	-	-	-	-
B KZN275 Mtubatuba	-	-	-	-	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	981	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	2 755	400	100	-	-	-	-	-	-
B KZN281 Umfolozi	-	-	-	-	-	-	-	-	-
B KZN282 uMhlathuze	-	400	100	-	-	-	-	-	-
B KZN283 Ntambanana	310	-	-	-	-	-	-	-	-
B KZN284 uMlalazi	-	-	-	-	-	-	-	-	-
B KZN285 Mthonjaneni	2 445	-	-	-	-	-	-	-	-
B KZN286 Nkandla	-	-	-	-	-	-	-	-	-
C DC28 uThungulu District Municipality	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	508	2 514	600	-	-	1 000	-	-	-
B KZN291 Mandeni	508	2 414	600	-	-	-	-	-	-
B KZN292 KwaDukuza	-	-	-	-	-	1 000	-	-	-
B KZN293 Ndwedwe	-	-	-	-	-	-	-	-	-
B KZN294 Maphumulo	-	100	-	-	-	-	-	-	-
C DC29 Ilembe District Municipality	-	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	-	100	500	-	-	-	-	-	-
B KZN431 Ingwe	-	-	-	-	-	-	-	-	-
B KZN432 Kwa Sani	-	-	-	-	-	-	-	-	-
B KZN433 Greater Kokstad	-	100	-	-	-	-	-	-	-
B KZN434 Ubuhlebezwe	-	-	-	-	-	-	-	-	-
B KZN435 Umzimkhulu	-	-	-	-	-	-	-	-	-
C DC43 Harry Gwala District Municipality	-	-	500	-	-	-	-	-	-
Unallocated	-	-	-	1 000	-	-	-	-	-
Total	4 244	11 076	17 005	2 250	1 250	1 250	6 000	-	-

Table 4.S : Financial summary for Dube TradePort Corporation (DTPC)

R thousand	Audited outcome			Revised Estimate 2015/16	Medium-term Estimates		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Revenue							
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	123 169	140 782	90 969	101 052	106 063	115 694	116 960
Sale of goods and services other than capital assets	81 224	100 414	48 652	56 578	69 843	81 157	90 791
Interest, dividends and rent on land	41 945	40 368	42 317	44 474	36 220	34 537	26 169
Transfers received	346 204	466 573	454 559	481 903	384 223	415 167	452 905
DEDETA	346 204	466 573	452 083	477 780	384 223	415 167	452 905
DTI	-	-	2 476	-	-	-	-
Cut-flower	-	-	-	4 123	-	-	-
Sale of capital assets	-	-	(125 683)	-	-	-	-
Total revenue	469 373	607 355	419 845	582 955	490 286	530 861	569 865
Expenses							
Current expense	346 512	402 402	385 249	426 025	427 167	429 611	433 871
Compensation of employees	56 370	63 329	69 229	89 048	91 040	94 875	100 377
Use of goods and services	122 827	138 174	155 986	174 399	210 585	220 486	217 641
Depreciation	167 040	200 863	159 931	162 578	125 542	114 250	115 853
Interest, dividends and rent on land	275	36	103	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-
Total expenses	346 512	402 402	385 249	426 025	427 167	429 611	433 871
Surplus / (Deficit)*	122 861	204 953	34 596	156 930	63 119	101 250	135 994
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	116 213	136 471	283 554	162 578	125 542	114 250	115 853
Adjustments for:							
Depreciation	167 040	200 863	159 931	162 578	125 542	114 250	115 853
Interest	274	7	-	-	-	-	-
Other	(51 101)	(64 399)	123 623	-	-	-	-
Operating surplus / (deficit) before changes in working capital	239 074	341 424	318 150	319 508	188 661	215 500	251 847
Changes in working capital	23 820	(48 353)	20 525	33 681	(8 527)	1 383	1 516
(Decrease) / increase in accounts payable	(19 234)	8 416	(30 318)	33 354	(7 420)	2 410	2 390
Decrease / (increase) in accounts receivable	43 054	(56 456)	50 843	327	(1 107)	(1 027)	(874)
(Decrease) / increase in provisions	-	(313)	-	-	-	-	-
Cash flow from operating activities	262 894	293 071	338 675	353 189	180 134	216 883	253 363
Transfers from government	346 204	466 573	454 559	515 500	384 223	415 167	452 905
Capital	167 040	286 880	285 933	314 883	188 661	215 500	250 647
Current	179 164	179 693	168 626	200 617	195 562	199 667	202 258
Cash flow from investing activities	(370 171)	(528 712)	(153 745)	(314 883)	(188 661)	(215 500)	(250 647)
Acquisition of assets	(368 177)	(570 039)	(153 745)	(314 883)	(188 661)	(215 500)	(250 647)
Non-residential buildings	-	(43)	-	-	-	-	-
Investment property	(145 040)	(475 440)	(52 795)	(218 742)	(29 952)	-	(9 444)
Other structures (Infrastructure assets)	(58)	(7 287)	(3 622)	-	-	-	-
Capital work in progress	(218 085)	(72 467)	(66 759)	(63 636)	(126 291)	(211 801)	(231 878)
Computer equipment	(2 670)	(9 566)	(27 201)	(10 667)	(9 240)	(1 393)	(8 000)
Furniture and office equipment	(1 285)	(512)	(1 452)	-	-	-	-
Other machinery and equipment	(5 039)	(1 484)	(298)	(16 352)	(20 820)	(2 035)	(1 172)
Transport assets	4 177	(2 208)	(670)	-	-	-	-
Computer software	(177)	(1 032)	(948)	(5 486)	(2 358)	(271)	(153)
Other flows from investing activities	(1 994)	41 327	-	-	-	-	-
Cash flow from financing activities	45 949	65 244	463	-	-	-	-
Deferred income	46 104	65 417	-	-	-	-	-
Other	(155)	(173)	463	-	-	-	-
Net increase / (decrease) in cash and cash equivalents	(61 328)	(170 397)	185 393	38 306	(8 527)	1 383	2 716
Balance sheet data							
Carrying value of assets	2 860 280	3 352 727	3 140 867	3 293 169	3 416 289	3 582 539	3 787 332
Land	-	111 000	111 000	111 000	111 000	111 000	111 000
Non-residential buildings	328 467	492 537	352 315	404 684	511 529	705 416	914 744
Investment property	1 424 647	1 772 101	1 811 538	1 987 941	1 974 957	1 932 021	1 898 341
Other Structures (Infrastructure assets)	544 537	529 472	539 190	516 900	494 611	472 322	450 032
Capital work in progress	209 901	143 537	44 513	44 513	110 281	175 282	245 281
Heritage assets	-	7 654	7 654	7 654	7 654	7 654	7 654
Computer equipment	55 188	41 504	63 505	16 830	9 240	7 553	13 035
Furniture and office equipment	32 189	23 704	19 830	16 285	12 740	9 194	5 649
Other machinery and equipment	256 867	222 848	183 592	180 076	179 987	161 011	141 113
Transport assets	7 995	6 809	5 301	1 969	-	-	-
Computer software	159	1 231	2 099	4 987	3 960	756	153
Patents, licences, copyrights, brand names and trademarks	330	330	330	330	330	330	330
Investments	-	1 307	1 307	1 307	1 307	1 307	1 307
Cash and cash equivalents	790 450	621 884	804 769	843 076	774 548	710 932	643 647
Bank	40 206	37 955	35 183	73 490	64 962	66 346	69 061
Cash on hand	25	20	25	25	25	25	25
Other	750 219	583 909	769 561	769 561	709 561	644 561	574 561
Receivables and prepayments	147 537	109 664	52 682	52 356	53 463	54 489	55 364
Trade receivables	8 353	7 413	5 319	4 993	6 100	7 126	8 001
Other receivables	138 859	100 242	45 101	45 101	45 101	45 101	45 101
Prepaid expenses	325	2 009	2 262	2 262	2 262	2 262	2 262
Inventory	151	354	1 465	1 465	1 465	1 465	1 465
Total assets	3 798 418	4 085 936	4 001 090	4 191 373	4 247 072	4 350 732	4 489 115
Capital and reserves	565 091	3 995 079	3 931 073	4 088 003	4 151 122	4 252 372	4 388 366
Accumulated reserves	517 347	565 091	3 995 079	3 931 073	4 088 003	4 151 122	4 252 372
Surplus / (Deficit)	122 861	204 953	34 596	156 930	63 119	101 250	135 994
Other	(75 117)	3 225 035	(98 602)	-	-	-	-
Borrowings**	275	103	565	565	565	565	565
Current	-	-	137	137	137	137	137
1<5 Years	275	103	428	428	428	428	428
Post retirement benefits	-	-	-	-	-	-	-
Trade and other payables	72 401	85 136	60 007	96 206	88 786	91 196	93 585
Trade payables	35 048	43 196	10 485	43 838	36 418	38 828	41 217
Other	37 353	41 940	49 522	52 368	52 368	52 368	52 368
Deferred income	3 157 997	2 632	6 599	6 599	6 599	6 599	6 599
Provisions	2 654	2 986	2 846	-	-	-	-
Funds managed (e.g. Poverty alleviation fund)	-	-	-	-	-	-	-
Contingent liabilities	-	-	-	-	-	-	-
Total equity and liabilities	3 798 418	4 085 936	4 001 090	4 191 373	4 247 072	4 350 732	4 489 115

*Note: The surplus reflected relates to the accounting treatment of capital expenses and other non-cash items.

**Note: DTPC records finance leases as borrowings

Estimates of Provincial Revenue and Expenditure

Table 4.T : Financial summary for Ezemvelo KZN Wildlife

	Audited outcome			Revised Estimate	Medium-term Estimates		
R thousand	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Revenue							
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	186 445	249 378	251 344	262 007	272 959	306 742	324 813
Sale of goods and services other than capital assets	177 951	239 749	241 958	250 284	260 459	295 990	313 330
Admin fees (permits and licences)	1 427	1 336	1 258	1 143	1 522	1 473	1 573
Accommodation fees	107 760	111 261	120 602	139 656	149 521	160 054	170 154
Resale of goods	7 144	7 578	7 962	11 160	8 108	11 555	12 250
Game auction	12 085	18 019	26 396	17 169	14 773	16 197	16 231
Hunting	3 334	1 036	1 888	892	1 134	3 695	3 946
Natural resources	668	722	812	632	1 454	1 666	1 711
Admission income	23 700	27 646	30 947	31 381	35 222	41 317	43 705
Proceeds from sale of moveable assets	-	-	-	3 000	3 500	3 664	3 913
Rental, hire and concessions	4 749	5 140	5 168	4 315	4 866	6 400	6 763
Sundry income	6 667	56 264	34 962	29 782	28 341	34 252	36 595
Trails, rides and tours	10 418	10 748	11 962	11 154	12 018	15 718	16 489
Interest, dividends and rent on land	8 494	9 629	9 386	11 723	12 500	10 752	11 483
Transfers received*	547 334	600 054	669 787	945 071	608 229	628 280	665 372
Departmental transfers	541 399	595 977	663 719	935 446	604 227	624 280	661 372
Gifts, donations and sponsorships	5 935	4 077	6 068	9 625	4 002	4 000	4 000
Total revenue	733 779	849 433	921 132	1 207 078	881 188	935 022	990 185
Expenses							
Current expense	713 106	774 644	806 669	1 024 795	873 103	919 416	977 166
Compensation of employees	508 297	546 407	587 289	632 191	653 026	701 179	752 337
Use of goods and services	203 032	225 804	216 785	390 211	217 355	215 730	222 181
Interest, dividends and rent on land	1 777	2 432	2 594	2 393	2 722	2 507	2 648
Transfers and subsidies	-	-	-	-	-	-	-
Total expenses	713 106	774 644	806 669	1 024 795	873 103	919 416	977 166
Surplus / (Deficit) for budget purposes	20 673	74 789	114 463	182 283	8 085	15 605	13 019
Adjustments for:							
Non-exchange transactions	8 290	15 729	9 996	-	-	-	-
Depreciation	(69 861)	(54 246)	(64 844)	(63 493)	(65 901)	(53 584)	(46 368)
Other non-cash items	116 040	(5 783)	(12 143)	(3 000)	(3 500)	(3 664)	(3 913)
Total expenses	75 142	30 489	47 472	115 790	(61 316)	(41 643)	(37 262)
Surplus / (Deficit) as per AFS**	75 142	30 489	47 472	115 790	(61 316)	(41 643)	(37 262)
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	67 890	37 841	94 084	67 267	69 735	57 393	50 398
Adjustments for:							
Depreciation	69 861	54 246	65 068	63 493	65 901	53 584	46 368
Other (change in deferred income)	(1 971)	(16 405)	29 016	3 774	3 834	3 809	4 030
Operating surplus / (deficit) before changes in working capital	143 032	68 330	141 556	183 057	8 419	15 750	13 136
Changes in working capital	37 297	937	(1 373)	13 558	16 412	17 764	18 014
(Decrease) / increase in accounts payable	14 884	17 671	5 641	7 429	7 498	7 498	7 933
Decrease / (increase) in accounts receivable	12 954	(6 588)	(12 189)	(4 522)	(2 968)	(3 005)	(3 209)
(Decrease) / increase in provisions	9 459	(10 146)	5 175	10 651	11 833	13 271	13 290
Cash flow from operating activities	180 329	69 267	140 183	196 615	24 831	33 514	31 150
Transfers from government	-	-	-	-	-	-	-
Cash flow from investing activities	(22 218)	(40 230)	(55 898)	(186 159)	(2 982)	(11 942)	(9 107)
Acquisition of assets	(22 218)	(41 984)	(57 413)	(189 159)	(6 412)	(15 606)	(13 020)
Land	(116)	(1 182)	(6 399)	(27 686)	-	-	-
Non-residential buildings	-	-	-	(27 227)	(2 626)	(5 385)	(4 295)
Other structures (infrastructure assets)	(110)	(433)	(146)	(70 166)	-	-	-
Capital work in progress	(5 076)	(11 806)	(34 024)	-	-	-	-
Computer equipment	(3 790)	(2 237)	(3 406)	(2 412)	(18)	(1 694)	(1 763)
Furniture and office equipment	(6 340)	(6 088)	(6 461)	(17 344)	(1 103)	(49)	(69)
Other machinery and equipment	(1 539)	(2 035)	(1 765)	(6 189)	(1 699)	(4 908)	(4 560)
Transport assets	(5 247)	(16 681)	(4 185)	(35 275)	(966)	(3 570)	(2 333)
Computer software	-	(1 522)	(1 027)	(2 860)	-	-	-
Other flows from investing activities	-	1 754	1 515	3 000	3 430	3 664	3 913
Cash flow from financing activities	(110 430)	797	3 400	1 984	2 016	2 002	2 119
Net increase / (decrease) in cash and cash equivalents	47 681	29 834	87 685	12 440	23 865	23 574	24 162
Balance sheet data							
Carrying value of assets	653 451	661 875	652 932	775 598	712 610	670 968	633 706
Land	-	-	-	27 686	27 686	27 686	27 686
Non-residential buildings	454 029	461 586	445 027	451 605	433 909	419 768	405 173
Other Structures (infrastructure assets)	112 890	104 339	97 886	182 278	168 607	155 962	144 265
Capital work in progress	8 968	17 101	44 199	20 000	20 000	20 000	20 000
Computer equipment	7 263	6 590	6 559	5 943	3 640	3 584	3 605
Furniture and office equipment	14 345	16 261	17 934	27 296	20 045	14 073	9 909
Other machinery and equipment	3 863	4 591	4 760	8 710	7 685	9 703	10 848
Transport assets	39 595	38 712	24 129	38 862	19 803	10 642	4 103
Computer software	12 498	12 695	12 438	13 218	11 235	9 550	8 117
Investments	-	-	-	-	-	-	-
Cash and cash equivalents	245 880	253 274	340 733	350 266	372 527	395 103	419 266
Bank	56 258	42 727	89 296	53 504	75 766	98 342	122 504
Cash on hand	298	997	1 130	2 959	2 959	2 959	2 959
Other	189 324	209 550	250 307	293 803	293 803	293 803	293 803
Receivables and prepayments	9 828	16 176	24 831	28 499	30 551	32 629	34 847
Trade receivables	13 384	13 504	21 007	22 520	24 141	25 782	27 536
Other receivables	(3 556)	2 087	2 782	4 863	5 213	5 567	5 946
Prepaid expenses	-	585	1 042	1 117	1 197	1 279	1 366
Inventory	8 091	8 331	11 865	12 719	13 635	14 562	15 552
Total assets	917 250	939 656	1 030 361	1 167 082	1 129 324	1 113 262	1 103 371
Capital and reserves	624 153	654 642	702 114	814 997	752 007	710 365	673 103
Accumulated reserves	322 389	397 531	428 020	475 492	588 375	525 385	483 743
Surplus / (Deficit)	75 142	30 489	47 472	112 883	(61 316)	(41 643)	(37 262)
Other	226 622	226 622	226 622	226 622	224 948	226 622	226 622
Borrowings	-	-	-	-	-	-	-
Post retirement benefits	-	-	-	-	-	-	-
Trade and other payables	90 985	108 656	114 297	121 726	129 273	136 771	144 704
Trade payables	75 576	62 345	69 081	73 571	78 133	82 664	87 459
Other	15 409	46 311	45 216	48 155	51 141	54 107	57 245
Deferred income	45 454	29 049	58 065	61 839	65 673	69 482	73 512
Provisions	130 330	120 184	125 360	136 011	147 846	160 117	173 406
Leave pay provision	62 147	54 822	57 319	62 191	67 602	73 213	79 289
Other 1	68 183	65 362	68 041	73 820	80 245	86 904	94 116
Funds managed (e.g. Poverty alleviation fund)	26 328	27 125	30 525	32 509	34 525	36 527	38 646
Contingent liabilities	-	-	-	-	-	-	-
Total equity and liabilities	917 250	939 656	1 030 361	1 167 082	1 129 324	1 113 262	1 103 371

*Note: Some Transfers received do not equal amounts in Table 4.8, as portion thereof is reflected against other items in the statement of financial position. The Revised Estimate for 2015/16 includes funds rolled over from 2014/15.

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

Table 4.U : Financial summary for Ithala Development Finance Corporation (Ithala)

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	814 329	794 871	853 587	928 105	1 109 827	1 309 006	1 534 766
Sale of goods and services other than capital assets	294 324	258 339	233 368	274 064	370 642	483 364	604 683
Admin fees	189 655	154 682	128 755	146 896	199 808	277 244	362 193
Other sales	104 669	103 657	104 613	127 168	170 834	206 119	242 491
Fines penalties and forfeits	-	-	-	-	-	-	-
Interest, dividends and rent on land	520 005	536 532	620 219	654 041	739 185	825 643	930 083
Transfers received*	150 541	306 146	245 600	189 270	140 912	101 866	103 035
Sale of capital assets	(2 335)	2 346	31	1 050	-	-	-
Total revenue	962 535	1 103 363	1 099 218	1 118 425	1 250 739	1 410 872	1 637 801
Expenses							
Current expense	884 399	968 941	974 279	1 002 742	1 121 083	1 267 357	1 405 250
Compensation of employees	338 456	351 956	390 947	390 916	450 628	495 556	540 009
Use of goods and services	334 367	392 126	325 359	325 628	338 966	394 735	435 821
Depreciation	43 187	47 325	48 753	54 506	66 708	76 667	83 150
Interest, dividends and rent on land	168 388	177 534	209 220	231 692	264 780	300 399	346 271
Interest	61 245	64 091	84 911	93 316	114 985	137 681	169 476
Rent on land	107 143	113 443	124 309	138 376	149 795	162 718	176 795
Transfers and subsidies	-	-	-	-	-	-	-
Total expenses	884 399	968 941	974 279	1 002 742	1 121 083	1 267 357	1 405 250
Surplus / (Deficit)**	78 136	134 423	124 939	115 683	129 656	143 515	232 551
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	156 581	44 601	17 241	527 945	288 005	414 792	362 147
Adjustments for:							
Depreciation	43 187	47 325	48 753	54 506	66 708	76 667	83 150
Interest	57 449	61 557	82 011	93 316	114 985	137 681	169 476
Net (profit) / loss on disposal of fixed assets	(3 873)	-	7 191	-	-	-	-
Other	59 818	(64 281)	(120 714)	380 123	106 312	200 444	109 521
Operating surplus / (deficit) before changes in working capital	234 717	179 024	142 180	643 629	417 661	558 308	594 698
Changes in working capital	(7 339)	(257 757)	8 511	22 725	(12 412)	(18 043)	(16 722)
(Decrease) / increase in accounts payable	13 593	(257 757)	(34 369)	22 725	(12 412)	(18 043)	(16 722)
Decrease / (increase) in accounts receivable	(20 932)	-	42 880	-	-	-	-
Cash flow from operating activities	227 378	(78 733)	150 691	666 354	405 250	540 265	577 976
Transfers from government	-	290 000	188 000	215 400	136 600	135 298	118 915
Of which:							
Capital	-	-	-	30 000	15 000	15 000	-
Current	-	290 000	188 000	185 400	121 600	120 298	118 915
Cash flow from investing activities	(75 393)	(103 267)	(187 231)	(189 405)	(220 420)	(176 993)	(155 776)
Acquisition of assets	(75 393)	(103 267)	(187 231)	(189 405)	(220 420)	(176 993)	(155 776)
Investment property	(40 255)	(45 774)	(169 819)	(139 850)	(135 160)	(98 050)	(111 650)
Other machinery and equipment	(35 138)	(57 493)	(17 412)	(49 555)	(85 260)	(78 943)	(44 126)
Other flows from investing activities	-	-	-	-	-	-	-
Cash flow from financing activities	40 177	298 422	(70 235)	(163 884)	(170 732)	38 102	43 053
Deferred income	57 488	306 146	(54 293)	(189 270)	(140 912)	(101 866)	(103 035)
Borrowing activities	(28 606)	(7 724)	(15 942)	25 386	(29 820)	139 968	146 088
Other	11 295	-	-	-	-	-	-
Net increase / (decrease) in cash and cash equivalents	192 162	406 422	81 225	528 464	150 698	536 671	584 168
Balance sheet data							
Carrying value of assets	974 016	1 024 860	1 176 625	1 302 346	1 456 057	1 556 383	1 629 009
Investment property	779 608	802 179	960 470	887 523	955 974	977 357	1 005 857
Furniture and office equipment	179 193	190 831	177 410	240 386	325 646	404 589	448 715
Computer software	14 978	31 604	38 446	174 191	174 191	174 191	174 191
Other intangibles	237	246	299	246	246	246	246
Investments	16 141	14 946	18 308	20 357	20 357	20 357	20 357
Cash and cash equivalents	1 902 163	1 102 307	1 189 821	1 716 591	1 867 289	2 403 960	2 988 128
Bank	1 642 002	901 367	1 037 328	1 716 591	1 867 289	2 403 960	2 988 128
Cash on hand	42 124	54 735	-	-	-	-	-
Other	218 037	146 205	152 493	-	-	-	-
Receivables and prepayments	1 899 427	2 368 210	2 327 226	2 471 444	2 848 954	3 156 872	3 514 708
Trade receivables	195 390	80 203	110 761	146 382	158 794	176 837	193 558
Other receivables	1 704 037	2 288 007	2 216 465	2 325 062	2 690 160	2 980 035	3 321 149
Inventory	23 505	24 212	6 555	6 554	6 554	6 554	6 554
Total assets	4 815 252	4 534 535	4 718 535	5 517 292	6 199 210	7 144 126	8 158 756
Capital and reserves	1 887 920	2 022 343	2 147 282	2 263 016	2 392 672	2 536 188	2 768 738
Share capital and premium	1 008 582	1 008 582	1 008 582	1 008 582	1 008 582	1 008 582	1 008 582
Accumulated reserves	801 202	879 338	1 013 761	1 138 751	1 254 434	1 384 090	1 527 606
Surplus / (Deficit)	78 136	134 423	124 939	115 683	129 656	143 515	232 551
Borrowings	101 355	93 631	77 689	110 259	89 850	244 673	417 201
Post retirement benefits	73 989	77 001	83 776	83 776	83 776	83 776	83 776
Present value of funded obligations	83 292	90 355	97 130	97 130	97 130	97 130	97 130
Unrecognised transitional liabilities	(9 303)	(13 354)	(13 354)	(13 354)	(13 354)	(13 354)	(13 354)
Trade and other payables	1 876 687	2 106 741	2 767 507	2 874 344	3 451 327	4 064 472	4 658 144
Trade payables	100 778	133 314	160 020	169 903	169 903	169 903	169 903
Other	1 775 909	1 973 427	2 607 487	2 704 441	3 281 424	3 894 569	4 488 241
Deferred income	799 846	156 432	102 139	128 269	123 957	157 389	173 269
Provisions	75 455	78 324	36 524	57 628	57 628	57 628	57 628
Leave pay provision	26 900	30 041	30 551	30 041	30 041	30 041	30 041
Landfill restoration	48 555	48 283	5 973	5 973	5 973	5 973	5 973
Long service awards	-	-	-	21 614	21 614	21 614	21 614
Funds managed (e.g. Poverty alleviation fund)	-	-	-	-	-	-	-
Contingent liabilities	-	63	(496 382)	-	-	-	-
Total equity and liabilities	4 815 252	4 534 535	4 718 535	5 517 292	6 199 210	7 144 126	8 158 756

*Note: Some amounts reflected as Transfers received do not equal the amounts reflected table 4.8, as a portion of the transfers is reflected against other items in the financial position.

**Note: The surplus relates to the accounting treatment of capital expenses in terms of IAS20.

Table 4.V : Financial summary for KwaZulu-Natal Liquor Authority (KZNLA)

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	-	419	17	18	19	20	21
Other non-tax revenue	-	419	17	18	19	20	21
Transfers received	55 699	43 920	77 282	70 008	73 753	75 990	80 189
Sale of capital assets	-	-	-	-	-	-	-
Total revenue	55 699	44 339	77 299	70 026	73 772	76 010	80 210
Expenses							
Current expense	35 370	63 988	65 212	68 473	73 772	76 010	80 210
Compensation of employees	9 309	28 154	34 065	35 768	37 558	39 436	41 409
Use of goods and services	25 386	33 306	28 563	29 991	33 366	33 584	35 662
Depreciation	666	2 520	2 560	2 688	2 822	2 963	3 111
Interest, dividends and rent on land	9	8	24	25	26	27	28
Interest	9	8	24	25	26	27	28
Transfers and subsidies	5 005	5 017	26 433	-	-	-	-
Total expenses	40 375	69 005	91 645	68 473	73 772	76 010	80 210
Surplus / (Deficit)	15 324	(24 666)	(14 346)	1 553	-	-	-
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	675	2 544	2 560	2 688	2 822	2 964	3 112
Adjustments for:							
Depreciation	666	2 520	2 560	2 688	2 822	2 964	3 112
Interest	9	-	-	-	-	-	-
Net (profit) / loss on disposal of fixed assets	-	24	-	-	-	-	-
Operating surplus / (deficit) before changes in working capital	15 999	(22 122)	(11 786)	4 241	2 822	2 964	3 112
Changes in working capital	-	-	-	-	-	-	-
(Decrease) / increase in accounts payable	-	-	-	-	-	-	-
Decrease / (increase) in accounts receivable	-	-	-	-	-	-	-
(Decrease) / increase in provisions	-	-	-	-	-	-	-
Cash flow from operating activities	15 999	(22 122)	(11 786)	4 241	2 822	2 964	3 112
Transfers from government	55 972	44 314	77 282	70 008	73 753	75 990	80 189
Capital	273	394	-	-	-	-	-
Current	55 699	43 920	77 282	70 008	73 753	75 990	80 189
Cash flow from investing activities	6 267	1 340	1 626	-	1 707	-	1 792
Acquisition of assets	6 267	1 340	1 626	-	1 707	-	1 792
Biological assets	-	-	104	-	109	-	114
Computer equipment	1 995	26	-	-	-	-	-
Furniture and office equipment	2 228	203	251	-	264	-	277
Other machinery and equipment	449	677	8	-	8	-	8
Computer software	1 433	394	1 000	-	1 050	-	1 103
Other Intangibles	162	40	263	-	276	-	290
Other flows from investing activities	-	-	-	-	-	-	-
Cash flow from financing activities	-	-	-	-	-	-	-
Net increase / (decrease) in cash and cash equivalents	22 266	(20 782)	(10 160)	4 241	4 529	2 964	4 904
Balance sheet data							
Carrying value of assets	5 643	4 399	3 400	1 255	3 748	3 935	4 133
Computer equipment	1 706	895	241	253	266	279	293
Furniture and office equipment	2 130	1 916	1 733	-	1 911	2 006	2 107
Other machinery and equipment	470	354	236	-	260	273	287
Transport assets	-	315	236	-	260	273	287
Computer software	1 199	845	691	726	762	800	840
Other intangibles	138	74	263	276	289	304	319
Investments	-	-	-	-	-	-	-
Cash and cash equivalents	19 628	419	13 472	14 146	14 853	15 596	16 376
Other	19 628	419	13 472	14 146	14 853	15 596	16 376
Receivables and prepayments	112	143	538	565	596	626	657
Other receivables	44	67	85	89	97	102	107
Prepaid expenses	68	76	453	476	499	524	550
Inventory	-	-	-	-	-	-	-
Total assets	25 383	4 961	17 410	15 965	19 197	20 157	21 166
Capital and reserves	15 324	(9 342)	(23 688)	(22 135)	12 589	12 589	12 589
Accumulated reserves	-	15 324	(9 342)	(23 688)	12 589	12 589	12 589
Surplus / (Deficit)	15 324	(24 666)	(14 346)	1 553	-	-	-
Borrowings	88	88	92	97	101	106	111
1<5 Years	88	88	92	97	101	106	111
Post retirement benefits	-	-	-	-	-	-	-
Trade and other payables	15 943	3 386	4 369	4 587	4 817	5 687	6 602
Trade payables	3 086	2 064	1 528	1 604	1 685	1 769	1 858
Other	12 857	1 322	2 841	2 983	3 132	3 918	4 744
Deferred income	-	-	-	-	-	-	-
Provisions	1 444	-	1 533	1 610	1 690	1 775	1 864
Other 1	1 444	-	1 533	1 610	1 690	1 775	1 864
Funds managed (e.g. Poverty alleviation fund)	-	-	-	-	-	-	-
Contingent liabilities	63	2	-	-	-	-	-
Total equity and liabilities	32 862	(5 866)	(17 694)	(15 842)	19 197	20 157	21 166

Table 4.W : Financial summary for KZN Tourism Authority (TKZN)

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	10 434	18 695	25 413	5 359	3 042	3 144	3 301
Sale of goods and services other than capital assets	10 358	18 228	23 572	3 933	2 804	2 894	3 039
Interest, dividends and rent on land	76	467	1 841	1 426	238	250	262
Transfers received*	118 292	82 212	98 999	116 445	101 846	116 980	124 017
Sale of capital assets	-	-	-	-	-	-	-
Total revenue	128 726	100 907	124 412	121 804	104 888	120 124	127 318
Expenses							
Current expense	127 375	99 814	126 540	121 804	104 888	120 124	127 318
Compensation of employees	27 635	28 388	34 626	39 391	41 676	43 759	45 947
Use of goods and services	99 104	67 491	91 202	81 777	62 541	75 660	80 631
Depreciation	636	785	712	636	671	705	740
Interest, dividends and rent on land	-	3 150	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-
Total expenses	127 375	99 814	126 540	121 804	104 888	120 124	127 318
Surplus / (Deficit)	1 351	1 093	(2 128)	-	-	-	-
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	712	1 252	2 554	785	828	870	913
Adjustments for:							
Depreciation	636	785	713	636	671	705	740
Interest	76	467	1 841	149	157	165	173
Operating surplus / (deficit) before changes in working capital	2 063	2 345	426	785	828	870	913
Changes in working capital	15 386	(13 163)	(7 536)	(18 856)	(19 912)	(20 908)	19 862
(Decrease) / increase in accounts payable	(17 010)	(12 876)	(10 776)	11 506	12 150	12 758	(12 120)
Decrease / (increase) in accounts receivable	31 655	(287)	3 240	(30 077)	(31 761)	(33 349)	31 682
(Decrease) / increase in provisions	741	-	-	(285)	(301)	(316)	300
Cash flow from operating activities	17 449	(10 818)	(7 110)	(18 071)	(19 084)	(20 038)	20 775
Transfers from government	118 292	82 212	98 999	110 150	101 846	116 980	124 017
Cash flow from investing activities	179	379	1 087	157	3 500	1 750	1 838
Acquisition of assets	179	379	1 087	157	3 500	1 750	1 838
Computer equipment	158	371	793	139	1 500	750	788
Furniture and office equipment	20	8	177	18	2 000	1 000	1 050
Other machinery and equipment	1	-	-	-	-	-	-
Computer software	-	-	117	-	-	-	-
Other flows from investing activities	-	-	-	-	-	-	-
Cash flow from financing activities	-	-	-	-	-	-	-
Net increase / (decrease) in cash and cash equivalents	17 628	(10 439)	(6 023)	(17 914)	(15 584)	(18 288)	22 613
Balance sheet data							
Carrying value of assets	2 228	2 116	2 497	451	1 267	1 331	1 408
Computer equipment	457	838	1 220	451	1 267	1 331	1 408
Furniture and office equipment	555	259	343	-	-	-	-
Other machinery and equipment	384	186	62	-	-	-	-
Computer software	832	833	872	-	-	-	-
Investments	-	-	-	-	-	-	-
Cash and cash equivalents	28 789	17 082	569	5	5	6	6
Bank	28 546	16 161	406	-	-	-	-
Cash on hand	10	8	5	5	5	6	6
Other	233	913	158	-	-	-	-
Receivables and prepayments	2 108	2 395	11 628	4 507	4 755	4 993	5 242
Trade receivables	1 148	228	1 818	1 664	1 756	1 843	1 935
Other receivables	960	2 167	1 422	2 843	2 999	3 149	3 307
Prepaid expenses	-	-	8 388	-	-	-	-
Inventory	-	-	-	-	-	-	-
Total assets	33 125	21 593	14 694	4 963	6 027	6 329	6 656
Capital and reserves	2 530	3 874	1 746	2 530	1 746	1 746	1 746
Accumulated reserves	1 179	2 781	3 874	2 530	1 746	1 746	1 746
Surplus / (Deficit)	1 351	1 093	(2 128)	-	-	-	-
Borrowings	-	-	-	-	-	-	-
Post retirement benefits	-	-	-	-	-	-	-
Trade and other payables	28 365	17 719	12 948	-	1 524	1 666	1 694
Deferred income	-	-	-	-	-	-	-
Provisions	2 230	-	-	2 433	2 757	2 917	3 216
Funds managed (e.g. Poverty alleviation fund)	-	-	-	-	-	-	-
Contingent liabilities	-	-	-	-	-	-	-
Total equity and liabilities	33 125	21 593	14 694	4 963	6 027	6 329	6 656

*Note: Some Transfers received do not equal amounts in Table 4.8, as portion of the transfer is reflected against other items in the statement of financial position.

Table 4.X : Financial summary for KwaZulu-Natal Sharks Board (KZNSB)

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	25 073	29 671	31 025	28 609	30 095	30 784	32 564
Sale of goods and services other than capital assets	23 824	27 743	29 461	27 623	29 495	30 145	31 893
Interest, dividends and rent on land	1 249	1 891	1 551	986	600	639	671
Other non-tax revenue	-	37	13	-	-	-	-
Transfers received	55 372	59 985	57 109	63 178	69 175	66 079	69 597
Sale of capital assets	-	-	-	-	-	-	-
Total revenue	80 445	89 656	88 134	91 787	99 270	96 863	102 161
Expenses							
Current expense	63 199	93 048	90 815	91 787	99 270	96 863	102 161
Compensation of employees	40 101	47 989	55 696	58 946	63 620	67 340	71 102
Use of goods and services	17 753	38 754	28 230	32 841	35 650	29 523	31 059
Depreciation	5 345	6 376	6 790	-	-	-	-
Interest, dividends and rent on land	-	53	60	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-
Total expenses	63 199	93 048	90 815	91 787	99 270	96 863	102 161
Surplus / (Deficit)	17 246	(3 392)	(2 681)	-	-	-	-
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	5 345	6 466	6 863	5 271	4 647	4 647	4 647
Adjustments for:							
Depreciation	5 345	6 376	6 790	5 243	4 647	4 647	4 647
Interest	-	53	60	28	-	-	-
Net (profit) / loss on disposal of fixed assets	-	37	13	-	-	-	-
Operating surplus / (deficit) before changes in working capital	22 591	3 074	4 182	5 271	4 647	4 647	4 647
Changes in working capital	397	(1 893)	(2 147)	(553)	108	113	119
(Decrease) / increase in accounts payable	345	(529)	(20)	(730)	(158)	(166)	(174)
Decrease / (increase) in accounts receivable	(46)	(1 488)	(2 166)	(420)	(363)	(381)	(400)
(Decrease) / increase in provisions	98	124	39	597	629	660	693
Cash flow from operating activities	22 988	1 181	2 035	4 718	4 755	4 760	4 766
Transfers from government	68 871	84 579	93 495	100 646	69 175	66 079	69 597
Capital	13 500	35 095	36 386	37 468	-	-	-
Current	55 371	49 484	57 109	63 178	69 175	66 079	69 597
Cash flow from investing activities	(15 825)	(19 207)	(5 868)	(14 925)	(4 909)	(1 234)	(1 090)
Acquisition of assets	(15 825)	(19 207)	(5 868)	(14 925)	(4 909)	(1 234)	(1 090)
Dwellings	(3 850)	(10 267)	(2 887)	(3 409)	(181)	(190)	(200)
Non-residential buildings	(6 105)	-	-	-	-	-	-
Capital work in progress	(2 500)	-	-	-	-	-	-
Computer equipment	(445)	-	-	(272)	(1 402)	-	-
Furniture and office equipment	-	(37)	(752)	(331)	(165)	(173)	(182)
Other machinery and equipment	(128)	(4 914)	(1 793)	(6 134)	(503)	(378)	(191)
Specialised military assets	-	-	-	-	-	-	-
Transport assets	(2 732)	(3 800)	(281)	(4 779)	(2 659)	(493)	(518)
Patents, licences, copyrights, brand names and trademarks	(65)	-	-	-	-	-	-
Other intangibles	-	(189)	(155)	-	-	-	-
Other flows from investing activities	-	-	-	-	-	-	-
Cash flow from financing activities	-	-	-	-	-	-	-
Net increase / (decrease) in cash and cash equivalents	7 163	(18 026)	(3 833)	(10 207)	(154)	3 526	3 676
Balance sheet data							
Carrying value of assets	59 438	72 509	70 710	77 280	62 109	64 567	67 795
Dwellings	42 127	48 862	47 962	53 782	45 922	47 570	49 948
Investment property	4 788	5 000	4 890	4 890	5 750	6 038	6 340
Computer equipment	762	-	-	-	-	-	-
Furniture and office equipment	576	559	919	627	-	-	-
Other machinery and equipment	2 847	7 586	7 732	8 682	6 125	6 431	6 753
Transport assets	7 956	10 112	8 768	8 778	4 312	4 528	4 754
Computer software	382	-	-	-	-	-	-
Other intangibles	-	390	439	521	-	-	-
Investments	46 199	36 939	36 892	29 246	8 000	8 000	8 000
Cash and cash equivalents	962	1 743	576	1 885	3 489	3 941	4 138
Bank	948	1 728	561	1 857	3 489	3 941	4 138
Cash on hand	14	15	15	28	-	-	-
Receivables and prepayments	2 395	3 724	6 257	5 731	5 541	5 541	5 818
Trade receivables	1 467	2 955	5 121	5 541	5 351	5 351	5 420
Other receivables	238	337	337	-	-	-	-
Prepaid expenses	690	432	799	190	190	190	398
Inventory	1 247	2 026	2 389	2 068	1 733	1 820	1 911
Total assets	110 241	116 941	116 824	116 210	80 872	83 869	87 662
Capital and reserves	96 809	103 917	101 236	101 236	67 780	67 780	70 250
Accumulated reserves	79 563	107 309	103 917	101 236	67 780	67 780	70 250
Surplus / (Deficit)	17 246	(3 392)	(2 681)	-	-	-	-
Borrowings	-	-	-	-	-	-	-
Post retirement benefits	6 062	5 366	7 963	7 963	6 398	6 718	7 054
Trade and other payables	4 724	4 105	3 682	3 068	3 221	4 151	4 359
Deferred income	-	-	-	-	-	-	-
Provisions	2 646	3 553	3 943	3 943	3 473	5 220	5 999
Funds managed (e.g. Poverty alleviation fund)	-	-	-	-	-	-	-
Contingent liabilities	-	-	-	-	-	-	-
Total equity and liabilities	110 241	116 941	116 824	116 210	80 872	83 869	87 662

Table 4.Y : Financial summary for Richards Bay Industrial Development Zone (RBIDZ)

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	7 986	9 549	10 626	9 743	4 671	5 128	5 597
Sale of goods and services other than capital assets	89	161	164	110	121	133	138
Other non-tax revenue	7 898	9 388	10 462	9 633	4 550	4 995	5 459
Transfers received*	122 460	121 956	216 377	303 513	126 370	127 605	129 530
DEDTEA	31 080	29 761	40 120	198 947	126 370	127 605	129 530
DTI	91 380	92 195	176 257	104 566	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Total revenue	130 446	131 504	227 003	313 256	131 041	132 733	135 127
Expenses							
Current expense	39 066	39 309	50 745	65 694	93 401	107 954	121 588
Compensation of employees	19 902	18 011	24 170	32 176	44 305	53 948	62 182
Use of goods and services	19 164	21 299	26 575	33 518	49 096	54 006	59 406
Capital payments	91 380	92 195	176 257	247 562	37 640	24 779	13 539
Transfers and subsidies	-	-	-	-	-	-	-
Total expenses	130 446	131 504	227 003	313 256	131 041	132 733	135 127
Surplus / (Deficit)	-	-	-	-	-	-	-
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	(7 119)	(10 139)	(10 238)	(5 758)	(598)	(598)	(621)
Adjustments for:							
Depreciation	3	2	2	2	2	2	3
Interest	(7 898)	(9 388)	(10 240)	(5 760)	(600)	(600)	(624)
Other	776	(753)	-	-	-	-	-
Operating surplus / (deficit) before changes in working capital	(7 119)	(10 139)	(10 238)	(5 758)	(598)	(598)	(621)
Changes in working capital	15 212	(645)	(15 946)	70 394	(4 749)	(298)	1 717
(Decrease) / increase in accounts payable	15 525	(813)	(1 149)	(4 845)	(1 515)	(1 060)	(247)
Decrease / (increase) in accounts receivable	(313)	168	(14 796)	72 948	739	(440)	-
(Decrease) / increase in provisions	-	-	-	2 290	(3 973)	1 202	1 965
Cash flow from operating activities	8 093	(10 784)	(26 184)	64 636	(5 347)	(896)	1 096
Transfers from government	244 636	55 164	220 088	375 933	126 370	127 605	129 530
Of which:							
Capital	182 018	30 000	151 918	176 986	-	-	-
Current (DEDTEA)	62 618	25 164	68 170	198 947	126 370	127 605	129 530
Cash flow from investing activities	(83 483)	(82 808)	(166 017)	(141 252)	(414 397)	(399 397)	622
Acquisition of assets	(91 380)	(92 195)	(176 257)	(147 012)	(414 997)	(399 997)	(2)
Land	-	-	-	(147 000)	(415 000)	(400 000)	-
Capital work in progress	(91 380)	(92 195)	(176 257)	(12)	3	3	(2)
Other flows from investing activities	7 898	9 387	10 240	5 760	600	600	624
Cash flow from financing activities	187 651	159 821	84 564	(29 581)	392 269	361 621	(50 727)
Deferred income	187 651	159 821	84 559	(29 581)	392 269	361 621	(50 727)
Other	-	-	5	-	-	-	-
Net increase / (decrease) in cash and cash equivalents	112 261	66 229	(107 637)	(106 197)	(27 475)	(38 672)	(49 009)
Balance sheet data							
Carrying value of assets	17	8	6	147 016	235 011	267 006	267 005
Land	-	-	-	147 000	235 000	267 000	267 000
Furniture and office equipment	17	8	6	16	11	6	5
Investments	-	-	-	-	-	-	-
Cash and cash equivalents	394 947	461 176	353 539	247 342	219 867	181 195	132 186
Receivables and prepayments	60 135	59 207	73 888	88 940	201	641	641
Trade receivables	-	-	-	-	-	440	440
Other receivables	60 135	59 207	73 888	88 940	201	201	201
Inventory	-	-	-	-	-	-	-
Total assets	455 098	520 391	427 433	483 298	455 079	448 842	399 832
Capital and reserves	151 966	151 205	150 817	150 817	150 817	150 817	150 817
Share capital and premium	151 201	151 201	151 201	151 201	151 201	151 201	151 201
Accumulated reserves	765	4	(384)	(384)	(384)	(384)	(384)
Borrowings	-	-	-	-	-	-	-
Post retirement benefits	-	-	-	-	-	-	-
Trade and other payables	13 411	13 696	10 171	5 327	3 812	2 752	2 505
Trade payables	2 412	4 206	9 893	5 049	3 534	2 474	2 226
Other	10 999	9 491	278	278	278	278	278
Deferred income	279 946	347 572	255 874	314 293	291 562	285 182	234 456
Provisions	9 775	7 917	10 571	12 861	8 888	10 090	12 055
Leave pay provision	9 775	7 917	3 739	4 608	3 431	3 693	4 647
Other 1	-	-	6 832	8 253	5 457	6 397	7 408
Funds managed (e.g. Poverty alleviation fund)	-	-	-	-	-	-	-
Contingent liabilities	-	-	-	-	-	-	-
Total equity and liabilities	455 098	520 391	427 433	483 298	455 079	448 842	399 832

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

Table 4.Z : Financial summary for Trade and Investment KwaZulu-Natal (TIK)

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	96	249	79	123	260	275	290
Sale of goods and services other than capital assets	-	-	14	-	10	15	20
Interest, dividends and rent on land	70	146	65	123	250	260	270
Other non-tax revenue	26	103	-	-	-	-	-
Transfers received*	66 053	80 207	77 342	82 207	106 643	110 049	116 840
Sale of capital assets	-	-	-	-	-	-	-
Total revenue	66 149	80 456	77 421	82 330	106 903	110 324	117 130
Expenses							
Current expense	67 015	76 969	76 327	82 330	106 903	110 324	117 130
Compensation of employees	27 788	32 540	36 009	38 254	40 998	43 458	46 065
Use of goods and services	38 255	43 313	39 594	43 053	64 930	65 916	70 115
Depreciation	906	978	651	900	840	800	750
Interest, dividends and rent on land	66	138	74	123	135	150	200
Transfers and subsidies	-	-	-	-	-	-	-
Total expenses	67 015	76 969	76 327	82 330	106 903	110 324	117 130
Surplus / (Deficit)	(866)	3 487	1 094	-	-	-	-
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	1 044	978	651	963	1 059	1 100	1 020
Adjustments for:							
Depreciation	906	978	651	880	968	980	900
Interest	66	-	-	83	91	120	120
Other	72	-	-	-	-	-	-
Operating surplus / (deficit) before changes in working capital	178	4 465	1 744	963	1 059	1 100	1 020
Changes in working capital	(2 082)	(989)	303	(950)	(1 020)	(1 070)	(1 178)
(Decrease) / increase in accounts payable	(2 350)	(791)	907	(850)	(900)	(980)	(1 078)
Decrease / (increase) in accounts receivable	268	(198)	(604)	(100)	(120)	(90)	(100)
Cash flow from operating activities	(1 904)	3 476	2 048	13	39	30	(158)
Transfers from government	66 053	80 207	77 342	82 207	109 095	112 541	119 347
Capital	759	797	837	882	930	979	1 038
Current	65 294	79 410	76 505	81 325	108 165	111 562	118 309
Cash flow from investing activities	(871)	(627)	(493)	(315)	(360)	(430)	(440)
Acquisition of assets	(871)	(649)	(493)	(315)	(360)	(430)	(440)
Computer equipment	-	(486)	(309)	(150)	(80)	(200)	(150)
Furniture and office equipment	(210)	(37)	(124)	(120)	(200)	(80)	(90)
Other machinery and equipment	(661)	(126)	(60)	(45)	(80)	(150)	(200)
Other flows from investing activities	-	22	-	-	-	-	-
Cash flow from financing activities	22	(4 696)	(46)	(150)	(187)	(170)	(170)
Borrowing activities	22	(196)	(46)	(150)	(187)	(170)	(170)
Other	-	(4 500)	-	-	-	-	-
Net increase / (decrease) in cash and cash equivalents	(2 753)	(1 847)	1 509	(452)	(508)	(570)	(768)
Balance sheet data							
Carrying value of assets	1 427	1 098	940	1 402	1 473	2 060	1 850
Computer equipment	275	514	512	547	574	650	700
Furniture and office equipment	513	156	216	485	510	600	650
Other machinery and equipment	-	286	212	280	294	360	400
Computer software	639	142	-	90	95	450	100
Investments	-	-	-	-	-	-	-
Cash and cash equivalents	13 460	11 612	17 036	8 800	9 200	10 200	8 000
Bank	13 457	11 609	17 033	8 800	9 200	10 200	8 000
Cash on hand	3	3	3	-	-	-	-
Receivables and prepayments	520	718	1 292	663	665	801	500
Trade receivables	6	60	69	53	69	76	80
Other receivables	43	37	454	40	41	45	50
Prepaid expenses	431	574	722	520	490	590	300
Accrued income	40	47	47	50	65	90	70
Inventory	-	-	-	-	-	-	-
Total assets	15 407	13 428	19 269	10 865	11 338	13 061	10 350
Capital and reserves	4 405	4 912	4 509	2 500	2 500	2 500	2 500
Accumulated reserves	5 271	1 425	3 415	2 500	2 500	2 500	2 500
Surplus / (Deficit)	(866)	3 487	1 094	-	-	-	-
Borrowings	299	216	102	340	280	220	200
Current	58	170	102	100	80	60	55
1<5 Years	241	46	-	240	200	160	145
Post retirement benefits	-	-	-	-	-	-	-
Trade and other payables	7 486	6 583	7 558	6 908	7 598	8 358	6 475
Trade payables	4 043	1 889	302	2 178	2 395	2 635	1 890
Accrued interest	3 443	4 694	7 256	4 730	5 203	5 723	4 585
Deferred income	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-
Funds managed (e.g. Poverty alleviation fund)	-	-	-	-	-	-	-
Contingent liabilities	3 217	1 717	7 099	1 117	960	1 983	1 175
Total equity and liabilities	15 407	13 428	19 269	10 865	11 338	13 061	10 350

*Note: Some Transfers received do not equal amounts in Table 4.8, as portion of the transfer is reflected against other items in the statement of financial position.

Table 4.AA : Financial summary for KwaZulu-Natal Film Commission (KZNFC)

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	-	-	228	-	-	-	-
Sale of goods and services other than capital assets	-	-	-	-	-	-	-
Interest, dividends and rent on land	-	-	228	-	-	-	-
Transfers received	-	6 059	58 559	63 180	68 211	71 843	76 267
Sale of capital assets	-	-	-	-	-	-	-
Total revenue	-	6 059	58 788	63 180	68 211	71 843	76 267
Expenses							
Current expense	-	4 182	39 381	63 179	68 211	71 843	76 267
Compensation of employees	-	1 199	6 644	16 541	20 014	21 375	22 828
Use of goods and services	-	2 755	31 644	45 042	46 642	50 158	53 125
Depreciation	-	228	1 034	1 596	1 555	310	313
Interest, dividends and rent on land	-	-	60	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-
Total expenses	-	4 182	39 381	63 179	68 211	71 843	76 267
Surplus / (Deficit)	-	1 877	19 407	-	-	-	-
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	-	228	1 094	1 596	1 555	542	493
Adjustments for:							
Depreciation	-	228	1 034	1 596	1 555	542	493
Interest	-	-	60	-	-	-	-
Operating surplus / (deficit) before changes in working capital	-	2 105	20 501	1 596	1 555	542	493
Changes in working capital	-	1 072	(2 705)	46	(600)	(522)	(272)
(Decrease) / increase in accounts payable	-	853	(3 541)	(224)	(230)	(243)	(258)
Decrease / (increase) in accounts receivable	-	219	836	270	(370)	(279)	(14)
Cash flow from operating activities	-	3 177	17 796	1 642	955	20	221
Transfers from government	-	6 059	58 559	64 660	68 211	71 843	76 267
Capital	-	2 090	2 688	504	569	18	-
Current	-	3 969	55 871	64 156	67 642	71 825	76 267
Cash flow from investing activities	-	(1 958)	(2 222)	(504)	(569)	(18)	-
Acquisition of assets	-	(1 958)	(2 222)	(504)	(569)	(18)	-
Computer equipment	-	(1 171)	(1 296)	(150)	(118)	(18)	-
Furniture and office equipment	-	(341)	(225)	(304)	(256)	-	-
Computer software	-	(447)	(701)	(50)	(195)	-	-
Other flows from investing activities	-	-	-	-	-	-	-
Cash flow from financing activities	-	-	-	-	-	-	-
Net increase / (decrease) in cash and cash equivalents	-	1 219	15 574	1 138	386	2	221
Balance sheet data							
Carrying value of assets	-	1 730	3 377	2 995	1 932	1 435	1 122
Computer equipment	-	1 031	1 695	1 795	1 131	891	745
Furniture and office equipment	-	312	845	633	273	116	21
Computer software	-	387	836	567	528	429	356
Investments	-	-	-	-	-	-	-
Cash and cash equivalents	-	1 815	21 628	11 501	9 625	7 502	7 201
Bank	-	1 815	21 627	11 501	9 625	7 502	7 201
Cash on hand	-	-	1	-	-	-	-
Receivables and prepayments	-	219	1 055	1 323	953	674	660
Other receivables	-	-	1	-	-	-	-
Prepaid expenses	-	219	1 053	1 323	953	674	660
Inventory	-	-	-	-	-	-	-
Total assets	-	3 764	26 060	15 819	12 510	9 611	8 983
Capital and reserves	-	1 877	21 284	9 160	5 142	2 084	655
Accumulated reserves	-	-	1 877	10 251	6 128	2 375	968
Surplus / (Deficit)	-	1 877	19 407	(1 092)	(986)	(292)	(313)
Borrowings	-	-	382	146	460	175	505
Current	-	-	237	146	284	175	312
1<5 Years	-	-	146	-	175	-	193
Post retirement benefits	-	-	-	-	-	-	-
Trade and other payables	-	824	3 740	3 962	3 962	4 205	4 463
Trade payables	-	684	3 722	3 962	3 962	4 205	4 463
Other	-	140	18	-	-	-	-
Deferred income	-	1 035	-	-	-	-	-
Provisions	-	29	653	2 551	2 946	3 147	3 361
Leave pay provision	-	29	212	229	245	261	279
Bonus Provision	-	-	441	2 322	2 702	2 886	3 082
Funds managed (e.g. Poverty alleviation fund)	-	-	-	-	-	-	-
Contingent liabilities	-	-	-	-	-	-	-
Total equity and liabilities	-	3 764	26 060	15 819	12 510	9 611	8 983

Table 4.BB : Personnel summary for DTPC

	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)	56 370	63 329	69 229	89 048	91 040	94 875	100 377
Personnel numbers (head count)	170	181	201	216	197	197	197
Unit cost	332	350	344	412	462	482	510
B. Part-time and temporary contract employees							
Personnel cost (R thousand)	-	-	-	-	-	-	-
Personnel numbers (head count)	-	-	-	-	-	-	-
Unit cost	-	-	-	-	-	-	-
C. Interns							
Personnel cost (R thousand)	-	138	956	1 380	1 800	1 890	1 890
Personnel numbers (head count)	-	17	22	25	30	30	30
Unit cost	-	8	43	55	60	63	63
Total for entity							
Personnel cost (R thousand)	56 370	63 467	70 185	90 428	92 840	96 765	102 267
Personnel numbers (head count)	170	198	223	241	227	227	227
Unit cost	332	321	315	375	409	426	451
D. Learnerships							
Personnel cost (R thousand)	-	-	-	-	-	-	-
Personnel numbers (head count)	-	-	-	-	-	-	-
Unit cost	-	-	-	-	-	-	-
Details 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	6	5	5	5	5	5	5
Executive Management	6	7	6	7	7	7	7
Senior Management	15	11	12	19	18	18	18
Middle Management	12	28	33	41	40	40	40
Professionals	18	48	52	56	48	48	48
Semi-skilled	98	76	79	80	74	74	74
Very low skilled	21	28	41	38	40	40	40
Total	176	203	228	246	232	232	232

Table 4.CC : Personnel summary for EKZNW

	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)	420 595	468 211	507 963	533 106	587 633	633 431	681 322
Personnel numbers (head count)	2 666	2 552	2 462	2 437	2 517	2 353	2 353
Unit cost	158	184	206	219	233	269	290
B. Part-time and temporary contract employees							
Personnel cost (R thousand)	13 471	25 130	26 306	24 202	17 213	18 196	19 707
Personnel numbers (head count)	552	561	393	393	23	23	23
Unit cost	24	45	67	62	748	791	857
C. Interns							
Personnel cost (R thousand)	1 908	1 961	3 230	1 945	2 122	1 593	1 725
Personnel numbers (head count)	78	78	120	70	70	53	55
Unit cost	24	25	27	28	30	30	31
Total for entity							
Personnel cost (R thousand)*	435 974	495 302	537 499	559 253	606 967	653 220	702 753
Personnel numbers (head count)	3 296	3 191	2 975	2 900	2 610	2 429	2 431
Unit cost	132	155	181	193	233	269	289
D. Learnerships							
Personnel cost (R thousand)	-	-	-	-	-	-	-
Personnel numbers (head count)	-	-	-	-	-	-	-
Unit cost	-	-	-	-	-	-	-
Details 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	15	14	13	14	14	14	14
Executive Management ([OL1] Top Management)	8	9	10	10	10	10	10
Senior Management ([OL2] Senior Management)	17	24	14	14	14	14	14
Middle Management ([OL3] Professionally Qualified and Experienced Specialists)	196	181	191	191	191	191	191
Professionals ([OL4] Skilled Technical and Academic)	235	232	231	231	231	231	231
Semi-skilled ([OL5] Semi-Skilled and Discretionary Decision Making)	1 396	1 386	1 411	1 411	1 411	1 230	1 232
Very low skilled ([OL6] Unskilled and Defined Decision Making)	1 444	1 358	1 118	1 043	753	753	753
Total	3 311	3 204	2 983	2 914	2 624	2 443	2 445

*Note: The difference between the Personnel cost and Compensation of employees relates to other personnel related payments, e.g. overtime, standby, etc.

Table 4.DD : Personnel summary for Ithala

	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)	336 457	343 566	388 048	454 354	492 460	527 124	563 446
Personnel numbers (head count)	885	903	833	834	834	834	834
Unit cost	380	380	466	545	591	633	676
B. Part-time and temporary contract employees							
Personnel cost (R thousand)	-	-	-	-	-	-	-
Personnel numbers (head count)	-	-	-	-	-	-	-
Unit cost	-	-	-	-	-	-	-
C. Interns							
Personnel cost (R thousand)	-	-	-	-	-	-	-
Personnel numbers (head count)	-	-	-	-	-	-	-
Unit cost	-	-	-	-	-	-	-
Total for entity							
Personnel cost (R thousand)	336 457	343 566	388 048	390 916	450 628	495 556	540 009
Personnel numbers (head count)	885	903	833	834	834	834	834
Unit cost	380	380	466	469	540	594	647
D. Learnerships							
Personnel cost (R thousand)	-	-	-	-	-	-	-
Personnel numbers (head count)	-	-	-	-	-	-	-
Unit cost	-	-	-	-	-	-	-

Details 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	10	7	6	6	6	6	6
Executive Management	9	9	6	6	6	6	6
Senior Management	24	25	24	25	25	25	25
Middle Management	135	123	135	124	124	124	124
Professionals	345	359	335	363	363	363	363
Semi-skilled	289	309	262	252	252	252	252
Very low skilled	83	78	71	64	64	64	64
Total	895	910	839	840	840	840	840

Table 4.EE : Personnel summary for KZNLA

	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)	9 047	27 362	33 283	34 947	36 695	38 529	40 456
Personnel numbers (head count)	77	81	92	92	99	99	99
Unit cost	117	338	362	380	371	389	409
B. Part-time and temporary contract employees							
Personnel cost (R thousand)	262	792	342	359	377	396	416
Personnel numbers (head count)	5	24	10	10	7	7	7
Unit cost	52	33	34	36	54	57	59
C. Interns							
Personnel cost (R thousand)	-	-	440	462	485	509	535
Personnel numbers (head count)	-	-	10	-	8	8	8
Unit cost	-	-	44	-	61	64	67
Total for entity							
Personnel cost (R thousand)	9 309	28 154	34 065	35 768	37 557	39 434	41 406
Personnel numbers (head count)	77	81	102	103	107	107	107
Unit cost	121	348	334	347	351	369	387
D. Learnerships							
Personnel cost (R thousand)	-	-	-	-	-	-	-
Personnel numbers (head count)	-	-	-	-	-	-	-
Unit cost	-	-	-	-	-	-	-

Details 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	3	3	4	4	4	4	4
Executive Management	1	1	-	1	1	1	1
Senior Management	4	4	4	4	4	4	4
Middle Management	12	11	12	12	12	12	12
Professionals	40	42	48	52	52	52	52
Semi-skilled	20	23	28	28	28	28	28
Very low skilled	-	-	10	6	10	10	10
Total	80	84	106	107	111	111	111

Table 4.FF : Personnel summary for TKZN

	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)	27 635	28 388	34 626	39 391	41 676	43 759	45 947
Personnel numbers (head count)	59	57	62	62	62	62	62
Unit cost	468	498	558	635	672	706	741
B. Part-time and temporary contract employees							
Personnel cost (R thousand)	-	-	-	-	-	-	-
Personnel numbers (head count)	-	-	-	-	-	-	-
Unit cost	-	-	-	-	-	-	-
C. Interns							
Personnel cost (R thousand)	-	-	-	-	-	-	-
Personnel numbers (head count)	-	-	-	-	-	-	-
Unit cost	-	-	-	-	-	-	-
Total for entity							
Personnel cost (R thousand)	27 635	28 388	34 626	39 391	41 676	43 759	45 947
Personnel numbers (head count)	59	57	62	62	62	62	62
Unit cost	468	498	558	635	672	706	741
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		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Salary level							
Board Members	6	10	10	10	10	10	10
Executive Management	5	4	3	3	3	3	3
Senior Management	5	5	5	5	5	5	5
Middle Management	5	7	11	11	11	11	11
Professionals	8	8	8	8	8	8	8
Semi-skilled	34	30	32	32	32	32	32
Very low skilled	2	3	3	3	3	3	3
Total	65	67	72	72	72	72	72

Table 4.GG : Personnel summary for KZNSB

	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)	38 385	47 534	53 898	55 305	60 257	63 937	67 134
Personnel numbers (head count)	186	175	197	206	176	176	176
Unit cost	206	272	274	268	342	363	381
B. Part-time and temporary contract employees							
Personnel cost (R thousand)	292	3 977	1 798	3 641	1 637	1 052	1 105
Personnel numbers (head count)	34	23	31	24	41	41	41
Unit cost	9	173	58	83	40	26	27
C. Interns							
Personnel cost (R thousand)	53	4	-	-	-	-	-
Personnel numbers (head count)	1	1	-	-	-	-	-
Unit cost	53	4	-	-	-	-	-
Total for entity							
Personnel cost (R thousand)	38 730	51 515	55 696	58 946	61 894	64 989	68 238
Personnel numbers (head count)	221	199	228	230	217	217	217
Unit cost	175	259	244	261	285	299	314
D. Learnerships							
Personnel cost (R thousand)	82	36	493	40	40	45	47
Personnel numbers (head count)	17	10	28	25	10	10	10
Unit cost	5	4	18	18	4	5	5

Details of personnel numbers according to salary level

	Audited outcome			Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Salary level							
Board Members	15	10	10	12	10	10	10
Executive Management	6	5	6	5	5	5	5
Senior Management	6	6	4	5	11	11	11
Middle Management	10	12	12	14	10	10	10
Professionals	37	32	50	44	36	36	36
Semi-skilled	33	33	41	43	35	35	35
Very low skilled	114	101	105	107	110	110	110
Total	221	199	228	230	217	217	217

Table 4.HH : Personnel summary for RBIDZ

	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)	19 922	18 011	24 170	32 176	43 899	53 503	61 690
Personnel numbers (head count)	29	26	34	50	52	55	57
Unit cost	687	693	711	644	844	973	1 082
B. Part-time and temporary contract employees							
Personnel cost (R thousand)	-	-	-	-	-	-	-
Personnel numbers (head count)	-	-	-	-	-	-	-
Unit cost	-	-	-	-	-	-	-
C. Interns							
Personnel cost (R thousand)	-	-	-	-	406	445	492
Personnel numbers (head count)	-	-	-	-	4	4	4
Unit cost	-	-	-	-	102	111	123
Total for entity							
Personnel cost (R thousand)	19 922	18 011	24 170	32 176	44 305	53 948	62 182
Personnel numbers (head count)	29	26	34	50	56	59	61
Unit cost	687	693	711	644	791	914	1 019
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		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Salary level							
Board Members	13	12	11	11	11	11	11
Executive Management	7	6	6	6	6	6	6
Senior Management	12	10	11	8	7	7	9
Middle Management	-	-	-	12	13	13	13
Professionals	5	5	7	13	17	20	20
Semi-skilled	5	5	10	5	7	7	7
Very low skilled	-	-	-	6	6	6	6
Total	42	38	45	61	67	70	72

Table 4.II : Personnel summary for TIK

	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)	27 756	32 473	35 965	38 195	40 954	43 414	46 011
Personnel numbers (head count)	51	53	54	60	62	62	62
Unit cost	544	613	666	637	661	700	742
B. Part-time and temporary contract employees							
Personnel cost (R thousand)	25	60	30	45	30	30	40
Personnel numbers (head count)	7	7	4	3	3	3	3
Unit cost	4	9	8	15	10	10	13
C. Interns							
Personnel cost (R thousand)	7	7	14	14	14	14	14
Personnel numbers (head count)	2	2	4	4	4	4	4
Unit cost	4	4	4	4	4	4	4
Total for entity							
Personnel cost (R thousand)	27 788	32 540	36 009	38 254	40 998	43 458	46 065
Personnel numbers (head count)	60	62	62	67	69	69	69
Unit cost	463	525	581	571	594	630	668
D. Learnerships							
Personnel cost (R thousand)	572	749	750	790	800	850	890
Personnel numbers (head count)	20	26	27	29	31	33	33
Unit cost	29	29	28	27	26	26	27

Details of personnel numbers according to salary level

	Audited outcome			Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Salary level							
Board Members	11	9	11	11	11	11	11
Executive Management	2	7	7	7	7	7	7
Senior Management	7	3	3	6	6	6	6
Middle Management	17	18	17	17	17	17	17
Professionals	19	19	20	21	21	21	21
Semi-skilled	14	14	14	14	16	16	16
Very low skilled	1	1	1	2	2	2	2
Total	71	71	73	78	80	80	80

Table 4.JJ : Personnel summary for KZNFC

	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)	-	964	6 644	16 541	20 014	21 375	22 828
Personnel numbers (head count)	-	3	22	30	31	31	31
Unit cost	-	321	302	551	646	690	736
B. Part-time and temporary contract employees							
Personnel cost (R thousand)	-	154	1 398	90	114	120	126
Personnel numbers (head count)	-	2	-	3	2	2	2
Unit cost	-	77	-	30	57	60	63
C. Interns							
Personnel cost (R thousand)	-	-	178	180	672	672	672
Personnel numbers (head count)	-	-	3	2	8	8	8
Unit cost	-	-	59	90	84	84	84
Total for entity							
Personnel cost (R thousand)	-	1 119	8 220	16 811	20 800	22 167	23 626
Personnel numbers (head count)	-	5	25	35	41	41	41
Unit cost	-	224	329	480	507	541	576
D. Learnerships							
Personnel cost (R thousand)	-	-	-	-	-	-	-
Personnel numbers (head count)	-	-	-	-	-	-	-
Unit cost	-	-	-	-	-	-	-
Details 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	-	10	10	8	10	10	10
Executive Management	-	3	3	3	3	3	3
Senior Management	-	-	5	6	6	6	6
Middle Management	-	-	-	-	-	-	-
Professionals	-	-	6	9	9	9	9
Semi-skilled	-	2	8	15	15	15	15
Very low skilled	-	-	3	2	8	8	8
Total	-	15	35	43	51	51	51

VOTE 5

Education

Operational budget	R 45 462 551 423
MEC remuneration	R 1 821 577 ¹
Total amount to be appropriated	R 45 464 373 000
Responsible MEC	MEC for Education
Administering department	Education
Accounting officer	Head: Education

1. Overview

Vision

The vision of the Department of Education (DOE) is: *A well-educated, skilled and highly developed citizenry.*

Mission statement

The department's mission is: *To provide equitable access to quality education for the people of KwaZulu-Natal.*

Strategic goals

Strategic policy directions: These are directly linked to the 14 national outcomes, which also inform the department's strategic goals and objectives, as listed below:

- Quality basic education.
- Skilled and capable workforce to support an inclusive growth path.

Six strategic goals encapsulate the department's contribution toward the achievement of national and provincial goals, and all other international mandates within the context of MTSF 2014-2019 for the current electoral cycle, and national and provincial action plans. Hereunder are the strategic goals:

- Broaden access to education and provide resources.
- Improve schools' functionality and educational outcomes at all levels.
- Develop human resource and organisational capacity and enhance skills.
- Develop schools into centres of community focus, care and support.
- Ensure good corporate governance, management and an efficient administration.
- Promote national identity and social cohesion.

Core functions

The core functions of the department are summarised below:

Public Ordinary Schools

This is the department's primary function aimed at the provision of quality education and learning in schools, the development of educators to ensure that they are equipped to provide the best quality teaching and the provision of Learner Teacher Support Materials (LTSM). Also included in this programme is the provision of support to learners on the curriculum, as well as teacher training programmes.

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

Lastly, the function includes the provision of food to Public Ordinary School learners from the poorest communities, through the National School Nutrition Programme (NSNP). Other conditional grants that are aimed at uplifting the quality of education are also in this programme and these include, but are not limited to, the Maths, Science and Technology grant.

Public Special School Education

The aim of this programme is to provide public education in special schools and full-service schools.

Early Childhood Development (ECD)

This service evolved as a national initiative to strengthen pre-Grade R education, and to make it available to the majority of the citizens.

Infrastructure Development

The aim of this programme is to provide new schools and other school facilities including sports fields, specialists' rooms and infrastructure for sanitary requirements for all schools.

Legislative mandates

The following pieces of legislation, among others, govern the operations of the department:

- The Constitution of the Republic of South Africa, No. 108 of 1996
- Public Service Act, No. 103 of 1994
- National Education Policy Act (NEPA), No. 27 of 1996
- South African Schools Act (SASA), No. 84 of 1996
- Employment of Educators Act, No. 76 of 1998
- South African Council for Educators (SACE) Act, No. 31 of 2000
- South African Qualifications Authority (SAQA) Act, No. 58 of 1995
- National Policy on HIV and AIDS for Learners and Educators in Public Schools and Students and Educators in FET Institutions, 1999
- Education White Paper 5 on Early Childhood Development, 2000
- Education White Paper 6 on Inclusive Education, 2001
- Curriculum and Assessment Policy Statement
- Labour Relations Act, No. 66 of 1995
- Employment Equity Act, No. 55 of 1998
- Public Finance Management Act, No. 1 of 1999, as amended and Treasury Regulations
- KZN Provincial SCM Policy Framework of 2006
- Preferential Procurement Policy Framework Act, No. 5 of 2000
- Promotion of Access to Information Act, No. 2 of 2000

2. Review 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 providing a brief discussion on challenges and new developments. The budget for the year was shaped by seven pillars that formed the basis for the allocation of funds, which are discussed hereunder:

Transformation of the schooling system

The programme will continue to be implemented in 2016/17 since planning was undertaken and some aspects could not be implemented in 2015/16.

Curriculum management and delivery

Curriculum and Assessment Policy Statements (CAPS): The Grade 12 class of 2015 was the second group to write the CAPS aligned examination, which had been incrementally implemented through all the

Grades. In support of the implementation and to ensure readiness, educators were trained on CAPS delivery in the classroom. However, the National Senior Certificate (NSC) and the Annual National Assessment (ANA) 2014 results showed that further training was required. The provincial turn-around strategy called Operation Bounce Back was introduced in January 2015. The strategy was aimed at improving the NSC and ANA results in 2015. It also provided for the general training of educators in content and methodology. An amount of R50 million was provided for the implementation of the strategy. As a result, intensive training of educators was undertaken for areas identified in the diagnostic reports in subjects like Mathematics, Physical Science, Life Science, Accounting, Business Studies, Economics, and Languages. In order to accommodate the 9 000 progressed learners (pupils who failed Grade 11 twice and were promoted to Grade 12 without meeting the passing criteria) who were part of the 162 568 learners who wrote the NSC in 2015, winter and spring classes and camps for learners were held. Revision material was developed and sourced in those subjects that contributed to the decline in the 2014 NSC and ANA results. Lead teachers were utilised to teach on Saturdays, and during winter and spring classes, as well as camps.

The implementation of CAPS in Grade 9 proved to be a challenge to most educators, especially in respect of Mathematics. To support schools and teachers in the improvement of Mathematics results in Grade 8 and 9, a programme was implemented whereby Grade 9 teachers taught for four days a week and attended a workshop for one day a week (called 1 plus 4). The (1 plus 9) programme was also implemented whereby the subject advisors and lead teachers were trained over five days in order to go and train all 2 650 Grade 9 Mathematics educators at a cluster level. Science and Technology curriculum workbooks from Sasol Inzalo Foundation were printed and distributed to schools for both teachers and learners. However, the ANA was not marked for the year under review, and hence the effectiveness of this programme could not be determined.

Curriculum coverage monitoring tool: This strategy commenced in 2013 to ensure standardisation of managing teaching and learning in schools across the province. One of the components of the strategy was to monitor and measure curriculum coverage to ensure that all schools completed the syllabus before the end-of-year assessments. The strategy brought about strategic alignment of inputs toward curriculum delivery by the respective components, thereby ensuring that teaching and learning targets were met. Judging by the results of the 2015 NSC, a differentiated approach, in terms of classifying the various schools in terms of their performance, must be developed and implemented with regard to school monitoring and in-class curriculum coverage monitoring.

Technical secondary schools: The recapitalisation of Technical Secondary Schools programme, which was introduced in 2011, resulted in the renovation of infrastructure and resources in these schools. In 2013/14, there were only 17 schools in six districts that offered a full set of four technology subjects (i.e. Civil Technology, Electrical Technology, Mechanical Technology and Engineering Graphics and Design – EGD). In 2015, these schools increased to 255 with 36 schools offering EGD, 65 offering Mechanical Technology, 88 offering Civil Technology and 66 offering Electrical Technology. Natural Sciences resources worth R1.500 million were procured and distributed to four schools offering/piloting Natural Sciences. Maritime Economics resources worth R3 million were procured and distributed to schools offering the subject.

Mathematics, Science and Technology strategy: In order to enhance educator development and thus produce better learning outcomes with regard to Mathematics and Science, the department developed a Mathematics, Science and Technology strategy (MST). The strategy focuses on resourcing classrooms, provision of laboratories (mobile and fixed), provision of Science consumables, interactive digital content on MST, provision of dictionaries, as well as further development of educators. Through the MST grant, 1 301 educators from 88 FET focus schools received training in Mathematics, Physical Science, Life Science and Mathematical Literacy. The General Education and Training (GET) focus schools were also provided with laptops with pre-loaded educational software to enhance curriculum delivery in Mathematics, Sciences and other subject areas.

Literacy and numeracy strategy: In response to the outcomes of ANA results of prior years, the implementation of the Literacy and Numeracy strategy (Grades R-9) continued. The strategy was further supported by the implementation of CAPS and the use of literacy and numeracy workbooks in Grades R-

9, with progress measured by assessment tools. Central to the strategy, was the investment in the establishment of reading corners in schools, the revitalisation of library spaces in schools, the implementation of a compulsory daily reading period in all schools and the launching of the reading mentors programme. Furthermore, an amount of R40 million was invested into the procurement of library books in order to enhance the implementation of the programme.

Examinations and assessments: The use of examinations and assessment tools as a measure for improvement of quality has received attention in recent years. The number of entrants for the 2015 NSC examination in KZN was 162 658 which is the highest number ever recorded. However, the department recorded a decline in the NSC examination from 69.7 per cent in 2014 to 60.7 per cent in 2015. These figures are not inclusive of the supplementary examination results.

Provision of classroom support resources and equipment

National School Nutrition Programme (NSNP): There was daily provision of nutritious meals to approximately two million learners in 5 258 schools. This constitutes just above 80 per cent of learners of compulsory school-going age. The programme employed the services of 1 754 service providers, who were either SMMEs or co-operatives that are contracted to supply meals to learners.

Learner Teacher Support Material: The provision and availability of LTSM on the first day of school at all schools is essential to the provision of quality education. As such, with regard to the schools that the department procures on behalf of, 99.8 per cent of textbooks requisitioned were delivered by the end of November 2015, with the remaining 0.2 per cent being finalised between 11 and 15 January 2016 and thus were available on the first day, while stationery deliveries to schools were finalised by 30 October 2015.

Tools of trade for administration purpose: An investment of R70 million was made towards the provision of tools of trade (procurement of vehicles, laptops, desktop computers, etc.), of which delivery is in progress. This investment will go a long way towards ensuring that employees are able to perform their functions.

Management at all levels

Effective and visible management at all levels of the department is the key catalyst which drives the implementation of all the department's programmes. With regard to management at the district level, an initiative known as the KZN Programme for the Improvement of Learning Outcomes (PILO), which was launched in 2014 as *Jika Imfundo*, was piloted in the districts of uThungulu and Pinetown. This programme focused on the management of five priority areas that need the focus of a district manager, these being:

- Data management, in respect of learner numbers, educator numbers, etc.
- Human resource management.
- Curriculum coverage (balanced multi-discipline groups).
- Governance and financial management.
- LTSM management in terms of utilisation and delivery.

The evaluation report on the effectiveness of this programme and the recommendations thereof will form part of the necessary intervention programmes for the department for the forthcoming years. Training on financial management was extended to principals and deputy principals, school governing body (SGB) chairpersons, treasurers, and finance officers at school level.

Financial management

Budget reprioritisation and cost-containment strategy: Personnel spending remained a critical challenge and, thus, the budget reconfiguration process that commenced in 2013/14 was carried through to the 2014/15 and 2015/16 MTEFs. This reprioritisation and configuration was conducted in order to fund, among others, the increase in stipends of ECD practitioners (R5 000 to R5 500 and from R5 500 to R6 000), increase in the hourly rate of Adult Education and Training (AET) practitioners (from R86.55 to R92.45 minimum per hour) upgrading of clerks' salary levels from level 4 to 5 in line with DPSA directives including PSCBC resolution 3 of 2009, OSD for education therapists, the higher than budgeted 2014 annual wage adjustment, as well as the upgrade of principals' salaries as per the various wage

agreements. This reconfiguration enabled the department to fully fund the number of employees who were on the payroll at the end of 2014/15, as well as beginning of 2015/16 before the 2015 wage agreement came into effect.

Provincial Treasury has assisted the department with the ongoing exercise to determine the number of employees employed by the department, with the objective of eliminating any potential ghost employees so that these will be terminated in the system. It should be noted that this process has various variables, such as verifying employees and freezing of salaries for employees who have not availed themselves for verification, as well as unfreezing of salaries for employees who come forth to provide proof of employment. The recent outcomes to the process has been the freezing of some salaries in the February salary run, however, Provincial Treasury has provided the end of February as the cut-off date for employees whose salaries have been frozen to avail themselves, potential savings will be realised should these individuals not come forward for verification.

The positive audit outcome for 2014/15, including the department's achievement of an unqualified audit report without any unauthorised expenditure, is seen as a significant step towards the attainment of a clean audit. The department is working on improving the audit outcome.

Infrastructure development and maintenance

Public Private Partnerships (PPP): Pursuant to the appointment of the Transaction Advisors (TAs) in 2013/14, a steering committee was formed and four possible nodes/packages for the provision of school infrastructure were identified for consideration. In the context of the lack of correlation between the backlogs and the available budget, the realisation of the PPP would be to accelerate the speed with which the department achieves the outcomes of the Minimum Uniform Norms and Standards for Public School Infrastructure. However, this is dependent on the availability of funding. The approach being adopted for this project is to develop specialist facilities such as Science laboratories, multi-purpose classrooms, computer rooms and media centres as new build "add-in centres" into existing secondary schools in the pilot nodes. The project has reached the completion of the feasibility study stage of its project cycle and is awaiting a decision to continue to the next stage in obtaining National Treasury approval.

School infrastructure: The department continues to demonstrate improvement in the application of the Infrastructure Delivery Improvement Programme (IDIP). Infrastructure planning and delivery continues to improve, as evidenced by the department's ability to spend its infrastructure allocation every year. The planning process has embraced the recently published infrastructure norms and standards in the provision of learning spaces. However, the reduction of the budget to fund rising *Compensation of employees* costs has had a negative impact on the roll-out of the infrastructure programme.

Unpredictable weather patterns continued to disrupt the normal roll-out of infrastructure programmes and had an adverse impact on schools. The costs of these repairs are mainly borne by the department, as the disaster funds received from national are minimal. The consequence of this was that other infrastructure programmes such as the construction of new schools, upgrades and additions, as well as maintenance had to be postponed in order to deal with emergency situations at the affected schools.

Special schools infrastructure: The scaling up of special schools infrastructure remained an important effort in terms of granting access to education for learners with special needs.

ECD infrastructure: As a consequence of White Paper 5 of 2001, where universal access to Grade R by 2014 was promulgated, the department was engaged in an aggressive programme to provide Grade R facilities to meet this target which was estimated at 200 classes to be built. Over and above the schools identified by districts to receive these facilities, through a dedicated ECD budget, the inclusion of ECD facilities at all new primary schools and upgrades to existing primary schools are now the norm.

Information computer technology

An amount of R194.500 million was set aside towards the realisation of the benefits of technology driven systems, with a multi-pronged strategy that will see the department's IT infrastructure upgraded at R65 million of the R194.500 million. This will largely ensure that the foundation is being laid from which the ICT vision of the department can be launched both in terms of administration requirements, as well as school curriculum integration.

3. Outlook for the 2016/17 financial year

Section 3 looks at the key focus areas of 2016/17, outlining what the department is targeting to achieve during the year, as well as briefly looking at the challenges, and proposed new developments. The analysis is done according to the revised 10 pillars as supported in the strategic plan.

The largest share of the department's budget allocation is for the provision of personnel. The department received an additional allocation from National Treasury in respect of the carry-through costs for the above-budget 2015 wage agreement in order to fully compensate the department for the wage differential. Despite this, the department still cannot afford 650, 1 181 and 1 712 posts over the three years of the MTEF, respectively, as a result of previously underfunded wage agreements.

The infrastructure budget continues to be pressurised due to the baseline reprioritisation which was undertaken in the 2015/16 MTEF in order to ease pressures against *Compensation of employees*. This is evident in the negative growth in the infrastructure budget over the 2016/17 MTEF which is outlined in detail in Section 4 and 5 of this report. Furthermore, budget cuts have been implemented against the Education Infrastructure grant over the MTEF. The department was successful in bidding for 2016/17 allocations due to its ability to spend on the infrastructure allocations and therefore receives additional funding of R100.673 million after budget cuts were implemented in 2016/17. The two outer years of the MTEF are lower than the 2016/17 allocation largely due to the R106.550 million and R1.643 million reduction for 2017/18 and 2018/19 respectively, as a result of budget cuts to lower the expenditure ceiling, as well as being influenced by the fact that the two outer years of the 2016/17 MTEF have not been allocated any incentive at this point in time.

It is noted that the department was allocated additional funds from provincial cash resources, amounting to R100 million in 2016/17 and R50 million in 2017/18 for the improvement of water and sanitation in schools. This will address the backlog of 453 schools out of a backlog of 1 206 schools improvement of water and sanitation infrastructure, such as the Ventilated Improved Pit (VIP) technology which responds to the minimum norms and standards. The department will engage in a large scale rehabilitation programme of all pit latrine toilets and septic tanks in a desludging programme. This programme is envisaged to rehabilitate toilets and wash basins for both teachers and learners in various districts.

The spending focus over the MTEF period will be on improving curriculum delivery, particularly through ensuring access to high quality LTSM. In this regard, an estimated R2.124 billion is budgeted for norms and standards of which R1.285 billion is for LTSM for all public ordinary schools. An amount of R120 million is provided for transfers to ECD classes as well as procurement of LTSM for these schools. All learners in quintiles 1, 2 and 3 schools will continue to be fed through the NSNP grant. The grant framework includes the deworming programme, as well as allows for the inclusion of learners from quintile 4 and 5 primary schools who come from impoverished families, but are attending these schools.

Budget pressures

In 2016/17, the *Compensation of employees* budget constitutes 83 per cent (R37.768 billion) of the aggregate budget of (R45.464 billion) for the vote. However, the aggregate budget is inclusive of the conditional grant allocation which is specifically and exclusively appropriated, and thus cannot be used for other purposes and this amounts to R3.459 billion. This amount cannot be used for any other purposes than voted for. When the conditional grant allocation is excluded, *Compensation of employees* makes up 90 per cent of the department's equitable share funded budget, thus leaving only 10 per cent to fund transfers to schools, LTSM for schools, provide for the operational requirements of the department, contribute to the infrastructure budget for the department through the equitable share, as well as providing for system improvements in the provision of teaching and learning. The spending focus over the MTEF will be on improving curriculum delivery and management which is the focal point of the department.

Curriculum management and delivery

Curriculum and Assessment Policy Statements: The 2016 Grade 12 class will be the third group to write the CAPS aligned examination. As mentioned, the 2015 results indicated a drastic decline compared to the previous year. Because of this, the department developed an academic improvement plan which focuses on basic school functionality, curriculum delivery and learner attainment, teacher development and reading promotion.

The transformation of the schooling system

This programme will continue to be implemented, with the focus on community involvement, through the resuscitation of the Quality Learning and Teaching Committees (QLTC), bearing in mind the need to intensify parental involvement as part of curriculum management and delivery. These committees are constituted by stakeholders at various levels, aimed at ensuring they are actively involved in education.

The alignment of schools remains a focus for the department. As such, special focus will be paid to multi-grade schools through the introduction of the specially designed toolkit for these schools, through the rural academic support section of the department.

A budget has been set aside to continue with the incremental provision of the skills base of the province through the agricultural, maritime and other types of technical schools. This will be achieved through the resourcing of these schools. The recommendations arising from the pilot programme will be implemented with a view of improving education outcomes.

Early Childhood Development

White Paper 5 of 2000 set specific targets with regard to five-year olds that were supposed to be in Grade R by 2014. It should be noted that this is a framework with various targets for the provision of ECD services and programmes to children aged birth to 5 years. The department reached and exceeded this target, as 93 per cent of five-year olds were in Grade R classes by 2014, however, the challenge now is to improve the quality of education that is offered.

In the Pre-Grade R sub-programme, provision has been made for the training of practitioners, payment for stipends for practitioners in community centres with Grade R classes and the provision of core material. The pilot programme to investigate the concept of model crèches will be run in 15 crèches in the districts of Umzinyathi, Uthukela and Amajuba. The department will continue to train the care-givers in the curriculum delivery. The Grade R classes in public schools will benefit through the provision of additional equipment and furniture where this may be inadequate.

Teacher provision, development and support

Teacher supply: The supply of qualified educators into the system remains a constraint towards the delivery of quality education, particularly in gateway subjects like Mathematics and Science. In addition to the provision of bursaries to attract young people into the teaching qualification, the department will be engaging with the Department of Higher Education and Training with a view to dealing with this issue. As such, some funding is set aside with a view to funding non-employees who meet the necessary criteria and wish to pursue a qualification in the teaching profession. Support to educators will be provided as part of the overall curriculum content implementation, management and delivery. Subject specialists will contribute towards the educator support.

Provision of classroom support resources and equipment

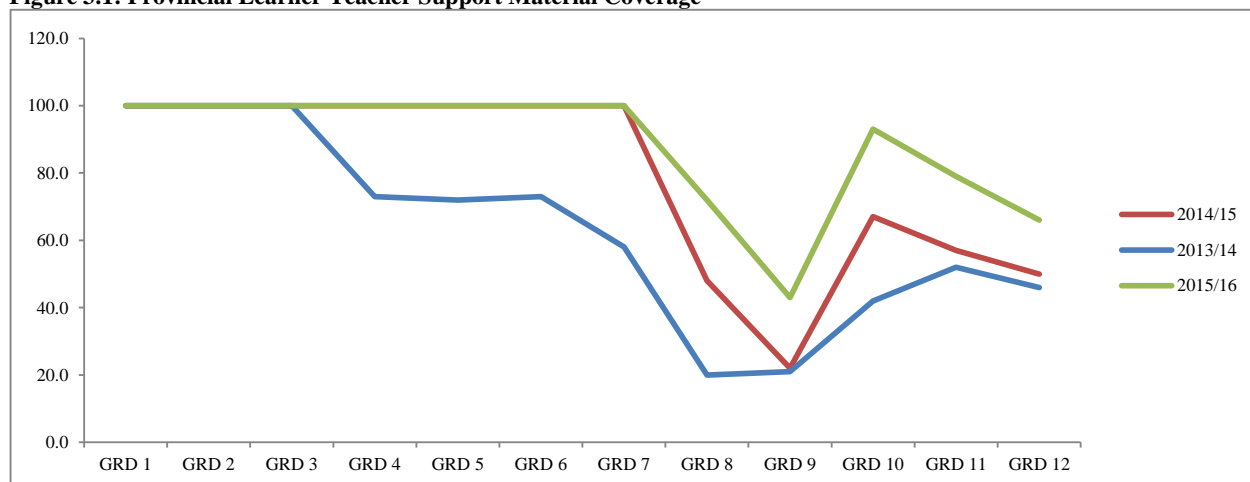
National School Nutrition Programme: All learners in quintiles 1, 2 and 3 schools will continue to be fed, while the framework provides for the inclusion of quintile 4 and 5 learners from impoverished backgrounds. The department relies on various stakeholders to ensure that funding that is meant for learners is spent on learners, and matters of corruption and non-compliance to the menu are reported timeously. The number of learners benefitting from the programme has increased from 1 252 140 in 2004/05 to 2 273 395 learners in 2015/16 including 213 673 learners from quintiles 4 and 5. In 2016/17, the numbers is estimated to increase to 2 281 983 learners, including 166 453 quintile 4 and 5 learners.

Norms and standards: The department provides norms and standards for public ordinary schools on a yearly basis. Schools are categorised into two funding categories, namely no-fee schools and fee paying schools in KZN. The no-fee schools are funded at R955 per learner, while the recommended national funding norm is R1 117 per learner, which is the no-fee threshold. This applies to schools ranked in quintiles 1 to 3 in respect of the poverty ranking. The fee paying schools in quintiles 4 and 5 are funded at R522 and R179 per learner, compared to the recommended national target of R559 and R193, respectively. In order for the department to meet this national standard, an additional budget allocation of R460 million is required. According to the updated poverty distribution tables, the number of learners in quintiles 1 to 3 should be 65.5 per cent. However, the number of learners in these quintiles is at 74 per cent, thus making an additional investment for these learners necessary and the department has therefore

allocated a further R138 million in this regard in 2016/17 thus alleviating the financial pressures experienced by learners in the no-fee category. The total allocation for norms and standards for 2016/17 is R2.124 billion.

Learner Teacher Support Material: The provision and availability of LTSM on the first day of school in all schools is one of the contributory factors to the provision of quality education. In this regard, the department will continue to pursue various options with a view to ensuring that each learner has a textbook for each subject. The 2016/17 budget for LTSM for all schools, including ECD transfers to schools, is R1.435 billion. The graph below indicates the textbook coverage that has been attained by the department for the past three financial years. As can be seen, up to Grade 7, textbook coverage is now at 100 per cent. Challenges continue to be experienced from Grade 8 upwards.

Figure 3.1: Provincial Learner Teacher Support Material Coverage



Source: Department of Education, own calculations

Tools of trade for administration purposes: The department will continue to provide tools of trade, such as computers, vehicles, etc., to employees in instances where there are shortages. Funds have been set aside to supplement and/or replace government vehicles, as well as furniture and equipment.

Infrastructure development and maintenance

Public Private Partnerships (PPP): The focus will be on conclusion of the affordability, value for money and risk transfer offered by each model in order to meet the requirements of National Treasury. This is still at an assessment stage and no projects have been pursued as yet.

School infrastructure: The department will implement the infrastructure norms and standards with added emphasis now that they have been published. The programmes of new schools, curriculum support classrooms, laboratories, multi-purpose classrooms, the electrification programme, as well as sanitation and water programme will continue so that basic functionality in all schools can be achieved. The employment of additional technical staff as part of the IDMS will go a long way in addressing the challenges of abandoned projects, long completion times, quality of completed work and the escalating costs of projects. As previously mentioned, the department has been allocated R150 million in the first two years of the MTEF for various water and sanitation projects. This will address the backlog of 453 schools out of the backlog of 1 206 schools in respect of the improvement of water and sanitation infrastructure, such as the Ventilated Improved Pit (VIP) technology which responds to the minimum norms and standards. The department will be engaged in a large scale rehabilitation programme of all pit latrine toilets and septic tanks in a desludging programme for various districts.

Special schools infrastructure: The department will continue to make the provision of special schools' infrastructure its focus in order to grant access to education for learners with special needs. This includes projects such as the construction of a new school, as well as boarding facilities namely, Pholela Special School in the Harry Gwala district municipality.

ECD infrastructure: In 2016/17, the department will increase the number of ECD classrooms by 200 so that more schools that offer Grade R will have appropriate facilities.

Information and communication technology (ICT)

ICT is seen as a catalyst in terms of continuing with the quest for quality education. Various ICT platforms have been introduced in the province and the department will strengthen these. A cyber school technology solution is being investigated. This provides technology based educational services offering integrated offline and online solutions aimed at empowering teachers and engaging students better in the teaching and learning of Mathematics and Sciences and other subjects. If successful, this tool will be used to provide quality educational services to enhance the online educational environment. This will be a one-stop site for development, e-learning and communication solutions that work with experienced educators across the globe in designing and developing digital educational resources, portal and learning management systems. At an administration level, the progressive upgrading of IT infrastructure will continue. Furthermore, investigations into various administrative systems are being pursued with a view to improving the efficiencies of the administration.

The Education Management Information System (EMIS) will be strengthened in order to improve the credibility of data submitted by schools and to ensure minimum human intervention in the process. This will assist the department in having accurate data at any given point in time and will thus provide adequate statistics for analytic and budget purposes.

4. Receipts and financing

4.1 Summary of receipts and financing

Table 5.1 below shows the sources of funding for Vote 5: Education from 2012/13 to 2018/19. The table also compares actual and budgeted receipts against actual and budgeted payments. The total receipts for Vote 5 increase from R34.478 billion in 2012/13 to R50.249 billion in 2018/19.

Table 5.1 : Summary of receipts and financing

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
R thousand	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Equitable share	31 807 264	33 951 730	36 125 086	38 747 329	39 624 948	39 624 948	41 905 148	44 091 572	46 667 691
Conditional grants	2 670 487	2 615 744	2 796 382	3 395 026	3 395 026	3 395 026	3 459 225	3 386 987	3 581 387
Education Infrastructure grant	1 413 001	1 306 421	1 385 781	1 978 683	1 978 683	1 978 683	1 958 321	1 843 980	1 948 887
HIV and AIDS (Life-Skills Education) grant	46 806	38 907	61 988	50 588	50 588	50 588	53 096	56 115	59 369
National School Nutrition Programme (NSNP) grant	1 151 644	1 206 190	1 237 534	1 287 034	1 287 034	1 287 034	1 355 247	1 423 009	1 505 544
Maths, Science and Technology grant	58 036	61 226	64 848	59 998	59 998	59 998	62 453	63 883	67 587
OSD for Education Sector Therapists grant	-	-	41 581	13 079	13 079	13 079	-	-	-
Social Sector EPWP Incentive Grant for Provinces	-	-	2 580	3 000	3 000	3 000	27 318	-	-
EPWP Integrated Grant for Provinces	1 000	3 000	2 070	2 644	2 644	2 644	2 790	-	-
Total receipts	34 477 751	36 567 474	38 921 468	42 142 355	43 019 974	43 019 974	45 364 373	47 478 559	50 249 078
Total payments	34 556 731	37 156 042	39 146 083	42 142 355	43 162 870	43 162 870	45 464 373	47 528 559	50 249 078
Surplus/(Deficit) before financing	(78 980)	(588 568)	(224 615)	-	(142 896)	(142 896)	(100 000)	(50 000)	-
Financing of which									
Provincial roll-overs	29 515	97 381	45 635	-	6 896	6 896	-	-	-
Provincial cash resources	126 677	397 210	454 000	-	136 000	136 000	100 000	50 000	-
Surplus/(Deficit) after financing	77 212	(93 977)	275 020	-	-	-	-	-	-

The department receives a provincial allocation in the form of equitable share, and national conditional grant allocations. The equitable share for the department reflects an upward trend growing from R31.807 billion in 2012/13 to R46.668 billion in 2018/19, while the conditional grant allocation has increased from R2.670 billion to R3.581 billion in the same period.

As illustrated in the table above, in aggregate the conditional grant allocation shows a steady increase from 2012/13 to 2018/19 due to the introduction of the OSD for the Education Sector Therapists grant in 2014/15, as well as the increase in the Education Infrastructure grant (EIG), especially in 2015/16 in order to provide for general school infrastructure requirements, and the repair of infrastructure damaged by natural disasters.

The allocation for the HIV and AIDS (Life-Skills Education) grant aims to enhance awareness programmes offered by schools to prevent and mitigate the impact of human immunodeficiency virus (HIV) and tuberculosis (TB), among other activities. The grant reflects a fluctuating trend from 2012/13 to 2014/15, and this is further explained in the conditional grant section below. The growth over the 2016/17 MTEF reflects a steady increase.

The EIG fluctuates over the period under review. This grant sees a decrease of R20.362 million in 2016/17 when compared to the 2015/16 Revised Estimate. Reforms were made to the provincial infrastructure grant system that was intended to institutionalise proper planning for infrastructure. Provinces were informed in 2012/13 by National Treasury that they would be required to bid for infrastructure allocations two years in advance and financial incentives would be built into the infrastructure grant for provinces that implement best practices. As previously mentioned, the DOE attained a final score of 64 per cent and therefore received an incentive allocation of R133.309 million. The department was successful in bidding for 2016/17 allocations due to its ability to spend on the infrastructure allocations and therefore receives additional funding of R100.673 million after budget cuts in 2016/17. The two outer years of the MTEF are lower than the 2016/17 allocation largely due to the R106.550 million and R1.643 million reduction for 2017/18 and 2018/19 respectively, as a result of budget cuts to lower the expenditure ceiling, as well as being influenced by the fact that the two outer years of the 2016/17 MTEF has not been allocated any incentive at this point in time.

The NSNP grant has seen a substantial increase from R1.152 billion in 2012/13 to R1.506 billion in 2018/19, to allow quintile 3 secondary schools to benefit from the programme. The NSNP grant was not affected by fiscal consolidation cuts and reflects steady growth over the seven-year period. The grant sees amendments in 2016/17 due to updated poverty distribution tables. The 2016/17 MTEF reflects inflationary growth in the outer year.

The Maths, Science and Technology grant grows steadily over the 2016/17 MTEF and makes provision for the better delivery of Mathematics and Science in technical secondary schools.

The OSD for Education Sector Therapists grant was established in 2014/15 and is due to end in 2015/16, as reflected in the table above. This grant was introduced to make provisional funding available to ensure that selected provinces are in line with ELRC Collective Agreement 1 of 2012. The 2016/17 MTEF sees the phasing of the grant into the equitable share, and thus no allocation is reflected over the MTEF.

The Social Sector EPWP Incentive Grant for Provinces is only provided from 2014/15 to 2016/17 and sees growth in the allocation compared to the prior years. This is due to the additional allocation to expand and/or top up the stipends paid to the food handlers involved in the NSNP programme. The balance of the budget is utilised to pay stipends to Grade R practitioners in respect of the implementation of the White Paper for Grade R. Due to the incentive nature of this programme, there is no allocation for the two outer years of the MTEF.

The EPWP Integrated Grant for Provinces is aimed at providing incentives to departments to utilise members of the community in its infrastructure projects. The department has received an allocation from 2012/13 to 2016/17 only, at this stage, due to the incentive nature of this programme.

In 2012/13, an amount of R29.515 million was rolled over from 2011/12 in respect of the NSNP grant (R27.714 million) and Technical Secondary Schools Recapitalisation grant (R1.801 million). An amount of R126.677 million relates to additional funding received from provincial cash resources to partly address the spending pressures against *Compensation of employees*. The department ended 2012/13 with a surplus of R77.212 million mainly due to financial controls, enforced savings, as well as under-spending against the NSNP and Technical Secondary Schools Recapitalisation grants.

In 2013/14, an amount of R97.381 million was rolled over from 2012/13 in respect of the NSNP grant (R93.515 million) and Technical Secondary Schools Recapitalisation grant (R3.866 million). The department received R397.210 million from provincial cash resources in order to deal with the ongoing pressures brought about by *Compensation of employees*. The department over-spent its budget by R93.977 million. This was attributed to the implementation of wage agreements in order to avert industrial action that threatened to disrupt the trial exams in September 2013. The agreements in question included

the payment of outstanding pay progression, upgrades of principals' salaries, filling of critical HR and finance posts at district level (in phases), etc. as well as the carry-through effects of the conversion of teacher assistants to teacher aids, incentives for rural positions and increased stipends for ECD practitioners (from R3 000 to R4 000).

In 2014/15, an amount of R45.635 million was rolled over from 2013/14 in respect of the NSNP grant, Technical Secondary Schools Recapitalisation grant, Dinaledi Schools grant, HIV and AIDS (Life-skills Education) grant and EPWP Integrated Grant for Provinces. An additional R99 million was allocated to the department from provincial cash resources to assist with the spending pressures against *Goods and services*. The pressures were related to the reprioritisation of funds to *Compensation of employees*, rendering some of the essential services unfunded. Of significance is that no funding was received from National Treasury for the above-budget 2014 wage agreement estimated at R310 million. The continuous pressure exerted by *Compensation of employees* led to rigorous in-year reprioritisation and enforced savings which resulted in a reduction in the *Buildings and other fixed structures* budget of R860 million in the 2014/15 Adjustments Estimate. The engagements between the department and Provincial Treasury resulted in the allocation of an additional R355 million from provincial cash resources in the 2014/15 Second Adjustments Estimate to assist in settling infrastructure invoices which were owed to the Department of Public Works (DOPW) from the previous years. The under-spending in 2014/15 was mainly attributed to the reduced employee headcount numbers as a result of resignations and retirements.

In 2015/16, an amount of R6.896 million was rolled over from 2014/15, relating to infrastructure projects in respect of the implementing agents IDT and Coega, for services rendered for which outstanding invoices had to be paid in 2015/16. Also, R136 million was allocated from provincial cash resources to ease pressures of which R25 million relates to the above-budget 2015 wage agreement, and R111 million was allocated for the capital amount owed in terms of the Indiza LTSM litigation matter. These funds were specifically and exclusively appropriated to the department and may therefore not be used for any other purpose.

The budget shows healthy growth over the 2016/17 MTEF, mainly due to additional funding to assist with carry-through costs of the above-budget 2015 wage agreement from National Treasury, with R1.024 billion allocated in 2016/17, R1.097 billion in 2017/18, and R1.179 billion in 2018/19. However, this allocation is not sufficient to meet the carry-through effect of this wage agreement. Furthermore, the department receives an amount of R150 million from provincial cash resources for the improvement of water and sanitation in schools, allocated in 2016/17 and 2017/18.

4.2 Departmental receipts collection

Table 5.2 below reflects departmental receipts for the period 2012/13 to 2018/19. Details of these receipts are presented in *Annexure – Vote 5: Education*.

Table 5.2 : Summary of departmental receipts collection

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	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	40 938	48 668	47 669	50 156	50 156	50 156	55 467	58 564	61 961
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	1 579	1 424	1 151	321	321	1 406	341	358	379
Sale of capital assets	-	-	-	-	-	5 489	-	-	-
Transactions in financial assets and liabilities	43 295	57 402	47 885	30 768	30 768	30 768	31 876	33 470	35 411
Total	85 812	107 494	96 705	81 245	81 245	87 819	87 684	92 392	97 751

The department's major source of revenue is *Sale of goods and services other than capital assets*, which consists mainly of administrative fees, which include commission on PERSAL deductions such as insurance and garnishees, examination and remarking fees, as well as fees for viewing scripts, housing and parking rental, etc. The high collection in 2013/14 was due to more fees being collected as a result of an

increased number of exam certificates issued emanating from script remarking. Positive growth is reflected throughout the MTEF period, which can be attributed to inflationary increments. It is difficult to project revenue collection from this source due to its uncertain nature.

Interest, dividends and rent on land is derived from interest on monies owed by staff. The high collections in 2012/13 to 2014/15 were mainly due to interest charged on outstanding staff debts such as breached bursary contracts, salary over-payments, etc. The over-collection anticipated in 2015/16 can be ascribed to more interest on staff debt being settled. The department is very conservative in terms of budgeting for this category, due to its unpredictable nature, accounting for the decline from 2014/15 to 2015/16.

Sale of capital assets relates to the disposal of the department's redundant motor vehicles and office equipment. The amount reflected in the 2015/16 Revised Estimate relates to revenue collected from auctioning the uneconomical vehicles of the department, which was not anticipated at the beginning of the financial year. No further projections have been made, as the department is not planning on disposing any of its capital assets over the 2016/17 MTEF, at this stage.

Revenue under *Transactions in financial assets and liabilities* is collected in respect of monies expended by the department in prior years which related to over-payments of suppliers and/or employees. These funds are then recovered by the department. The high amounts collected from 2012/13 to 2014/15 are due to the department's concerted effort to improve debt collection. The outstanding staff debts as at December 2015 are recorded at R369 million. Revenue collection from this category is difficult to forecast due to the uncertainty of fully recovering monies owed to the department from staff and/or ex-staff.

4.3 Donor funding – Nil

5. Payment summary

This section provides information pertaining to the vote as a whole at an aggregated level, including payments and budgeted estimates in terms of programmes and economic classification. Further details are given in Section 6 below, as well as in the *Annexure – Vote 5: Education*.

5.1 Key assumptions

The following key assumptions were applied in formulating the 2016/17 MTEF budget:

- 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:
 - 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.
 - Departments' equitable share funded *Goods and services* budgets were cut by 2 per cent.
 - Departments' and public entities' hosting of events budgets were cut over the MTEF.
 - 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.
 - 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.
 - It should be noted that the department was exempted from the budget cuts implemented in most departments, as mentioned above.

- Provision was made for 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 has also provided for the 1.5 per cent pay progression for support staff who are employed in terms of the Public Service Act.
- The personnel budget does not cater for all the personnel numbers currently on the system (PERSAL). This effectively means that, while the establishment is at 107 433, the affordability is greatly reduced due to the shortfall in the allocations while the department still requires the 107 433 to fulfil its mandate. The department cannot afford 650 posts in 2016/17, 1 181 posts in 2017/18 and 1 712 posts in 2018/19. The savings from the headcount will be re-directed towards the shortfall, provided that any savings are realised.
- Funding of schools is not yet in line with National Norms and Standards for School Funding due to budget constraints within the vote.

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

Table 5.3 shows additional funding received by the department over the three MTEF periods: 2014/15, 2015/16 and 2016/17. 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.

Table 5.3 : 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	311 252	522 759	610 404	640 924	678 098
Education personnel spending pressures	50 000	60 000	65 000	68 250	72 209
Re-grading of clerical staff	103 856	119 540	127 979	134 378	142 172
Carry-through of previous wage agreements	198 896	386 349	449 110	471 566	498 916
OSD for therapists	-	-	15 358	16 126	17 061
Centralisation of communications budget under OTP	(4 500)	(4 630)	(4 843)	(5 085)	(5 380)
Learner transport - final shift to Transport	(37 000)	(38 500)	(42 200)	(44 310)	(46 880)
2015/16 MTEF period		(135 652)	(122 070)	(59 374)	(62 818)
AET function shift to DHET:		(280 136)	(295 547)	(310 123)	(328 110)
Prog 1: Administration		(66 081)	(70 120)	(73 482)	(77 744)
Prog 6: AET		(187 232)	(197 155)	(207 013)	(219 020)
Prog 9: Aux and Associated Services (Pmts to SETA)		(9 728)	(10 254)	(10 746)	(11 369)
Prog 9: Aux and Associated Services (External examinations)		(17 095)	(18 018)	(18 882)	(19 977)
Provincial cash resources: Assist with 2014 wage carry-through		144 484	173 477	250 749	265 292
2016/17 MTEF period			1 123 500	1 147 042	1 179 478
Above-budget 2015 wage agreement			1 023 500	1 097 042	1 179 478
Water and sanitation in schools			100 000	50 000	-
Total	311 252	387 107	1 611 834	1 728 592	1 794 758

In the 2014/15 MTEF, the department received additional funding to deal with personnel spending pressures, re-grading of clerical staff salaries, and the carry-through of various wage agreements. Also in the 2014/15 MTEF, the department's allocation was reduced in relation to the centralisation of parts of the communications budget under the Office of the Premier (OTP). The final shift of scholar transport to the Department of Transport (DOT) was completed in the 2014/15 MTEF, resulting in a suspension of the allocation from Vote 5: Education to Vote 12: Transport. The funding for the OSD for therapists was allocated as a conditional grant in 2014/15 and 2015/16 to allow for full implementation, and thereafter phased into the equitable share from 2016/17.

In the 2015/16 MTEF, the department's allocation was reduced by a total of R885.806 million over the three-year period, with regard to the AET function which was suspended to DHET as from 1 April 2015. As reflected in the table above, the bulk of this function was in Programme 6 in terms of the previous budget programme structure. Several smaller reductions were made against Programme 9 in terms of the previous budget structure, relating to AET payments for SETA and external examinations, as well as Programme 1. Furthermore, additional funds amounting to R568.710 million were allocated over the MTEF to assist with the carry-through effect of the above-budget 2014 wage adjustment.

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. Education was not affected by this cut, though.

The 2016/17 MTEF allocation is increased by R3.300 billion over the three years of the MTEF for the carry-through of the above-budget 2015 wage agreement, as well as R150 million for the improvement of water and sanitation in schools, with R100 million allocated in 2016/17 and R50 million in 2017/18.

Note that additional funding was allocated in the 2012/13 MTEF for improving infrastructure support. Although no longer visible in Table 5.3, this funding was specifically and exclusively appropriated and the department has not yet completed the implementation of its revised infrastructure staffing structure that this funding was intended for. Thus, amounts of R10.746 million, R11.283 million, and R11.937 million remain ring-fenced for this purpose over the three years of the 2016/17 MTEF.

5.3 Summary by programme and economic classification

Tables 5.4 and 5.5 below provide a summary of the vote's payments and budgeted estimates by programme and economic classification, respectively, for the seven-year period. The expenditure and budget over the period under review reflects healthy growth, as explained below.

Table 5.4 : Summary of payments and estimates by programme: Education

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	1 236 880	1 444 983	1 452 318	1 618 968	1 689 968	1 689 968	1 833 037	1 833 503	1 940 826
2. Public Ordinary School Education	28 296 228	30 682 509	32 736 587	35 070 344	35 914 963	35 914 963	37 899 641	40 160 658	42 505 760
3. Independent School Subsidies	65 573	77 701	70 967	77 817	77 817	77 817	81 941	86 038	91 028
4. Public Special School Education	727 551	845 431	888 713	931 199	959 199	959 199	1 020 360	1 084 251	1 147 721
5. Early Childhood Development	462 867	437 335	506 123	695 420	740 420	740 420	803 579	825 595	874 418
6. Infrastructure Development	2 695 724	2 546 896	2 210 425	2 529 235	2 536 131	2 536 131	2 509 501	2 158 981	2 229 259
7. Examination and Education Related Services	1 071 908	1 121 187	1 280 950	1 219 372	1 244 372	1 244 372	1 316 314	1 379 533	1 460 066
Total	34 556 731	37 156 042	39 146 083	42 142 355	43 162 870	43 162 870	45 464 373	47 528 559	50 249 078
Unauth. Exp. (1st charge) not available for spending	-	-	-	(31 892)	(31 892)	(31 892)	(31 892)	(31 893)	-
Baseline available for spending after 1st charge	34 556 731	37 156 042	39 146 083	42 110 463	43 130 978	43 130 978	45 432 481	47 496 666	50 249 078

Table 5.5 : Summary of payments and estimates by economic classification: Education

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	30 423 139	33 110 544	35 266 056	37 854 591	38 779 237	38 738 555	41 223 371	43 603 951	46 167 597
Compensation of employees	27 557 742	29 930 297	32 037 938	34 371 860	35 079 207	35 078 675	37 768 394	40 086 012	42 462 650
Goods and services	2 865 137	3 174 510	3 224 999	3 482 731	3 700 030	3 658 152	3 454 977	3 517 399	3 704 947
Interest and rent on land	260	5 737	3 119	-	-	1 728	-	-	-
Transfers and subsidies to:	1 553 435	1 666 384	1 857 892	1 899 212	1 909 512	1 930 859	1 875 975	1 953 253	2 064 164
Provinces and municipalities	1 573	740	2 097	1 100	1 100	1 665	1 158	1 216	1 287
Departmental agencies and accounts	19 891	22 358	22 030	78 139	78 139	78 139	83 257	88 762	93 910
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	1 438 345	1 533 936	1 666 314	1 744 904	1 709 904	1 697 933	1 712 512	1 780 272	1 881 150
Households	93 626	109 350	167 451	75 069	120 369	153 122	79 048	83 003	87 817
Payments for capital assets	2 580 157	2 379 114	2 022 135	2 356 660	2 442 229	2 461 564	2 333 135	1 939 462	2 017 317
Buildings and other fixed structures	2 463 371	2 359 254	2 017 870	2 289 652	2 271 548	2 319 353	2 231 603	1 885 705	1 959 343
Machinery and equipment	116 648	19 860	4 265	63 008	165 166	137 083	97 532	49 757	53 974
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	138	-	-	4 000	5 515	5 128	4 000	4 000	4 000
Payments for financial assets	-	-	-	31 892	31 892	31 892	31 892	31 893	-
Total	34 556 731	37 156 042	39 146 083	42 142 355	43 162 870	43 162 870	45 464 373	47 528 559	50 249 078
Unauth. Exp. (1st charge) not available for spending	-	-	-	(31 892)	(31 892)	(31 892)	(31 892)	(31 893)	-
Baseline available for spending after 1st charge	34 556 731	37 156 042	39 146 083	42 110 463	43 130 978	43 130 978	45 432 481	47 496 666	50 249 078

In terms of Section 34(2) of the PFMA, and in line with SCOPA resolutions by the Legislature on 9 December 2014, the department is liable for the repayment of previous year's over-spending which resulted in unauthorised expenditure. This resulted in instalments of the first charge of R31.892 million being implemented against the budget in 2015/16 and 2016/17 respectively, as well as a third instalment of R31.893 million in 2017/18. This is shown as a footnote in Tables 5.4 and 5.5 below.

Programme 1: Administration reflects strong growth over the period under review, from R1.237 billion in 2012/13 to R1.941 billion in 2018/19. The amount in 2012/13 is lower when compared to 2013/14 due to vigorous financial control and enforced savings implemented in that year. The upward trend in 2014/15 compared to 2013/14 is attributed to pressures in respect of higher than anticipated costs of external computer services such as SITA datalines which are centralised against this programme, as well as advertising costs related to radio broadcasts and newspaper advertisements for the various programmes undertaken by the department. The 2015/16 Adjusted Appropriation reflects an upward revision in respect of the above-budget 2015 wage agreement, of which funds were allocated from both National Treasury and provincial cash resources to assist the department with the pressures arising in this regard. Also, the increase in the Adjusted Appropriation was attributed to the correction of the budget misallocation in respect of *Machinery and equipment* for the procurement of tools of trade. The Revised Estimate for the programme reflects that the budget will be fully spent. The allocation over the 2016/17 MTEF reflects significant growth, with provision for the filling of vacancies that service schools directly, such as circuit managers, and subject advisors which have been vacant for more than five years due to budget pressures. However, the department has indicated that continuous review of the budget against the required posts will be undertaken to ensure that spending is within the available budget, since the allocated additional funding does not sufficiently provide for the carry-through costs wage differential.

Programme 2: Public Ordinary School Education reflects significant growth over the seven-year period, largely influenced by spending and additional funding that was made available for the various wage and OSD agreements, as well as funding of national priorities such as LTSM, expansion of no-fee schools, reduction of L:E ratio, etc. *Compensation of employees* remains the biggest cost driver of this programme, consuming about 90 per cent of the programme budget over the seven-year period. An upward trend is evident from 2013/14 mainly emanating from the ongoing spending pressures in *Compensation of employees* caused by the carry-through effects of the historical shortfall in funding for OSD for educators and various wage agreements. The 2015/16 Adjusted Appropriation reflects an increase as a result of the additional amount of R757 million which was allocated from both National Treasury and provincial cash resources to assist the department with the pressures arising from the above-budget 2015 wage agreement. Also, an additional amount of R111 million was allocated against *Goods and services* to deal with the previously mentioned capital amount owed in terms of the Indiza LTSM litigation matter. The Revised Estimate for the programme reflects that the budget will be fully spent. The growth over the 2016/17 MTEF provides for the conditional grant increases which are commented on later, as well as carry-through costs of the 2015 wage agreement, though not sufficiently funded to provide for the wage differential.

Programme 3: Independent School Subsidies reflects steady growth over the seven-year period. This programme has previously experienced pressures due to the increase in the number of schools that require subsidies, whereas the subsidies are based on the available budget. However, any form of subsidy can only be paid out of the existing budget, and this is communicated in time to the affected schools and SGBs. The peak in 2013/14 relates mainly to the department losing a court case against the independent schools with regard to the reduction of subsidies in the previous years, as a result of budget pressures. The decrease in 2014/15 is attributed to lower enrolment numbers in these schools at the beginning of the school year. The tranche for the fourth quarter is paid on submission of the enrolment numbers for the new school year, and this was lower than anticipated. It is anticipated that the department will fully spend the 2015/16 allocation. The growth over the 2016/17 MTEF is inflation related.

Programme 4: Public Special School Education reflects strong growth over the period under review. The growth in 2013/14 compared to the prior year relates to pressure in respect of *Compensation of employees* which is ascribed to the carry-through effects of the historical shortfall in funding for the implementation of the OSD for educators and various wage agreements, as well as focus on expanding inclusive education. The increase in the 2015/16 Adjusted Appropriation is in respect of the above-budget 2015 wage agreement. The high growth over the MTEF makes provision for the carry-through costs of this

wage agreement. It should be noted that the OSD for Education Sector Therapists grant phases into the equitable share from 2016/17.

Programme 5: Early Childhood Development (ECD) reflects strong growth from 2012/13 to 2014/15, largely due to additional funding allocated toward the expansion of Grade R, which influences the significant growth in the programme's baseline over the remainder of the period. As reflected in the 2015/16 Main Appropriation, there is substantial growth mainly attributed to the increase in the stipends payable to ECD practitioners in 2013/14, which was carried through in the baseline of the 2014/15 MTEF. The 2015/16 Adjusted Appropriation for the programme was increased by R45 million allocated from both National Treasury and provincial cash resources to assist the department with the pressures arising from the above-budget 2015 wage agreement. The budget over the 2016/17 MTEF provides for the carry-through costs of the above-budget 2015 wage agreement, increase in stipend for Grade R practitioners from R5 500 to R6 000, training of practitioners, as well as LTSM for schools. It should be noted that the additional allocation for the wage carry-through costs is not sufficient for the wage differential.

Programme 6: Infrastructure Development reflects steady growth over the period under review. The low spending in 2014/15 is reflective of the equitable share budget reprioritisation from this programme to fund *Compensation of employees* during the year. However, an amount of R355 million was allocated in the 2014/15 Second Adjustments Estimate which was additional funding allocated to ease pressures related to infrastructure projects. An amount of R6.896 million was rolled over to 2015/16 which was committed to implementing agents IDT and Coega, hence the slight increase in the 2015/16 Adjusted Appropriation. The 2016/17 MTEF allocation comprises largely of the EIG, which now makes up between 78 per cent to 87 per cent of this programme. This is due to the carry-through effect of the reprioritisation of R860 million which was undertaken in the 2014/15 Adjustments Estimate, and has been carried through the baseline resulting in the reduction of the equitable share portion of (R1.107 billion in 2016/17, R1.370 billion in 2017/18 and R1.634 billion in 2018/19) which was redirected to *Compensation of employees*. Included in the budget is an additional allocation of R100 million and R50 million in the first two years of the MTEF respectively, in order to deal decisively with the water and sanitation issues at schools. As previously mentioned, the additional allocation will address 453 schools out of 1 206 of which were identified for rehabilitation of water and sanitation infrastructure. The growth over the 2016/17 MTEF is below inflation due to the carry-through effects of the reprioritisation that was undertaken, commencing in 2014/15.

Programme 7: Examination and Education Related Services shows a steady increase over the seven-year period. The expenditure for this programme is influenced largely by the number of learners writing matric, as well as ANA. The budget over the seven-year period grows in anticipation of increased learner numbers for public ordinary schools, as well as to strengthen the integrity of the marking processes, as can be seen in the growth in spending between 2012/13 and 2014/15. The increase in 2014/15 includes the two sub-programmes that moved to this programme, to align to the Education sector budget programme structure changes, namely Professional Services and the HIV and AIDS (Life-Skills Education) grant. The increase in the 2015/16 Adjusted Appropriation relates to additional funding from both National Treasury and provincial cash resources for the above-budget 2015 wage agreement. The growth over the 2016/17 MTEF provides for the carry-through costs of the wage agreement, examination services, travelling to schools for professional or advisory services, as well as teacher assistants. As previously mentioned, the wage differential is not sufficiently funded.

Compensation of employees reflects an increase at an average annual rate of 7.5 per cent from R27.558 billion in 2012/13 to R42.463 billion in 2018/19, due to annual wage adjustments and the increase in OSD costs, relating to various wage agreements such as Education Labour Relations Council (ELRC) Agreements No. 3 and 4 of 2009, and PSCBC Resolution 1 of 2007, entered into regarding the remuneration of educators and administrators. Since the introduction of the agreements, the department's ability to fully meet its personnel needs has been placed under extreme pressure as a result of the actual cost of the wage and OSD agreements from the previous years not being fully funded. In 2013/14, although an additional R1.119 billion was allocated to this category, the budget was over-spent. In the 2014/15 Adjustments Estimate, R860 million was moved from *Buildings and other fixed structures* to this category. However, the department under-spent against this category in 2014/15, ascribed to the reduction in the headcount numbers attributed to various reasons, including resignations and retirements.

The high 2015/16 Adjusted Appropriation is due to additional funding for the above-budget 2015 wage agreement, comprising R877.619 million from National Treasury and R25 million from provincial cash resources. This additional funding fully compensated the department for the shortfall related to the above-budget 2015 wage agreement with respect to 2015/16. The minimal decrease in the 2015/16 Revised Estimate is due to the reduction in headcount numbers attributed to various reasons such as resignations, retirement, as well as termination of temporal employees in December who might be re-appointed at the beginning of the school year, etc. The department had budgeted for the wage increase for 2015/16 at 6.4 per cent, which was funded through reprioritisation of part of the infrastructure budget. However, the final agreement was reached at 7 per cent and included an increase in social benefits such as housing allowance by R300 per month for all level 1 to 10 staff, and a 28.5 per cent increase in the employer contribution relating to the GEMS medical aid. As mentioned, the department was fully compensated for this in 2015/16.

However, there is a shortfall that arises with respect to the 2016/17 MTEF, as the allocations do not make provision for the maintenance of the current establishment of 107 433, as well as filling of any new posts. Due to the carry-through costs of the above-budget 2015 wage agreement, the department will have to review the budget over future MTEFs, as further reprioritisation could not currently be undertaken. The crowding out effect that *Compensation of employees* has on other budget categories is clearly demonstrated, as this category comprises the largest share of the department's budget, at about 83 per cent over the 2016/17 MTEF inclusive of conditional grants. Furthermore, the department has fully funded the increase in stipends for ECD practitioners from R5 500 to R6 000. Furthermore, it is imperative that the department implements the proposals arising from the headcount undertaken jointly with Provincial Treasury as this should release some much needed funding within *Compensation of employees* and could ensure the sustainability of the budget for this category.

Goods and services increases from R2.865 billion in 2012/13 to R3.705 billion in 2018/19. Although an upward trend is evident from 2012/13 to 2014/15, the department implemented an internal cost-containment plan that started from 2011/12 in order to reduce unauthorised expenditure caused by spending pressures in personnel. In 2014/15, an additional R99 million was allocated from provincial cash resources, to assist the department in addressing spending pressures, including accruals, as previously explained. The 2015/16 Adjusted Appropriation shows an increase of R217.299 million, due to in-year reprioritisation and correction of budget misallocation, as well as to provide for computer services to re-structure the EMIS programme. Furthermore, the funds which were meant for transfers to ECD centres were moved to this category in order to allow the department to procure LTSM and other core material for Grade R classes through the management agent, as well as to provide for the management fees. The 2015/16 Adjusted Appropriation also includes additional funding of R111 million for the capital amount owed in terms of the Indiza LTSM litigation matter. These funds were specifically and exclusively appropriated for this purpose. The 2015/16 Revised Estimate shows a slight projected under-expenditure, mainly due to enforced savings in order to offset pressures within the vote. The budget grows steadily over the 2016/17 MTEF and includes provisions for purchase of LTSM, as well as increases in various conditional grants and the education maintenance budgets.

Transfers and subsidies to: Provinces and municipalities relates to motor vehicle licences. This category reflects a fluctuating trend, with 2012/13 being higher than 2013/14 due to the high number of vehicle licence renewals. The peak in 2014/15 is ascribed to the accruals from the prior year. The 2015/16 Revised Estimate is higher than the Adjusted Appropriation attributed to the delivery of vehicles which were ordered. The growth from 2016/17 to 2018/19 provides for licence renewals for existing vehicles, as well as for new vehicles procured.

Transfers and subsidies to: Departmental agencies and accounts reflects transfers made to the Education Training and Development Practices Sector Education and Training Authority (ETDP SETA) in respect of the Skills Development Act. However, a directive was issued by DPSA to the effect that 30 per cent of the skills levy should be allocated to the ETDP SETA, hence the increase over the 2016/17 MTEF, which is based on the personnel budget.

Transfers and subsidies to: Non-profit institutions fluctuates over the period under review, largely influenced by the unpredictability in learner enrolment numbers which are only determined in the fourth

quarter when schools open. However, it should be noted that, due to budget constraints, the transfer payments to schools are below the sector norms and standards. The 2015/16 Revised Estimate reflects projected under-expenditure due to the anticipated non-transfer to schools that do not meet the transfer requirements. The 2016/17 MTEF makes provision for transfers to quintiles 1 to 5 in respect of public ordinary schools, independent schools, public special schools and ECD centres. The negative growth in 2016/17 is due to fluctuating learner numbers which can only be determined at the beginning of a particular school year and anticipated non-compliance by some schools in respect of transfer requirements, as well as budget constraints. However, some growth can be observed for the two outer years of the MTEF in order to address funding requirements of public ordinary schools.

Transfers and subsidies to: Households caters for staff exit costs, including the pay-out of capped leave where applicable. The fluctuations are attributable to the number of employees exiting the system and the related leave pay-outs due to them. The 2015/16 Adjusted Appropriation and Revised Estimate provides for employees that exited the system. It should be noted that it is difficult to accurately budget for this item due to its uncertain nature.

Buildings and other fixed structures fluctuates over the period under review, largely due to the bidding process for funding in respect of the EIG, as well as baseline reprioritisation undertaken in 2015/16 to fully fund personnel pressures. The 2012/13 amount is high compared to 2013/14 mainly due to various projects, including upgrades and refurbishments, as well as construction of new schools. The low 2014/15 amount relates to enforced savings which were implemented against this category in order to fund the shortfall against *Compensation of employees*. It should be noted that the effect of this reduction was the in-year suspension of some projects, which resulted in re-establishment costs being added to the projects, as well as new rates which are higher than the initial rates when the projects commenced. The decrease in the 2015/16 Adjusted Appropriation is attributed to the reprioritisation undertaken to *Machinery and equipment* in order to provide for furniture for newly built schools. The high 2015/16 Revised Estimate relates to projects which were previously categorised as *Goods and services* and have since been classified as capital due to the nature and scope of work undertaken. The 2016/17 MTEF includes the carry-through of the reprioritisation that was undertaken against the equitable share portion of the infrastructure budget towards easing pressures against *Compensation of employees*. This reprioritisation or reduction in the baseline amounts to R1.107 billion in 2016/17, R1.370 billion in 2017/18 and R1.634 billion in 2018/19. The negative growth over the 2016/17 MTEF is mainly attributed to funds which were reprioritised, as previously explained. It should be noted that the EIG constitutes the largest share of the budget over the MTEF at 86 per cent in 2016/17, 97 per cent in 2017/18 and 98 per cent in 2018/19. Furthermore, it is noted that the department received an additional allocation of R150 million in the first two years of the MTEF (R100 million in 2016/17, and R50 million in 2017/18) in respect of improving water and sanitation in schools in order to address the backlogs in the provision of sanitation infrastructure as previously explained.

Machinery and equipment fluctuates between 2012/13 and 2018/19, due to financial control measures and enforced savings to ease pressures against personnel. The high amount in 2012/13 includes conditional grant funding for the purchase of workshop tools for technical schools and the department's effort to address the gap in respect of the purchase of tools of trade, such as office furniture and equipment, which were reduced previously in order to fund pressures against personnel. The decrease from 2013/14 to 2014/15 reflects the department's efforts to implement cost-cutting measures to contain other pressures within the vote, mainly *Compensation of employees*. The increase in the 2015/16 Adjusted Appropriation is attributed to the procurement of buses for transportation of disabled learners, additional tools of trade and braille machines, as well as the correction of the budget which was incorrectly allocated. The low 2015/16 Revised Estimate compared to the Adjusted Appropriation is due to delays in the procurement processes for the purchase of vehicles and tools of trade. The 2016/17 MTEF provides mainly for the Maths, Science and Technology grant, for the purchase of workshop tools for technical schools, as well as tools of trade for the department and furniture for newly built schools such as desks for learners and tables and chairs for educators including vehicles for school monitoring for the NSNP.

Software and other intangible assets reflects the budget for ICT in schools, and is mainly funded from the Maths, Science and Technology grant. The 2015/16 Adjusted Appropriation reflects an increase due to licences purchased for the EMIS server. The 2016/17 MTEF provides for ICT in schools.

Payments for financial assets over the period under review relates to the previously mentioned first charge for the unauthorised expenditure which was not approved by SCOPA.

5.4 Summary of conditional grant payments and estimates

Tables 5.6 and 5.7 below provide a summary of conditional grant payments and estimates by programme and economic classification for the period 2012/13 to 2018/19.

Note that the historical figures set out in Table 5.6 below reflect actual expenditure per grant, and should not be compared to those reflected in Table 5.1, which represent the actual receipts with respect to each grant. The department administered seven conditional grants with effect from 2015/16. These grants reduce to six in 2016/17 due to the OSD for Education Sector Therapists grant being phased into the equitable share. The details in respect of each conditional grant are included in the *Annexure – Vote 5: Education*.

Table 5.6 : Summary of conditional grants payments and estimates by name

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
Education Infrastructure grant	1 423 000	1 306 421	1 385 781	1 978 683	1 978 683	1 978 683	1 958 321	1 843 980	1 948 887
HIV and AIDS (Life-Skills Education) grant	49 954	19 348	85 683	50 588	50 588	50 588	53 096	56 115	59 369
National School Nutrition Programme (NSNP) grant	1 085 489	1 283 939	1 253 708	1 287 034	1 287 034	1 287 034	1 355 247	1 423 009	1 505 544
Maths, Science and Technology grant	50 055	54 870	75 610	59 998	59 998	59 998	62 453	63 883	67 587
OSD for Education Sector Therapists grant	-	-	41 581	13 079	13 079	13 079	-	-	-
Social Sector EPWP Incentive Grant for Provinces	-	-	5 518	3 000	3 000	3 000	27 318	-	-
EPWP Integrated Grant for Provinces	895	1 340	-	2 644	2 644	2 644	2 790	-	-
Total	2 609 393	2 665 918	2 847 881	3 395 026	3 395 026	3 395 026	3 459 225	3 386 987	3 581 387

Table 5.7 : Summary of conditional grants payments and estimates by economic classification

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	1 259 484	1 467 042	1 560 051	1 390 085	1 388 857	1 401 468	1 482 338	1 519 764	1 600 552
Compensation of employees	-	1 651	45 133	43 723	55 361	53 425	87 875	57 089	57 889
Goods and services	1 259 484	1 465 391	1 514 918	1 346 362	1 333 496	1 347 999	1 394 463	1 462 675	1 542 663
Interest and rent on land	-	-	-	-	-	44	-	-	-
Transfers and subsidies to:	7 178	4 920	22 924	10 800	12 000	12 148	14 000	16 000	16 000
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	7 178	4 920	22 924	10 800	12 000	12 148	14 000	16 000	16 000
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	1 342 731	1 193 956	1 264 906	1 994 141	1 994 169	1 981 410	1 962 887	1 851 223	1 964 835
Buildings and other fixed structures	1 332 901	1 193 956	1 264 906	1 954 483	1 954 483	1 953 683	1 911 946	1 806 286	1 916 193
Machinery and equipment	9 830	-	-	35 658	35 686	24 114	46 941	40 937	44 642
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	4 000	4 000	3 613	4 000	4 000	4 000
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 609 393	2 665 918	2 847 881	3 395 026	3 395 026	3 395 026	3 459 225	3 386 987	3 581 387

The EIG caters for physical infrastructure needs for schools. As previously mentioned, provinces were informed in 2012/13 by National Treasury that they would be required to bid for infrastructure allocations two years in advance and financial incentives would be built into the infrastructure grant for provinces that implement best practices. The DOE attained a final score of 64 per cent and therefore received an incentive allocation of R133.309 million. The department was successful in bidding for 2016/17 allocations due to its ability to spend on the infrastructure allocations. This grant is reduced over the 2016/17 MTEF in line with lowering the government expenditure ceiling. This means that this grant increases by R100.673 million (and not the R133.309 million mentioned above) in 2016/17, while declining in 2017/18 by R106.550 million and R1.643 million in 2018/19. This grant, which was meant to supplement the existing infrastructure budget, now forms a major portion of thereof after the reduction in the baseline in respect of the equitable share portion to offset personnel spending pressures.

The grant framework allows for the utilisation of the funding toward the allocation of *Compensation of employees* in order to attract suitably qualified built-environment candidates, thus an amount of R26.600 million has been set aside for this in 2016/17 and increases gradually in the two outer years to R28.276 million and R29.916 million, respectively. Over the 2016/17 MTEF, the EIG contribution towards the infrastructure budget grows from 86 per cent in 2016/17 to 98 per cent in 2018/19. This is due to the equitable share portion of the infrastructure budget being reprioritised from 2014/15 onward, in order to fund the pressures in *Compensation of employees*, as mentioned previously.

The HIV and AIDS (Life-Skills Education) grant funds a life-skills programme aimed at creating awareness among learners and educators. The low 2013/14 amount is due to delays in the procurement of resources in respect of a new programme, namely the Integrated School Health Programme, introduced in 2013/14 that necessitated the purchase of new resources (such as medical scales, first aid kits, manuals, posters, etc.). The department requested to participate in the national tender to purchase the resources for schools as it was the most cost-effective route. The approval was only received in November 2013, leaving too little time for the procurement and delivery of resources. The 2015/16 Revised Estimate indicates that the department will fully spend the allocation. The 2016/17 MTEF makes provision for the activities relating to this grant, such as the payment of stipends to learner support agents to undertake on-site peer education and care support programmes in schools on a day-to-day basis in order to support vulnerable learners with the specific focus on keeping girls in school, the training of educators, peer education, etc.

The coverage of the NSNP grant has been expanded to include quintile 3 secondary schools since 2013. Since the department experienced budget pressures due to accruals from previous financial years, new programmes such as deworming were not fully implemented in 2015/16. Therefore, in 2016/17 the activities for the NSNP grant include the addition of a deworming programme to the grant purpose and reweighting the focus on feeding the pupils to placing more focus on the nutritional outcome of the meals. The roll-out of the deworming programme will be done in collaboration with the HPV programme, led by the Department of Health. The NSNP programme is set to benefit an estimated 2 281 983 learners in 2016/17. The 2016/17 MTEF budget growth reflects an upward trend and relates to the increase in the learner numbers and efforts to ensure continuous feeding in schools. It should be noted that this grant was not affected by budget cuts.

The department projects to fully spend the Maths, Science and Technology grant, as reflected in the 2015/16 Revised Estimate. This grant was affected by fiscal consolidation cuts undertaken during the 2015/16 MTEF. The growth over the 2016/17 MTEF caters for the equipping of technical secondary schools with the necessary equipment to enhance curriculum delivery and thus increasing the number of suitably qualified and technically skilled learners for all schools identified as needy with quintiles 1 to 3 being prioritised.

Funding for OSD for therapists is allocated as a conditional grant, namely the OSD for Education Sector Therapists grant, to allow for the full implementation of the ELRC Collective Agreement 1 of 2012. The implementation of the agreement was backdated to July 2010. The grant is phased into the equitable share from 2016/17.

The Social Sector EPWP Incentive Grant for Provinces is only provided for from 2014/15 to 2016/17 and sees a growth in the allocation compared to prior years. This is due to the additional allocation to expand or top up the stipends paid to the food handlers through the NSNP programme. The balance of the budget is utilised to pay stipends to Grade R practitioners in respect of the effective implementation of the White Paper on Grade R. The department has received an allocation for the first year of the 2016/17 MTEF only, at this stage, due to the incentive nature of this programme.

The EPWP Integrated Grant for Provinces is aimed at providing incentives to departments to utilise members of the community in their infrastructure projects. The department has received an allocation for the first year of the 2016/17 MTEF only, at this stage, due to the incentive nature of this programme.

The allocation against *Compensation of employees* includes a portion of the NSNP grant which is to deal with capacity issues relating to monitoring. The entire funding for the OSD for Education Sector Therapists grant relates to the implementation of the collective agreement on OSD, which commenced in

2014/15 as evident with the peak in the trend. The allocation for EIG includes a portion for the appointment of suitably qualified built-environment candidates, which was introduced in 2015/16. The Social Sector EPWP Incentive Grant for Provinces also provides for the payment of stipends to Pre-Grade R practitioners, as well as the EPWP Integrated Grant for Provinces which provides for payment of stipends to community members employed in infrastructure projects. The HIV and AIDS (Life-Skills Education) grant provides for the payment of stipends to learner support agents to undertake on-site peer education and care support programmes in schools on a day-to-day basis in order to monitor the programmes undertaken. The increase in the 2015/16 Adjusted Appropriation mainly relates to correct allocation of funds which were misallocated due to delays in the finalisation of the HIV and AIDS (Life-Skills Education) grant business plan. The low 2015/16 Revised Estimate is attributed to delays in the appointment of technical staff for the EIG, as the department could not attract suitable candidates for the posts. The growth over the MTEF provides for all grants, with the OSD for Education Sector Therapists grant phasing into the equitable share from 2016/17.

The NSNP, EIG and Maths, Science and Technology grant, as well as the HIV and AIDS (Life-Skills Education) grant have part of their allocations reflected against *Goods and services* and *Machinery and equipment*, while a significant portion of the EIG is also reflected against *Buildings and other fixed structures*. The HIV and AIDS (Life-Skills Education) grant is reflected against *Transfers and subsidies to: Non-profit institutions* in order to cater for the Orphans and Vulnerable Children (OVC) project.

5.5 Summary of infrastructure payments and estimates

Table 5.8 presents a summary of infrastructure payments and estimates by category for the vote, including both capital and current infrastructure for the period 2012/13 to 2018/19. Detailed information on infrastructure is given in the *Annexure – Vote 5: Education*.

Table 5.8 : 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	1 685 599	1 904 795	1 810 672	2 051 997	2 033 893	1 848 046	2 065 011	1 714 300	1 742 516
Maintenance and repair: Current	253 554	194 530	194 504	214 383	214 383	177 194	220 526	235 000	235 000
Upgrades and additions: Capital	987 291	1 297 566	1 025 411	854 838	1 136 734	1 262 437	923 799	732 161	836 859
Refurbishment and rehabilitation: Capital	444 754	412 699	590 756	982 776	682 776	408 415	920 686	747 139	670 657
New infrastructure assets: Capital	1 031 326	648 989	401 702	452 038	452 038	648 501	387 118	406 405	451 827
Infrastructure transfers	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Current	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital	-	-	-	-	-	-	-	-	-
Infrastructure Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	-	-	-	-	-	-	-	-	-
Total	2 716 925	2 553 784	2 212 374	2 504 035	2 485 931	2 496 547	2 452 129	2 120 705	2 194 343
<i>Capital infrastructure</i>	<i>2 463 371</i>	<i>2 359 254</i>	<i>2 017 870</i>	<i>2 289 652</i>	<i>2 271 548</i>	<i>2 319 353</i>	<i>2 231 603</i>	<i>1 885 705</i>	<i>1 959 343</i>
<i>Current infrastructure</i>	<i>253 554</i>	<i>194 530</i>	<i>194 504</i>	<i>214 383</i>	<i>214 383</i>	<i>177 194</i>	<i>220 526</i>	<i>235 000</i>	<i>235 000</i>

The infrastructure budget fluctuates from 2012/13 to 2018/19. However, the reduction of the equitable share portion of the infrastructure budget, which commenced in 2014/15 with a decrease of R860 million, was carried through the baseline with a reduction of R1.107 billion in 2016/17, R1.370 billion in 2017/18 and R1.634 billion in 2018/19, and this has had a negative impact on the roll-out of the infrastructure programme, hence the lower allocations over the 2016/17 MTEF.

With regard to *Existing infrastructure assets*, the budget fluctuates over the period under review with a downward trend in 2014/15 from the high 2013/14 attributed to the in-year suspension of projects, as well as negative growth over the MTEF due to the previously mentioned carry-through of the budget reduction. The decrease in the 2015/16 Adjusted Appropriation is ascribed to the reprioritisation of funds to purchase school furniture and equipment for schools that will be completed in 2015/16. Included in this Adjusted Appropriation is an amount of R6.896 million which was rolled over from 2014/15, relating to infrastructure project commitments in respect of IDT and Coega. The low 2015/16 Revised Estimate relates to delays in the advertisement of tenders for *Maintenance and repair: Current*, as well as *Refurbishment and rehabilitation: Capital*. This posed a challenge as the construction works were paused in December when the construction industry closed, thus projects only commenced again during January

2016 which will more than likely result in under-spending. However, the department will continue to monitor progress on site in order to ensure minimal under-spending. The negative growth over the MTEF relates to the carry-through of the reprioritisation which was undertaken over the 2015/16 MTEF to fund the spending pressures against *Compensation of employees*.

Maintenance and repair: Current fluctuates over the seven-year period. This provides for the maintenance of school infrastructure, as well as maintenance of office buildings such as circuit and district offices. The fluctuations from 2012/13 to 2018/19 relate mainly to the fact that some maintenance had to be curtailed in order to fund personnel pressures, as evident in the low 2014/15 amount. The 2015/16 Revised Estimate is low due to delays in implementation of maintenance projects as a result of slow progress by the DOPW in appointing contractors. Most tenders relating to maintenance were only advertised in August and September 2015. However, the department will continue to monitor progress on site in order to avoid under-spending. The allocation grows steadily over the 2016/17 MTEF to provide for maintenance of schools and administration buildings, including circuit and district offices. The department will have to review the budget over the future MTEFs in order to address the low growth in this category.

Upgrades and additions: Capital is aimed at dealing with issues of over-crowding in schools, with this category being allocated the largest portion of the budget over the seven-year period. The high 2015/16 Revised Estimate relates to the in-year suspension of some projects in the previous year. The infrastructure programmes relating to additions and/or renovations of schools to accommodate learners with special needs, boarding facilities, as well as office accommodation will continue in 2016/17. There is a decline in the two outer years due to the infrastructure reforms, which require that the department bids for funding two years prior. In addition to classrooms and toilets, the budget also includes provision for laboratories, computer centres and ECD spaces. The allocation fluctuates over the 2016/17 MTEF due to the carry-through costs of the reprioritisation that was undertaken over the 2015/16 MTEF to ease pressures against *Compensation of employees*. It should be noted that, included in the 2016/17 MTEF, are funds reprioritised from *Goods and services*, as well as an additional allocation of R150 million in the first two years of the MTEF in order to undertake water and sanitation projects in schools to respond to the Minimum Uniform Norms and Standards for Public School Infrastructure. As previously mentioned, this will address the backlog of 453 schools in respect of the improvement of water and sanitation infrastructure, such as the VIP technology which responds to the minimum norms and standards. The department will be engaged in a large scale rehabilitation programme of all pit latrine toilets and septic tanks in a desludging programme for various districts.

Refurbishment and rehabilitation: Capital fluctuates over the period under review. The low spending in 2013/14 compared to 2012/13 relates to enforced savings to reduce the unauthorised expenditure against *Upgrades and additions: Capital*. The decrease against the 2015/16 Adjusted Appropriation is ascribed to the shifting of funds to ease pressures against *Upgrades and additions: Capital*, as well as delays in the advertisement of tenders, as previously explained. The low 2015/16 Revised Estimate relates to the slow progress in the implementation of projects attributed to previous year suspensions. The 2016/17 MTEF reflects a gradual decline due to the reprioritisation that was undertaken in the 2015/16 MTEF to ease pressures against *Compensation of employees*.

Spending against *New infrastructure assets: Capital* is high in 2012/13 and relates to projects that carried over from the prior year. The low amount in 2013/14 is attributed to delays in the disbursement of funds by the implementing agent. The downward trend continued in 2014/15 due to the previously mentioned suspension of projects in-year in order to offset pressures against *Compensation of employees*. The department undertook baseline reprioritisation in 2015/16 in order to fully fund the shortfall against *Compensation of employees*. This also had a negative impact on the growth rate over the 2016/17 MTEF.

5.6 Public Private Partnerships

In an effort to deal with the school infrastructure backlog, the department has decided to pursue the option of entering into a PPP, and this intention has been recorded by National Treasury as per the regulations under reference ZN0020E 2012/13. The project is still in stage one (planning stage) of its life cycle, thus there is no budget or expenditure at this stage.

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

5.8 Transfers to other entities

Table 5.9 provides details of transfers made to other entities over the seven-year period under review.

Table 5.9 : 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
Section 21 schools	2.1 Public Pr. & 2.2 Public Sec. Lev	931 413	1 344 564	1 421 164	1 470 363	1 470 363	1 454 743	1 422 672	1 476 666	1 560 862
Section 20 schools (petty cash)	2.1 Public Pr. & 2.2 Public Sec. Lev	343 462	5 645	6 543	6 876	6 876	6 876	6 877	7 221	7 640
Independent schools	3.1 Primary & 3.2 Secondary Level	65 573	72 399	70 967	77 817	77 817	77 817	81 941	86 038	91 028
Public special schools	4.1 Schools	90 706	111 316	127 801	129 048	124 848	124 848	136 757	143 819	152 161
ECD centres	5.1 Gr. R in Pub. Sch & 5.2 Devn centr	13	–	30 415	50 000	18 000	21 649	50 265	50 528	53 459
ETDP SETA	7.1 Payments to SETA	19 891	22 358	22 030	78 139	78 139	78 139	83 257	88 762	93 910
HIV and AIDS	7.4 Conditional grants	7 178	12	9 424	10 800	12 000	12 000	14 000	16 000	16 000
Total		1 458 236	1 556 294	1 688 344	1 823 043	1 788 043	1 776 072	1 795 769	1 869 034	1 975 060

The largest portion of transfers is in respect of S21 schools, relating to the transfers of norms and standards funding. The allocation in 2016/17 for transfers to S21 and S20 schools is lower than the 2015/16 Revised Estimate due to budget pressures mainly related to carry-through costs of previous years' above-budget wage agreements. As such, this has limited the reprioritisation that could be undertaken within the vote in order to increase the allocation for transfers to schools. The allocation in the outer years of the 2016/17 MTEF increases, though not sufficiently to meet the sector norms and standards.

The department still has schools that do not have S21 functions and, for these schools, the department transfers petty cash so that they can deal with immediate school requirements. The slight increase in the outer year against S20 schools is due to the anticipated withdrawal of S21 functions from schools that continue not to comply with transfer requirements.

As previously mentioned, the subsidies to independent schools are based on the available budget. The increase in 2013/14 is mainly due to the previously mentioned additional funding that was allocated to cater for the court order to repay independent schools with regard to the reduction of subsidies in previous years, due to budget pressures. It is anticipated that the department will fully transfer the 2015/16 amount, and the allocation grows gradually over the 2016/17 MTEF.

Public special schools reflects an upward trend from 2012/13 to 2018/19, which indicates the extent to which the department is focusing on learners with special needs, by making sure that schools are allocated funding that will enable them to assist the learners. The 2015/16 Revised Estimate is slightly lower than the Main Appropriation due to previously mentioned movement of funds to provide for purchase of braille machines. There is healthy growth for these schools over the 2016/17 MTEF.

The growth against ECD centres reflects a fluctuating trend from 2012/13 to 2015/16, and increases steadily over the 2016/17 MTEF. The low 2012/13 and no amount in 2013/14 is due to the non-transfer to these centres as a means to deal with the over-expenditure or unauthorised expenditure within the department. The allocation to ECD centres peaks in 2014/15, aimed at ensuring that schools with Grade R classes are able to run their own affairs. The low amount in the 2015/16 Adjusted Appropriation compared to the Main Appropriation is attributed to the shifting of funds in order to allow the department to procure LTSM and other core material for Grade R classes on behalf of the schools through the management agent, as well as to provide for the management fee. The increase in the Revised Estimate is ascribed to the schools who have since submitted the requirements for transfers to be undertaken. The 2016/17 MTEF allocation remains, at this point, in line with the 2015/16 Main Appropriation, as the modality for the procurement of LTSM has not been finalised by the department.

ETDP SETA transfers relate to the contribution by the department to SETA, as per the Skills Development Act. As explained, the department will no longer make payments to PSETA, as the national departments will make payments through DPSA. The increase over the 2016/17 MTEF is due to the previously mentioned provision of 30 per cent for the skills development levy to be allocated to the ETDP SETA, as per the DPSA directive.

HIV and AIDS reflects transfers to schools for the procurement of uniforms and other additional needs for orphaned and vulnerable children. The low 2013/14 amount is due to expenditure misallocations in that year. The 2014/15 amount relates to various activities undertaken aimed at creating awareness among learners and educators. The increase in the 2015/16 Adjusted Appropriation relates to the correct allocation of the budget to cater for transfers to schools to procure uniforms for orphaned and vulnerable children. The 2016/17 MTEF allocation remains constant in the two outer years.

5.9 Transfers to local government

It is noted that, although the payment of motor vehicle licences falls under *Transfers and subsidies to: Provinces and municipalities*, these funds are not transferred to any municipality, and therefore the table reflecting transfers to local government is excluded.

5.10 Transfers and subsidies

Table 5.10 provides a summary of transfers by programme and main category over the seven years. The department mainly transfers funds to schools. Apart from these, there are smaller transfers in respect of employees' severance packages etc., which are difficult to predict, thus showing fluctuations.

Table 5.10 : 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	16 057	11 734	17 182	30 931	30 931	30 190	32 570	34 201	36 185
Provinces and municipalities	1 573	740	2 097	1 100	1 100	1 665	1 158	1 216	1 287
Motor vehicle licences	1 573	740	2 097	1 100	1 100	1 665	1 158	1 216	1 287
Households	14 484	10 994	15 085	29 831	29 831	28 525	31 412	32 985	34 898
Social benefits	14 484	10 994	15 085	29 831	29 831	28 525	31 412	32 985	34 898
2. Public Ordinary School Education	1 348 773	1 442 485	1 571 969	1 520 917	1 565 917	1 579 113	1 475 542	1 532 180	1 619 596
Non-profit institutions	1 274 875	1 350 209	1 427 707	1 477 239	1 477 239	1 461 619	1 429 549	1 483 887	1 568 502
Section 21 schools	931 413	1 344 564	1 421 164	1 470 363	1 470 363	1 454 743	1 422 672	1 476 666	1 560 862
Section 20 schools	343 462	5 645	6 543	6 876	6 876	6 876	6 877	7 221	7 640
Households	73 898	92 276	144 262	43 678	88 678	117 494	45 993	48 293	51 094
Social benefits	73 898	92 276	144 262	43 678	88 678	117 494	45 993	48 293	51 094
3. Independent School Subsidies	65 573	72 399	70 967	77 817	77 817	77 817	81 941	86 038	91 028
Non-profit institutions	65 573	72 399	70 967	77 817	77 817	77 817	81 941	86 038	91 028
Independent schools	65 573	72 399	70 967	77 817	77 817	77 817	81 941	86 038	91 028
4. Public Special School Education	93 002	114 453	131 236	130 608	126 408	127 469	138 400	145 544	153 986
Non-profit institutions	90 706	111 316	127 801	129 048	124 848	124 848	136 757	143 819	152 161
Schools	90 706	111 316	127 801	129 048	124 848	124 848	136 757	143 819	152 161
Households	2 296	3 137	3 435	1 560	1 560	2 621	1 643	1 725	1 825
Social benefits	2 296	3 137	3 435	1 560	1 560	2 621	1 643	1 725	1 825
5. Early Childhood Development	158	125	30 506	50 000	18 300	22 102	50 265	50 528	53 459
Non-profit institutions	13	-	30 415	50 000	18 000	21 649	50 265	50 528	53 459
ECD centres	13	-	30 415	50 000	18 000	21 649	50 265	50 528	53 459
Households	145	125	91	-	300	453	-	-	-
Social benefits	145	125	91	-	300	453	-	-	-
7. Examination and Education Relates services	29 872	25 188	36 032	88 939	90 139	94 168	97 257	104 762	109 910
Departmental agencies and accounts	19 891	22 358	22 030	78 139	78 139	78 139	83 257	88 762	93 910
ETDP SETA	19 891	22 358	22 030	78 139	78 139	78 139	83 257	88 762	93 910
Non-profit institutions	7 178	12	9 424	10 800	12 000	12 000	14 000	16 000	16 000
HIV and AIDS	7 178	12	9 424	10 800	12 000	12 000	14 000	16 000	16 000
Households	2 803	2 818	4 578	-	-	4 029	-	-	-
Social benefits	2 803	2 818	4 578	-	-	4 029	-	-	-
Total	1 553 435	1 666 384	1 857 892	1 899 212	1 909 512	1 930 859	1 875 975	1 953 253	2 064 164

Programme 1 caters for the budget and expenditure for *Provinces and municipalities* relating to motor vehicle licences. *Households* under this programme reflects payments made in respect of staff exit costs.

Programme 2 houses the larger portion of the transfers to schools. *Transfers and subsidies* increases over the seven-year period due to the following:

- *Non-profit institutions* reflects payments made in respect of departmental determined norms and standards. The slight increases are as a result of the successful contestations made by schools to have

their quintile ranking elevated. The low 2015/16 Revised Estimate compared to the Adjusted Appropriation related to the previously mentioned non-submission of financial statements by some schools. The growth over the MTEF includes some provision for the norms and standards for schools, though not to the level of the national standards.

- *Households* reflects payments in respect of staff exit costs. The 2015/16 Adjusted Appropriation increased significantly to cater for the payment of leave credits to employees when exiting the system.

With regard to Programme 3:

- *Transfers and subsidies to: Non-profit institutions* reflects payments made in respect of the subsidy given to independent schools. The increase in 2013/14 was mainly due to reprioritisation to cater for the court order to repay independent schools with regard to the reduction of subsidies in previous years, as a result of budget pressures. As previously mentioned, the decrease in 2014/15 is attributed to lower enrolment numbers in these schools at the beginning of the school year. The 2016/17 MTEF budget reflects an inflationary increase.

With regard to Programme 4:

- *Transfers and subsidies to: Non-profit institutions* reflects payments made to public special schools. The growth fluctuates from 2012/13 to 2013/14 with the provisions made in order to grant access to learners with special needs, to allow these schools to procure various assistive devices. The decrease in the 2015/16 Adjusted Appropriation relates to funds which were reprioritised to provide for the purchase of braille machines. The steady growth over the 2016/17 MTEF relates to inflationary increases.
- *Transfers and subsidies to: Households* caters for staff exit costs.

With regard to Programme 5:

- *Transfers and subsidies to: Non-profit institutions* reflects payments made to ECD centres. The low spending in 2012/13 and 2013/14 is due to financial control and the reprioritisation of funds to *Compensation of employees* to cater for the increase in stipends payable to ECD practitioners. The peak in 2014/15 relates to the transfer to ECD centres for the purchase of LTSM and other related activities. The decrease in the 2015/16 Adjusted Appropriation compared to the Main Appropriation relates to the non-compliance by some schools to submit financial statements, thus funds were moved in order to purchase LTSM and other core material for schools and to provide for the management fees for the managing agent responsible for the procurement of LTSM. The growth over the 2016/17 MTEF is inflationary and makes provision for transfers to ECD centres.
- *Transfers and subsidies to: Households* fluctuates from 2012/13 to 2014/15 due to the fluctuating nature of the number of ECD practitioners appointed during the year. The decrease in 2014/15 relates to fewer practitioners in the system. The increase in the 2015/16 Adjusted Appropriation relates to pressures from staff exit costs. Due to the uncertain nature of this item, it is difficult to budget for.

With regard to *Transfers and subsidies* in Programme 7, this caters for *Households* in respect of staff exit costs, as well as payments to the ETDP SETA against *Departmental agencies and accounts* in respect of the skills development levy.

6. Programme description

The services rendered by the department are categorised under seven programmes for 2016/17 MTEF, which conform to the revised uniform budget and programme structure for the Education sector. The payments and estimates for each programme are summarised in terms of sub-programmes and economic classification, and detailed in the *Annexure – Vote 5: Education*.

6.1 Programme 1: Administration

Programme 1 has five sub-programmes that are responsible for providing:

- The functioning of the Office of the MEC for Education.

- Overall management of the education system.
- Education management services for the education system.
- Human resource development for office-based staff.
- Education Management Information System (EMIS).

Tables 5.11 and 5.12 below reflect payments and budgeted estimates relating to this programme for the period 2012/13 to 2018/19.

As previously mentioned, in terms of Section 34(2) of the PFMA, the department is liable for the repayment of the previous year's over-expenditure, resulting in a first charge against the department's budget. One instalment of R31.892 million was implemented in 2015/16, with the second to be implemented in 2016/17, ending with R31.893 million in 2017/18. The first charge is allocated under the sub-programme Education Management against *Payments for financial assets*.

Table 5.11 : 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. Office of the MEC	23 701	28 712	38 342	50 015	50 015	50 015	35 974	37 422	40 464
2. Corporate Services	659 506	779 164	772 244	665 826	797 826	806 534	781 342	733 715	778 660
3. Education Management	529 337	600 967	595 968	843 031	782 031	773 323	952 236	992 547	1 047 834
4. Human Resource Development	1 337	13 190	23 080	9 587	9 587	9 587	10 299	13 974	14 784
5. Education Management Information System (EMIS)	22 999	22 950	22 684	50 509	50 509	50 509	53 186	55 845	59 084
Total	1 236 880	1 444 983	1 452 318	1 618 968	1 689 968	1 689 968	1 833 037	1 833 503	1 940 826
Unauth. Exp. (1st charge) not available for spending	-	-	-	(31 892)	(31 892)	(31 892)	(31 892)	(31 893)	-
Baseline available for spending after 1st charge	1 236 880	1 444 983	1 452 318	1 587 076	1 658 076	1 658 076	1 801 145	1 801 610	1 940 826

Table 5.12 : 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	1 211 068	1 429 353	1 433 676	1 529 795	1 524 150	1 541 858	1 717 984	1 758 589	1 895 309
Compensation of employees	887 859	1 008 201	999 380	1 167 994	1 131 614	1 115 940	1 311 032	1 392 891	1 508 404
Goods and services	322 953	415 446	431 249	361 801	392 536	424 235	406 952	365 698	386 905
Interest and rent on land	256	5 706	3 047	-	-	1 683	-	-	-
Transfers and subsidies to:	16 057	11 734	17 182	30 931	30 931	30 190	32 570	34 201	36 185
Provinces and municipalities	1 573	740	2 097	1 100	1 100	1 665	1 158	1 216	1 287
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	14 484	10 994	15 085	29 831	29 831	28 525	31 412	32 985	34 898
Payments for capital assets	9 755	3 896	1 460	26 350	102 995	86 028	50 591	8 820	9 332
Buildings and other fixed structures	-	151	-	-	-	300	-	-	-
Machinery and equipment	9 617	3 745	1 460	26 350	101 480	84 213	50 591	8 820	9 332
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	138	-	-	-	1 515	1 515	-	-	-
Payments for financial assets	-	-	-	31 892	31 892	31 892	31 892	31 893	-
Total	1 236 880	1 444 983	1 452 318	1 618 968	1 689 968	1 689 968	1 833 037	1 833 503	1 940 826
Unauth. Exp. (1st charge) not available for spending	-	-	-	(31 892)	(31 892)	(31 892)	(31 892)	(31 893)	-
Baseline available for spending after 1st charge	1 236 880	1 444 983	1 452 318	1 587 076	1 658 076	1 658 076	1 801 145	1 801 610	1 940 826

On aggregate Programme 1 reflects low amount in 2012/13 compared to 2013/14 relates mainly to financial control measures to ease pressures against Programme 2. The steady increase in the period under review can be ascribed to additional funding from provincial cash resources to assist the department with spending pressures related to *Compensation of employees* ascribed to various wage increases, as well as *Goods and services* in respect of departmental operational costs, such as logistics, cleaning and security, ICT for office management and communication, etc. The increase in the 2015/16 Adjusted Appropriation relates to funds which were moved to this programme for the replacement of tools of trade, as well as vehicles for the district offices for effective monitoring in schools. Also, it should be noted that additional funding was allocated in respect of the above-budget 2015 wage agreement, from both National Treasury

and provincial cash resources. The increase over the MTEF is mainly in respect of the departmental operational costs such as computer services, property payments, travel and subsistence for subject advisors, etc., as well as carry-through of the above-budget 2015 wage agreement.

The Office of the MEC's budget shows strong growth over the period under review, but this is from a low base due to continuous financial control in previous years. The greater portion of the budget goes toward *Goods and services*, which caters for the bursaries for non-employees. The low 2016/17 MTEF allocation is as a result of the re-allocation of the *Compensation of employees* budget to other areas of need, while making sufficient provision for the office to perform oversight functions.

The Corporate Services budget is inclusive of the financial requirements of the department's support functions. The allocation fluctuates over the period under review as this sub-programme was largely the target for financial control in the past, which has contributed to the budget pressures. The slight increase in the 2015/16 Adjusted Appropriation relates mainly to additional funding in respect of the above-budget 2015 wage agreement, as well as shifting of funds within the programme to provide for computer services to cater for the Microsoft agreement, property payments for outsourced cleaning and security for administration buildings and travelling costs (including costs for district offices). The 2015/16 Revised Estimate projects slight over-expenditure due to increased operational costs, such as telephone costs, water and electricity, operating leases, and travelling costs including costs for district offices. The 2016/17 MTEF allocation is lower than the 2015/16 Adjusted Appropriation and the 2015/16 Revised Estimate, and thus the department will have to exercise stringent financial control going forward to avoid spending pressures.

Education Management's budget is inclusive of all costs related to education delivery requirements, and forms the bulk of the budget in this programme. Like most programmes and sub-programmes, there are fluctuations between 2012/13 to 2015/16 due to financial control and enforced savings, but the sub-programme reflects strong growth over the 2016/17 MTEF. The low 2015/16 Adjusted Appropriation is attributed to the budget correction undertaken in order to adequately allocate funds towards the sub-programme: Corporate Services. The 2015/16 Revised Estimate reflects under-expenditure which will be used to offset spending pressures within the programme. The 2016/17 MTEF allocation grows significantly in order to make provision for vacancies which arose through attrition and were vacant for more than five years, as a result of the unaffordability to fill them in previous years which meant that even when people exited the system, the department was unable to fill posts, in order to contain pressure against *Compensation of employees*. The 2016/17 MTEF budget therefore now makes provision to fill these vacancies that provide direct supervision within schools. However, over the MTEF the department will have to exercise stringent financial control in order to avoid further pressures against *Compensation of employees*, since the allocation for the carry-through costs does not sufficiently provide for the wage differential.

Human Resource Development's allocation is largely funding set aside in line with the Skills Development Act. Fluctuating trends are observed between 2012/13 and 2014/15, largely due to financial controls. With effect from 2013/14, a directive was issued by the DPSA indicating that the bursary allocation should not form part of the skills funding allocation (training and development) and should be sourced from the department's baseline. This has put pressure on the department's ability to offer bursaries to employees from 2015/16 onwards. The allocation grows steadily over the 2016/17 MTEF, in line with the personnel budget.

The spending between 2012/13 and 2014/15 for EMIS reflects a nominal increase due to cost containment. The strong growth over the 2016/17 MTEF is to ensure the roll-out of the South African Schools Administration and Management System (SA-SAMS) and enable the department to have up-to-date systems for the collection of learner data.

The growth in *Compensation of employees* between 2012/13 and 2018/19 is indicative of the upward trend in respect of salaries for employees. There is significant growth from 2012/13 to 2013/14 mainly ascribed to pressures of the carry-through costs for wage increases. The 2015/16 Adjusted Appropriation is lower than the Main Appropriation due to the correction of the budget within the programme. Despite the decrease, though, the Adjusted Appropriation, includes additional funding in respect of the above-budget

2015 wage agreement. The Revised Estimate projects under-expenditure due to delays in the filling of posts that offer indirect support to schools, as well as anticipated resignations and retirements. The 2016/17 MTEF reflects healthy growth largely to provide for vacancies which had arisen through attrition and have been vacant for more than five years which the department now intends to fill.

Note that additional funding was allocated in the 2011/12 MTEF for improving infrastructure support. As mentioned earlier, this funding was specifically and exclusively appropriated and the department had experienced challenges in attracting suitable candidates for the technical posts. It is anticipated that some posts will be filled in 2015/16. Amounts of R10.274 million, R10.746 million and R11.937 million remain ring-fenced within this category for this purpose over the three years of the 2016/17 MTEF against the sub-programme: Education Management.

Goods and services fluctuates between 2012/13 and 2018/19, largely influenced by financial control measures and budget reprioritisation. The 2015/16 Adjusted Appropriation is higher than the Main Appropriation to make provision for computer services and property payments. The Revised Estimate shows projected over-expenditure due to spending pressures related to property payments, communication and bursaries. The 2016/17 MTEF reflects a downward trend for the last two years due to the once-off costs related to computer services which will be incurred in 2015/16 and 2016/17.

Transfers and subsidies to: Provinces and municipalities relates to the payment of motor vehicle licences. The allocation grows steadily over the 2016/17 MTEF, as the department continues purchasing new vehicles to accommodate the depleted fleet.

Transfers and subsidies to: Households caters for staff exit costs, which fluctuate over the seven-year period due to the difficulties in budgeting for this category as a result of its uncertain nature.

Machinery and equipment has been used as a buffer for the department's spending pressures, hence the reduced spending between 2012/13 and 2014/15. The increase in the 2015/16 Adjusted Appropriation is ascribed to the correction of a misallocation, as well as to provide additional tools of trade such as office equipment and servers for all administration services in the province. The Revised Estimate projects under-expenditure due to delays in procurement processes for the acquisition of vehicles and office equipment. The first year of the 2016/17 MTEF is higher than the two outer years in order to replace obsolete vehicles and office equipment that could not be acquired during 2015/16.

Service delivery measures – Programme 1: Administration

Table 5.13 below illustrates the main service delivery measures relevant to Programme 1. The department has complied with the service delivery measures as prescribed by the Education sector. It is noted that almost all the targets over the MTEF remain constant.

Table 5.13 : Service delivery measures – Programme 1: Administration

Outputs	Performance indicators	Estimated Performance	Medium-term targets		
		2015/16	2016/17	2017/18	2018/19
To bring effective management to all levels of the system	• No. of public schools that use the school administration and management systems to electronically provide data to the national learner tracking system	5 987	5 987	5 987	5 987
	• No. of public schools that can be contacted electronically (e-mail)	5 987	5 987	5 987	5 987
	• % of education current expenditure going towards non-personnel items	9.45%	8.4%	8.07%	8.04%
	• No. of schools visited by district officials for monitoring and support	5 987	5 987	5 987	5 987

6.2 Programme 2: Public Ordinary School Education

This programme houses the core function of the department, and its aim is the provision of public ordinary schools from Grades 1 to 12, in accordance with the South African Schools Act. This programme has six sub-programmes, which have the following objectives:

- To provide specific public primary ordinary schools with resources for the Grade 1 to 7 levels.
- To provide specific public secondary ordinary schools with resources for the Grade 8 to 12 levels.
- To provide departmental services for the professional and other development of educators and non-educators in public ordinary schools.
- Human resource development for educators and non-educators.
- To provide additional and departmentally managed sporting and cultural activities in public ordinary schools.
- To provide for various national projects that are funded through the conditional grants, namely:
 - National School Nutrition Programme.
 - Maths, Science and Technology.
 - Social Sector EPWP Incentive Grant for Provinces.
 - EPWP Integrated Grant for Provinces.

Tables 5.14 and 5.15 reflect payments and budgeted estimates for the period 2012/13 to 2018/19.

This programme includes the budget for educators, their salaries, and professional development needs. The largest portion of the budget under this programme is allocated to the sub-programme: Public Primary Schools, in proportion to the number of institutions and learners attending these schools. The specific conditional grants are reflected as sub-programmes.

Table 5.14 : Summary of payments and estimates by sub-programme: Public Ordinary School Education

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Public Primary Level	15 751 278	17 068 538	18 348 541	20 359 665	20 644 884	20 644 884	22 021 739	23 343 763	24 707 171
2. Public Secondary Level	11 306 413	12 200 791	12 950 753	13 141 770	13 701 170	13 701 170	14 200 790	15 090 015	15 971 551
3. Human Resource Development	63 904	39 181	68 684	166 659	166 659	166 659	177 103	185 177	195 917
4. School Sport, Culture and Media Services	38 194	33 850	33 773	49 574	49 574	49 574	52 201	54 811	57 990
5. Conditional grants	1 136 439	1 340 149	1 334 836	1 352 676	1 352 676	1 352 676	1 447 808	1 486 892	1 573 131
<i>National School Nutrition Programme (NSNP) grant</i>	1 085 489	1 283 939	1 253 708	1 287 034	1 287 034	1 287 034	1 355 247	1 423 009	1 505 544
<i>EPWP Integrated Grant for Provinces</i>	895	1 340	-	2 644	2 644	2 644	2 790	-	-
<i>Social Sector EPWP Incentive Grant for Provinces</i>	-	-	5 518	3 000	3 000	3 000	27 318	-	-
<i>Maths, Science and Technology grant</i>	50 055	54 870	75 610	59 998	59 998	59 998	62 453	63 883	67 587
Total	28 296 228	30 682 509	32 736 587	35 070 344	35 914 963	35 914 963	37 899 641	40 160 658	42 505 760

Table 5.15 : Summary of payments and estimates by economic classification: Public Ordinary School Education

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	26 825 934	29 233 287	31 162 669	33 508 969	34 308 588	34 307 386	36 373 158	38 583 541	40 837 522
Compensation of employees	24 930 705	27 025 246	29 004 902	31 026 142	31 660 231	31 694 122	33 960 498	36 044 660	38 151 301
Goods and services	1 895 227	2 208 011	2 157 696	2 482 827	2 648 357	2 613 219	2 412 660	2 538 881	2 686 221
Interest and rent on land	2	30	71	-	-	45	-	-	-
Transfers and subsidies to:	1 348 773	1 442 485	1 571 969	1 520 917	1 565 917	1 579 113	1 475 542	1 532 180	1 619 596
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	1 274 875	1 350 209	1 427 707	1 477 239	1 477 239	1 461 619	1 429 549	1 483 887	1 568 502
Households	73 898	92 276	144 262	43 678	88 678	117 494	45 993	48 293	51 094
Payments for capital assets	121 521	6 737	1 949	40 458	40 458	28 464	50 941	44 937	48 642
Buildings and other fixed structures	21 201	6 737	1 949	800	800	112	-	-	-
Machinery and equipment	100 320	-	-	35 658	35 658	24 739	46 941	40 937	44 642
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	4 000	4 000	3 613	4 000	4 000	4 000
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	28 296 228	30 682 509	32 736 587	35 070 344	35 914 963	35 914 963	37 899 641	40 160 658	42 505 760

This programme comprises, on average, at least 84 per cent of the department's allocation. Over the seven-year period, the budget grows significantly, while spending pressures are expected to remain over the MTEF. The significant increase in the sub-programmes: Public Primary Level and Public Secondary Level from 2012/13 onward can mainly be ascribed to the carry-through effects of the various wage agreements. The 2015/16 Adjusted Appropriation reflects an increase of R844.619 million which is additional funding allocated to the department from both National Treasury and provincial cash resources for the above-budget 2015 wage agreement. Additional funding was also allocated over the 2016/17 MTEF in respect of the carry-through cost of the above-budget 2015 wage agreement. Furthermore, reprioritisation was undertaken from the sub-programme: Public Secondary Level against *Goods and services* (R30 million in 2016/17 and R20 million in 2017/18) to Programme 6 in order to ease budget pressures against *Upgrades and additions: Capital* and respond to the Minimum Uniform Norms and Standards for Public School Infrastructure. The growth over the MTEF is below inflation, and this might create further pressures, should future wage agreements be above the current estimates.

The Public Primary and Public Secondary sub-programmes increase steadily between 2012/13 and 2018/19, largely influenced by the various wage agreements to date. The high 2015/16 Adjusted Appropriation is influenced by the additional allocation in respect of the above-budget 2015 wage agreement. The sub-programme projects to fully spend in 2015/16. The growth over the 2016/17 MTEF is influenced by the above-budget 2015 wage agreement carry-through effect. As previously indicated, the department will have to exercise stringent financial control going forward to avoid spending pressures. Included in these sub-programmes is budget provided for the provision of LTSM, as well as norms and standards through which schools are funded.

The Human Resource Development sub-programme fluctuates between 2012/13 and 2018/19 due to financial controls and enforced savings implemented in-year, resulting in lower spending. The allocation is largely funding set aside in line with the Skills Development Act. The allocation grows steadily over the 2016/17 MTEF in line with the personnel budget.

The School Sport, Culture and Media Services sub-programme reflects an upward trend. The 2015/16 allocation is projected to be fully spent. The 2016/17 MTEF allocation grows steadily, to enable the department to deliver on its social cohesion goal.

The NSNP grant reflects strong growth over the seven-year period, in order to allow quintiles 1, 2 and 3 schools to feed on days as dictated by the conditions of the grant. The growth over the 2016/17 MTEF is largely to accommodate inflationary costs, with additional funding provided in the outer year. This grant is protected from any budget cuts.

The EPWP Integrated Grant for Provinces is aimed at utilising community members to work on infrastructure projects, where appropriate, and thus assisting with job creation and poverty alleviation. This allocation is made by the National Department of Public Works and the department has spent its allocation fully since its inception. The 2014/15 spending is reflected under the Social Sector EPWP Incentive Grant for Provinces due to a misallocation. This grant is projected to be fully spent in 2015/16. Due to the grant's incentive nature, only the first year of the MTEF has been allocated at this stage.

The Social Sector EPWP Incentive Grant for Provinces is aimed at utilising community members in social projects such as gardening in schools or crèches, and some who teach at crèches, thus assisting in job creation and poverty alleviation. This allocation is made from the National Department of Public Works and the department has spent its allocation fully since its inception. The expenditure in 2014/15 includes the costs related to the EPWP Integrated Grant for Provinces which was misallocated. This grant is projecting to be fully spent in 2016/17. Due to the incentive nature of this grant, only the first year of the 2016/17 MTEF has been allocated a budget at this stage. The growth for the first year of the 2016/17 MTEF is due to the bidding that the department made in order to extend or top-up the stipends payable to food handlers in the NSNP programme.

The Maths, Science and Technology grant combines the outcomes of the Dinaledi and Technical Secondary Schools Recapitalisation grants. The 2015/16 Revised Estimate projects to be fully spent. The 2016/17 MTEF allocation grows steadily and will be utilised to assist schools focussing on Mathematics, Science and Technology.

Compensation of employees reflects strong growth over the seven-year period. The influencing factors are largely the implementation of OSD for educators, rural incentives and the conversion of teacher assistants to teacher aids, as well as the above-budgeted 2014 wage agreement, which were not adequately funded. During 2014/15, budget reprioritisation of R860 million from *Buildings and other fixed structures* to *Compensation of employees* was conducted to fund various agreements that had not been adequately provided for. Due to the recurrent nature of *Compensation of employees*, the reprioritisation of the baseline was undertaken up to 2018/19. The increase in the 2015/16 the Adjusted Appropriation is attributed to the above-budget 2015 wage agreement for which additional funding was allocated. The 2015/16 Revised Estimate projects over-expenditure due to an anticipated increased intake of learners during the first quarter of the school year, and consequently additional educators being appointed. The 2016/17 MTEF is influenced largely by the carry-through effect of the 2015 wage agreement. As previously mentioned, it is imperative that the department implements the proposals arising from the headcount undertaken jointly with Provincial Treasury as this could release some much needed funding within *Compensation of employees*.

Goods and services reflects strong growth over the period under review, largely influenced by spending and additional funding received in respect of various priorities such as LTSM and NSNP. This partly explains the growth over the seven-year period. The managing agent for the procurement of LTSM was appointed by 2013/14, and thus the department procured LTSM for the schools, instead of transferring the budget to schools. However, the effect of financial control and enforced savings in order to offset the department's spending pressures contributed to the fluctuations over the period. The lower expenditure for 2014/15 was due to invoices that could not be paid during that year. The high 2015/16 Adjusted Appropriation is due to the in-year reprioritisation to cater for the books for libraries via the Education Library Information and Technology Services (ELITS) programme, management fees related to the procurement of LTSM on behalf of the schools who did not comply with the transfer requirements, as well as once-off additional funding allocated for the Indiza LTSM litigation matter, as previously mentioned. The 2015/16 Revised Estimate, however, reflects projected under-expenditure due to cost containment. The 2016/17 MTEF allocation, at least for the first two years of the MTEF, is lower than the 2015/16 Revised Estimate. This is due to reprioritisation of funds to infrastructure to provide for upgrades and additions to schools, as well as the additional funding of R111 million which is a once-off allocation in 2015/16. The bulk of the 2016/17 MTEF budget is for NSNP and LTSM.

Transfers and subsidies to: Non-profit institutions mainly reflects payments in respect of norms and standards to all public ordinary schools, which is influenced by learner numbers. The lower 2015/16 Revised Estimate is due to non-compliant schools. As previously mentioned, the national norms for school funding recommend that a learner in a no-fee school is R1 177 per learner. However, due to budgetary constraints, the department can only afford R955 per learner. This allocation per learner is what is affordable for the 2016/17 MTEF period and is calculated at R955 per learner. The lower 2016/17 budget compared to the 2015/16 Revised Estimate relates to the budget pressures within the vote resulting in limitations in respect of reprioritisation.

Transfers and subsidies to: Households fluctuates over the period under review, as it relates to staff exit costs. The fluctuations are attributable to the number of employees exiting the system and the related leave pay-outs due to them. The 2015/16 Adjusted Appropriation increased significantly due to the in-year adjustments to cater for spending pressures in this area. The 2016/17 MTEF allocation is relatively lower compared to the 2015/16 Revised Estimate, largely due to the uncertain nature of staff exit costs.

Buildings and other fixed structures fluctuates over the period under review. The high 2012/13 amount relates to the refurbishment of technical school workshops. The low amount in 2014/15 is in respect of the suspension of infrastructure projects due to budget pressures against *Compensation of employees*. The 2015/16 Revised Estimate reflects low amounts compared to the Adjusted Appropriation mainly due to delays in the advertisement of refurbishment projects. The allocation for this category is reflected against Programme 6 from 2016/17 onwards due to sectoral budget programme structure changes.

Machinery and equipment fluctuates between 2012/13 and 2018/19, largely due to financial control and enforced savings to address pressures against *Compensation of employees*. The decrease in the Revised

Estimate relates to delays in the delivery of vehicles. The bulk of the 2016/17 MTEF allocation provides for procurement related to the various conditional grants.

Software and other intangible assets remain constant over the 2016/17 MTEF and provides for the acquisition of ICT and connectivity in schools. The lower 2015/16 Revised Estimate relates to SCM challenges in the tender which was advertised for materials and supplies, including tools for technical schools and ICT items.

Service delivery measures – Programme 2: Public Ordinary School Education

Table 5.16 below illustrates the main service delivery measures relevant to Programme 2.

Table 5.16 : Service delivery measures – Programme 2: Public Ordinary School Education

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2015/16	2016/17	2017/18	2018/19	
To provide access in the public ordinary schooling system in accordance with policy	• No. of full service schools servicing learners with barriers	113	101	125	125	
	• No. of primary schools with overall pass rate in ANA of 50% and above	2 344	2 406	2 471	2 471	
	• No. of secondary schools with overall pass rate in ANA of 40% and above	323	343	353	353	
	• No. of secondary schools with NSC pass rate of 60% and above	1 469	1 543	1 620	1 655	
	• % of children who turned 9 in the previous year and who are currently enrolled in Grade 4 (or a higher grade)	65%	68%	71%	74%	
	• % of children who turned 12 in the preceding year and who are currently enrolled in Grade 7 (or higher grade)	52%	55%	57%	59%	
	• No. of schools provided with media resources	600	600	600	600	
	• Learner absenteeism rate	10%	5%	4%	3%	
	• Teacher absenteeism rate	8%	7%	6%	5%	
	• No. of learners in public ordinary schools benefiting from the "No Fee School" policy	1 872 325	1 939 310	1 939 310	1 939 310	
	• No. of educators trained in Literacy/Language content and methodology	42 504	42 504	42 504	42 504	
	• No. of educators trained in Numeracy/Mathematics content and methodology	42 504	42 504	42 504	42 504	

6.3 Programme 3: Independent School Subsidies

The purpose of this programme is to support independent schools, in accordance with the South African Schools Act.

One of the main aims of this programme is to ensure timeous and orderly registration of independent schools in terms of the South African Schools Act, as well as other legislative frameworks.

These schools are evaluated and monitored by the department, and their capacity is developed to ensure the effective functioning of these schools and their governing bodies.

Tables 5.17 and 5.18 below reflect summary of payments and estimates relating to this programme. Independent schools provide education and training to learners in the same way as public schools do, but are not governed by the same legislation as public schools. For quality purposes, independent schools are registered with the Association for Independent Schools, and have an Independent Examination Board.

Table 5.17 : Summary of payments and estimates by sub-programme: Independent School Subsidies

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. Primary Level	42 605	53 432	46 221	47 754	47 754	47 754	50 285	52 799	55 861
2. Secondary Level	22 968	24 269	24 746	30 063	30 063	30 063	31 656	33 239	35 167
Total	65 573	77 701	70 967	77 817	77 817	77 817	81 941	86 038	91 028

Table 5.18 : Summary of payments and estimates by economic classification: Independent School Subsidies

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	-	5 302	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	5 302	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	65 573	72 399	70 967	77 817	77 817	77 817	81 941	86 038	91 028
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	65 573	72 399	70 967	77 817	77 817	77 817	81 941	86 038	91 028
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	65 573	77 701	70 967	77 817	77 817	77 817	81 941	86 038	91 028

The growth from 2012/13 to 2018/19 is reflective of the inflationary increases allocated to this programme. The increase in 2013/14 is due to the payment of the subsidies to schools, as per the court order, as mentioned previously. The amount allocated against *Goods and services* relates to legal fees incurred in connection with the court order. The downward trend in 2014/15 is attributed to lower enrolment numbers in these schools at the beginning of the school year. The tranche for the fourth quarter is paid on submission of the enrolment numbers for the new school year, and this was lower than anticipated. The 2015/16 Revised Estimate reflects projected full expenditure.

The 2016/17 MTEF allocation increases in line with inflationary adjustments. This programme is facing pressures due to the number of enrolments in independent schools. However, the allocation can only be made in relation to the available resources.

Service delivery measures – Programme 3: Independent School Subsidies

Table 5.19 below illustrates the main sector specific service delivery measures relevant to Programme 3. It is noted that all the targets over the MTEF remain at the same level as 2015/16.

Table 5.19 : Service delivery measures – Programme 3: Independent School Subsidies

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2015/16	2016/17	2017/18	2018/19	
To ensure that quality education occurs in independent schools	• No. of subsidised learners in registered independent schools	29 314	29 314	29 314	29 314	
	• % of registered independent schools receiving subsidies	53%	53%	53%	53%	
	• % of registered independent schools visited for monitoring and support	100%	100%	100%	100%	

6.4 Programme 4: Public Special School Education

The purpose of this programme is to provide compulsory public education in special schools in accordance with the South African Schools Act and White Paper 6 on Inclusive Education. The sub-programmes are aimed at providing:

- Specific public special schools with resources.
- Educators and learners in public special schools with departmentally managed support services.
- Departmental services for the professional and other development of educators and non-educators in public special schools.

- Additional and departmentally managed sporting and cultural activities in public special schools.

To date, the department has 72 registered special schools, but more than 60 per cent of these are in urban areas. Furthermore, special schools are not inclusive and only admit learners according to the disability category that the school is registered for, thus excluding a number of learners who do not meet the requirement in terms of the admission policies.

Tables 5.20 and 5.21 below reflect payments and budgeted estimates for the period under review. The programme reflects healthy growth over the seven-year period, indicative of the departments' focus to grant access to education for learners with special needs.

Table 5.20 : Summary of payments and estimates by sub-programme: Public Special School Education

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Schools	727 551	845 431	847 132	911 638	939 638	939 638	1 013 450	1 076 320	1 139 330
2. Human Resource Development	-	-	-	6 482	6 482	6 482	6 910	7 931	8 391
3. Conditional grant	-	-	41 581	13 079	13 079	13 079	-	-	-
OSD for Education Sector Therapists grant	-	-	41 581	13 079	13 079	13 079	-	-	-
Total	727 551	845 431	888 713	931 199	959 199	959 199	1 020 360	1 084 251	1 147 721

Table 5.21 : Summary of payments and estimates by economic classification: Public Special School Education

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Current payments	627 907	715 116	755 452	800 591	830 791	829 730	881 960	938 707	993 735
Compensation of employees	623 867	714 642	747 935	794 109	822 109	821 048	875 050	930 776	985 344
Goods and services	4 040	474	7 517	6 482	8 682	8 682	6 910	7 931	8 391
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	93 002	114 453	131 236	130 608	126 408	127 469	138 400	145 544	153 986
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	90 706	111 316	127 801	129 048	124 848	124 848	136 757	143 819	152 161
Households	2 296	3 137	3 435	1 560	1 560	2 621	1 643	1 725	1 825
Payments for capital assets	6 642	15 862	2 025	-	2 000	2 000	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	6 642	15 862	2 025	-	2 000	2 000	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	727 551	845 431	888 713	931 199	959 199	959 199	1 020 360	1 084 251	1 147 721

The sub-programme: Schools shows an upward trend over the period under review. The increase in 2013/14 compared to 2012/13 is attributed to over-expenditure on *Compensation of employees* ascribed to the carry-through effects of the historical shortfall in funding for the implementation of the OSD for educators and various wage agreements. The increase in the 2015/16 Adjusted Appropriation is attributed to the additional allocation in respect of the above-budget 2015 wage agreement from both provincial cash resources, as well as National Treasury. The Revised Estimate indicates that the allocation for 2015/16 will be fully spent. The growth over the MTEF caters for the carry-through effect of the above-budget 2015 wage agreement.

The Human Resource Development sub-programme was affected by enforced savings from 2012/13 to 2014/15, with no spending reflected. The allocation grows steadily over the 2016/17 MTEF in line with the personnel budget.

The OSD for Education Sector Therapists grant reflects funding allocated in respect of the OSD for educators which commenced in 2014/15 to allow for the full implementation of this collective agreement. The implementation of the agreement was backdated to July 2010, hence there is higher spending in 2014/15 in order to allow for the back-payments. This grant is anticipated to be fully spent at the end of 2015/16, as reflected against the Revised Estimate. The grant is phased into the equitable share with effect

from 2016/17, hence, there is no further allocation over this period against the conditional grant sub-programme with this amount included against sub-programme: Schools from 2016/17 onward.

Compensation of employees reflects an upward trend over the period under review, influenced by the implementation of various wage agreements and OSD for educators over the years. Additional funding from both National Treasury and provincial cash resources was allocated in the 2015/16 Adjusted Appropriation and over the MTEF to fully compensate the department for the pressures arising from the above-budget 2015 wage agreement.

Goods and services experienced fluctuations between 2012/13 to 2018/19. The Adjusted Appropriation shows an increase due to additional requirements for learner disability LTSM. The Revised Estimate is mainly due to continuous financial control and enforced savings in order to remain within budget. The gradual increase over the 2016/17 MTEF is due to the bulk of the funding having been allocated as transfers to schools.

Transfers and subsidies to: Non-profit institutions reflects an upward trend over the period under review. The decrease in the Adjusted Appropriation relates to the correct allocation of the budget to *Machinery and equipment* in order to purchase braille machines.

Transfers and subsidies to: Households relates to staff exit costs. The MTEF allocation is relatively low compared to the 2015/16 Revised Estimate, largely due to the unpredictable nature of staff exit costs.

Machinery and equipment fluctuates between 2012/13 and 2014/15. The high 2013/14 amount is attributed to the purchase of buses for special schools. The Adjusted Appropriation caters for the purchases of sign language education requirements and the acquisition of braille production machinery for schools for the blind. There are no provisions over the 2016/17 MTEF due to budget constraints.

Service delivery measures – Programme 4: Public Special School Education

Table 5.22 below illustrates the main sector specific service delivery measures relevant to Programme 4.

Table 5.22 : Service delivery measures – Programme 4: Public Special School Education

Outputs	Performance indicators	Estimated Performance	Medium-term targets		
		2015/16	2016/17	2017/18	2018/19
To provide access to mainstream schools, full service schools and special schools in accordance with policy and the principles of inclusive education	• % of learners with special needs in special schools retained in school until age 16	100%	100%	100%	100%
	• % of special schools serving as Resource Centres	34%	22%	31%	31%

6.5 Programme 5: Early Childhood Development

The objective of this programme is to provide ECD at the Grade R and earlier levels in accordance with White Paper 5 on ECD. The main services are:

- To provide specific public ordinary schools with resources required for Grade R.
- To support particular community centres at the Grade R level.
- To provide particular sites with resources required for pre-Grade R.
- To provide educators and learners in ECD sites with departmentally managed support services.
- To provide departmental services for the professional and other development of educators and non-educators in ECD sites.

Tables 5.23 and 5.24 reflect payments and budgeted estimates for the period 2012/13 to 2018/19. The budget for this programme has grown substantially from 2012/13 to 2018/19. This growth reflects the focus of the sector toward universal access to Grade R. The sub-programmes within this programme fluctuate over the seven-year period under review, as explained below.

Table 5.23 : Summary of payments and estimates by sub-programme: Early Childhood 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. Grade R in Public Schools	276 244	265 316	426 251	606 375	651 375	651 375	701 480	731 461	774 824
2. Grade R in Early Childhood Development Centres	120 881	158 385	54 209	20 511	20 511	20 511	20 398	22 596	23 907
3. Pre-Grade R Training	59 007	13 384	25 663	63 096	63 096	63 096	75 934	65 449	69 245
4. Human Resource Development	6 735	250	-	5 438	5 438	5 438	5 767	6 089	6 442
Total	462 867	437 335	506 123	695 420	740 420	740 420	803 579	825 595	874 418

Table 5.24 : Summary of payments and estimates by economic classification: Early Childhood 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	462 709	437 210	475 617	645 420	722 120	718 318	753 314	775 067	820 959
Compensation of employees	405 284	429 027	471 467	533 884	578 884	583 766	634 777	674 100	714 137
Goods and services	57 425	8 183	4 150	111 536	143 236	134 552	118 537	100 967	106 822
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	158	125	30 506	50 000	18 300	22 102	50 265	50 528	53 459
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	13	-	30 415	50 000	18 000	21 649	50 265	50 528	53 459
Households	145	125	91	-	300	453	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	462 867	437 335	506 123	695 420	740 420	740 420	803 579	825 595	874 418

The sub-programme: Grade R in Public Schools increases steadily from 2012/13 to 2018/19, largely due to the various wage agreements and the implementation of the progressively increasing payments to ECD practitioners from R5 000 up to R6 000. The high 2015/16 Adjusted Appropriation is attributed to additional funding from both provincial cash resources and National Treasury in respect of the above-budget 2015 wage agreement. The Revised Estimate includes provision for the increases in stipends from R5 500 to R6 000. The allocation over the 2016/17 MTEF caters for the carry-through costs of the above-budget 2015 wage agreement and the increase in stipends for ECD practitioners.

The Grade R in Early Childhood Development Centres sub-programme fluctuates over the seven-year period. The policy (White Paper 5 on ECD) allows for a maximum of 15 per cent of the budget to be allocated toward Grade R in community centres, and the department is within this threshold. The allocation for these centres is largely to provide for the stipends that are payable to the practitioners at a rate of R6 000. Funding has been allowed for the training requirements of these practitioners, as well as the fact that some of the crèches will be developed as model crèches, and hence will be supplied with the required equipment and materials.

The responsibility of the department, as far as the Pre-Grade R sub-programme is concerned, is to offer training (skills training to ECD management staff, and other personnel such as care-givers and support staff working in the crèches) and, as such, the budget that is provided in this regard is for that purpose. The allocation over the 2016/17 MTEF is in line with the objectives of this sub-programme in terms of providing bursaries to the practitioners and purchasing of the toolkit for training.

The Human Resource Development sub-programme's budget is allocated to priorities such as encouraging the uptake of bursaries with regard to employees that wish to focus on ECD, and thus counter the shortage of qualified educators in this area. The expenditure patterns from 2012/13 to 2014/15 fluctuate due to enforced savings that affected training and development, as previously explained. The allocation over the 2016/17 MTEF is in line with the Skills Development Act.

The increase in *Compensation of employees* over the seven-year period is influenced by the progressive increases that were made to monthly stipends for ECD practitioners from R5 000 up to R6 000. The significant increase in the 2015/16 Adjusted Appropriation is influenced by additional funding for the above-budget 2015 wage agreement, as well as provision for the increase of the stipends for the practitioners from R5 500 to R6 000 per month. The 2016/17 MTEF reflects an increase due to additional funding for the carry-through costs of the 2015 wage agreement, as well as the payment of increased stipends to practitioners.

Goods and services fluctuates over the seven years. The department procured LTSM on behalf of schools in 2012/13, however, in 2013/14 minimum expenditure was incurred in respect of LTSM due to financial control measures in order to reduce the projected over-expenditure at the time. The 2015/16 Adjusted Appropriation is higher than the Main Appropriation largely influenced by the in-year reprioritisation from transfers in order to purchase LTSM on behalf of the schools via the managing agent, as well as the resultant management fee. The Revised Estimate projects to over-spend but this will be off-set by savings within the programme. The allocation over the 2016/17 MTEF is reflective of a steady growth based on the 2015/16 Main Appropriation, due to the LTSM procurement modality for the 2016/17 MTEF not having been finalised yet by the department. The 2016/17 allocation has been set aside for *Goods and services* to cater for the various training needs and to procure the necessary toolkits for all the sub-programmes in this programme, as well as to cater for the furniture and LTSM needs for Grade R classes.

The amounts against *Transfers and subsidies to: Non-profit institutions* in 2012/13 and 2013/14 relate to the fact that the department bought the resources on behalf of schools, hence the lower spending. The peak in 2014/15 relates to the transfers made to these schools. The 2015/16 Adjusted Appropriation is lower than the Main Appropriation due to the in-year shifting from this category to *Goods and services* in order to procure LTSM on behalf of the schools. The high amount against the 2015/16 Revised Estimate emanates from compliance by more schools than anticipated in the submission of financial statements for transfers to be effected. The MTEF allocation remains in line with the 2015/16 Main Appropriation as the modality to procure LTSM for Grade R schools has not yet been determined by the department.

Transfers and subsidies to: Households was increased by R300 000 in the Adjusted Appropriation to offset spending pressures arising from staff exit costs and the payment of leave gratuities. The 2015/16 Revised Estimate is ascribed to staff exit costs, however, there is no allocation over the MTEF at this stage as this category is difficult to predict.

Service delivery measures – Programme 5: Early Childhood Development

Table 5.25 below illustrates the main sector specific service delivery measures relevant to Programme 5.

It is noted that most of the targets reflect a slight increase over the MTEF.

Table 5.25 : Service delivery measures – Programme 5: Early Childhood Development

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2015/16	2016/17	2017/18	2018/19	
To provide publicly funded Grade R in accordance with policy	• No. of public schools that offer Grade R	3 953	3 995	3 996	3 997	
	• % of Grade 1 learners who have received formal Grade R education	97%	97%	97%	97%	
	• % of employed ECD practitioners with NQF level 4 and above	50%	55%	60%	65%	

6.6 Programme 6: Infrastructure Development

The aim of this programme is to provide and maintain infrastructure facilities for the administration and schools. It thus reflects the implementation of infrastructure across all affected programmes.

Tables 5.26 and 5.27 below reflect the summary of payments and estimates relating to this programme. The allocation for this programme grows steadily over the period, due to the EIG grant allocation. This grant supplements the existing infrastructure equitable share budgets and functions.

Table 5.26 : Summary of payments and estimates by sub-programme: Infrastructure 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. Administration	110 765	74 357	161 774	121 049	121 049	121 049	118 628	93 060	98 457
2. Public Ordinary Schools	2 077 935	1 656 979	1 733 435	1 531 910	1 538 806	1 538 806	1 748 765	1 392 260	1 418 069
3. Special Schools	225 780	377 879	81 714	404 947	404 947	404 947	297 016	311 314	329 370
4. Early Childhood Development	281 244	437 681	233 502	471 329	471 329	471 329	345 092	362 347	383 363
Total	2 695 724	2 546 896	2 210 425	2 529 235	2 536 131	2 536 131	2 509 501	2 158 981	2 229 259

Table 5.27 : Summary of payments and estimates by economic classification: Infrastructure 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	253 554	194 530	194 504	239 383	239 383	191 398	277 898	273 276	269 916
Compensation of employees	-	-	-	25 000	25 000	14 204	26 600	28 276	29 916
Goods and services	253 554	194 530	194 504	214 383	214 383	177 194	251 298	245 000	240 000
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	2 442 170	2 352 366	2 015 921	2 289 852	2 296 748	2 344 733	2 231 603	1 885 705	1 959 343
Buildings and other fixed structures	2 442 170	2 352 366	2 015 921	2 288 852	2 270 748	2 318 733	2 231 603	1 885 705	1 959 343
Machinery and equipment	-	-	-	1 000	26 000	26 000	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 695 724	2 546 896	2 210 425	2 529 235	2 536 131	2 536 131	2 509 501	2 158 981	2 229 259

The sub-programme: Administration reflects a fluctuating trend from 2012/13 to 2018/19, largely due to the re-direction of the budget to Public Ordinary Schools, to address the spending pressures caused by the high demand for rehabilitation in schools. The effect of the equitable share portion of the budget being reprioritised to *Compensation of employees* can be observed with effect from the 2015/16 Main Appropriation, which is lower than the expenditure for 2014/15. The peak in 2014/15 relates to various refurbishments and upgrades to administration buildings, such as repair to ceilings, new electrical installation, etc. The downward trend is also apparent in the budget allocation for the 2016/17 MTEF period, especially for the two outer years of the MTEF due to the reduction in the equitable share portion to offset pressures against personnel.

The Public Ordinary Schools sub-programme consumes the largest portion of the infrastructure budget. This sub-programme has felt the effect of enforced savings, as an amount of R860 million was moved in 2014/15 in order to cater for the spending pressures that arose from *Compensation of employees* due to historical wage agreements pressures, as well as the partial funding of the 1 per cent above-budget 2014 wage adjustment. The EIG is allocated wholly to this programme, hence there is no drastic reduction in the budget. The spending in 2014/15 grows related to the projects which were in progress, in respect of public schools. The 2015/16 Adjusted Appropriation reflects a slight increase due to the R6.896 million roll-over that was received for the invoices from 2014/15, in respect of the previously mentioned IDT and Coega commitments. The allocation over the 2016/17 MTEF fluctuates, due to the additional funding of R100 million and R50 million provided in 2016/17 and 2017/18, respectively from the provincial cash resources for the improvement of water and sanitation in schools, as well as EIG which was meant to supplement the existing infrastructure budget, however, now forms a major portion of the infrastructure budget due to reprioritisation to offset personnel pressures. The budget over the MTEF largely makes provision for *Upgrades and additions: Capital, Refurbishment and rehabilitation: Capital*, as well as the construction of new schools.

The Special School sub-programme reflects an increase from 2012/13 to 2013/14, but the expenditure outcomes for 2014/15 are lower due to the focus being on the Public Ordinary Schools sub-programme.

The allocation for 2015/16 reflects a significant increase in order to cater for the completion of various special schools. The previously mentioned effect of the reduction in the equitable share portion of the budget can be observed in the negative budget growth over the 2016/17 MTEF. This allocation will be utilised for the construction of school facilities for schools that have learners with special needs.

The Early Childhood Development sub-programme fluctuates between 2012/13 and 2013/14 ascribed to the bulk of the budget focused on this sub-programme in order to ensure the expansion of access to Grade R. The expenditure outcome for 2014/15 was lower due to the focus being on the Public Ordinary Schools' sub-programme. The allocation for 2015/16 reflects a significant increase in order to cater for the construction and completion of Grade R classes. The effect of the equitable share portion of the budget being reprioritised to *Compensation of employees* can be observed in the 2016/17 MTEF allocation being lower than the 2015/16 Revised Estimate. The allocation for the 2016/17 MTEF addresses the White Paper 5 on ECD.

Compensation of employees caters for the appointment of technical staff, since the grant framework allows for the utilisation of some grant funding for *Compensation of employees* in order to attract suitably qualified built-environment candidates. The decrease in the 2015/16 Revised Estimate relates to the challenges experienced with recruitment processes. Due to the recurrent nature of *Compensation of employees*, similar provision is made for the 2016/17 MTEF period, thus an amount of R26.600 million has been set aside in 2016/17, increasing gradually in the two outer years to R28.276 million and R29.916 million, respectively. This is additional to the equitable share amounts of R10.746 million, R11.283 million, and R11.937 million, mentioned previously.

Goods and services caters for the maintenance and repairs allocation, including provision for the hiring of chemical toilets, as well as professional services for projects that are managed internally. The high 2012/13 amount relates to costs for property payments, whereas the downward trend in 2013/14 and 2014/15 pertains to the conversion of some maintenance work to capital. The low 2015/16 Revised Estimate relates to the previously mentioned delays in the advertisement of maintenance related projects and the department is anticipating under-spending in this regard. The budget for 2017/18 and 2018/19 remains at the same rate and provides for maintenance projects for schools and non-school buildings.

Buildings and other fixed structures fluctuates over the period under review, largely due to funding in respect of the EIG and baseline reduction, as previously mentioned. The 2015/16 Revised Estimate projects an over-expenditure due to the change in the nature of work done on some infrastructure projects, from maintenance to a capital nature due to the project scope, however, this will be offset by projected under-spending against maintenance projects. The allocation over the 2016/17 MTEF is largely based on the grant allocation, as well as additional funding related to the improvement of water and sanitation in schools, as previously mentioned.

The 2015/16 Adjusted Appropriation against *Machinery and equipment* is in respect of provisions which were made to procure school equipment and furniture for schools that are currently under construction and will be completed within the current financial year. However, delays in finalising the procurement plan makes it unlikely that these funds will be spent, and this will be reviewed in the last quarter of the year.

Service delivery measures – Programme 6: Infrastructure Development

Table 5.28 shows the main sector specific service delivery measures relevant to Programme 6. It is noted that, some of the performance indicators reflect an upward trend, while others fluctuate over the period.

Table 5.28 : Service delivery measures – Programme 6: Infrastructure Development

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2015/16	2016/17	2017/18	2018/19
To put in place basic infrastructure for schooling in accordance with policy	• No. of public ordinary schools provided with water supply	100	425	400	375
	• No. of public ordinary schools provided with electricity supply	50	75	100	125
	• No. of public ordinary schools supplied with sanitation facilities	100	200	150	100
	• No. of classrooms built in public ordinary schools	955	1 000	1 050	1 100

Table 5.28 : Service delivery measures – Programme 6: Infrastructure Development

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2015/16	2016/17	2017/18	2018/19	
	• No. of specialist rooms built in public ordinary schools	1 000	1 200	1 400	1 600	
	• No. of new schools completed and ready for occupation (incl. replacement schools)	10	11	12	14	
	• No. of new schools under construction (incl. replacement schools)	29	30	31	32	
	• No. of Grade R classrooms built	200	252	291	330	
	• No. of hostels built	1	2	4	5	
	• No. of schools undergoing scheduled maintenance	200	250	250	250	

6.7 Programme 7: Examination and Education Related Services

The purpose of Programme 7 is to provide examination support services to learners in the relevant grades, and ensure quality in the provision of education, through quality assurance. The objectives are as follows:

- To provide the education institutions as a whole with training and professional support.
- To provide employee human resource development in accordance with the Skills Development Act.
- To provide for projects specified by the department, applicable to more than one programme and funded with conditional grants.
- To provide for special departmentally managed intervention projects in the education system.
- To provide for departmentally managed examination services.

The Adjusted Appropriation reflects the addition of new sub-programmes, including the Professional Services and HIV and AIDS (Life-Skills Education) grant, moved to this programme from Programme 2 due to changes in the sectoral budget structure. Comparative figures have been adjusted accordingly.

Tables 5.29 and 5.30 reflect payments and estimates relating to the budget for Payments to SETA, Professional Services, External Examinations and HIV and AIDS (Life-Skills Educational) grant.

The Payments to SETA sub-programme reflects a steady increase, as it is linked to the department's personnel budget. However, from 2015/16, a directive was issued by the DPSA to the effect that 30 per cent of the skills levy should be allocated to the ETDP SETA, hence the increase in the 2016/17 MTEF.

The Professional Services sub-programme fluctuates over the period under review, largely influenced by the increase in *Compensation of employees*. The 2015/16 Adjusted Appropriation is higher than the Main Appropriation due to additional funds for the above-budget 2015 wage agreement. The MTEF allocation grows steadily. *Goods and services* makes provision for visits to schools for support and monitoring.

The External Examinations sub-programme fluctuates over the period under review, indicative of the number of exams, due to the expansion in the range of courses offered to learners. This sub-programme also provides for the budget for the marking arrangements for the ANA, NSC and NCS examinations, including the payments for markers, the marking centres, as well as security arrangements linked thereto.

Table 5.29 : Summary of payments and estimates by economic classification: Examination and Education Related Services

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. Payments to SETA	19 891	22 358	22 030	78 139	78 139	78 139	83 257	88 762	93 910
2. Professional Services	527 361	550 623	574 916	528 042	538 042	538 042	576 140	626 417	661 589
3. External Examinations	474 702	528 858	598 321	562 603	577 603	577 603	603 821	608 239	645 198
4. Conditional grant	49 954	19 348	85 683	50 588	50 588	50 588	53 096	56 115	59 369
HIV and AIDS (Life-Skills Education) grant	49 954	19 348	85 683	50 588	50 588	50 588	53 096	56 115	59 369
Total	1 071 908	1 121 187	1 280 950	1 219 372	1 244 372	1 244 372	1 316 314	1 379 533	1 460 066

Table 5.30 : Summary of payments and estimates by economic classification: Examination and Education Related Services

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	1 041 967	1 095 746	1 244 138	1 130 433	1 154 205	1 149 865	1 219 057	1 274 771	1 350 156
Compensation of employees	710 027	753 181	814 254	824 731	861 369	849 595	960 437	1 015 309	1 073 548
Goods and services	331 938	342 564	429 883	305 702	292 836	300 270	258 620	259 462	276 608
Interest and rent on land	2	1	1	-	-	-	-	-	-
Transfers and subsidies to:	29 872	25 188	36 032	88 939	90 139	94 168	97 257	104 762	109 910
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	19 891	22 358	22 030	78 139	78 139	78 139	83 257	88 762	93 910
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	7 178	12	9 424	10 800	12 000	12 000	14 000	16 000	16 000
Households	2 803	2 818	4 578	-	-	4 029	-	-	-
Payments for capital assets	69	253	780	-	28	339	-	-	-
Buildings and other fixed structures	-	-	-	-	-	208	-	-	-
Machinery and equipment	69	253	780	-	28	131	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 071 908	1 121 187	1 280 950	1 219 372	1 244 372	1 244 372	1 316 314	1 379 533	1 460 066

The HIV and AIDS (Life-Skills Education) grant grows steadily from 2012/13 to 2018/19. The low amount in 2013/14 is due to the previously mentioned allocation which was not utilised due to delays in the procurement of resources in respect of a new programme, namely the Integrated School Health Programme, introduced in 2013/14, that necessitated the purchase of new resources (such as medical scales, first aid kits, manuals, posters, etc.). The department requested to participate in the national tender to purchase the resources for schools as it was the most cost-effective route. The approval was then received in November 2013, leaving too little time for the procurement and delivery of resources. The 2015/16 Revised Estimate indicates that the department will fully spend the allocation. The 2016/17 MTEF makes provision for activities relating to this grant, including the payment of stipends to learner support agents to undertake on-site peer education and care support programmes in schools on a day-to-day basis, in order to monitor social ills programmes. These include focussing on keeping girls in school, training of educators and peer education, among others.

Compensation of employees grows steadily over the seven-year period. The increase in the 2015/16 Adjusted Appropriation relates to the additional allocation from provincial cash resources and National Treasury in respect of the above-budget 2015 wage agreement. The decreases in the 2015/16 Revised Estimate relates to the reduction in headcount numbers in respect of resignations and retirements. The 2016/17 MTEF relates to inflationary increases and carry-through of the above-budget 2015 wage agreement.

Transfers and subsidies to: Departmental agencies and accounts reflects an increase over the seven-year period, in line with the increase in the wage bill. These transfers are made to ETDP SETA.

Transfers and subsidies to: Non-profit institutions caters for transfers to schools through the HIV and AIDS (Life-Skills Education) grant.

The increase in the 2015/16 Revised Estimate in relation to *Machinery and equipment* caters for the acquisition of additional vehicles, since the department has minimised the procurement of vehicles in recent years due to cost-cutting measures and enforced savings in order to remain within budget and offset pressures. There is no allocation against *Machinery and equipment* over the 2016/17 MTEF due to the reprioritisation of funds undertaken by the department toward *Compensation of employees*.

Service delivery measures – Programme 7: Examination and Education Related Services

Table 5.31 below illustrates the main sector specific service delivery measures relevant to Programme 7.

It is noted that almost all the targets over the MTEF have increased.

Table 5.31 : Service delivery measures – Programme 7: Examination and Education Related Services

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2015/16	2016/17	2017/18	2018/19
To attain the highest possible educational outcomes amongst learners in public ordinary schools	• % of learners who passed NSC	61%	65%	70%	75%
	• % of Grade 12 learners passing at bachelor level	21%	24%	27%	30%
	• % of Grade 12 learners achieving 50% or more in Mathematics	12.8%	16%	19%	20%
	• % of Grade 12 learners achieving 50% or more in Physical Science	16%	18%	21%	24%
	• % of Grade 3 learners achieving 50% and above in Home Language ANA	74%	77%	80%	80.4%
	• % of Grade 3 learners achieving 50% and above in Mathematics ANA	74%	77%	80%	80%
	• % of Grade 6 learners achieving 50% and above in Home Language in ANA	62%	82.5%	85.5%	85.5%
	• % of Grade 6 learners achieving 50% and above in Mathematics in ANA	39%	42.4%	45.5%	45.4%
	• % of Grade 9 learners achieving 50% and above in Home Language	34%	54.8%	57.8%	57.8%
	• % of Grade 9 learners achieving 50% and above in Mathematics in ANA	5%	8.8%	11.8%	15.8%

7. Other programme information

7.1 Personnel numbers and costs

Table 5.32 below reflects personnel information per programme for Education. Table 5.33 provides a further analysis of personnel information indicating the Finance and Human Resource components, as well as the various categories of employees. The tables include both educator and non-educator salaries and post numbers. Salary costs continue to be a major cost driver in the department's budget, with Programme 2 having the largest share of the department's post allocation. Table 5.32 indicates the number of employees that can be afforded given the *Compensation of employees'* budget for each year and thus working out the average unit cost. However, with regard to the previous years, the table indicates the total number of employees that were on the payroll as at the end of that particular year.

As mentioned, the introduction of OSD in 2008 reduced the ability of the department to afford the employees that were employed at the time. While the establishment was approved and fully funded at 109 060 posts at the end of 2007/08, this affordability was reduced to the affordability of 107 568 as at the end of March 2014. However, personnel numbers decreased to 105 340 as reflected in March 2015, due to the significant number of resignations and retirements. The department has estimated the personnel affordability at 107 433 over the 2016/17 MTEF. Due to the carry-through costs of the various wage agreements the affordability remains constant, since the budget will not be able to accommodate additional employees above the current headcount at 107 433.

The 2015/16 Revised Estimate remains at a level of the Adjusted Appropriation due to the nature of the appointments for educators. There are educators who are appointed on a temporary basis or a part-time basis, of which some contracts are terminated in December when school closes and some may be re-appointed in January and February. The DOE is unique in that it has two categories of employees: educators appointed in terms of the Employment of Educators Act 76 of 1998 and public service employees appointed in terms of the Public Service Act 103 of 1995. All other departments have employees appointed under one Act. Furthermore, educators are divided into two categories: school-based and office based educators. Some school-based educators serve as part-time educators as such they are appointed as "abnormal appointees" in that respect.

Table 5.32 : 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	3 329	3 464	3 512	3 464	3 464	3 464	3 464
2. Public Ordinary School Education	97 967	100 192	98 064	99 090	99 090	99 090	99 090
3. Independent School Subsidies	-	-	-	-	-	-	-
4. Public Special School Education	3 163	3 196	3 162	3 196	3 196	3 196	3 196
5. Early Childhood Development	340	358	370	358	358	358	358
6. Infrastructure Development	-	-	-	-	-	-	-
7. Examination and Education Related Services	272	358	232	1 325	1 325	1 325	1 325
Total	105 071	107 568	105 340	107 433	107 433	107 433	107 433
Total provincial personnel cost (R thousand)	27 557 742	29 930 297	32 037 938	35 078 675	37 768 394	40 086 012	42 462 650
Unit cost (R thousand)	262	278	304	327	352	373	395

Table 5.33 : 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)	105 071	107 568	105 340	107 433	107 433	107 433	107 433	107 433	107 433
Personnel cost (R thousands)	27 557 742	29 930 297	32 037 938	34 371 860	35 079 207	35 078 675	37 768 394	40 086 012	42 462 650
Human resources component									
Personnel numbers (head count)	804	595	595	603	603	603	603	603	603
Personnel cost (R thousands)	28 259	38 429	32 596	34 333	34 333	34 333	36 496	38 795	36 496
Head count as % of total for department	0.77	0.55	0.56	0.56	0.56	0.56	0.56	0.56	0.56
Personnel cost as % of total for department	0.10	0.13	0.10	0.10	0.10	0.10	0.10	0.10	0.09
Finance component									
Personnel numbers (head count)	457	354	354	379	379	379	379	379	379
Personnel cost (R thousands)	103 772	81 091	81 091	47 959	47 959	47 959	96 682	102 773	109 248
Head count as % of total for department	0.43	0.33	0.34	0.35	0.35	0.35	0.35	0.35	0.35
Personnel cost as % of total for department	0.38	0.27	0.25	0.14	0.14	0.14	0.26	0.26	0.26
Full time workers									
Personnel numbers (head count)	104 122	106 397	104 169	105 344	105 344	105 344	105 344	105 344	105 344
Personnel cost (R thousands)	27 400 122	29 709 767	31 817 408	34 040 682	34 748 029	34 747 497	37 351 730	39 654 087	42 003 293
Head count as % of total for department	99.10	98.91	98.89	98.06	98.06	98.06	98.06	98.06	98.06
Personnel cost as % of total for department	99.43	99.26	99.31	99.04	99.06	99.06	98.90	98.92	98.92
Part-time workers									
Personnel numbers (head count)	500	860	860	1 982	1 982	1 982	1 982	1 982	1 982
Personnel cost (R thousands)	105 690	182 432	182 432	287 246	287 246	287 246	359 525	382 175	406 252
Head count as % of total for department	0.48	0.80	0.82	1.84	1.84	1.84	1.84	1.84	1.84
Personnel cost as % of total for department	0.38	0.61	0.57	0.84	0.82	0.82	0.95	0.95	0.96
Contract workers									
Personnel numbers (head count)	449	311	311	107	107	107	107	107	107
Personnel cost (R thousands)	51 930	38 098	38 098	43 932	43 932	43 932	57 139	49 750	53 105
Head count as % of total for department	0.43	0.29	0.30	0.10	0.10	0.10	0.10	0.10	0.10
Personnel cost as % of total for department	0.19	0.13	0.12	0.13	0.13	0.13	0.15	0.12	0.13

The full-time workers includes permanent educators, as well as public servants, while the part-time workers include relief teachers that fill a gap when there is a shortage of employees on incapacity leave or maternity leave. The contract workers include interns and learnerships.

The headcount for Human resources and Finance component staff remains constant over the MTEF in line with the moratorium on the filling of non-OSD posts.

The unit cost shows healthy growth over the seven-year period. It would appear that the budget reprioritisation process that started in 2014/15 has yielded some results in terms of ensuring that the *Compensation of employees* budget fully funds the employees in the establishment. As previously mentioned, the personnel budget does not cater for all the personnel numbers currently on the system (PERSAL). This effectively means that, while the establishment is at 107 433, the affordability is greatly reduced due to the shortfall in the allocation while the department still requires the 107 433 to fulfill its mandate. It should be noted that the budget over the 2016/17 MTEF takes into account the salary increases at 7.2 per cent, 6.8 per cent in the two last years of the MTEF. Any increase that is above these figures will contribute to the already existing unaffordability. Of the 107 433 personnel numbers, the department cannot afford to fill 650 posts in 2016/17, 1 181 posts in 2017/18 and 1 712 posts in 2018/19. It is therefore imperative that the potential savings from the headcount be re-directed towards the shortfall, as well as close monitoring of recruitment should be undertaken.

As previously mentioned, it is imperative that the department finalises the headcount exercise undertaken jointly with Provincial Treasury as this could release some much needed funding within *Compensation of employees* and thereby ensure the sustainability of the personnel budget. However, the matching of the budget for *Compensation of employees* to the expenditure pressures came at a cost as a significant part of the equitable share portion of the infrastructure budget was utilised to fund *Compensation of employees* pressures. In prior years, all the other categories of the budget bore the impact of being crowded out by the *Compensation of employees* budget. At this point in time, *Compensation of employees* consumes 90 per cent of the total budget, excluding conditional grants.

7.2 Training

Tables 5.34 and 5.35 reflect departmental expenditure on training per programme, as well as information on training over the seven-year period under review. The department is required by the Skills Development Act to budget at least 1 per cent of its salary expense for staff training. The total training budget comprises the allocations for training and development and employees' bursaries. Thus, as reflected in table 5.B in the *Annexures*, the expenditure on training and development, as well as the budget over the MTEF does not balance to the figures reflected in the table below.

The trend fluctuates due to the continued implementation of financial control. The training budget is set to increase steadily over the 2016/17 MTEF, in order to address the educators' skills gaps and improve the quality of education, through the availability of the in-service training centre.

It is noted that, the historic figures for 2012/13 and 2013/14 in Table 5.35 could not be provided by the department, since the information was not captured at this level during that period.

Table 5.34 : 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	1 337	13 190	17 210	9 587	9 587	9 587	10 299	13 974	14 784
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	-	-	-	-	-	-	-	-	-
Other	1 337	13 190	17 210	9 587	9 587	9 587	10 299	13 974	14 784
2. Public Ordinary School Education	63 904	39 181	88 521	166 659	166 659	166 659	177 103	185 177	195 917
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	-	-	-	-	-	-	-	-	-
Other	63 904	39 181	88 521	166 659	166 659	166 659	177 103	185 177	195 917
3. Independent School Subsidies	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
4. Public Special School Education	-	-	-	6 482	6 482	6 482	6 910	7 931	8 391
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	-	-	-	-	-	-	-	-	-
Other	-	-	-	6 482	6 482	6 482	6 910	7 931	8 391
5. Early Childhood Development	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
6. Infrastructure Development	-	1 216	1 250	1 413	1 413	1 413	1 413	1 484	1 570
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	-	-	-	-	-	-	-	-	-
Other	-	1 216	1 250	1 413	1 413	1 413	1 413	1 484	1 570
7. Examination and Education Related Services	6 735	250	-	5 438	5 438	5 438	5 767	6 089	6 442
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	-	-	-	-	-	-	-	-	-
Other	6 735	250	-	5 438	5 438	5 438	5 767	6 089	6 442
Total	71 976	53 837	106 981	189 579	189 579	189 579	201 492	214 655	227 104

Table 5.35 : Information on training: Education

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	105 071	107 568	105 340	107 433	107 433	107 433	107 433	107 433	107 433
Number of personnel trained	-	-	30 072	35 000	35 000	35 000	36 000	38 000	40 204
of which									
Male	-	-	17 014	18 500	18 500	18 500	19 500	20 500	21 689
Female	-	-	13 058	16 500	16 500	16 500	16 500	17 500	18 515
Number of training opportunities	-	-	41 172	52 785	52 785	52 785	52 785	55 423	58 639
of which									
Tertiary	-	-	4 187	4 687	4 687	4 687	4 687	4 921	5 207
Workshops	-	-	1 109	1 309	1 309	1 309	1 309	1 374	1 454
Seminars	-	-	-	-	-	-	-	-	-
Other	-	-	35 876	46 789	46 789	46 789	46 789	49 128	51 978
Number of bursaries offered	-	-	15 350	6 000	6 000	6 000	7 000	8 000	8 464
Number of interns appointed	-	-	367	400	400	400	400	420	444
Number of learnerships appointed	-	-	-	-	-	-	-	-	-
Number of days spent on training	-	-	5	5	5	5	5	5	6

ANNEXURE – VOTE 5: EDUCATION

Table 5.A : Details of departmental receipts: Education

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	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	40 938	48 668	47 669	50 156	50 156	50 156	55 467	58 564	61 961
Sale of goods and services produced by department (excl. capital assets)	40 938	48 667	47 668	50 156	50 156	50 156	55 467	58 564	61 961
<i>Sale by market establishments</i>	2 257	2 171	2 329	2 286	2 286	2 216	2 311	2 400	2 488
<i>Administrative fees</i>	-	-	-	-	-	-	-	-	-
<i>Other sale</i>	38 681	46 496	45 339	47 870	47 870	47 940	53 156	56 164	59 473
<i>Of which</i>									
<i>Commission</i>	36 282	39 868	42 238	45 863	45 863	44 781	45 000	45 200	45 600
Sale of scrap, waste, arms and other used current goods (excl. capital assets)	-	1	1	-	-	-	-	-	-
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	1 579	1 424	1 151	321	321	1 406	341	358	379
Interest	1 579	1 424	1 151	321	321	1 406	341	358	379
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	5 489	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	-	-	-	-	-	5 489	-	-	-
Transactions in financial assets and liabilities	43 295	57 402	47 885	30 768	30 768	30 768	31 876	33 470	35 411
Total	85 812	107 494	96 705	81 245	81 245	87 819	87 684	92 392	97 751

Estimates of Provincial Revenue and Expenditure

Table 5.B : Payments and estimates by economic classification: Education

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
R thousand	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	30 423 139	33 110 544	35 266 056	37 854 591	38 779 237	38 738 555	41 223 371	43 603 951	46 167 597
Compensation of employees	27 557 742	29 930 297	32 037 938	34 371 860	35 079 207	35 078 675	37 768 394	40 086 012	42 462 650
Salaries and wages	23 651 217	23 944 568	27 713 445	27 044 087	27 690 815	29 392 381	29 666 064	31 622 197	33 495 833
Social contributions	3 906 525	5 985 729	4 324 493	7 327 773	7 388 392	5 686 294	8 102 330	8 463 815	8 966 817
Goods and services	2 865 137	3 174 510	3 224 999	3 482 731	3 700 030	3 658 152	3 454 977	3 517 939	3 704 947
Administrative fees	7 933	19 113	6 931	820	820	4 217	1 554	2 456	2 520
Advertising	3 768	6 212	6 354	6 667	6 667	6 698	6 835	6 157	6 514
Assets less than capitalisation threshold	139 033	374	169	12 569	12 569	25 152	28 431	10 000	5 000
Audit cost: External	8 522	10 373	9 923	9 244	9 244	9 687	9 423	9 894	10 468
Bursaries: Employees	20 298	59 238	70 088	102 010	102 010	125 963	57 000	67 248	72 598
Catering: Departmental activities	40 837	50 908	54 810	42 462	42 462	22 760	34 097	42 001	44 337
Communication (G&S)	39 767	36 201	34 352	5 378	5 378	18 799	7 183	10 543	10 981
Computer services	40 374	34 071	37 009	67 890	88 625	61 206	90 738	72 842	77 066
Cons & prof serv: Business and advisory services	73 878	147 897	56 450	87 593	105 593	85 187	99 355	103 985	110 016
Cons & prof serv: Infras and planning	-	-	-	7 619	7 619	3 000	10 772	-	-
Cons & prof serv: Laboratory services	-	-	-	424	424	424	446	2 567	2 716
Cons & prof serv: Scientific and technological services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	4 283	15 529	9 932	3 424	3 424	118 343	3 509	3 685	3 899
Contractors	35 498	7 083	21 573	3 278	3 278	5 105	500	-	-
Agency and support / outsourced services	1 100 553	1 280 138	1 260 544	1 157 256	1 157 256	1 250 494	1 200 857	1 274 985	1 357 604
Entertainment	13	6	139	1 029	1 029	344	-	-	-
Fleet services (incl. govt motor transport)	34 910	35 268	38 540	42 987	42 987	37 924	47 060	43 064	45 562
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	543	286	-	-	576	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	12	62	16	528	528	6 638	523	549	580
Inventory: Fuel, oil and gas	1 529	172	517	271	271	407	277	292	308
Inventory: Learner and teacher support material	485 211	489 762	453 897	597 980	767 528	647 160	564 372	560 192	592 657
Inventory: Materials and supplies	704	783	853	18 368	18 368	3 655	13 840	19 782	20 930
Inventory: Medical supplies	736	-	28 607	8 529	8 529	3 069	7 231	7 069	7 478
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	47 456	160 464	185 035	185 035	185 311	189 659	196 948	208 278
Consumable supplies	20 130	8 575	8 537	80 978	80 978	33 697	76 899	82 498	84 991
Consumable: Stationery, printing and office supplies	129 278	98 823	97 088	92 079	92 079	117 922	80 610	45 174	47 655
Operating leases	60 356	15 974	59 963	60 766	60 766	21 878	42 202	61 133	64 679
Property payments	261 080	403 582	394 486	230 214	240 214	237 499	317 522	288 181	291 265
Transport provided: Departmental activity	13 349	13 293	13 829	31 366	31 366	11 337	8 642	30 185	31 810
Travel and subsistence	256 350	289 269	272 683	269 529	268 545	257 809	181 508	178 022	190 775
Training and development	58 035	36 891	61 500	193 508	193 508	181 851	221 224	238 819	252 237
Operating payments	14 525	32 279	42 876	151 940	151 940	133 719	143 317	143 282	144 913
Venues and facilities	8 024	19 414	20 571	10 990	10 990	11 035	9 291	16 386	17 110
Rental and hiring	6 151	15 221	2 012	-	-	29 286	100	-	-
Interest and rent on land	260	5 737	3 119	-	-	1 728	-	-	-
Interest	260	5 737	3 119	-	-	1 728	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 553 435	1 666 384	1 857 892	1 899 212	1 909 512	1 930 859	1 875 975	1 953 253	2 064 164
Provinces and municipalities	1 573	740	2 097	1 100	1 100	1 665	1 158	1 216	1 287
Provinces	1 573	740	2 097	1 100	1 100	1 665	1 158	1 216	1 287
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	1 573	740	2 097	1 100	1 100	1 665	1 158	1 216	1 287
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	19 891	22 358	22 030	78 139	78 139	78 139	83 257	88 762	93 910
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	19 891	22 358	22 030	78 139	78 139	78 139	83 257	88 762	93 910
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	1 438 345	1 533 936	1 666 314	1 744 904	1 709 904	1 697 933	1 712 512	1 780 272	1 881 150
Households	93 626	109 350	167 451	75 069	120 369	153 122	79 048	83 003	87 817
Social benefits	93 626	109 350	167 282	75 069	120 369	153 122	79 048	83 003	87 817
Other transfers to households	-	-	169	-	-	-	-	-	-
Payments for capital assets	2 580 157	2 379 114	2 022 135	2 356 660	2 442 229	2 461 564	2 333 135	1 939 462	2 017 317
Buildings and other fixed structures	2 463 371	2 359 254	2 017 870	2 289 652	2 271 548	2 319 353	2 231 603	1 885 705	1 959 343
Buildings	2 463 371	2 359 254	2 017 870	2 289 652	2 271 548	2 319 353	2 231 603	1 885 705	1 959 343
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	116 648	19 860	4 265	63 008	165 166	137 083	97 532	49 757	53 974
Transport equipment	8 332	16 312	370	15 000	81 735	78 161	31 840	-	-
Other machinery and equipment	108 316	3 548	3 895	48 008	83 431	58 922	65 692	49 757	53 974
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	138	-	-	4 000	5 515	5 128	4 000	4 000	4 000
Payments for financial assets	-	-	-	31 892	31 892	31 892	31 892	31 893	-
Total	34 556 731	37 156 042	39 146 083	42 142 355	43 162 870	43 162 870	45 464 373	47 528 559	50 249 078
Unauth. Exp. (1st charge) not available for spending	-	-	-	(31 892)	(31 892)	(31 892)	(31 892)	(31 893)	-
Baseline available for spending after 1st charge	34 556 731	37 156 042	39 146 083	42 110 463	43 130 978	43 130 978	45 432 481	47 496 666	50 249 078

Table 5.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	2015/16	2015/16	2016/17	2017/18	2018/19
Current payments	1 211 068	1 429 353	1 432 676	1 529 795	1 524 150	1 541 858	1 717 984	1 758 589	1 895 309
Compensation of employees	887 859	1 008 201	999 380	1 167 994	1 131 614	1 115 940	1 311 032	1 392 891	1 508 404
Salaries and wages	767 580	806 561	847 605	943 708	900 328	939 524	1 049 044	1 122 373	1 216 532
Social contributions	120 279	201 640	151 775	224 286	231 286	176 416	261 988	270 518	291 872
Goods and services	322 953	415 446	431 249	361 801	392 536	424 235	406 952	365 698	386 905
Administrative fees	1 348	1 136	2 791	-	-	760	1 054	1 106	1 170
Advertising	3 768	6 152	6 354	4 876	4 876	6 027	4 948	5 194	5 495
Assets less than capitalisation threshold	225	302	153	4 600	4 600	6 067	3 600	-	-
Audit cost: External	8 353	10 190	9 758	9 244	9 244	9 511	9 423	9 894	10 468
Bursaries: Employees	17 221	20 478	38 055	22 000	22 000	49 739	22 000	22 000	23 276
Catering: Departmental activities	847	1 706	3 494	9 386	9 386	3 140	3 200	3 851	4 073
Communication (G&S)	37 572	34 336	32 536	2 378	2 378	17 677	7 183	7 543	7 981
Computer services	30 745	24 796	30 846	50 937	71 672	59 118	76 842	65 526	69 326
Cons & prof serv: Business and advisory services	681	118	1 143	12 498	12 498	-	13 488	16 754	17 726
Cons & prof serv: Infrast and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	424	424	424	446	469	496
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	4 283	10 227	9 279	3 424	3 424	6 851	3 509	3 685	3 899
Contractors	15 741	5 554	8 890	-	-	3 249	-	-	-
Agency and support / outsourced services	3 982	411	2 465	5 491	5 491	13 345	4 973	5 221	5 524
Entertainment	13	6	42	1 029	1 029	344	-	-	-
Fleet services (incl. govt motor transport)	34 795	35 261	38 515	40 772	40 772	37 280	44 728	40 615	42 971
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	521	177	-	-	73	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	12	7	16	528	528	206	523	549	580
Inventory: Fuel, oil and gas	31	49	45	140	140	97	139	147	155
Inventory: Learner and teacher support material	-	80	313	-	-	503	-	-	-
Inventory: Materials and supplies	435	-	-	-	-	204	-	-	-
Inventory: Medical supplies	8	-	-	4 299	4 299	1 399	4 343	4 560	4 824
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medias inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	1 159	2	-	-	-	-	-	-
Consumable supplies	2 590	3 095	2 365	16 998	16 998	6 283	12 847	17 689	18 715
Consumable: Stationery, printing and office supplies	22 744	16 049	12 270	16 579	16 579	14 907	10 523	17 651	18 675
Operating leases	35 612	9 909	29 085	35 041	35 041	10 022	32 182	34 962	36 989
Property payments	-	72 523	80 756	-	10 000	58 297	46 873	8 181	8 655
Transport provided: Departmental activity	579	957	777	1 648	1 648	640	162	170	180
Travel and subsistence	95 893	107 390	97 994	101 167	101 167	96 903	90 167	82 283	87 056
Training and development	191	33 133	13 883	9 587	9 587	9 466	10 299	13 974	14 784
Operating payments	3 692	18 616	7 631	8 755	8 755	6 509	3 500	3 674	3 887
Venues and facilities	1 485	1 026	1 521	-	-	3 825	-	-	-
Rental and hiring	107	259	93	-	-	1 369	-	-	-
Interest and rent on land	256	5 706	3 047	-	-	1 683	-	-	-
Interest	256	5 706	3 047	-	-	1 683	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	16 057	11 734	17 182	30 931	30 931	30 190	32 570	34 201	36 185
Provinces and municipalities	1 573	740	2 097	1 100	1 100	1 665	1 158	1 216	1 287
Provinces	1 573	740	2 097	1 100	1 100	1 665	1 158	1 216	1 287
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	1 573	740	2 097	1 100	1 100	1 665	1 158	1 216	1 287
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	-	-	-	-	-	-	-	-	-
Households	14 484	10 994	15 085	29 831	29 831	28 525	31 412	32 985	34 898
Social benefits	14 484	10 994	14 985	29 831	29 831	28 525	31 412	32 985	34 898
Other transfers to households	-	-	100	-	-	-	-	-	-
Payments for capital assets	9 755	3 896	1 460	26 350	102 995	86 028	50 591	8 820	9 332
Buildings and other fixed structures	-	151	-	-	-	300	-	-	-
Buildings	-	151	-	-	-	300	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	9 617	3 745	1 460	26 350	101 480	84 213	50 591	8 820	9 332
Transport equipment	158	450	370	15 000	81 735	78 161	25 000	-	-
Other machinery and equipment	9 459	3 295	1 090	11 350	19 745	6 052	25 591	8 820	9 332
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	138	-	-	-	1 515	1 515	-	-	-
Payments for financial assets	-	-	-	31 892	31 892	31 892	31 892	31 893	-
Total	1 236 880	1 444 983	1 452 318	1 618 968	1 689 968	1 689 968	1 833 037	1 833 503	1 940 826
Unauth. Exp. (1st charge) not available for spending	-	-	-	(31 892)	(31 892)	(31 892)	(31 892)	(31 893)	-
Baseline available for spending after 1st charge	1 236 880	1 444 983	1 452 318	1 587 076	1 658 076	1 658 076	1 801 145	1 801 610	1 940 826

Table 5.D : Payments and estimates by economic classification: Public Ordinary School Education

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
R thousand	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	26 825 934	29 233 287	31 162 669	33 508 969	34 308 588	34 307 386	36 373 158	38 583 541	40 837 522
Compensation of employees	24 930 705	27 025 246	29 004 902	31 026 142	31 660 231	31 694 122	33 960 498	36 044 660	38 151 301
Salaries and wages	21 325 223	21 620 465	25 031 785	24 385 775	24 972 245	26 467 480	26 608 057	28 315 649	29 968 315
Social contributions	3 605 482	5 404 781	3 973 117	6 640 367	6 687 986	5 226 642	7 352 441	7 729 011	8 182 986
Goods and services	1 895 227	2 208 011	2 157 696	2 482 827	2 648 357	2 613 219	2 412 660	2 538 881	2 686 221
Administrative fees	2 561	15 201	1 242	720	720	3 052	-	850	850
Advertising	-	60	-	-	-	-	-	-	-
Assets less than capitalisation threshold	138 702	-	-	7 969	7 969	5 329	4 831	-	-
Audit cost: External	160	175	161	-	-	171	-	-	-
Bursaries: Employees	3 077	37 940	32 033	80 000	80 000	76 222	35 000	45 248	49 322
Catering: Departmental activities	9 353	11 309	10 581	3 333	3 333	10 693	2 131	3 005	3 133
Communication (G&S)	230	356	416	2 500	2 500	105	-	3 000	3 000
Computer services	6 434	2 021	-	-	-	4	928	-	-
Cons & prof serv: Business and advisory services	73 095	147 779	55 307	72 552	72 552	66 887	83 189	84 420	89 316
Cons & prof serv: Infras and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	2 098	2 220
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	653	-	-	111 492	-	-	-
Contractors	13 384	1 229	1 137	3 178	3 178	1 480	-	-	-
Agency and support / outsourced services	1 084 699	1 279 701	1 255 624	1 145 745	1 145 745	1 236 034	1 188 566	1 263 120	1 345 050
Entertainment	-	-	42	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	1	-	525	525	-	553	580	614
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	4	52	-	-	17	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	55	-	-	-	6 432	-	-	-
Inventory: Fuel, oil and gas	340	10	3	131	131	-	138	145	153
Inventory: Learner and teacher support material	445 147	489 110	451 553	520 237	685 767	570 745	491 376	505 570	534 893
Inventory: Materials and supplies	121	722	540	18 368	18 368	3 446	13 840	19 782	20 930
Inventory: Medical supplies	10	-	48	4 230	4 230	1 520	2 888	2 509	2 654
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	46 287	154 609	185 035	185 035	184 628	189 659	196 948	208 278
Consumable supplies	15 840	3 581	3 413	52 730	52 730	25 041	51 808	52 424	53 173
Consumable: Stationery, printing and office supplies	(11 893)	5 165	4 281	465	465	3 729	2 000	2 135	2 135
Operating leases	6 789	1 818	5 673	3 326	3 326	5 193	3 020	3 171	3 356
Property payments	912	100 702	105 563	23 450	23 450	24 114	29 123	24 000	25 392
Transport provided: Departmental activity	10 187	8 032	7 477	-	-	4 204	-	-	-
Travel and subsistence	35 198	41 185	25 520	78 206	78 206	63 366	20 419	24 779	25 848
Training and development	51 534	3 536	36 159	166 745	166 745	156 444	180 178	191 777	202 517
Operating payments	1 282	4 524	1 861	111 682	111 682	51 889	111 613	111 820	111 887
Venues and facilities	2 266	1 691	3 051	1 700	1 700	868	1 400	1 500	1 500
Rental and hiring	5 799	5 817	697	-	-	114	-	-	-
Interest and rent on land	2	30	71	-	-	45	-	-	-
Interest	2	30	71	-	-	45	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 348 773	1 442 485	1 571 969	1 520 917	1 565 917	1 579 113	1 475 542	1 532 180	1 619 596
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	1 274 875	1 350 209	1 427 707	1 477 239	1 477 239	1 461 619	1 429 549	1 483 887	1 568 502
Households	73 898	92 276	144 262	43 678	88 678	117 494	45 993	48 293	51 094
Social benefits	73 898	92 276	144 194	43 678	88 678	117 494	45 993	48 293	51 094
Other transfers to households	-	-	68	-	-	-	-	-	-
Payments for capital assets	121 521	6 737	1 949	40 458	40 458	28 464	50 941	44 937	48 642
Buildings and other fixed structures	21 201	6 737	1 949	800	800	112	-	-	-
Buildings	21 201	6 737	1 949	800	800	112	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	100 320	-	-	35 658	35 658	24 739	46 941	40 937	44 642
Transport equipment	1 532	-	-	-	-	-	6 840	-	-
Other machinery and equipment	98 788	-	-	35 658	35 658	24 739	40 101	40 937	44 642
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	4 000	4 000	3 613	4 000	4 000	4 000
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	28 296 228	30 682 509	32 736 587	35 070 344	35 914 963	35 914 963	37 899 641	40 160 658	42 505 760

Table 5.E : Payments and estimates by economic classification: Independent School Subsidies

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments		5 302	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Salaries and wages	-	-	-	-	-	-	-	-	-
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	-	5 302	-	-	-	-	-	-	-
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Assets less than capitalisation threshold	-	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication (G&S)	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Infras and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	5 302	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	-	-	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	-	-
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	-	-	-	-	-	-	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	65 573	72 399	70 967	77 817	77 817	77 817	81 941	86 038	91 028
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
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	65 573	72 399	70 967	77 817	77 817	77 817	81 941	86 038	91 028
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	65 573	77 701	70 967	77 817	77 817	77 817	81 941	86 038	91 028

Table 5.F : Payments and estimates by economic classification: Public Special School Education

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	627 907	715 116	755 452	800 591	830 791	829 730	881 960	938 707	993 735
Compensation of employees	623 867	714 642	747 935	794 109	822 109	821 048	875 050	930 776	985 344
Salaries and wages	525 731	571 714	637 348	673 230	695 230	694 169	736 009	784 526	830 396
Social contributions	98 136	142 928	110 587	120 879	126 879	126 879	139 041	146 250	154 948
Goods and services	4 040	474	7 517	6 482	8 682	8 682	6 910	7 931	8 391
Administrative fees	-	-	9	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Assets less than capitalisation threshold	35	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	30	-	50	-	-	-	-	-	-
Communication (G&S)	191	64	-	-	-	5	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Infras and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	3 635	-	-	-	-	-	-	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	91	-	14	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	492	-	2 200	1 264	-	-	-
Inventory: Materials and supplies	-	-	13	-	-	1	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	5 853	-	-	683	-	-	-
Consumable supplies	16	9	78	-	-	6	-	-	-
Consumable: Stationery, printing and office supplies	-	-	1	-	-	7	-	-	-
Operating leases	-	-	-	-	-	29	-	-	-
Property payments	-	334	245	-	-	139	-	-	-
Transport provided: Departmental activity	-	29	207	-	-	-	-	-	-
Travel and subsistence	6	38	237	-	-	66	-	-	-
Training and development	-	-	-	6 482	6 482	6 482	6 910	7 931	8 391
Operating payments	8	-	3	-	-	-	-	-	-
Venues and facilities	28	-	315	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	93 002	114 453	131 236	130 608	126 408	127 469	138 400	145 544	153 986
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving 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	90 706	111 316	127 801	129 048	124 848	124 848	136 757	143 819	152 161
Households	2 296	3 137	3 435	1 560	1 560	2 621	1 643	1 725	1 825
Social benefits	2 296	3 137	3 434	1 560	1 560	2 621	1 643	1 725	1 825
Other transfers to households	-	-	1	-	-	-	-	-	-
Payments for capital assets	6 642	15 862	2 025	-	2 000	2 000	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	6 642	15 862	2 025	-	2 000	2 000	-	-	-
Transport equipment	6 642	15 862	-	-	-	-	-	-	-
Other machinery and equipment	-	-	2 025	-	2 000	2 000	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	727 551	845 431	888 713	931 199	959 199	959 199	1 020 360	1 084 251	1 147 721

Table 5.G : Payments and estimates by economic classification: Early Childhood Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	462 709	437 210	475 617	645 420	722 120	718 318	753 314	775 067	820 959
Compensation of employees	405 284	429 027	471 467	533 884	578 884	583 766	634 777	674 100	714 137
Salaries and wages	394 084	343 221	457 493	389 427	434 427	523 959	447 906	525 625	556 703
Social contributions	11 200	85 806	13 974	144 457	144 457	59 807	186 871	148 475	157 434
Goods and services	57 425	8 183	4 150	111 536	143 236	134 552	118 537	100 967	106 822
Administrative fees	1 359	1 054	-	-	-	3	-	-	-
Advertising	-	-	-	921	921	201	970	-	-
Assets less than capitalisation threshold	-	-	-	-	-	13 451	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	820	-	-	-	-	-	-	-
Catering: Departmental activities	80	2	-	5 050	5 050	1 736	1 050	1 050	1 111
Communication (G&S)	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	-	-	-	2 543	20 543	18 300	2 678	2 811	2 974
Cons & prof serv: Infras and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	2 500	-	-	-	-	-	-	-	-
Agency and support / outsourced services	-	-	-	1 000	1 000	400	1 053	1 106	1 170
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	-	-	1 690	1 690	620	1 779	1 869	1 977
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	40 064	215	-	65 000	78 700	73 787	71 696	54 172	57 314
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	552	-	-	1 200	1 200	790	1 264	1 328	1 405
Consumable: Stationery, printing and office supplies	1 380	1 495	256	4 191	4 191	3 120	2 000	2 100	2 221
Operating leases	118	155	35	-	-	19	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	116	-	-	1 500	1 500	380	1 100	1 155	1 223
Travel and subsistence	4 843	4 330	641	8 688	8 688	9 516	7 142	7 535	7 972
Training and development	6 255	-	3 185	5 438	5 438	5 438	18 427	19 445	20 572
Operating payments	153	48	33	14 315	14 315	6 791	9 378	8 396	8 883
Venues and facilities	5	64	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	158	125	30 506	50 000	18 300	22 102	50 265	50 528	53 459
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving 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	13	-	30 415	50 000	18 000	21 649	50 265	50 528	53 459
Households	145	125	91	-	300	453	-	-	-
Social benefits	145	125	91	-	300	453	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	462 867	437 335	506 123	695 420	740 420	740 420	803 579	825 595	874 418

Table 5.H : Payments and estimates by economic classification: Infrastructure 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	253 554	194 530	194 504	239 383	239 383	191 398	277 898	273 276	269 916
Compensation of employees	-	-	-	25 000	25 000	14 204	26 600	28 276	29 916
Salaries and wages	-	-	-	25 000	25 000	14 204	26 600	28 276	29 916
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	253 554	194 530	194 504	214 383	214 383	177 194	251 298	245 000	240 000
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Assets less than capitalisation threshold	-	-	-	-	-	-	20 000	10 000	5 000
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication (G&S)	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Infras and planning	-	-	-	7 619	7 619	3 000	10 772	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	-	-	10 410	-	-	-	-	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	-	-
Operating leases	-	-	21 746	-	-	3 365	-	-	-
Property payments	253 554	185 528	162 348	206 764	206 764	143 264	220 526	235 000	235 000
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	-	-	-	-	-	-	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	9 002	-	-	-	27 565	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	2 442 170	2 352 366	2 015 921	2 289 852	2 296 748	2 344 733	2 231 603	1 885 705	1 959 343
Buildings and other fixed structures	2 442 170	2 352 366	2 015 921	2 288 852	2 270 748	2 318 733	2 231 603	1 885 705	1 959 343
Buildings	2 442 170	2 352 366	2 015 921	2 288 852	2 270 748	2 318 733	2 231 603	1 885 705	1 959 343
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	1 000	26 000	26 000	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	1 000	26 000	26 000	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 695 724	2 546 896	2 210 425	2 529 235	2 536 131	2 536 131	2 509 501	2 158 981	2 229 259

Table 5.1 : Payments and estimates by economic classification: Examination and Education Related Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16	2015/16	2015/16	2016/17	2017/18	2018/19
Current payments	1 041 967	1 095 746	1 244 138	1 130 433	1 154 205	1 149 865	1 219 057	1 274 771	1 350 156
Compensation of employees	710 027	753 181	814 254	824 731	861 369	849 595	960 437	1 015 309	1 073 548
Salaries and wages	638 599	602 607	739 214	626 947	663 585	753 045	798 448	845 748	893 971
Social contributions	71 428	150 574	75 040	197 784	197 784	96 550	161 989	169 561	179 577
Goods and services	331 938	342 564	429 883	305 702	292 836	300 270	258 620	259 462	276 608
Administrative fees	2 665	1 722	2 889	100	100	402	500	500	500
Advertising	-	-	-	870	870	470	917	963	1 019
Assets less than capitalisation threshold	71	72	16	-	-	305	-	-	-
Audit cost: External	9	8	4	-	-	5	-	-	-
Bursaries: Employees	-	-	-	10	10	2	-	-	-
Catering: Departmental activities	30 527	37 891	40 685	24 693	24 693	7 191	27 716	34 095	36 020
Communication (G&S)	1 774	1 445	1 400	500	500	1 012	-	-	-
Computer services	3 195	7 254	6 163	16 953	16 953	2 084	12 968	7 316	7 740
Cons & prof serv: Business and advisory services	102	-	-	-	-	-	-	-	-
Cons & prof serv: Infras and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	238	300	1 136	100	100	376	500	-	-
Agency and support / outsourced services	11 872	26	2 455	5 020	5 020	715	6 265	5 538	5 860
Entertainment	-	-	55	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	24	6	11	-	-	24	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	18	57	-	-	486	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	1 158	113	469	-	-	310	-	-	-
Inventory: Learner and teacher support material	-	357	1 539	12 743	861	861	1 300	450	450
Inventory: Materials and supplies	148	61	300	-	-	4	-	-	-
Inventory: Medical supplies	718	-	28 559	-	-	150	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	10	-	-	-	-	-	-	-
Consumable supplies	1 132	1 890	2 681	10 050	10 050	1 577	10 980	11 057	11 698
Consumable: Stationery, printing and office supplies	117 047	76 114	80 280	70 844	70 844	96 159	66 087	23 288	24 624
Operating leases	17 837	4 092	3 424	22 399	22 399	3 250	7 000	23 000	24 334
Property payments	6 614	44 495	45 574	-	-	11 685	21 000	21 000	22 218
Transport provided: Departmental activity	2 467	4 275	5 368	28 218	28 218	6 113	7 380	28 860	30 407
Travel and subsistence	120 410	136 326	148 291	81 468	80 484	87 958	63 780	63 425	69 899
Training and development	55	222	8 273	5 256	5 256	4 021	5 410	5 692	5 973
Operating payments	9 390	9 091	33 348	17 188	17 188	68 530	18 826	19 392	20 256
Venues and facilities	4 240	16 633	15 684	9 290	9 290	6 342	7 891	14 886	15 610
Rental and hiring	245	143	1 222	-	-	238	100	-	-
Interest and rent on land	2	1	1	-	-	-	-	-	-
Interest	2	1	1	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	29 872	25 188	36 032	88 939	90 139	94 168	97 257	104 762	109 910
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	19 891	22 358	22 030	78 139	78 139	78 139	83 257	88 762	93 910
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	19 891	22 358	22 030	78 139	78 139	78 139	83 257	88 762	93 910
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	7 178	12	9 424	10 800	12 000	12 000	14 000	16 000	16 000
Households	2 803	2 818	4 578	-	-	4 029	-	-	-
Social benefits	2 803	2 818	4 578	-	-	4 029	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	69	253	780	-	28	339	-	-	-
Buildings and other fixed structures	-	-	-	-	-	208	-	-	-
Buildings	-	-	-	-	-	208	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	69	253	780	-	28	131	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	69	253	780	-	28	131	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 071 908	1 121 187	1 280 950	1 219 372	1 244 372	1 244 372	1 316 314	1 379 533	1 460 066

Table 5.J : Payments and estimates by economic classification: Conditional grants

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	1 259 484	1 467 042	1 560 051	1 390 085	1 388 857	1 401 468	1 482 338	1 519 764	1 600 552
Compensation of employees	-	1 651	45 133	43 723	55 361	53 425	87 875	57 089	57 889
Salaries and wages	-	1 651	45 064	43 723	55 071	53 333	87 575	56 874	57 674
Social contributions	-	-	69	-	290	92	300	215	215
Goods and services	1 259 484	1 465 391	1 514 918	1 346 362	1 333 496	1 347 999	1 394 463	1 462 675	1 542 663
Administrative fees	1 906	1 946	1 299	720	1 202	1 026	500	1 350	1 350
Advertising	-	60	-	-	-	-	-	-	-
Assets less than the capitalisation threshold	2 581	201	12	7 969	8 014	5 321	24 831	10 000	5 000
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	1 028	2 194	1 223	3 100	2 337	2 721	1 930	1 700	1 700
Communication (G&S)	-	-	-	2 500	2 500	-	-	3 000	3 000
Computer services	-	2 021	-	-	-	-	928	-	-
Cons & prof serv: Business and advisory services	102	694	-	-	-	-	-	-	-
Cons & prof serv: Infrast and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	653	-	-	492	-	-	-
Contractors	107	-	993	-	429	285	500	-	-
Agency and support/outsourced services	1 080 401	1 279 671	1 257 334	1 142 705	1 143 575	1 229 308	1 186 365	1 259 759	1 341 494
Entertainment	-	-	55	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	486	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	6 424	-	-	-
Inventory: Fuel, oil and gas	338	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	11 524	6 781	4 049	12 743	3 111	1 922	4 938	450	450
Inventory: Material and supplies	5	-	300	-	-	4	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	716	-	28 559	-	-	150	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	20 774	33 345	900	900	398	-	1 600	1 600
Consumable supplies	2 055	111	435	37 617	38 039	14 093	39 950	39 500	39 500
Consumable: Stationery, printing and office supplies	27 696	891	3 746	2 465	1 032	1 954	2 600	2 385	2 385
Operating leases	57	14	68	-	-	93	-	-	-
Property payments	112 212	120 271	140 527	-	-	1 391	3 623	-	-
Transport provided: Departmental activity	4 212	1 753	4 260	2 000	1 868	2 054	1 980	2 190	2 190
Travel and subsistence	11 273	17 480	22 301	19 220	13 667	18 971	5 743	14 240	17 494
Training and development	1 076	3 756	11 016	1 586	2 838	7 006	4 075	7 450	7 450
Operating payments	23	3 002	1 351	106 137	110 420	48 030	113 000	115 151	115 150
Venues and facilities	2 004	3 696	3 038	6 700	3 489	5 632	3 400	3 900	3 900
Rental and hiring	168	75	354	-	75	238	100	-	-
Interest and rent on land	-	-	-	-	-	44	-	-	-
Interest	-	-	-	-	-	44	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	7 178	4 920	22 924	10 800	12 000	12 148	14 000	16 000	16 000
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	7 178	4 920	22 924	10 800	12 000	12 148	14 000	16 000	16 000
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	1 342 731	1 193 956	1 264 906	1 994 141	1 994 169	1 981 410	1 962 887	1 851 223	1 964 835
Buildings and other fixed structures	1 332 901	1 193 956	1 264 906	1 954 483	1 954 483	1 953 683	1 911 946	1 806 286	1 916 193
Buildings	1 332 901	1 193 956	1 264 906	1 954 483	1 954 483	1 953 683	1 911 946	1 806 286	1 916 193
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	9 830	-	-	35 658	35 686	24 114	46 941	40 937	44 642
Transport equipment	1 532	-	-	-	-	-	6 840	-	-
Other machinery and equipment	8 298	-	-	35 658	35 686	24 114	40 101	40 937	44 642
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	4 000	4 000	3 613	4 000	4 000	4 000
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 609 393	2 665 918	2 847 881	3 395 026	3 395 026	3 395 026	3 459 225	3 386 987	3 581 387

Table 5.K : Payments and estimates by economic classification: Education Infrastructure Grant (Prog 6: Infrastructure 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	111 300	119 202	122 169	25 000	25 000	25 000	46 375	37 694	32 694
Compensation of employees	-	-	-	25 000	25 000	25 000	26 375	27 694	27 694
Salaries and wages	-	-	-	25 000	25 000	25 000	26 375	27 694	27 694
Goods and services	111 300	119 202	122 169	-	-	-	20 000	10 000	5 000
Assets less than the capitalisation threshold	-	-	-	-	-	-	20 000	10 000	5 000
Property payments	111 300	119 202	122 169	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	1 311 700	1 187 219	1 263 612	1 953 683	1 953 683	1 953 683	1 911 946	1 806 286	1 916 193
Buildings and other fixed structures	1 311 700	1 187 219	1 263 612	1 953 683	1 953 683	1 953 683	1 911 946	1 806 286	1 916 193
Buildings	1 311 700	1 187 219	1 263 612	1 953 683	1 953 683	1 953 683	1 911 946	1 806 286	1 916 193
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 423 000	1 306 421	1 385 781	1 978 683	1 978 683	1 978 683	1 958 321	1 843 980	1 948 887

Table 5.L : Payments and estimates by economic classification: HIV and AIDS (Life-Skills Education) grant (Prog 7: Exam. and Educ. Rela. Serv.)

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	42 776	19 336	76 259	39 788	38 560	38 588	39 096	40 115	43 369
Compensation of employees	-	311	350	-	11 638	10 846	22 400	20 195	20 195
Salaries and wages	-	311	313	-	11 348	10 775	22 100	19 980	19 980
Social contributions	-	-	37	-	290	71	300	215	215
Goods and services	42 776	19 025	75 909	39 788	26 922	27 742	16 696	19 920	23 174
Administrative fees	1 749	1 018	1 285	-	482	203	500	500	500
Assets less than the capitalisation threshold	-	-	-	-	45	-	-	-	-
Catering: Departmental activities	1 028	741	1 195	2 500	1 737	2 389	1 900	900	900
Cons & prof serv: Business and advisory services	102	-	-	-	-	-	-	-	-
Contractors	107	-	993	-	429	285	500	-	-
Agency and support/outsource services	-	26	2 413	-	870	690	1 000	-	-
Entertainment	-	-	55	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	486	-	-	-
Inventory: Learner and teacher support material	-	222	1 539	12 743	3 111	861	1 300	450	450
Inventory: Material and supplies	-	-	300	-	-	4	-	-	-
Inventory: Medicine	716	-	28 559	-	-	150	-	-	-
Inventory: Other supplies	-	10	-	-	-	-	-	-	-
Consumable supplies	-	111	435	-	422	262	450	-	-
Consumable: Stationery, printing and office supplies	26 967	81	2 907	2 000	567	520	600	250	250
Property payments	-	538	-	-	-	-	-	-	-
Transport provided: Departmental activity	1 542	1 448	4 143	2 000	1 868	1 903	1 980	2 190	2 190
Travel and subsistence	8 771	11 213	20 533	13 220	7 667	8 007	2 866	7 880	11 134
Training and development	55	220	8 255	1 500	2 752	3 321	1 000	850	850
Operating payments	23	-	514	825	5 108	3 337	2 500	4 500	4 500
Venues and facilities	1 548	3 322	2 429	5 000	1 789	5 086	2 000	2 400	2 400
Rental and hiring	168	75	354	-	75	238	100	-	-
Transfers and subsidies to	7 178	12	9 424	10 800	12 000	12 000	14 000	16 000	16 000
Non-profit institutions	7 178	12	9 424	10 800	12 000	12 000	14 000	16 000	16 000
Payments for capital assets	-	-	-	-	28	-	-	-	-
Machinery and equipment	-	-	-	-	28	-	-	-	-
Other machinery and equipment	-	-	-	-	28	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	49 954	19 348	85 683	50 588	50 588	50 588	53 096	56 115	59 369

Table 5.M : Payments and estimates by economic classification: National School Nutrition Programme grant (Prog 2: Public. Ordinary School Edu.)

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
R thousand	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	1 083 957	1 283 939	1 253 708	1 287 034	1 287 034	1 286 989	1 348 407	1 423 009	1 505 544
Compensation of employees	-	-	180	-	-	-	8 992	9 200	10 000
Salaries and wages	-	-	180	-	-	-	8 992	9 200	10 000
Goods and services	1 083 957	1 283 939	1 253 528	1 287 034	1 287 034	1 286 945	1 339 415	1 413 809	1 495 544
Administrative fees	25	869	6	-	-	-	-	-	-
Advertising	-	60	-	-	-	-	-	-	-
Catering: Departmental activities	-	1 453	28	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	-	694	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	653	-	-	492	-	-	-
Agency and support/outourced services	1 080 401	1 279 645	1 252 453	1 142 705	1 142 705	1 226 687	1 185 365	1 259 759	1 341 494
Inventory: Food and food supplies	-	-	-	-	-	6 424	-	-	-
Inventory: Fuel, oil and gas	338	-	-	-	-	-	-	-	-
Consumable supplies	2 055	-	-	37 617	37 617	13 831	39 500	39 500	39 500
Consumable: Stationery, printing and office supplies	649	378	-	300	300	100	2 000	2 000	2 000
Operating leases	57	14	68	-	-	93	-	-	-
Property payments	17	61	260	-	-	32	-	-	-
Travel and subsistence	323	391	50	1 000	1 000	303	1 050	1 050	1 050
Training and development	-	-	-	-	-	-	1 000	1 000	1 000
Operating payments	-	-	-	105 212	105 212	38 783	110 500	110 500	110 500
Venues and facilities	92	374	10	200	200	200	-	-	-
Interest and rent on land	-	-	-	-	-	44	-	-	-
Interest	-	-	-	-	-	44	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	1 532	-	-	-	-	45	6 840	-	-
Machinery and equipment	1 532	-	-	-	-	45	6 840	-	-
Transport equipment	1 532	-	-	-	-	-	6 840	-	-
Other machinery and equipment	-	-	-	-	-	45	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 085 489	1 283 939	1 253 708	1 287 034	1 287 034	1 287 034	1 355 247	1 423 009	1 505 544

Table 5.N : Payments and estimates by economic classification: Maths, Science and Technology grant (Prog 2: Public Ordinary School Education)

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
R thousand	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	20 556	43 225	60 816	19 540	19 540	32 168	18 352	18 946	18 945
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	20 556	43 225	60 816	19 540	19 540	32 168	18 352	18 946	18 945
Administrative fees	132	59	8	720	720	823	-	850	850
Assets less than the capitalisation threshold	2 581	201	12	7 969	7 969	5 321	4 831	-	-
Catering: Departmental activities	-	-	-	600	600	332	30	800	800
Communication (G&S)	-	-	-	2 500	2 500	-	-	3 000	3 000
Computer services	-	2 021	-	-	-	-	928	-	-
Agency and support/outourced services	-	-	2 468	-	-	1 931	-	-	-
Inventory: Learner and teacher support material	11 524	6 559	2 510	-	-	1 061	3 638	-	-
Inventory: Material and supplies	5	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	20 764	33 345	900	900	398	-	1 600	1 600
Consumable: Stationery, printing and office supplies	80	432	839	165	165	1 334	-	135	135
Property payments	-	470	15 650	-	-	217	3 623	-	-
Transport provided: Departmental activity	2 670	305	117	-	-	151	-	-	-
Travel and subsistence	2 179	5 876	1 670	5 000	5 000	10 659	1 827	5 310	5 310
Training and development	1 021	3 536	2 761	86	86	3 685	2 075	5 600	5 600
Operating payments	-	3 002	837	100	100	5 910	-	151	150
Venues and facilities	364	-	599	1 500	1 500	346	1 400	1 500	1 500
Transfers and subsidies to	-	4 908	13 500	-	-	148	-	-	-
Non-profit institutions	-	4 908	13 500	-	-	148	-	-	-
Payments for capital assets	29 499	6 737	1 294	40 458	40 458	27 682	44 101	44 937	48 642
Buildings and other fixed structures	21 201	6 737	1 294	800	800	-	-	-	-
Buildings	21 201	6 737	1 294	800	800	-	-	-	-
Machinery and equipment	8 298	-	-	35 658	35 658	24 069	40 101	40 937	44 642
Other machinery and equipment	8 298	-	-	35 658	35 658	24 069	40 101	40 937	44 642
Software and other intangible assets	-	-	-	4 000	4 000	3 613	4 000	4 000	4 000
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	50 055	54 870	75 610	59 998	59 998	59 998	62 453	63 883	67 587

Table 5.O : Payments and estimates by economic classification: OSD for Education Sector Therapists grant (Prog 4: Public. Spec. Schl. Edu.)

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	-	-	41 581	13 079	13 079	13 079	-	-	-
Compensation of employees	-	-	41 581	13 079	13 079	13 079	-	-	-
Salaries and wages	-	-	41 581	13 079	13 079	13 079	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	41 581	13 079	13 079	13 079	-	-	-

Table 5.P : Payments and estimates by economic classification: Social Sector EPWP Incentive Grant for Provinces (Prog 2: Public. Ord. Schl. Edu.)

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	-	-	5 518	3 000	3 000	3 000	27 318	-	-
Compensation of employees	-	-	3 022	3 000	3 000	3 000	27 318	-	-
Salaries and wages	-	-	2 990	3 000	3 000	3 000	27 318	-	-
Social contributions	-	-	32	-	-	-	-	-	-
Goods and services	-	-	2 496	-	-	-	-	-	-
Property payments	-	-	2 448	-	-	-	-	-	-
Travel and subsistence	-	-	48	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	5 518	3 000	3 000	3 000	27 318	-	-

Table 5.Q : Payments and estimates by economic classification: EPWP Integrated Grant for Provinces (Prog 2: Public Ordinary School Education)

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	895	1 340	-	2 644	2 644	2 644	2 790	-	-
Compensation of employees	-	1 340	-	2 644	2 644	1 500	2 790	-	-
Salaries and wages	-	1 340	-	2 644	2 644	1 479	2 790	-	-
Social contributions	-	-	-	-	-	21	-	-	-
Goods and services	895	-	-	-	-	1 144	-	-	-
Property payments	895	-	-	-	-	1 142	-	-	-
Travel and subsistence	-	-	-	-	-	2	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	895	1 340	-	2 644	2 644	2 644	2 790	-	-

Table 5.R : Education - 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)	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													
of which:													
Maintenance and repair: Current													
Various	Various	Various	Various	Ongoing			Various	Packaged prog	5 424 360	59 740	220 526	235 000	235 000
Upgrades and additions: Capital									11 942 165	3 761 843	923 799	732 161	836 859
DNC Combined Primary School	Design	Amajuba	Upgrades and Additions	12 July 2015	09 August 2019	Education Infrastructure Grant	Programme 6	Individual proj	35 471	925	3 801	19 147	11 598
Kwambonambi Primary School	Construction 51% - 75%	uThungulu	Upgrades and Additions	09 September 2013	09 July 2018	Education Infrastructure Grant	Programme 6	Individual proj	60 548	38 170	22 378	-	-
Kwaniya Primary School	Design	uThukela	Upgrades and Additions	11 April 2015	09 August 2019	Education Infrastructure Grant	Programme 6	Individual proj	36 293	1 265	18 075	16 953	-
Mzinguwenya Primary School	Design	uThungulu	Upgrades and Additions	12 March 2015	08 January 2019	Education Infrastructure Grant	Programme 6	Individual proj	32 183	-	1 666	17 528	12 989
Mzivilini Primary School	Construction 26% - 50%	eThekweni Metro	Upgrades and Additions	11 March 2014	08 January 2019	Education Infrastructure Grant	Programme 6	Individual proj	55 314	26 903	24 753	4 658	-
Noodsberg Primary School	Design	Ilentbe	Upgrades and Additions	10 September 2014	05 February 2016	Education Infrastructure Grant	Programme 6	Individual proj	30 766	-	2 837	18 968	8 961
Various	Various	Various	Ongoing	Ongoing	Ongoing	Various	Programme 6	Individual proj	11 690 590	3 694 580	850 289	654 907	803 311
Refurbishment and rehabilitation: Capital									3 981 475	956 274	920 686	747 139	670 657
Dokkies, Offices	Project Initiation	eThekweni Metro	Repairs and Renovations	10 September 2014	08 January 2019	Equitable Share	Programme 6	Individual proj	233 000	-	11 834	28 975	32 875
Dr J Dube High School	Construction 76% - 99%	eThekweni Metro	Repairs and Renovations	11 December 2014	09 January 2019	Education Infrastructure Grant	Programme 6	Individual proj	35 400	3 589	16 435	15 376	-
Dweleni High School	Tender	Zululand	Repairs and Renovations	12 July 2015	09 August 2019	Education Infrastructure Grant	Programme 6	Individual proj	32 121	127	7 534	16 879	7 581
Emshibeni Junior Secondary	Construction 76% - 99%	Sisonke	Repairs and Renovations	08 September 2012	06 January 2017	Education Infrastructure Grant	Programme 6	Individual proj	38 594	33 812	4 782	-	-
Enqabent Combined Primary	Project Initiation	Zululand	Repairs and Renovations	10 September 2014	07 January 2018	Education Infrastructure Grant	Programme 6	Individual proj	23 600	1 186	9 719	12 695	-
Various	Various	Various	Various	Ongoing	Ongoing	Various	Programme 6	Individual proj	3 618 760	917 560	870 382	673 214	630 201
New infrastructure assets: Capital													
of which:													
Inkanyezi Training Centre	Design	eThekweni Metro	New School	10 September 2014	08 October 2018	Education Infrastructure grant	Programme 6	Individual proj	35 391	1 764	10 700	17 980	4 947
Isiphumelele Primary School	Project Initiation	uMgungundlovu	New School	10 October 2015	09 January 2019	Education Infrastructure grant	Programme 6	Individual proj	51 583	1 549	23 879	20 989	5 172
Ukhukanya KoMsinga LNSE	Construction 26% - 50%	Zululand	New School	10 March 2013	08 July 2017	Education Infrastructure grant	Programme 6	Individual proj	37 308	21 926	15 382	-	-
Bhekabantu High School	Design	Umrizinyathi	New School and Hostel	10 September 2014	10 July 2020	Education Infrastructure grant	Programme 6	Individual proj	125 000	-	4 500	35 000	85 500
Various	Various	Various	Various	Ongoing	Ongoing	Various	Programme 6	Individual proj	3 137 947	788 304	332 657	332 436	355 508
Infrastructure transfers													
of which:													
Infrastructure transfers: Current													
Infrastructure transfers: Capital													
Infrastructure: Payments for financial assets													
Total													
Capital infrastructure									24 735 229	5 591 400	2 452 129	2 120 705	2 193 643
Current infrastructure									19 310 869	5 531 660	2 231 603	1 865 705	1 958 643
									5 424 360	59 740	220 526	235 000	235 000

Provincial Treasury

Operational budget	R 673 458 423
Remuneration of the MEC	R 1 821 577 ¹
Total amount to be appropriated	R 675 280 000
Responsible Executive Authority	MEC for Finance
Administering department	Provincial Treasury
Accounting officer	Accountant-General

1. Overview

Vision

The vision of the department is: *Be the centre of excellence in financial and fiscal management in the country.*

Mission statement

The department's mission is: *To enhance the KwaZulu-Natal Provincial Government's service delivery by responding to the expectations of all stakeholders in the value chain as a key driver through:*

- Optimum and transparent allocation of financial resources while enhancing revenue generation and financial management practices in compliance with applicable legislation and corporate governance principles.
- Competent and dedicated employees who are at the centre of ensuring best value to their stakeholders.

Strategic objectives

Strategic policy direction: The Provincial Treasury will ensure a credible distribution of available funds between departments taking cognisance of the demands for social services and the need to stimulate economic development and growth, and will commit to provide ongoing, effective and efficient support services to internal and external clients. The department will analyse and monitor government revenue and expenditure in the provincial and local spheres, including public entities, undertake robust public policy research and instil prudent financial management and good governance.

The department has set the following goals and strategic objectives:

- To promote sound financial management practices and fiscal management through good governance.
- To ensure targeted financial resources allocation and utilisation that contributes to improved service delivery.
- To enhance the capacity and capability of Supply Chain Management (SCM) in departments, municipalities and public entities to eliminate irregular expenditure.
- To focus on the enhancement of broad-based Black Economic Empowerment (B-BBEE) through effective SCM policies.
- To monitor and facilitate infrastructure delivery in the province and thereby contribute towards job creation.
- To co-ordinate and enhance revenue collection for sustainable service delivery to the citizens.
- To promote sound cash management practices and improve liquidity in the province.

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

Core functions

The core functions of the department include the following:

- Mobilisation of funds for the provincial government.
- Allocation of fiscal resources to provincial departments.
- Preparation of annual and MTEF budgets.
- Province-wide cash management.
- Internal audit.
- Provincial financial management in terms of the PFMA and MFMA through:
 - Budget monitoring and reporting.
 - Financial accounting.
 - Financial systems maintenance.
- Provision of advice on procurement policies and procedures in provincial government.
- Control and regulation of the gaming and betting function.

Legislative mandate

The department is governed by the following pieces of legislation and policy directives:

- Annual Division of Revenue Act
- Government Immovable Asset Management Act (Act No. 19 of 2007)
- Intergovernmental Relations Framework Act (Act No. 13 of 2005)
- Municipal Finance Management Act (MFMA) (Act No. 56 of 2003)
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000) (PPPFA)
- Borrowing Powers of Provincial Governments Act (Act No. 48 of 1996)
- Public Finance Management Act (Act No. 1 of 1999, as amended) and Treasury Regulations
- Provincial Internal Audit Act (Act No. 2 of 2001)
- Provincial Tax Regulation Process Act (Act No. 53 of 2001)
- Public Audit Act (Act No. 25 of 2004)
- The Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)
- Promotion of Access to Information Act (Act No. 2 of 2000)
- Provincial Appropriation Acts
- KwaZulu-Natal Gaming and Betting Act (Act No. 8 of 2010)
- KwaZulu-Natal Gaming and Betting Tax Act (Act No. 9 of 2010)

2. Review of the 2015/16 financial year

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

Fiscal Resource Management

Infrastructure: The unit continued to assist provincial departments in planning for, and implementing infrastructure programmes and initiatives, in order to obtain maximum value for money. The Infrastructure Delivery Management System (IDMS), developed through the Infrastructure Delivery Improvement Programme (IDIP) was facilitated by KZN Treasury *via* National Treasury. The IDMS focused on the Departments of Education, Health and Public Works.

Economic Analysis: The unit continued to produce economic and public policy research, participate in various academic conferences and workshops, undertake district municipality profiling and deliver economic presentations throughout the province. It also provided informative analysis about the provincial Socio-economic Review and Outlook (SERO) and contributed to municipalities' Integrated Development Plans (IDPs).

Public Finance: The spending and service delivery achievements of 14 departments and 13 listed public entities were monitored and the Finance Portfolio Committee was briefed on the mid-year and close-out budget performance of the province. Similarly, the newly established Standing Committee on Oversight was briefed on the budget performance of the Provincial Legislature. The Executive Council was constantly kept up-to-date on KZN's spending. The 2015/16 *Adjustments Estimate of Provincial Revenue and Expenditure (AEPRE)*, which is a legislative requirement of the PFMA, was prepared and tabled in the Legislature. The 2016/17 Main Budget was prepared for tabling on 10 March 2016. Focus was placed on the enhancement of revenue collected from health patient fees, with Provincial Treasury working closely with the Department Health in this regard. The cost-cutting measures first implemented in 2009/10 continued to remain in place, together with the cost-cutting measures and instruction notes issued by National Treasury.

Municipal Finance: The unit continued to provide technical support to municipalities in preparation of their budgets. The roll-out of the Municipal Support Programme (MSP) continued in 2015/16 with the unit assisting municipalities with various work streams, based on their individual needs. The 2016/17 Draft Budgets and Adopted Budgets of all the delegated municipalities were received and assessed for accuracy and compliance with the MFMA and Municipal Budget and Reporting Regulations (MBRR). A detailed assessment was done on the Draft Budgets in order to provide input into the Final Budgets and a further high level assessment was done on the Adopted Budgets. Furthermore, the unit conducted a monthly analysis and provided feedback on the financial performance of the 58 delegated municipalities. In addition, four quarterly reports on the financial performance of all municipalities in KZN were prepared. The unit assessed the delegated municipalities' level of compliance with the MFMA using the 30 MFMA Indicators Tool. The unit successfully piloted the SCOA framework and system functionality in the delegated municipalities.

Financial Management

Financial Assets and Liabilities: Support was provided to departments in respect of pay roll tax, assets and banking matters. This included a quarterly risk analysis to identify training requirements per department and to ensure compliance with relevant legislation. The cash blocking system continued to ensure that departments' spending was in line with funds available. Funds were made available to departments as required, in line with their cash flow forecasts for the financial year, and as per the equitable share and conditional grants received from National Treasury.

Public Private Partnerships (PPP): The unit continued to provide support on the exit strategy in respect of the Inkosi Albert Luthuli Central hospital (IALCH), and the five-year review and five-year strategy for the Ilembe District Municipality water sanitation concession. Also, the unit rendered assistance and offered solutions to challenges faced by both initiatives. These projects are anticipated to be completed in 2016/17.

Supply Chain Management: Support was provided to departments and municipalities with regard to SCM policies and procedures. This entailed conducting compliance assessments to determine the required support interventions and the provision of training, where required. The Contract Management Project (CMP), which was rolled out to all provincial departments in 2014/15, continued to ensure effective supplier performance management and value for money.

The unit continued the implementation of the e-Procurement Tool, the B-BBEE verification of suppliers on the suppliers' database as well as the Municipal Bid Appeals Tribunal (MBAT) for all municipalities in KZN. The unit continued to ensure effective policy review and updating of practice notes and circulars, in line with legislative and National Treasury requirements.

Financial Reporting: Significant progress was made in financial management practices in KZN. Financial management support, particularly in local government, was instrumental in the improved audit outcomes

for the 2014/15 MFMA audit opinions. Treasury also obtained a clean audit report for the Provincial Revenue Fund for 2014/15. This is the seventh clean audit in a row.

Norms and Standards: The unit provided an enhanced level of policy assistance to municipalities and departments by focussing primarily on the review and development of critical finance-related policies as outlined in the MFMA and PFMA. Moreover, a concerted effort was made to determine the status of these policies in municipal and provincial entities, with support provided where so determined.

Support and Interlinked Financial Systems: The start of the biometric enablement of the asset management system was delayed due to the department streamlining the system to make it more cost-efficient. New server infrastructure was installed to ensure that the Biometric Access Control System functions optimally.

KwaZulu-Natal Gaming and Betting Board (KZNGBB): The KZNGBB is responsible for the collection of gambling taxes for the Province of KwaZulu-Natal, regulating the gambling industry, ensuring the responsible roll-out of gaming and betting initiatives and protecting the interests of patrons and the public at large. During 2015/16, the entity continued to regulate the industry in line with the Act and regulations. The entity continued to grow the industry in a responsible manner and in the best interests of all concerned, with the opening of two additional Bingo halls, additional licensing of Type-B Limited Pay-out Machine sites and licensing of new book-making rights. The appointment of the new Board in April 2015 brought stability to the entity. The entity continued to contribute significantly to the provincial fiscus and grew gambling tax collection from R538.524 million to R543.366 million in 2014/15 and 2015/16. The entity focused on improving its IT systems and the streamlining of processes through the implementation of the business process re-engineering project, which is a multi-year project that will be completed in 2017/18. An area that received special attention was obtaining suitable office accommodation for the entity, which proved challenging.

Internal Audit

Assurances Services: The unit provided internal audit services to departments and some public entities with specific focus on enhancing good governance and control through improved audit outcomes. The unit conducted performance audits, audit reviews of interim financial statements, as well as routine audit assignments focusing on transversal and core business areas. The unit also performed a number of formal consulting audit activities – i.e. the Patient Referral System at the Department of Health, and the Head Count Project at the Department of Education. The unit continued to implement performance information reviews, IT audit reviews of IT controls and governance processes, as well as formal consulting services by providing ongoing advice during the system development of some IT systems implementation, such as the controls on the Biometric Access Control System, the On-line Travel System, and the On-line Leave Management System.

Risk and Advisory Services: The unit continued to provide risk management support to departments and public entities, mainly in areas of facilitation of risk assessment exercises and monitoring of the implementation of risk mitigating plans. The unit also provided training to all members of the risk committees within departments. This training was to improve risk governance and assist in improving maturity of risk management. Risk forums were held with the aim of providing a platform for sharing best practices in risk management, highlighting new processes and topics, as well as addressing concerns such that a transversal solution could be attained.

Forensic Audit Services: The unit completed ten investigations, and conducted 16 follow-ups to track the status of implementation of recommendations arising from forensic investigation reports. It also commenced with the development of a Fraud Case Management system that will be used to record, consolidate and track all forensic investigations conducted within all spheres of provincial government.

3. Outlook for the 2016/17 financial year

Section 3 looks at the key focus areas of 2016/17, outlining what the department is hoping to achieve, as well as briefly looking at the challenges facing the department, and proposed new developments. The bulk of the department's budget allocation in the 2016/17 MTEF is for financial management (for general oversight of all departments, municipalities and public entities' budget processes), internal audit, SCM,

support for transversal and interlinked financial systems, as well as the infrastructure support of IDIP Technical Assistants (TAs) project which is being phased out in 2016/17. In addition, the department will continue to implement a number of transversal projects, such as Operation Pay-on-Time, Operation Clean Audit, irregular expenditure projects, MSP, among others.

Fiscal Resource Management

Economic Analysis: The unit will continue to undertake economic and public policy research, participate in various academic conferences and workshops, undertake district municipality profiling and deliver economic presentations throughout the province. It will also continue to support and facilitate strategic development projects, events and activities in the province. Departmental economic impact analysis and spatial analysis will continue to be a key priority for 2016/17.

Infrastructure: The unit will continue to monitor infrastructure planning and delivery performance throughout the province. It will co-ordinate and facilitate infrastructure funding mechanisms and opportunities to support the provincial fiscal framework, including the hosting and expansion of the KZN Funding Fair series, which is a platform to bring project promoters and funders together. The unit will continue to assist departments with funding applications and provide technical support in the development and management of the KZN Provincial Infrastructure Master Plan. The implementation of IDMS province-wide and the facilitation of the U-AMPs will continue to be priorities. The Infrastructure Reporting Model (IRM) will be used as a reporting tool for all provincial infrastructure projects (including all *Capital* and *Current* infrastructure).

Public Finance: The unit's functions are largely process driven and are governed by various legislative requirements. As such, the work often remains largely unchanged from the previous year in terms of the processes that need to be undertaken. Accordingly, monitoring the spending of departments and public entities will continue in 2016/17, with the aim of keeping provincial spending within budget. The Executive Council will continue to be kept informed of the province's budget performance. The 2016/17 *AEPRE* and 2017/18 *EPRE* will be prepared. National Treasury will be provided with information on the Division of Revenue and Provincial Equitable Share (PES), as well as the conditional grant frameworks. The enhancement of provincial own revenue will gain momentum in view of the budget cuts brought about by the fiscal consolidation plan, which is being implemented by National Treasury to rein in government debt. In the 2016/17 MTEF, *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, hosting of events budgets were cut, and other baseline cuts were effected against the Office of the Premier (OTP) and the Department of Economic Development Tourism and Environmental Affairs (DEDTEA) in line with a directive from national. Adherence to these cuts will be monitored.

Municipal Finance: Focus will be placed on enhancing the sustainability of municipalities. The unit will continue to monitor and support the delegated municipalities that are piloting the SCOA framework and system functionality, and will monitor the non-piloting municipalities' preparation for the broader migration of their systems. The MSP will focus on assisting municipalities in enhancing their internal controls, improving their VAT process, as well as instituting cashflow management practices and improving the credibility of their budgets. Post implementation reviews will be conducted to ensure sustainability.

Financial Management

Financial Assets and Liabilities: A support service will continue to be offered to departments in respect of pay roll tax, assets and banking functions. The unit will continue to monitor all departmental bank balances on a daily basis to ensure that proper cashflow is being maintained. Excess funds will be invested with the South African Reserve Bank (SARB) to ensure maximum interest is earned.

Public Private Partnership: The PPP unit will continue to address the lack of capacity in departments and municipalities in identifying and managing PPP projects. The unit also aims to create and improve relationships between various stakeholders in the PPP process in order to promote better PPP project flow, and to prevent projects taking place that are not considered to be value for money and/or affordable. The unit will embark on intense awareness campaigns and capacity building with various SMMEs.

Supply Chain Management: The unit will continue to provide hands-on support to departments and municipalities, and will continue with the subsequent phases of the CMP, which will culminate with all municipalities having fully completed contract registers supported by legitimate contract documents. The MBAT is now fully functional and will be introduced at district road shows to increase public awareness about the MBAT mechanism.

The unit will commence with the implementation of the e-Procurement Tool in departments, and will commence work on the benchmark price list. This will be updated on an ongoing basis, and will initially comprise the most frequently procured items by government. Where required, interventions and additional support will be provided to departments, municipalities and public entities.

Financial Reporting: To improve the unit's effectiveness, focus will be on regular hands-on engagement and support to departments, public entities and municipalities to enhance their financial accounting and reporting performance, as well as continued staff development and training programmes to develop and retain the requisite financial management skills and expertise. The unit will play a major role in the Operation Clean Audit campaign, ensuring enhanced financial management in all spheres of government.

Norms and Standards: The unit, as per National Treasury's request, will facilitate the implementation of the new upgraded Diagnostic Compliance Tool and the Financial Management Capability Maturity Model (FMCMM), by identifying two departments as part of the pilot project prior to the nationwide roll-out of the financial model. Inputs will be forwarded to National Treasury in order to address the various challenges that may be experienced during the pilot phase.

Support and Interlinked Financial Systems: The biometric enablement of the asset management system was completed in 2015/16. Enhancements and standardisation of the Biometric Access Control System are to be expedited to improve the level of support for the system in the province.

KwaZulu-Natal Gaming and Betting Board (KZNGBB): The entity will pursue its mandate by ensuring that all gambling authorised under the Act is conducted in a manner which promotes the integrity of the gambling industry and does not cause harm to the public. In addition, the KZNGBB will ensure that gambling promotes tourism, employment, economic and social development. It will continue to invite, consider and process new applications and/or renewals for any gaming or betting licences, amend, specify, substitute or rescind any licence conditions, as well as undertake investigations or inspections into illegal gambling operations in KZN. The entity will strive to bring balance between protection of the public and growth to the industry. Transformation to creating opportunities for previously disadvantaged individuals to gain access to the gambling industry will continue to be a key focal point in the next financial year. The entity will implement amendments to the Act, once the KZN Gaming and Betting Amendment Bill is enacted. The amendments include, *inter alia*, new provisions relating to the horse-racing and betting industry, acquisition of financial interests in gambling licences and definitions of bingo. In addition, the entity will implement new betting rules to regulate the industry and provide processes for licensees to follow in order to comply with the regulations once approved. The securing of office accommodation will continue to be a key focus area in 2016/17, as well as the development of an integrated IT system.

Internal Audit

Assurance Services: The unit will continue to provide internal audit services to departments and public entities by performing risk based audits, with specific focus on overall good governance. The intention is to identify additional critical service delivery projects to determine value for money for the resources expended as part of its focus on performance auditing. Resources will be directed towards the achievement and sustaining of clean audit outcomes, specifically in areas of transversal operational activities such as SCM and asset management. Audit efforts on IT governance and controls will be expanded, as this has been identified as a critical risk area. The unit will continue to perform governance reviews, as well as support the Audit and Risk Committee structures.

Risk and Advisory Services: The unit's main focus will be to ensure that the implementation plan of the recommendations of the risk management maturity gap analysis findings are on track, and to provide the necessary interventions as and when required. The risk management tool (CURA) will be rolled out to all departments and selected public entities and municipalities to strengthen awareness of risk management.

Forensic Audit Services: The envisaged Fraud Case Management System will be made accessible to the OTP for provincial reporting purposes during 2016/17, and will be used to assist with monitoring and addressing delays in forensic investigations. More detailed follow-up audits will be conducted to assess the extent to which investigated entities are implementing forensic investigation recommendations. Fraud prevention plan strategies of all departments will also be reviewed.

4. Receipts and financing

4.1 Summary of receipts and financing

Table 6.1 below shows the sources of funding for Vote 6 over the seven-year period 2012/13 to 2018/19. The table also compares actual and budgeted receipts against actual and budgeted payments.

Table 6.1 : Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Equitable share	567 640	485 764	559 154	648 589	648 589	648 589	675 280	659 029	688 508
Conditional grants	-	-	-	-	-	-	-	-	-
Total receipts	567 640	485 764	559 154	648 589	648 589	648 589	675 280	659 029	688 508
Total payments	557 733	623 448	673 962	712 151	717 869	663 853	675 280	659 029	688 508
Surplus/(Deficit) before financing	9 907	(137 684)	(114 808)	(63 562)	(69 280)	(15 264)	(42 000)	-	-
Financing									
of which									
Provincial roll-overs	40 926	34 004	24 765	-	218	218	-	-	-
Provincial cash resources	44 062	180 927	124 807	63 562	69 062	69 062	42 000	-	-
Surplus/(Deficit) after financing	94 895	77 247	34 764	-	-	54 016	-	-	-

The amount of R40.926 million against provincial roll-overs in 2012/13 was in respect of roll-overs from the previous financial year for the Pietermaritzburg (R16.760 million) and Richards Bay (R7.041 million) airports, the Infrastructure Crack Team (R3.904 million), the purchasing of a server refresher for the computer network system (R2.659 million), and for consultants' fees in respect of Risk Management facilitation workshops and training, forensic investigations, conducting IT risk assessments on the BAS system and the development of the Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) guidelines (R10.562 million).

The amount of R44.062 million against provincial cash resources in 2012/13 was in respect of the Pietermaritzburg airport (R20 million), Thuthuka Bursary Fund (R4 million), Infrastructure Crack Team (R10 million), the Shayamoya eco-complex (R2.062 million), and for the development of a light industrial park at Bhongweni (R8 million). The Shayamoya eco-complex is a cultural complex and community park in Kokstad, which aims to make East Griqualand a more attractive tourist destination. The development of a light industrial park at Bhongweni in the Greater Kokstad Municipality aims to develop the infrastructure and institutional arrangements and operationalise a light industrial park that will operate as a small business incubator to attract, train, mentor and assist in the development of skilled artisans.

The department ended 2012/13 with a surplus of R94.895 million. The under-spending was mainly due to the non-filling of posts resulting from high staff turnover and a shortage of suitably qualified candidates. Also accounting for the under-spending, was an improvement in the funds available in the Pay-Master General (PMG) and IGCC accounts resulting from the province earning as opposed to paying interest. The department also under-spent on the CMP, the Infrastructure Crack Team, legal fees, the e-Procurement Tool, the feasibility study of the government office precinct project, the development of the Pietermaritzburg, Richards Bay, Prince Mangosuthu Buthelezi and Margate airports, as well as the Thuthuka Bursary Fund, the Shayamoya eco-complex, and the Bhongweni light industrial park.

The amount of R34.004 million against provincial roll-overs in 2013/14 relates to roll-overs from 2012/13 for legal fees (R2.900 million), the Infrastructure Crack Team (R7 million), CMP (R2.400 million), the revived feasibility study of the government office precinct project (R2.627 million), and the development of the Margate (R2.288 million), Prince Mangosuthu Buthelezi (R603 000), and Pietermaritzburg (R16.186 million) airports.

The provincial cash resources amount of R180.927 million in 2013/14 comprises R97.677 million for various projects, including the feasibility study of the government office precinct project, Operation Clean Audit, the e-Procurement Tool, CMP, the Infrastructure Crack Team, forensic investigations, the Shayamoya eco-complex, the light industrial park at Bhongweni, Aero Grand Prix and the Thuthuka Bursary Fund. Furthermore, an amount of R18.800 million was allocated for Operation Sukuma Sakhe (OSS), the Infrastructure Crack Team, the Education nutrition programme, the irregular expenditure project, the Health assets project, and the McCord Hospital take-over. Also, an amount of R4.450 million was allocated for a new IT system for the KZNGBB.

In 2013/14, the budget was under-spent by R77.247 million. This related to delays in the filling of posts resulting from lengthy recruitment processes and a lack of suitably qualified candidates, lower than anticipated audit and legal costs, under-expenditure on the MSP, delays in the appointment of a service provider for the e-Procurement Tool, delays in negotiations in respect of the McCord Hospital take-over project, and delays in obtaining dates for GRAP training with municipalities. Also contributing, were the late receipt of invoices from service providers dealing with the Health Asset Register project, as well as the Education capped-leave project, delays in spending in respect of the light industrial park at Bhongweni and the Shayamoya eco-complex, savings realised in respect of the development and upgrade of the Prince Mangosuthu Buthelezi and Margate airports, and delays in the selection process regarding students for the Thuthuka Bursary Fund.

The amount of R24.765 million against provincial roll-overs in 2014/15 relates to roll-overs from 2013/14 for the Strategic Cabinet Initiatives Fund (R6.382 million), the construction of the Shayamoya eco-complex (R13.062 million), and the light industrial park at Bhongweni (R5.321 million).

The provincial cash resources amount of R124.807 million in 2014/15 includes additional allocations for Msunduzi electricity-related development projects, the Infrastructure Crack Team, irregular expenditure projects, IDIP TAs, Operation Pay-on-Time, Education capped leave, AFS training, Operation Clean Audit, the e-Procurement Tool, IALCH floor repairs, Strategic Cabinet Initiatives, and carry-through of previous years' wage agreements.

In 2015/16, the department's baseline increased to R712.151 million. The provincial cash resources of R63.562 million in 2015/16 comprise suspensions from the previous financial year relating to additional funding for IDIP TAs (2015/16 and 2016/17), Operation Pay-on-Time (2015/16 and 2016/17), Operation Clean Audit (2015/16 and 2016/17), e-Procurement Tool (2015/16 and 2016/17), special audits (2015/16 only), forensic investigations (2015/16 only), Shayamoya eco-complex (2015/16 only), the Bhongweni light industrial park (2015/16 only), and IALCH floor repairs (2015/16 and 2016/17).

An amount of R218 000 was rolled over in respect of the payment of invoices from 2014/15 for the Msunduzi electricity-related development projects.

The 2015/16 Revised Estimate shows that the department is anticipating ending the year with under-spending of R54.016 million mainly in respect of:

- Under-spending on *Compensation of employees* of R20.372 million, due to the non-filling of vacant posts, as a result of the moratorium on the filling of posts and lengthy recruitment processes.
- Under-spending on *Goods and services* (R34.521 million), due to the relocation of the PERSAL Mainframe Time from Pietermaritzburg SITA to National Treasury SITA, delays in the finalisation of consultants panels (for projects such as MSP, performance audits, forensic investigations, etc.) that have expired, slow spending on the Infrastructure Crack Team, as well as enhanced financial controls (particularly in the Office of the MEC where the number of road shows was reduced).
- This projected under-spending is offset by over-spending mainly against the following:
 - *Transfers and subsidies to: Households* as a result of higher than anticipated staff exits.
 - *Machinery and equipment* due to the implementation of phase 1 of the Biometric Access Control System project.

The amount of R42 million against provincial cash resources in 2016/17 comprises once-off additional funding for IDIP TAs, Operation Pay-on-Time, Operation Clean Audit, e-Procurement Tool and CMP, as

well as funding for the replacement of biometric scanners and the IALCH floor repairs. None of these projects have carry-through to the outer years of the MTEF, as these were only allocated additional funding for a limited time, in line with project requirements.

4.2 Departmental receipts collection

Table 6.2 below gives a summary of the departmental receipts for Vote 6. The details are presented in the *Annexure – Vote 6: Provincial Treasury*.

Table 6.2 : Summary of departmental receipts collection

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Tax receipts	447 730	488 254	538 524	648 227	648 227	543 366	557 338	591 152	628 907
Casino taxes	383 056	421 355	467 319	556 890	556 890	466 336	478 167	510 227	545 111
Horse racing taxes	64 674	66 899	71 205	91 337	91 337	77 030	79 171	80 925	83 796
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	159	169	322	203	203	255	204	209	221
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	1	-	-	-	-	-	-	-
Interest, dividends and rent on land	269 818	249 807	309 569	283 341	283 341	352 546	301 754	316 842	335 219
Sale of capital assets	32	409	39	170	170	734	181	192	203
Transactions in financial assets and liabilities	437	352	2 513	380	380	3 866	382	385	407
Total	718 176	738 992	850 967	932 322	932 322	900 767	859 860	908 780	964 957

Tax receipts are derived from taxes collected by KZNGBB in accordance with the KZN Gaming and Betting Tax Act, 2010. The major sources of revenue are *Casino taxes* and *Horse racing taxes*. The lower than anticipated 2015/16 Revised Estimate is due to the fact that the entity over-budgeted for this category and the economic downturn negatively affected taxes. The 2016/17 MTEF is reduced accordingly.

Casino taxes, which include Limited Payout Machines (LPMs) and Bingo gaming revenue, accelerated from 2012/13 onward following the increase in tax rates which came into effect in November 2012. The 2015/16 Revised Estimate reflects an under-collection resulting from over-budgeting from this category, as well as the decline in consumer activities, which cannot be accurately predicted. The revenue grows gradually over the 2016/17 MTEF.

Horse racing taxes includes sports betting revenue and is volatile over the seven-year period. This is due to constrained global economic circumstances. The 2015/16 Revised Estimate is projecting under-collection due to the uncertain nature of betting activities. The department is very conservative in terms of budgeting for this over the MTEF due to the unpredictable nature of revenue from this source.

Sale of goods and services other than capital assets is mainly in respect of game licences, commission on PERSAL deductions such as insurance premiums and garnishees, sale of tender documents, parking fees, etc. The high collection in 2014/15 was due to the higher than anticipated sale of tender documents, which accounts for the budget decline from 2015/16 to 2018/19.

Interest, dividends and rent on land mainly relates to interest earned on the IGCC and the PMG accounts. The significant improvement in collection on this category is due to the collective implementation of cost containment by provincial departments. The decline in interest received in 2013/14 was due to the census data cuts which impacted on the equitable share the province received from the national fiscus, as well as the 1, 2 and 3 per cent baseline reductions implemented by National Treasury. The 2016/17 MTEF budget and the high collection in the 2015/16 Revised Estimate is due to continued implementation of financial control measures, resulting in high bank balances and therefore high interest earnings.

Sale of capital assets relates to the disposal of redundant assets, such as vehicles, office equipment, etc. The fluctuations in prior years resulted from the uncertain nature of this category as it relies on performance at the auction. The department anticipates disposing motor vehicles over the 2016/17 MTEF in line with its asset disposal policy.

Transactions in financial assets and liabilities comprises recoveries from staff debts such as breached bursary contracts. The high collection in the 2015/16 Revised Estimate is due to inter-departmental claims

in respect of consultants that were deployed to prepare a movable asset register for the Department of Health and to prepare an immovable asset register and Interim Financial Statements for the Department of Public Works. This expenditure was incurred in 2014/15. The prior year fluctuations and the MTEF can be attributed to the difficulty in forecasting accurately for this category, due to its uncertain nature.

4.3 Donor funding

Table 6.3 provides information on donor funding received by the department from the European Union (EU). Provincial Treasury sent a bid to National Treasury in 2014 to fund the development of Science Parks (or techno-hubs) in KZN. The request for these funds was evaluated and final allocations were approved by the national Ministers' Committee on the Budget. Provincial Treasury also receives an agency receipt from the Public Service Sector Education and Training Authority (PSETA) in 2016/17.

Table 6.4 shows the amounts spent to date and to be spent over the MTEF. In total, KZN will receive R120 million from the EU through the General Budget Support (GBS) initiative from 2015/16 to 2017/18 and R720 000 from PSETA in 2016/17.

Table 6.3 : 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	-	-	-	39 200	39 200	11 653	60 470	48 597	-
Development of KwaZulu-Natal Science Parks	-	-	-	39 200	39 200	11 653	59 750	48 597	-
PSETA	-	-	-	-	-	-	720	-	-
Total	-	-	-	39 200	39 200	11 653	60 470	48 597	-

Table 6.4 : 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	-	-	-	59 750	59 750	11 653	59 750	48 597	-
Development of KwaZulu-Natal Science Parks	-	-	-	59 750	59 750	11 653	59 750	48 597	-
PSETA	-	-	-	-	-	-	720	-	-
Total	-	-	-	59 750	59 750	11 653	60 470	48 597	-

The department plans to establish four science parks in the province with this funding. These will be located in Pietermaritzburg, Newcastle, Port Shepstone and Richards Bay. The main aim of the science parks is the commercialisation of innovative ideas through which products, processes, strategies and services are formulated to create job opportunities and to create business synergies. The core functions of the science parks include knowledge generation, innovation, enterprise and business formation. The science parks will be aimed at businesses involved in information technology. The 2015/16 Revised Estimate has been decreased to R11.653 million due to delays as a result of a change of site where the Richards Bay science park was going to be built. This prompted for new designs and a new EIA process to be undertaken. The Newcastle science park also experienced delays in the advertisement of tenders. An updated business plan, indicating how these funds will be spent, will be submitted to EU and it is anticipated that the allocation of R59.750 million will be fully spent in 2016/17. Furthermore, the EU has approved the extension of the contract to 2017/18 so that the full R120 million is not lost to the province.

The department has been allocated R720 000 in 2016/17 for work integrated learning, whose aim is to support 20 students from TVET colleges with a stipend of R2 000 per student per month for a period of 18 months. This allocation will give learners an opportunity to do in-service training in the department in their area of study.

5. Payment summary

This section provides information pertaining to the vote as a whole at an aggregated level, including payments and budgeted estimates in terms of programmes and economic classification. Further details are given in Section 6 below, as well as in the *Annexure – Vote 6: Provincial Treasury*.

5.1 Key assumptions

The 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.
- 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:
 - 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.
 - Departments' equitable share funded *Goods and services* budgets were cut by 2 per cent.
 - Departments' and public entities' hosting of events budgets were cut over the MTEF.
 - 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.
- 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 6.5 shows additional funding received by the department over the three MTEF periods: 2014/15 2015/16 and 2016/17.

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 2015/16 and 2016/17 MTEF periods (i.e. for the financial year 2018/19) are based on the incremental percentage used in the 2016/17 MTEF.

Over the 2014/15 MTEF, funds of R57.553 million were suspended from the previous financial year for the e-Procurement Tool (R6 million), CMP (R10 million), Operation Clean Audit (R10 million), forensic investigations (R9 million), the government office precinct project, and for the balance of the Strategic Cabinet Initiatives Fund (R14.553 million).

In addition, the department received once-off allocations, in 2014/15, amounting to R156.909 million for Rural development projects (R50 million), Msunduzi electricity-related development projects (R5.500 million), Infrastructure Crack Team (R10 million), irregular expenditure (R3.500 million), IDIP TAs (R8 million with carry-through), Operation Pay-on-Time (R3.500 million with carry-through), Education capped leave (R5 million), AFS training (R5 million), Operation Clean Audit (Financial Management) (R10 million with carry-through), e-Procurement Tool (R4.500 million with carry-through), IALCH floor repairs (R4 million with carry-through), Strategic Cabinet Initiatives (R46.505 million with carry-through), and carry-through of previous years' wage agreements (R1.404 million), R2.062 million for the Shayamoya eco-complex and R8 million for the light industrial park at Bhongweni.

The above additional funding was slightly off-set by funds of R610 000 (with carry-through) and R253 000 (with carry-through) being moved to OTP in 2014/15 for the centralisation of parts of the communications budget, and the centralisation of external bursaries, respectively.

Table 6.5 : 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	213 599	124 853	92 519	97 145	102 779
Suspension from 2013/14 to 2014/15:	57 553	-	-	-	-
<i>e-Procurement Tool</i>	6 000	-	-	-	-
<i>Contract management</i>	10 000	-	-	-	-
<i>Operation Clean Audit (Internal Audit)</i>	10 000	-	-	-	-
<i>Forensic investigations</i>	8 000	-	-	-	-
<i>Government office precinct project</i>	9 000	-	-	-	-
<i>Balance of Strategic Cabinet Initiatives Fund</i>	14 553	-	-	-	-
Rural development projects	50 000	-	-	-	-
Msunduzi electricity-related development projects	5 500	-	-	-	-
Infrastructure Crack Team	10 000	-	-	-	-
Irregular expenditure	3 500	-	-	-	-
IDIP TAs	8 000	8 000	8 000	8 400	8 887
Operation Pay-on-Time	3 500	3 500	3 500	3 675	3 888
Education capped leave	5 000	-	-	-	-
Operation Clean Audit (Financial Management)	10 000	5 000	5 000	5 250	5 555
AFS assist municipalities	5 000	-	-	-	-
<i>e-Procurement Tool</i>	4 500	13 000	3 500	3 675	3 888
Special audits	-	8 000	-	-	-
Forensic investigations	-	8 000	-	-	-
Contract management	-	-	7 000	7 350	7 776
Shayamoya roll-over from 12/13 to 14/15	-	2 062	-	-	-
Light industrial park - Bhongweni roll-over from 12/13 to 14/15	-	8 000	-	-	-
Inkosi Albert Luthuli Central Hospital - floor repairs	4 000	8 000	6 000	6 300	6 665
Strategic Cabinet Initiatives - increasing to R100m	46 505	59 473	57 325	60 191	63 682
Carry-through of previous wage agreements	1 404	2 711	3 133	3 290	3 480
Centralisation of communications budget under OTP	(610)	(640)	(674)	(708)	(749)
Centralisation of external bursaries budget under OTP	(253)	(253)	(265)	(278)	(294)
2015/16 MTEF period		(91 747)	(99 735)	(139 372)	(147 456)
IALCH floor repairs		8 000	-	-	-
Removal of Strategic Cabinet Initiatives Fund		(100 000)	(100 000)	(105 000)	(111 090)
Removal of IDIP TAs in 2017/18		-	-	(8 400)	(8 887)
Removal of Operation Pay-on-Time in 2017/18		-	-	(3 675)	(3 888)
Removal of Operation Clean Audit (Financial Management) in 2017/18		-	-	(5 250)	(5 555)
Removal of <i>e-Procurement Tool</i> in 2017/18		-	-	(3 675)	(3 888)
Removal of contract management in 2017/18		-	-	(7 350)	(7 776)
Removal of IALCH - floor repairs in 2017/18		-	-	(6 300)	(6 665)
Decentralisation of bursaries budget		253	265	278	294
2016/17 MTEF period			(32 488)	(49 477)	(52 627)
Above-budget 2015 wage agreement			4 254	4 555	4 888
Replacement of biometric scanners			12 000	-	-
IALCH floor repairs			3 000	-	-
Freezing all vacant non-OSD posts			(44 037)	(47 032)	(50 230)
Cutting events' budgets			(340)	(340)	(340)
2% Goods and services cut			(7 365)	(6 660)	(6 945)
Total	213 599	33 106	(39 704)	(91 704)	(97 303)

Over the 2015/16 MTEF, the department was allocated a once-off additional R8 million for the continuation of the IALCH floor repairs. Also, apart from the carry-through costs in respect of the projects mentioned above, the department was allocated R8 million for forensic investigations and special audits, respectively.

National Treasury indicated that the fiscal consolidation that started in 2014/15 was set to continue over the 2015/16 MTEF. In line with this, all three spheres of government were cut, with KZN's portion of this cut being in excess of R500 million per annum. The bulk of this cut was therefore absorbed by the province's Contingency Reserve, as well as temporarily halting the government office precinct project and the Strategic Cabinet Initiatives Fund until the period of fiscal consolidation is over. In this regard, the Strategic Cabinet Initiatives Fund (R100 million in 2015/16 and 2016/17, and R105 million in 2017/18) were removed over the 2015/16 MTEF.

In addition, R34.650 million was removed in 2017/18 in respect of the following, as these funds were once-off and did not have carry-through beyond 2016/17:

- R8.400 million for IDIP TAs.
- R3.675 million for Operation Pay-on-Time.
- R5.250 million for Operation Clean Audit (Financial Management).

- R3.675 million for the e-Procurement Tool.
- R7.350 million for contract management.
- R6.300 million for IALCH floor repairs.

The above is slightly off-set by funds of R253 000 (with carry-through) in respect of the external bursaries budget being decentralised back from OTP to the department following a Cabinet decision.

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* has been lowered by freezing all vacant non-OSD posts, and departments' equitable share funded *Goods and services* budgets have been cut by 2 per cent over the MTEF. The impact of these cuts on Provincial Treasury is commented on in Section 5.3 below.

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

- R4.254 million in 2016/17 for the carry-through of the above-budget 2015 wage agreement.
- R12 million in 2016/17 for the replacement of biometric scanners in all departments.
- A further R3 million in 2016/17 for IALCH floor repairs.

Note that additional funding was allocated in the 2012/13 MTEF for improving infrastructure support. Although no longer visible in Table 6.5, this funding was specifically and exclusively appropriated and the department utilises this funding for the Infrastructure Crack Team, which provides infrastructure support in the province. Thus an amount of R8 million, R8.575 million and R9.072 million remains ring-fenced for this purpose over the 2016/17 MTEF.

5.3 Summary by programme and economic classification

The services rendered by the department are categorised under five programmes, namely Administration, Fiscal Resource Management, Financial Management, Internal Audit and Growth and Development. These programmes are linked to the core functions of the department. The department does not conform to the generic programme structure of the sector. Negotiations in this regard will continue with National Treasury in 2016/17.

Tables 6.6 and 6.7 below provide a summary of the vote's payments and budgeted estimates over the seven-year period, by programme and by economic classification, respectively.

It is noted that the MTEF budget cuts could not be effected fully from *Compensation of employees* and *Goods and services*, and hence were also effected against categories such as *Interest and rent on land*, *Transfers and subsidies to: Households*, as well as *Machinery and equipment*, as explained below. Overall, the MTEF cuts effected against Vote 6 totalled R51.742 million, R54.032 million, and R56.515 million over the three years of the MTEF.

Table 6.6 : Summary of payments and estimates by programme: Provincial Treasury

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15		2015/16		2016/17	2017/18	2018/19
1. Administration	97 905	96 932	113 215	123 089	128 089	119 716	134 552	137 096	140 946
2. Fiscal Resource Management	76 870	91 204	75 467	103 567	103 567	94 471	103 056	95 456	100 230
3. Financial Management	251 487	286 894	311 048	319 778	292 078	261 843	295 563	295 563	313 724
4. Internal Audit	93 154	107 363	130 420	131 558	151 758	149 353	121 683	123 888	130 082
5. Growth and Development	38 317	41 055	43 812	34 159	42 377	38 470	20 426	7 026	3 526
Total	557 733	623 448	673 962	712 151	717 869	663 853	675 280	659 029	688 508

Table 6.7 : Summary of payments and estimates by economic classification: Provincial Treasury

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	478 406	549 746	578 813	654 524	657 524	601 931	627 760	608 993	640 488
Compensation of employees	165 967	188 527	211 837	260 566	257 166	236 794	279 429	281 213	288 403
Goods and services	312 439	361 219	366 976	383 726	399 426	364 905	345 057	324 546	349 240
Interest and rent on land	-	-	-	10 232	932	232	3 274	3 234	2 845
Transfers and subsidies to:	73 405	68 056	80 291	51 636	54 354	55 418	42 977	42 793	41 604
Provinces and municipalities	28 026	21 983	31 691	10 318	10 303	10 305	24	24	26
Departmental agencies and accounts	35 775	41 881	39 276	32 532	32 532	32 532	34 255	35 968	38 054
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	4	-	-	-
Non-profit institutions	-	893	1 468	3 150	4 383	4 735	3 370	3 370	244
Households	9 604	3 299	7 856	5 636	7 136	7 842	5 328	3 431	3 280
Payments for capital assets	5 909	6 114	14 854	5 991	5 991	6 504	4 543	7 243	6 416
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	5 515	6 114	14 854	5 991	5 991	6 504	4 543	7 243	6 416
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	394	-	-	-	-	-	-	-	-
Payments for financial assets	13	417	4	-	-	-	-	-	-
Total	557 733	624 333	673 962	712 151	717 869	663 853	675 280	659 029	688 508

Programme 1: Administration shows a decrease from 2012/13 to 2013/14 pertaining largely to delays in the selection process regarding students for the Thuthuka Bursary Fund. The increase from 2013/14 to 2014/15 was mainly due to the office configurations at Treasury House, the full payment made towards the Thuthuka Bursary Fund, the purchasing of vehicles, as well as the payment of an exit package of the former MEC for Finance. The increase in the 2015/16 Adjusted Appropriation can be mainly ascribed to a shift of R4 million to cater for the movement of the IT Management Support from Programme 3 to this programme as a result of the alignment of the structure. The decrease in the 2015/16 Revised Estimate is due to, among others, cost-cutting on advertising and travel and subsistence, later than anticipated appointments, as well as over-budgeting on audit fees, etc. Also, the below inflationary growth over the 2016/17 MTEF is mainly ascribed to the previously mentioned budget cuts. In this regard, MTEF cuts totalling R991 000, R5.108 million and R6.173 million were effected against *Compensation of employees* (in 2017/18 and 2018/19 only), *Goods and services*, as well as *Transfers and subsidies to: Households* in respect of the Thuthuka Bursary.

Programme 2: Fiscal Resource Management shows a substantial increase from 2012/13 to 2013/14 due to an increase in the number of assignments in respect of the MSP, which aims to assist municipalities with their financial management activities, as these could not be implemented in 2011/12. Also contributing was additional funding for the Infrastructure Crack Team. The increase in 2014/15 is due to once-off further additional funding for the Infrastructure Crack Team and IDIP TAs received in 2013/14. The significant increase in the 2015/16 Main Appropriation is as result of the significant under-spending of MSP in 2014/15 and provision for IDIP TAs in 2015/16. The decrease in the 2015/16 Revised Estimate pertains to the Infrastructure Crack Team being involved in fewer projects than initially anticipated, enhanced financial controls, and savings declared on the MSP, due to delays emanating from unresolved disputes with the service provider. The substantial decrease in 2017/18 pertains to the non-continuation of IDIP TAs. Provincial Treasury was allocated once-off additional funds in respect of IDIP TAs (allocated over three-years in line with project requirements) when the 2014/15 MTEF budget was prepared. This meant that the funding would not be provided beyond 2016/17 and, as such, these amounts were removed from the department's baseline in 2017/18. It is noted that the MTEF cuts in respect of this programme totalled R6.656 million, R11.084 million and R12.489 million, and were effected against *Compensation of employees*, *Goods and services*, as well as *Machinery and equipment*.

The substantial increase against Programme 3: Financial Management from 2012/13 to 2014/15 can be ascribed to increases in MBAT, CMP and Operation Clean Audit initiatives, as well as the administrative requirements of the horse racing regulator which was merged into the KZNGBB. The increase in the 2015/16 Main Appropriation pertains to the once-off additional funding allocated for Msunduzi

electricity-related development projects, GRAP training for municipalities, Health Asset Register, Education capped-leave, and to assist municipalities with their AFS. The decrease from the 2015/16 Main to the Revised Estimate is mainly due to savings in the PMG and IGCC accounts that were moved to Programme 4 to cater for spending pressures relating to forensic investigations and performance audits. The significant increase in 2016/17 is due to additional funding for the replacement of Biometric scanners. The below inflationary growth over the MTEF is mainly ascribed to the previously mentioned budget cuts, with cuts of R46.052 million, R30.820 million and R26.527 million being effected against *Compensation of employees*, *Goods and services*, *Interest and rent on land* as well as *Machinery and equipment*.

Programme 4: Internal Audit shows an increase from 2012/13 to 2013/14 due to once-off additional funding for Operation Clean Audit initiatives and an increase in forensic investigations. The substantial increase from 2013/14 to 2014/15 is mainly attributed to once-off additional funding for Operation Clean Audit initiatives, such as special assignments, and an increase in forensic investigations. The increase from the 2015/16 Main to the Adjusted Appropriation pertains to the extensive virements from Programme 3 to this programme to cater for spending pressures relating to forensic investigations and performance audits, accounting for the decrease in 2016/17. Also, additional funding for special audits and forensic investigations does not go beyond 2015/16, thus contributing to the decrease in 2016/17. The below inflationary growth over the 2016/17 MTEF is mainly ascribed to the previously mentioned budget cuts, as a result of which R943 000, R5.094 million and R6.381 million was reduced from *Compensation of employees*, *Goods and services* (2016/17 only), as well as *Transfers and subsidies to: Households*.

In respect of Programme 5: Growth and Development, spending in 2012/13 to 2013/14 relates mainly to the development of the Pietermaritzburg, Prince Mangosuthu Buthelezi, Margate and Richards Bay airports, various air shows, Shayamoya eco-complex and the light industrial park at Bhongweni, as well as the feasibility study of the government office precinct project. The substantial increase in 2014/15 was due to the once-off allocations for Msunduzi electricity-related developments, Shayamoya eco-complex and Bhongweni light industrial park. It must be noted that, in 2015/16, the Strategic Cabinet Initiatives funding was suspended. The allocations from 2015/16 and over the 2016/17 MTEF include budget road shows (2015/16, 2016/17 and 2017/18), finalisation of the Shayamoya eco-complex (2015/16 only), the light industrial park at Bhongweni (2015/16 only), and provisions for IALCH floor repairs (2015/16 and 2016/17), accounting for the steady reduction in allocation over the MTEF. It is noted that MTEF budget cuts of R1.926 million and R5.945 million were effected against *Goods and services* in 2017/18 and 2018/19 only.

The increase against *Compensation of employees* from 2012/13 was due to the lifting of the moratorium on the filling of vacant posts at the time. The department budgeted for the full organisational structure from 2014/15. As of 2014/15, the department made provision for salaries for contract personnel that will be working on certain departmental projects, such as TAs working on IDIP, CMP, etc. The decrease from the 2015/16 Main to Adjusted Appropriation relates to delays in the filling of posts due to lengthy recruitment processes, and difficulty in finding suitably qualified candidates. A further decrease in the 2015/16 Revised Estimate is attributable to the moratorium on the filing of non-critical posts. The increase over the MTEF is mainly due to the carry-through costs of the previous wage agreements and inflation. It must be noted that the department was unable to apply the full cuts against this category over the MTEF. As such, this category was reduced by R17.887 million, R27.794 million and R38.528 million over the MTEF to assist with the MTEF cuts.

The substantial increase against *Goods and services* from 2012/13 to 2014/15 was mainly due to additional funding for MBAT, CMP, the Infrastructure Crack Team, Operation Clean Audit initiatives, MSP project, an increase in forensic investigations, etc., and the reconfiguration of office space at Treasury House and Nomalanga Building. The significant increase in the Adjusted Appropriation is due to the funds moved to this category to cater for performance audits and forensic investigations, as well as towards the feasibility study for the construction of the new Legislature complex. The decrease from the 2015/16 Adjusted Appropriation to the Revised Estimate is in respect of projects whose spending is slower than anticipated. The decrease from 2016/17 to 2017/18 pertains to the reduction in the number of consultants to be used for forensic investigations, IDIP TAs, SCM, CMP, Operation Pay-on-Time, Operation Clean Audit, etc. Also contributing to the decrease is the finalisation of the IALCH floor

repairs, and the non-continuation of some projects such as the IDIP TAs, Operation Pay-on-Time, e-Procurement Tool, CMP, as mentioned, accounting for the dip in 2017/18. It is noted that the MTEF cuts in respect of *Goods and services* amounted to R23.202 million and R8.454 million in 2016/17 and 2017/18, respectively.

There was no expenditure against *Interest and rent on land* from 2012/13 to 2014/15 as a result of the improvement in the provincial cash balances. This resulted in a lower interest provision, hence the decrease from the 2015/16 Main to the Adjusted Appropriation. The below inflationary growth over the 2016/17 MTEF is mainly ascribed to the previously mentioned budget cuts, and provision for interest payments in the event that the province goes back into overdraft. This category was reduced by R7 million, R7.579 million and R8.595 million over the MTEF to assist with the MTEF cuts.

The expenditure reflected against *Transfers and subsidies to: Provinces and municipalities* in 2012/13 to 2013/14 was for the development of the Pietermaritzburg, Prince Mangosuthu Buthelezi and Richards Bay airports, motor vehicle licence fees, etc. The increase in 2014/15 was due to a roll-over from 2013/14, for the Bhongweni light industrial park and the Shayamoya eco-complex. The allocation in 2015/16 is in respect of the payment of motor vehicle licences, as well as a provision for once-off special infrastructure projects which included Msunduzi electricity-related development projects (2015/16 only), the Bhongweni light industrial park, and the Shayamoya eco-complex. The budget over the 2016/17 MTEF pertains only to the payment of motor vehicle licence fees.

Transfers and subsidies to: Departmental agencies and accounts relates to transfers made to the KZNGBB, as explained in detail under Section 5.8 below.

The amounts against *Transfers and subsidies to: Non-profit institutions* from 2015/16 onward cater for the Financial Literacy Programme (FLP), which is now an independent entity called the Financial Literacy Association (FLA). This project was initiated by the MEC for Finance with the aim of educating the citizens of KZN about using their money wisely and also on various aspects such as encouraging savings and financial discipline. An amount of R3.150 million has been budgeted towards the FLA over each year from 2015/16 to 2017/18. The increase in the 2015/16 Adjusted Appropriation is attributable to the donation of R1 million to the Coastal Horse Care Unit. The amounts in the 2016/17 MTEF are inclusive of the donations made by the MEC to schools, old age homes, co-operatives, etc. It must be noted that donations were moved from *Transfers and subsidies to: Provinces and municipalities* to this category. The prior and ensuing year were adjusted accordingly for comparative purposes.

Transfers and subsidies to: Households caters for staff exits, as well as bursaries for non-employees, and the Thuthuka Bursary Fund. The major fluctuations can be ascribed to the difficulty in budgeting for this category due to its uncertain nature. The substantial amount in 2012/13 to 2014/15 was as a result of a Cabinet decision to assist OTP with bursaries for non-employees. The increase from 2014/15 pertains to the payment of the ex-MEC for Finance's severance package and the payment of leave gratuities that were higher than anticipated. The decrease in the 2015/16 Main Appropriation is ascribed to the decentralisation of external bursaries to OTP. Following a Cabinet decision, the bursaries budget, which was previously centralised under OTP, was decentralised back (from 2015/16) to all the departments from which the budget was previously moved. It is noted that the department also effected the MTEF budget cuts against the Thuthuka Bursary Fund by R1.940 million in 2016/17, with no allocation beyond 2016/17.

Spending against *Machinery and equipment* occurs on a cyclical basis, hence the fluctuating trend against this category. The amount in 2012/13 and the increase in 2013/14 relates to the upgrade of the server refresher hardware in respect of the department's computer network system. The increase in 2014/15 is mainly due to the upgrade of the biometric servers and for the reconfiguration at Treasury House. The increase from the 2015/16 Main to Revised Estimate is due to the purchase of departmental vehicles. The high amounts in 2017/18 and 2018/19 cater for hardware refresher servers, as well as the Biometric Access Control System.

The 2012/13 amount against *Software and other intangible assets* was for the procurement of an internet connector licence to connect external departments to the Business Process Mapping (BPM) processors.

Payments for financial assets relates to the write-off of staff debts, such as the breach of bursary contracts.

5.4 Summary of conditional grant payments and estimates – Nil

5.5 Summary of infrastructure payments and estimates

Table 6.8 below summarises the infrastructure payments and estimates relating to the department. The infrastructure budget of the department is placed solely against *Infrastructure transfers: Capital*, as is evident in the table below.

Table 6.8 : Summary of infrastructure payments and estimates by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Existing infrastructure assets	-	-	-	-	-	-	-	-	-
Maintenance and repair: Current	-	-	-	-	-	-	-	-	-
Upgrades and additions: Capital	-	-	-	-	-	-	-	-	-
Refurbishment and rehabilitation: Capital	-	-	-	-	-	-	-	-	-
New infrastructure assets: Capital	-	-	-	-	-	-	-	-	-
Infrastructure transfers	28 012	21 085	31 665	10 062	10 280	10 280	-	-	-
Infrastructure transfers: Current	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital	28 012	21 085	31 665	10 062	10 280	10 280	-	-	-
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	-	-	-	-	-	-	-	-	-
Total	28 012	21 085	31 665	10 062	10 280	10 280	-	-	-
Capital infrastructure	28 012	21 085	31 665	10 062	10 280	10 280	-	-	-
Current infrastructure	-	-	-	-	-	-	-	-	-

The amount of R28.012 million in 2012/13 relates to spending on the upgrading of the Pietermaritzburg, Richards Bay and Prince Mangosuthu Buthelezi airports.

The 2013/14 amount of R21.085 million includes the Pietermaritzburg, Prince Mangosuthu Buthelezi and Margate airports which were completed in 2013/14, Shayamoya eco-complex and Bhongweni light industrial park.

The expenditure of R31.665 million in 2014/15 comprises R13.321 million for the Bhongweni light industrial park, R5.282 million for Msunduzi electricity-related development projects, as well as R13.062 million for the Shayamoya eco-complex. Funds were not spent on these projects in 2013/14 due to delays in the appointment of a service provider for the light industrial park, resulting from delays in the tender process, and subsequent appeals that were lodged upon appointment of a service provider. In addition, the construction of the Shayamoya eco-complex could not be completed as a result of the value of the tender being above the allocated budget for this project, which ultimately caused delays in the commencement of the project.

The 2015/16 allocation of R10.062 million includes R2.062 million for the Shayamoya eco-complex and R8 million for the Bhongweni light industrial park, in respect of a roll-over from 2013/14 due to delays in both projects. The Adjusted Appropriation and Revised Estimate include a roll-over of R218 000 for the Msunduzi electricity-related development projects. There is no budget allocated over the MTEF, due to the fact that both infrastructure projects in Kokstad are scheduled to be completed by the end of 2015/16.

5.6 Summary of Public Private Partnerships – Nil

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

Provincial Treasury exercises oversight over one public entity, namely the KZNGBB. Table 6.9 illustrates transfers made to this public entity over the seven years under review. Financial summaries received from the KZNGBB are given in *Annexure – Vote 6: Provincial Treasury*.

Table 6.9 : Summary of departmental transfers to public entities

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
KwaZulu-Natal Gaming and Betting Board	35 775	41 881	39 276	32 532	32 532	32 532	34 255	35 968	38 054
Total	35 775	41 881	39 276	32 532	32 532	32 532	34 255	35 968	38 054

The main objective of the KZNGBB is to ensure that all gambling authorised in terms of the KZN Gaming and Betting Act is conducted in a manner that promotes the integrity of the horse racing, betting and gaming industry. In addition, the Board promotes KZN's objective to develop the industry as a vehicle for the promotion of tourism, employment creation and economic development. The amount in 2012/13 is due to additional funding in respect of the merger of the horse racing regulator into KZNGBB. In 2013/14, there was once-off additional funding of R4.450 million for a new IT system. The reduction in the 2015/16 Main Appropriation was in line with cost-cutting. KZNGBB's 2016/17 MTEF allocation grows steadily.

5.8 Transfers to other entities

Table 6.10 gives a summary of departmental transfers to other entities, details of which are given below.

Table 6.10 : Summary of departmental transfers to other entities

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Financial Literacy Association	1.1 Office of the MEC	-	-	-	3 150	3 150	3 150	3 150	3 150	-
Donations	1.1 Office of the MEC	-	893	241	233	233	585	220	220	244
Coastal Horse Care Unit	5.3 Special Projects	-	-	-	-	1 000	1 000	-	-	-
uMgungundlovu Academy of Sport	3.4 Financial Reporting	-	-	1 227	-	-	-	-	-	-
Total		-	893	1 468	3 383	4 383	4 735	3 370	3 370	244

From 2015/16 to 2017/18, funds are allocated by the department for transfers to the FLP, which is now an independent entity. As mentioned earlier, this project was initiated by the MEC for Finance with the aim of educating the citizens of KZN about using their money wisely and also on various aspects such as encouraging savings and financial discipline. There is no budget in 2018/19 as the MOU with the FLA is for three years, starting from 2015/16 and ending in 2017/18.

As a result of a change in the MEC's approach to community outreach, from 2013/14 onward, donations are made available to co-operatives, old age homes, etc.

In the 2015/16 Adjusted Appropriation, a donation of R1 million was made to the Coastal Horse Care Unit to cater for the construction of a training facility, as this unit deals with horse rescue, education and rehabilitation relating to horses.

In 2014/15, an amount of R1.227 million was paid to the uMgungundlovu Academy of Sport for the procurement of various sport equipment and activities, based on invoices provided by suppliers.

5.9 Transfers to local government

Tables 6.11 and 6.12 provides a summary of transfers to local government. It is noted that *Transfers to local government* include funds in respect of motor vehicle licences. However, these funds will not be transferred to any municipality and, hence, the amounts are not reflected in Tables 6.11 and 6.12.

The details are presented in the *Annexure – Vote 6: Provincial Treasury*.

Category B transfers provide for the development of the Pietermaritzburg, Margate and Richards Bay airports, as well as the development of the Shayamoya eco-complex and the light industrial park at Bhongweni. The 2014/15 amount comprises R5.283 million for Msunduzi electricity-related development projects. Category C relates solely to the development of the Prince Mangosuthu Buthelezi airport.

Table 6.11 : Summary of departmental transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Category A	-	-	-	-	-	-	-	-	-
Category B	8 351	19 365	31 665	10 062	10 280	10 280	-	-	-
Category C	19 661	2 605	-	-	-	-	-	-	-
Unallocated	-	-	-	233	-	-	-	-	-
Total	28 012	21 970	31 665	10 295	10 280	10 280	-	-	-

Table 6.12: Summary of departmental transfers to local government by grant name

		Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
R thousand	Sub-programme	2012/13	2013/14	2014/15		2015/16		2016/17	2017/18	2018/19
Donations	1.1/1.2 MEC/ HOD Office	-	-	-	233	-	-	-	-	-
Pietermaritzburg airport	5.3.Special Infra. Projects	574	17 071	-	-	-	-	-	-	-
Prince Mangosuthu Buthelezi airport	5.3.Special Infra. Projects	19 661	596	-	-	-	-	-	-	-
Richards Bay airport	5.3.Special Infra. Projects	7 777	-	-	-	-	-	-	-	-
Margate airport	5.3.Special Infra. Projects	-	2 009	-	-	-	-	-	-	-
Shayamoya eco-complex	5.3.Special Infra. Projects	-	615	9 552	8 000	5 571	5 571	-	-	-
Development of light industrial park	5.3.Special Infra. Projects	-	1 679	16 830	2 062	4 491	4 491	-	-	-
Msunduzi electricity-related dev	5.3.Special Infra. Projects	-	-	5 283	-	218	218	-	-	-
Total		28 012	21 970	31 665	10 295	10 280	10 280	-	-	-

5.10 Transfers and subsidies

Table 6.13 below is a summary of spending on *Transfers and subsidies* by programme and main category. The table reflects a fluctuating trend from 2012/13 to 2018/19 for the category as a whole, details of which are provided below Table 6.13.

Table 6.13 : Summary of transfers and subsidies by programme and main category

Table 0.10: Summary of transfers and subsidies by programme and main category										
	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates			
R thousand	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19	
1. Administration	9 004	3 525	7 113	7 659	9 159	9 525	7 872	5 932	2 605	
Provinces and municipalities	14	13	26	256	23	25	24	24	26	
Motor vehicle licences	14	13	26	23	23	25	24	24	26	
Donations	-	-	-	233	-	-	-	-	-	
Non-profit institutions	-	893	241	3 150	3 383	3 735	3 370	3 370	244	
Financial Literacy Association	-	-	-	3 150	3 150	3 150	3 150	3 150	-	
Donations	-	893	241	-	233	585	220	220	244	
Households	8 990	2 619	6 846	4 253	5 753	5 765	4 478	2 538	2 335	
Social benefits	8 990	90	3 084	-	-	758	-	-	-	
Other transfers to households	-	56	1 000	253	1 991	1 245	2 418	2 538	2 335	
Thuthuka Bursary Fund	-	2 473	2 762	4 000	3 762	3 762	2 060	-	-	
2. Fiscal Resource Management	23	66	-	-	-	59	-	-	-	
Households	23	66	-	-	-	59	-	-	-	
Social benefits	23	63	-	-	-	59	-	-	-	
Other transfers to households	-	3	-	-	-	-	-	-	-	
3. Financial Management	36 337	42 374	41 343	33 865	33 865	33 907	35 055	36 808	38 943	
Departmental agencies and accounts	35 775	41 881	39 276	32 532	32 532	32 532	34 255	35 968	38 054	
KwaZulu-Natal Gaming and Betting Board	35 775	41 881	39 276	32 532	32 532	32 532	34 255	35 968	38 054	
Non-profit institutions	-	-	1 227	-	-	-	-	-	-	
uMgungundlovu Academy of Sport	-	-	1 227	-	-	-	-	-	-	
Households	562	493	840	1 333	1 333	1 375	800	840	889	
Social benefits	562	493	837	1 333	1 333	1 375	800	840	889	
Other transfers to households	-	-	3	-	-	-	-	-	-	
4. Internal Audit	29	121	170	50	50	647	50	53	56	
Public corporations and private enterprises	-	-	-	-	-	4	-	-	-	
Third Party Claim (Excess)	-	-	-	-	-	4	-	-	-	
Households	29	121	170	50	50	643	50	53	56	
Social benefits	29	121	170	50	50	643	50	53	56	
5. Growth and Development	28 012	21 970	31 665	10 062	11 280	11 280	-	-	-	
Provinces and municipalities	28 012	21 970	31 665	10 062	10 280	10 280	-	-	-	
Pietermaritzburg airport	574	17 071	-	-	-	-	-	-	-	
Prince Mangosuthu Buthelezi airport	19 661	596	-	-	-	-	-	-	-	
Richards Bay airport	7 777	-	-	-	-	-	-	-	-	
Margate airport	-	2 009	-	-	-	-	-	-	-	
Shayamoya eco-complex	-	615	9 552	8 000	5 571	5 571	-	-	-	
Development of light industrial park	-	1 679	16 830	2 062	4 491	4 491	-	-	-	
Msunduzi electricity-related development	-	-	5 283	-	218	218	-	-	-	
Non-profit institutions	-	-	-	-	1 000	1 000	-	-	-	
Coastal Horse Care Unit	-	-	-	-	1 000	1 000	-	-	-	
Total	73 405	68 056	80 291	51 636	54 354	55 418	42 977	42 793	41 604	

The category *Transfers and subsidies* fluctuates over the seven-year period due to the following:

- Amounts against *Provinces and municipalities* in Programme 1 are in respect of motor vehicle licence fees. In Programme 5, this category's amounts are in respect of transfers to various municipalities for different projects.

- *Departmental agencies and accounts* against Programme 3 are in respect of the transfers to the KZNGBB. From 2012/13 onward, the budget includes additional funding for the merger of the horse racing regulator into the KZNGBB. The increase from 2012/13 to 2013/14 is due to once-off additional funding for the KZNGBB IT system. The reduction in the 2015/16 Main Appropriation was in line with cost-cutting.
- Amounts of R3.150 million in each year from 2015/16 to 2017/18, against *Non-profit institutions* in Programme 1, are in respect of the FLA (which is now a stand-alone entity). Programme 3 reflects a once-off amount of R1.227 million that was transferred to the uMgungundlovu Academy of Sport for various sports equipment and activities (these funds were paid on behalf of the Department of Sport and Recreation). Also included are donations made (from 2013/14) to organisations to procure school uniforms, jojo tanks, etc., as part of the OSS outreach programme.
- The category *Households* across all programmes caters for staff exit costs. The substantial amount against *Households* under Programme 1 in 2012/13 was a result of a Cabinet decision to assist OTP with bursaries for non-employees, as well as an allocation toward the Thuthuka Bursary Fund in 2013/14, 2015/16 and 2016/17. It must be noted that the Cabinet decision was taken to centralise bursary funds under OTP in 2014/15 and this was subsequently decentralised to the departments where the funds came from in 2015/16. It must also be noted that the 2014/15 amount includes a severance package amount of R957 000 for the former MEC for Finance. As a result of the MTEF budget cuts, Thuthuka Bursary Fund was reduced by R1.940 million in 2016/17 and will no longer be funded beyond that year.

6. Programme description

The services rendered by the department are categorised under five programmes, which are discussed below. The expenditure and budgeted estimates for each programme are summarised in terms of sub-programmes and economic classification. Details are given in *Annexure – Vote 6: Provincial Treasury*.

6.1 Programme 1: Administration

The purpose of this programme is to provide strategic support services in terms of financial management, human resources, auxiliary services, information communication and technology, and legal services. This programme consists of four sub-programmes, namely Office of the MEC, Head of Department, Chief Financial Office and Corporate Services.

The main services under this programme are as follows:

- To support the Executive Authority in providing strategic and political direction to provincial departments, public entities, as well as municipalities.
- To provide the MEC with technical support on the appropriation of revenue, to ensure equitable distribution among provincial departments.
- To render financial and supply chain management functions to the department.
- To provide human resource management functions to the department.
- To render legal professional guidance in operational matters of the department.
- To deliver auxiliary services to the department, such as the telecom system, transport fleet management and control of registry.

Tables 6.14 and 6.15 below provide a summary of payments and budgeted estimates pertaining to the programme over the seven-year period from 2012/13 to 2018/19. As reflected in the table, some sub-programmes show a steady increase over the seven-year period, while others reflect fluctuating trends.

It is noted that, in the 2016/17 MTEF, the cuts in this programme totalling R991 000, R5.108 million and R6.173 million were effected against *Compensation of employees, Goods and services*, as well as *Transfers and subsidies to: Households* in respect of Thuthuka Bursary Fund.

Table 6.14 : Summary of payments and estimates by sub-programme: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Office of the MEC	22 680	23 465	24 507	29 768	26 768	24 779	28 845	28 845	26 980
2. Head of Department	6 808	6 669	8 055	9 486	8 486	7 473	9 489	9 989	10 488
3. Chief Financial Office	13 729	17 441	23 014	28 687	28 687	25 720	30 560	30 560	32 088
4. Corporate Services	54 688	49 357	57 639	55 148	64 148	61 744	65 658	67 702	71 390
Total	97 905	96 932	113 215	123 089	128 089	119 716	134 552	137 096	140 946

Table 6.15 : Summary of payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	87 232	91 313	102 757	113 133	116 633	108 792	124 060	125 844	133 848
Compensation of employees	43 763	49 660	55 836	68 415	70 385	60 680	79 466	81 250	79 966
Goods and services	43 469	41 653	46 921	44 718	46 248	48 112	44 594	44 594	53 882
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	9 004	3 525	7 113	7 659	9 159	9 525	7 872	5 932	2 605
Provinces and municipalities	14	13	26	256	23	25	24	24	26
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	893	241	3 150	3 383	3 735	3 370	3 370	244
Households	8 990	2 619	6 846	4 253	5 753	5 765	4 478	2 538	2 335
Payments for capital assets	1 669	2 073	3 345	2 297	2 297	1 399	2 620	5 320	4 493
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 669	2 073	3 345	2 297	2 297	1 399	2 620	5 320	4 493
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	21	-	-	-	-	-	-	-
Total	97 905	96 932	113 215	123 089	128 089	119 716	134 552	137 096	140 946

The sub-programme: Office of the MEC shows a steady increase throughout the seven-year period except in 2018/19 due to the fact that the funds for the FLA end in 2017/18. It must be noted that the increase in 2014/15 includes an amount of R957 000, which was a severance package for the former MEC for Finance. The decrease from the 2015/16 Main to the Adjusted Appropriation relates to the non-filling of posts emanating from lengthy recruitment processes and difficulty in finding suitably qualified candidates, as well as reduced spending on the printing and publication of documents. These funds were moved to Corporate Services to cater for property payments, operating leases and fleet services that were higher than budgeted for. Despite the MTEF cuts, the budget increases in 2016/17 and 2017/18 and includes the transfers to the FLA, for which the department has budgeted R3.150 million per year.

The sub-programme: Head of Department shows a fluctuating trend over the seven-year period. The slight decrease in 2013/14 relates to the non-filling of posts, while the increase in 2014/15 is due to the upgrading of posts. The decrease from the 2015/16 Main to Adjusted Appropriation and Revised Estimate can also be ascribed to posts that were filled later than originally anticipated. The below inflationary growth over the 2016/17 MTEF is mainly ascribed to the MTEF budget cuts effected.

The sub-programme: Chief Financial Office reflects a steady increase apart from the dip in the Revised Estimate. The increase from 2012/13 to 2013/14 relates to the expansion of the CFO structure to cater for budget and reporting support staff, internal control staff, higher than anticipated audit fees, and payments for legal fees that were committed in 2012/13, but only paid in 2013/14 due to the late receipt of invoices. The significant increase in the 2015/16 Main Appropriation relates to the payment of legal fees, while the decrease in the Revised Estimate is in respect of the non-filling of posts due to lengthy recruitment processes. The below inflationary growth over the MTEF is mainly attributed to the MTEF budget cuts.

The sub-programme: Corporate Services is high in 2012/13, which includes the reconfiguration of the department's office space at Treasury House and Nomalanga Building, as well as an increase in property management costs, accounting for the slight decrease in 2013/14. However, in 2014/15, there was an additional allocation of R4 million towards the Thuthuka Bursary Fund, which was not fully spent. The

increase from the 2015/16 Main to the Adjusted Appropriation is due to reprioritisation of savings in the sub-programmes: Office of the MEC and Head of Department to cater for property payments, operating leases and fleet services that were higher than budgeted for. Also, the 2015/16 Adjusted Appropriation includes funds for the IT Support Management unit from Programme 3 to this programme. The below inflationary growth over the 2016/17 MTEF is mainly ascribed to the previously mentioned budget cuts.

Compensation of employees shows an increasing trend over the seven-year period. The increase in 2013/14 relates mainly to the expansion of the CFO structure to cater for budget and reporting support staff, internal control staff, as well as improving infrastructure support. The decrease from the 2015/16 Main Appropriation to the Revised Estimate is due to the non-filling of posts resulting from lengthy recruitment processes. Despite the budget cuts relating to the freezing of all vacant non-OSD posts, the increase over the 2016/17 MTEF caters for the carry-through of previous wage agreements. *Compensation of employees* will be reviewed by the department in-year.

The category *Goods and services* fluctuates throughout the seven-year period. The slight decrease from 2012/13 to 2013/14 relates to cost-cutting on stationery and printing, and subsistence and travel costs. The substantial increase in 2014/15 relates to legal fees, and the reconfiguration at Treasury House and Nomalanga Building. The increase from the 2015/16 Main to Adjusted Appropriation is attributed to property payments, operating leases and fleet services that were higher than budgeted for, as well as the reconfiguration at Treasury House. The increase in the 2015/16 Revised Estimate is due to the provision as a result of the pressures relating to legal fees and property payments. The decrease in 2016/17 is mainly due to the fact that the reconfiguration at Treasury House is anticipated to be completed by the end of 2015/16, as well as effects of the MTEF cut backs in respect of *Goods and services*.

Transfers and subsidies to: Provinces and municipalities relates to motor vehicle licence fees. The decrease from the 2015/16 Main Appropriation to the Adjusted Appropriation was as a result of a shift from this category to the category *Transfers and subsidies to: Non-profit institutions* to correct the budget in respect of the OSS outreach programme, of which prior year figures were restated. The below inflationary growth over the 2016/17 MTEF is mainly ascribed to the previously mentioned budget cuts.

The allocation from 2013/14 to the 2016/17 MTEF against *Transfers and subsidies to: Non-profit institutions* is mainly in respect of transfers to the FLA, as well as the OSS Outreach programme. The department has budgeted R3.150 million in respect of transfers to the FLA in each year from 2015/16 to 2017/18, accounting for the nil budget in this category in 2018/19 due to the contract agreement ending in 2017/18. As mentioned above, also accounting for the increase since 2014/15 is the OSS initiative.

Transfers and subsidies to: Households caters for staff exit costs, the Thuthuka Bursary Fund (from 2013/14), and bursaries for non-employees. The amount in 2012/13 is high as a result of a Cabinet decision to assist OTP with bursaries for non-employees. The increase in from 2013/14 to 2014/15 is ascribed to an amount of R957 000 being the former MEC for Finance's exit package, as well as Thuthuka Bursary Fund. The increase in the 2015/16 Main Appropriation is mainly due to the additional funding of R4 million for the Thuthuka Bursary Fund. The increase from the 2015/16 Main to Adjusted Appropriation is due to increased provision for the Thuthuka Bursary Fund, accounting for the decrease in 2016/17. The 2016/17 MTEF caters for the Thuthuka Bursary Fund, as well as employee bursaries, and decreases due to the MTEF budget cuts in relation to the Thuthuka Bursary Fund.

The fluctuating trend over the period against *Machinery and equipment* can be attributed to the cyclical nature of this category and includes the procurement of departmental vehicles.

The amount in 2013/14 against *Payments for financial assets* was in respect of the write-off of staff debts.

6.2 Programme 2: Fiscal Resource Management

This programme consists of four sub-programmes, namely Programme Support, Economic Analysis, Public Finance and Municipal Finance. The main purpose of the programme is to effectively manage and monitor the provincial and local government fiscal resources.

The objectives and services of this programme are as follows:

- To ensure targeted financial resource allocation and utilisation that contributes to improved service delivery.
- To ensure efficient budget and expenditure management and accurate financial reporting by provincial departments and public entities.
- To co-ordinate and enhance revenue collection for sustainable service delivery to the citizens.
- To provide a platform to enhance regional economic growth and development through quality research.
- To ensure efficient planning and management of infrastructure in the province.
- To ensure efficient budget and expenditure management and accurate financial reporting for the delegated municipalities in the province.
- To assist and provide technical support to delegated municipalities in financial distress in KZN.

Tables 6.16 and 6.17 below provide a summary of payments and budgeted estimates pertaining to this programme for the period 2012/13 to 2018/19. This programme shows a fluctuating trend over the seven-year period, as explained in more detail below.

Table 6.16 : Summary of payments and estimates by sub-programme: Fiscal Resource Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Programme Support	751	1 825	1 150	3 262	3 262	2 735	2 970	2 970	3 119
2. Economic Analysis	19 499	37 544	26 301	24 951	26 451	24 007	24 715	17 115	17 971
3. Public Finance	9 739	10 347	11 611	14 188	14 188	13 493	14 190	14 190	14 900
4. Municipal Finance	46 881	41 488	36 405	61 166	59 666	54 236	61 181	61 181	64 240
Total	76 870	91 204	75 467	103 567	103 567	94 471	103 056	95 456	100 230

Table 6.17 : Summary of payments and estimates by economic classification: Fiscal Resource Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	76 716	90 510	74 981	103 166	103 166	94 064	102 770	95 170	99 944
Compensation of employees	30 283	37 038	45 548	59 892	59 492	54 815	59 397	59 397	61 256
Goods and services	46 433	53 472	29 433	43 274	43 674	39 249	43 373	35 773	38 688
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	23	66	-	-	-	59	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	23	66	-	-	-	59	-	-	-
Payments for capital assets	131	425	486	401	401	348	286	286	286
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	131	425	486	401	401	348	286	286	286
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	203	-	-	-	-	-	-	-
Total	76 870	91 204	75 467	103 567	103 567	94 471	103 056	95 456	100 230

It is noted that the 2016/17 MTEF budget cuts of R6.656 million, R11.084 million and R12.489 million were effected against *Compensation of employees*, *Goods and services*, and *Machinery and equipment*.

The sub-programme: Programme Support reflects a fluctuating trend over the seven years due to the non-filling of vacant posts, and difficulty in finding suitably qualified candidates. The significantly high spending from 2015/16 is due to the filling of posts, such as the Senior General Manager post. The reduction in the 2015/16 Revised Estimate relates to posts that were filled later than anticipated. The below inflationary growth over the MTEF is mainly ascribed to the previously mentioned budget cuts.

The significant increase against the sub-programme: Economic Analysis from 2012/13 to 2013/14 pertains to additional funding for the Infrastructure Crack Team to assist departments and municipalities in the delivery of infrastructure projects, as well as additional funding for IDIP TAs, accounting for the decrease in 2014/15. The increase from the 2015/16 Main to the Adjusted Appropriation was a result of reprioritisation to this sub-programme due to an increase in demand for the Infrastructure Crack Team. The decrease in the Revised Estimate relates to the Infrastructure Crack Team being involved in fewer projects than anticipated. The substantial decrease in 2017/18 pertains to the removal of the budget of the IDIP TAs in that year. Provincial Treasury was allocated once-off additional funding for IDIP TAs (allocated over three years in line with project requirements) when the 2014/15 MTEF budget was prepared. This meant that the funding would not be provided beyond 2016/17.

Apart from the dip in the 2015/16 Revised Estimate, the sub-programme: Public Finance shows a steady increase from 2012/13 and over the 2016/17 MTEF. The decrease in the 2015/16 Revised Estimate is due to the implementation of financial controls as well as staff exits. The below inflationary growth over the 2016/17 MTEF is mainly ascribed to the previously mentioned budget cuts.

The substantial amount against the sub-programme: Municipal Finance in 2012/13 includes previous year commitments in respect of the MSP that could not be implemented in 2011/12 due to delays in the appointment of service providers. The decrease in 2013/14 was due to non-payment of invoices emanating from unsatisfactory work done by service providers. The substantial increase in the 2015/16 Main Appropriation is a result of the provision for the MSP. The decrease from the 2015/16 Main to the Adjusted Appropriation relates to the MSP being delayed due to disputes with the service provider. The below inflationary growth over the MTEF is mainly ascribed to the previously mentioned budget cuts.

The increase against *Compensation of employees* from 2012/13 to 2013/14 is mainly due to the filling of vacant posts such as the appointment of the MSP specialist. The increase in the 2015/16 Main Appropriation was mainly due to the provision made for the filling of vacant posts, including the SGM: Fiscal Resource Management. The slight decrease in the 2015/16 Revised Estimate is due to the non-filling of vacant posts and some being filled later than anticipated. The below inflationary growth over the 2016/17 MTEF is mainly ascribed to the previously mentioned budget cuts relating to the freezing of all vacant non-OSD posts. This situation will be reviewed in-year.

Goods and services fluctuates over the seven-year period. The substantial increase in 2013/14 pertains to additional funding for the Infrastructure Crack Team to assist departments and municipalities in the delivery of infrastructure projects, as well as the MSP, accounting for the decrease in 2014/15. The 2014/15 amount was extremely low due to the significant under-spending of the MSP. The increase from the 2015/16 Main to the Adjusted Appropriation was a result of reprioritisation to this sub-programme due to an increase in demand for the Infrastructure Crack Team. The decrease in the Revised Estimate relates to the Infrastructure Crack Team being involved in fewer projects than anticipated, as well as low spending in respect of the MSP. The 2016/17 MTEF allocations include funding for IDIP TAs (2016/17 only), as well as the MSP to assist municipalities with their financial management activities. The decrease in 2017/18 is due to the discontinuation of IDIP TAs, as well as the previously mentioned budget cuts. It must be noted that this infrastructure support allocation, which is specifically and exclusively appropriated, is utilised by the department for the Infrastructure Crack Team who provides infrastructure support in the province, and it remains ring-fenced for this purpose over the 2016/17 MTEF.

Transfers and subsidies to: Households caters for staff exit packages.

The fluctuating trend against *Machinery and equipment* over the seven-year period results from the fact that machinery and equipment is purchased on a cyclical basis.

Expenditure against *Payments for financial assets* in 2013/14 is in respect of the write-off of staff debts that were deemed irrecoverable.

Service delivery measures – Programme 2: Fiscal Resource Management

Table 6.18 below illustrates the service delivery measures pertaining to Programme 2.

Table 6.18 : Service delivery measures – Programme 2: Fiscal Resource Management

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2015/16	2016/17	2017/18	2018/19
1.1 Economic Analysis					
1.1.1 To determine and evaluate economic parameters and socio-economic imperatives to inform provincial and local resource allocation	<ul style="list-style-type: none"> To provide an economic analysis for the province 	Produce 4 provincial department economic reports Produce 1 SERO Produce 1 PERO Produce 9 districts socio-economic reports	Produce 4 provincial department economic reports Produce 1 SERO Produce 1 PERO Produce 9 districts socio-economic reports	Produce 4 provincial department economic reports Produce 1 SERO Produce 1 PERO Produce 9 districts socio-economic reports	Produce 4 provincial department economic reports Produce 1 SERO Produce 1 PERO Produce 9 districts socio-economic reports
1.1.2 To provide a platform to enhancing regional economic growth and development	<ul style="list-style-type: none"> To provide input to the Overview of Provincial Revenue and Expenditure (OPRE) To provide quality research for regional policy analysis 	Input to OPRE submitted on time for tabling Produce 5 economic research projects	Input to OPRE submitted on time for tabling Produce 5 economic research projects	Input to OPRE submitted on time for tabling Produce 5 economic research projects	Input to OPRE submitted on time for tabling Produce 5 economic research projects
1.2 Infrastructure					
1.2.1 Efficient infrastructure management in KZN that contributes to effective economic and social infrastructure	<ul style="list-style-type: none"> Assessment report of User Asset Management Plans (U-AMPs) 	Compile a consolidated assessment report on U-AMPs	Compile a consolidated assessment report on U-AMPs	Compile a consolidated assessment report on U-AMPs	Compile a consolidated assessment report on U-AMPs
1.2.2 To facilitate implementation and institutionalisation of the IDMS in all KZN provincial departments and municipalities	<ul style="list-style-type: none"> Reports on the implementation of the IDMS in KZN Reports on infrastructure site visits conducted Progress reports on infrastructure budgets and delivery plans using IRM data Estimates of Provincial Revenue and Expenditure (EPRE) 	Produce 4 reports on the implementation of IDMS in KZN Submit 4 reports on the site visits conducted Submit 4 reports on the infrastructure expenditure in KZN Input into OPRE on time for tabling	Produce 4 reports on the implementation of IDMS in KZN Submit 4 reports on the site visits conducted Submit 4 reports on the infrastructure expenditure KZN Input into OPRE on time for tabling	Produce 4 reports on the implementation of IDMS in KZN Submit 4 reports on the site visits conducted Submit 4 reports on the infrastructure expenditure in KZN Input into OPRE on time for tabling	Produce 4 reports on the implementation of IDMS in KZN Submit 4 reports on the site visits conducted Submit 4 reports on the infrastructure expenditure KZN Input into OPRE on time for tabling
1.2.3 To assist and provide technical support to the development of the KZN Provincial Infrastructure Master Plan	<ul style="list-style-type: none"> Reports on support to develop the prov Infrastructure Master Plan (IMP) KZN Reports on infrastructure funding mechanisms and opportunities to support the provincial fiscal framework 	Produce 4 reports on the support to develop prov IMP Produce 4 reports on the infrastructure mechanisms in KZN	Produce 4 reports on the support to develop prov IMP Produce 4 reports on the infrastructure mechanisms in KZN	Produce 4 reports on the support to develop prov IMP Produce 4 reports on the infrastructure mechanisms in KZN	Produce 4 reports on the support to develop prov IMP Produce 4 reports on the infrastructure mechanisms in KZN
2. Public Finance					
2.1 Provincial Budget Management					
2.1.1 Promote effective and optimal financial resource allocation for provincial government	<ul style="list-style-type: none"> No. of chapters in MTEC report EPRE on time for tabling AEPRE on time for tabling 	15 inputs completed 1 working day before MTEC as per budget process timetable EPRE on time for tabling AEPRE on time for tabling	15 inputs completed 1 working day before MTEC as per budget process timetable EPRE on time for tabling AEPRE on time for tabling	15 inputs completed 1 working day before MTEC as per budget process timetable EPRE on time for tabling AEPRE on time for tabling	15 inputs completed 1 working day before MTEC as per budget process timetable EPRE on time for tabling AEPRE on time for tabling
2.1.2 Ensure efficient budget and expenditure management and accurate financial reporting for provincial govt. (including public entities)	<ul style="list-style-type: none"> Section 32 report (monthly provincial IYM report) Quarterly performance reports for departments 	12 reports p/a (submitted to NT by 22 nd monthly) 3 quarterly performance reports	12 reports p/a (submitted to NT by 22 nd monthly) 3 quarterly performance reports	12 reports p/a (submitted to NT by 22 nd monthly) 3 quarterly performance reports	12 reports p/a (submitted to NT by 22 nd monthly) 3 quarterly performance reports
2.2 Provincial Own Revenue					
2.2.1 Promote optimal and sustainable revenue generation and collection by provincial depts and public entities	<ul style="list-style-type: none"> Conduct and co-ordinate quarterly Provincial Revenue Forums Monitoring of dept. revenue collection Revenue input into the publication of provincial budget documents 	4 forums per year 3 revenue quarterly performance reports Revenue input into OPRE and EPRE on time for tabling	4 forums per year 3 revenue quarterly performance reports Revenue input into OPRE and EPRE on time for tabling	4 forums per year 3 revenue quarterly performance reports Revenue input into OPRE and EPRE on time for tabling	4 forums per year 3 revenue quarterly performance reports Revenue input into OPRE and EPRE on time for tabling

Table 6.18 : Service delivery measures – Programme 2: Fiscal Resource Management

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2015/16	2016/17	2017/18	2018/19
2.3 Special Advisory Support Services					
2.3.1 Promote effective and optimal financial resource allocation for provincial govt. (including public entities)	<ul style="list-style-type: none"> Input into the revision and maintenance of DORA Institutionalise framework for monitoring of provincial public entities 	Input to be submitted by due date as set by NT Report bi-annually for all listed public entities	Input to be submitted by due date as set by NT Report bi-annually for all listed public entities	Input to be submitted by due date as set by NT Report bi-annually for all listed public entities	Input to be submitted by due date as set by NT Report bi-annually for all listed public entities
3. Municipal Finance					
3.1 To ensure efficient budget and expenditure management and accurate financial reporting for local govt.	<ul style="list-style-type: none"> Section 71(6) report (Monthly municipal IYM report) within the prescribed time frame Section 71(7) quarterly budget performance reports 	12 Section 71(6) reports 4 Section 71(7) quarterly budget performance reports, 45 days after end of quarter	12 Section 71(6) reports 4 Section 71(7) quarterly budget performance reports, 45 days after end of quarter	12 Section 71(6) reports 4 Section 71(7) quarterly budget performance reports, 45 days after end of quarter	12 Section 71(6) reports 4 Section 71(7) quarterly budget performance reports, 45 days after end of quarter
3.2 To assist and provide technical support to delegated municipalities in financial distress	<ul style="list-style-type: none"> No. of municipalities supported by MSP 	8 municipalities to be supported through MSP	8 municipalities to be supported through MSP	8 municipalities to be supported through MSP	8 municipalities to be supported through MSP

6.3 Programme 3: Financial Management

This programme consists of seven sub-programmes, namely Financial Assets and Liability Management, Public, Private Partnerships (PPPs), Supply Chain Management (SCM), Financial Reporting, Norms and Standards, Support and Interlinked Financial Systems and Gaming and Betting.

The purpose of this programme is to ensure effective and efficient management of physical and financial assets for provincial and local government. The main services undertaken by this programme are:

- To ensure the effective and efficient management of assets and implementation of PPP projects.
- To realise the effective and efficient acquisition of goods and services for provincial government and to secure sound SCM for local government.
- To optimise liquidity requirements and maximise returns within acceptable levels of risk for provincial government and to secure sound cash management for local government.
- To ensure that financial reporting provides a full and true reflection of the financial position of the province and municipalities as prescribed, inclusive of the accounting responsibilities related to the PMG and IGCC account.
- To develop and implement financial and associated governance norms and standards, in order to enhance performance orientated financial results and accountability in provincial departments and municipalities as prescribed.
- To implement and support transversal financial systems across the province and provide IT services to the department.
- To ensure a regulated gambling, gaming and betting industry.

Tables 6.19 and 6.20 provide a summary of payments and budgeted estimates pertaining to Programme 3.

It is noted that the 2016/17 MTEF budget cuts, totalling R44.143 million, R30.820 million and R25.527 million, were effected against *Compensation of employees, Goods and services, Interest and rent on land*, as well as *Machinery and equipment*.

The programme as a whole reflects a fluctuating trend over the period, as explained in detail below.

Table 6.19 : Summary of payments and estimates by sub-programme: Financial Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Financial Assets and Liability Management	14 587	15 318	12 125	30 435	17 635	14 826	22 548	22 548	26 369
2. Public, Private Partnerships	3 251	5 238	5 673	7 871	7 871	5 896	8 288	8 288	8 288
3. Supply Chain Management	41 667	43 333	70 492	64 341	61 141	61 177	47 272	47 272	51 731
4. Financial Reporting	31 731	54 840	55 847	42 270	44 070	43 197	38 083	38 083	41 468
5. Norms and Standards	3 543	3 776	4 016	5 668	5 668	4 711	5 968	5 968	5 968
6. Support and Interlinked Financial Systems	117 315	118 482	119 882	131 642	118 142	95 257	129 914	129 914	136 410
7. Gaming and Betting	39 393	45 907	43 013	37 551	37 551	36 779	43 490	43 490	43 490
Total	251 487	286 894	311 048	319 778	292 078	261 843	295 563	295 563	313 724

Table 6.20 : Summary of payments and estimates by economic classification: Financial Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	211 393	241 243	259 125	283 500	255 800	224 012	259 821	258 068	274 094
Compensation of employees	45 638	52 500	55 466	66 980	66 010	61 399	69 393	69 393	74 909
Goods and services	165 755	188 743	203 659	206 288	188 858	162 381	187 154	185 441	196 340
Interest and rent on land	-	-	-	10 232	932	232	3 274	3 234	2 845
Transfers and subsidies to:	36 337	42 374	41 343	33 865	33 865	33 907	35 055	36 808	38 943
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	35 775	41 881	39 276	32 532	32 532	32 532	34 255	35 968	38 054
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	1 227	-	-	-	-	-	-
Households	562	493	840	1 333	1 333	1 375	800	840	889
Payments for capital assets	3 757	3 085	10 580	2 413	2 413	3 924	687	687	687
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3 363	3 085	10 580	2 413	2 413	3 924	687	687	687
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	394	-	-	-	-	-	-	-	-
Payments for financial assets	-	192	-	-	-	-	-	-	-
Total	251 487	286 894	311 048	319 778	292 078	261 843	295 563	295 563	313 724

The decrease against the sub-programme: Financial Assets and Liability Management in 2014/15, as well as the 2015/16 Adjusted Appropriation resulted from the improvement in the level of funds available in the PMG and IGCC accounts, largely due to the collective implementation of cost-cutting by departments, and tight cashflow management therefore reducing the amount of interest paid on the overdraft. This had an effect on the amount of interest the province had to pay, as the province remains cash positive and, as such, is earning rather than paying interest. Also, there was a decrease in banking charges due to streamlining of the banking system. The below inflationary growth over the 2016/17 MTEF is mainly ascribed to the previously mentioned budget cuts.

The low amount against the sub-programme: Public, Private Partnerships (PPPs) in 2012/13 relates to the non-filling of vacant posts due to a lack of suitably qualified candidates, as well as the continued implementation of cost-cutting. In addition, the fact that the feasibility study of the government office precinct project was placed on hold also contributed to the low spending. The increased spending from 2013/14 onward relates mainly to the filling of the General Manager post. The decrease in the 2015/16 Revised Estimate pertains to high staff turnover. The flat growth over the 2016/17 MTEF is mainly ascribed to minor cut backs resulting from the MTEF budget cuts.

The significant increase against the sub-programme: Supply Chain Management in 2014/15 includes additional funding for CMP, MBAT, Operation Clean Audit, and the e-Procurement Tool. The decrease from the 2015/16 Main to the Adjusted Appropriation is mainly due to lower than anticipated budget requirements with regard to MBAT as it met less frequently due to fewer than anticipated complaints. Also, costs of the B-BBEE verification projects were lower than anticipated as a result of a change in legislation, where all companies with a turn-over of R5 million and less are no longer required to produce B-BBEE certificates, but sworn affidavits. The MTEF includes provision for CMP and SCM support interventions in departments and municipalities. The sub-programme is also affected by the budget cuts.

The substantial increase from 2013/14 to 2014/15 against the sub-programme: Financial Reporting is due to Operation Clean Audit in respect of the MSP relating to the reconciliation of all provincial and municipal government accounts, and Operation Pay-on-Time which aims to improve payment of invoices by departments and to assist with the payment of arrear accounts to municipalities and service providers. These were largely once-off accounting for the decrease in the 2015/16 Main Appropriation. The increase from the 2015/16 Main to the Adjusted Appropriation is to provide for increased contract employees as a result of the higher demand for Treasury resources in departments and municipalities. The below inflationary growth over the 2016/17 MTEF is mainly ascribed to the previously mentioned budget cuts.

The sub-programme: Norms and Standards shows a steady increase over the seven-year period under review, apart from the decrease from the 2015/16 Revised Estimate, and this is due to delays in the filling of posts resulting from lengthy recruitment processes. The below inflationary growth over the 2016/17 MTEF is mainly ascribed to the previously mentioned budget cuts.

The sub-programme: Support and Interlinked Financial Systems includes costs relating to all transversal systems (such as BAS, PERSAL and HARDCAT, biometric server, etc.) for the entire province. The significant increase in the 2015/16 Main Appropriation is attributed to the anticipated upgrade of the biometric servers, back-up system and scanners. The decrease from the 2015/16 Main to the Adjusted Appropriation, as well as Revised Estimate is due to the shift of the PERSAL Mainframe from Provincial Treasuries to National Treasury. Despite the MTEF budget cuts, this sub-programme increases in 2016/17 only due to additional funding for the replacement of biometric scanners, and with no further growth in the outer years.

The sub-programme: Gaming and Betting shows a substantial increase in 2013/14 due to the budget including additional funding for the merger of the horse racing regulator into the KZNGBB, which is being financed through additional revenue collected by the newly amalgamated entity. The 2014/15 amount includes additional funding for the new KZNGBB IT system. The reduction in the 2015/16 Main Appropriation was in line with cost-cutting. The reduction in the 2015/16 Revised Estimate is attributed to vacant posts in the Gaming and Betting chief directorate being filled later than anticipated. The flat growth over the 2016/17 MTEF is mainly ascribed to the previously mentioned budget cuts.

The general increase over the seven years under review against *Compensation of employees* relates to the filling of critical posts in line with the moratorium, including the appointment of staff such as the GM: PPP, Deputy Managers, Assistant Managers, administrative officers and clerks to assist on various projects, such as CMP, B-BBEE verification, Education capped-leave, Asset Management and administrative issues in respect of MBAT, etc. The decrease from the 2015/16 Main to the Adjusted Appropriation, as well as the Revised Estimate was due to the movement of the IT support management unit from this programme to Programme 1. The increase over the MTEF is ascribed to the carry-through of the previous year's wage agreement, as well as inflationary increments.

The substantial increase in 2014/15 against *Goods and services* can be ascribed to Operation Clean Audit, the MDP, irregular expenditure project, asset management project, CMP, MBAT, and the take-over of McCord Hospital (Provincial Treasury assisted the Department of Health with all transactions which have financial implications, including personnel, debt recovery, stock take, etc.). The increase from the 2015/16 Main Appropriation relates to funds for financial management support to Vote 5: Education relating to Operation Clean Audit, and provision for GRAP training in support of municipalities. The reduction in the 2015/16 Adjusted Appropriation and Revised Estimate is due to a reprioritisation to Programme 4 to cater for pressures relating to performance audits and forensic investigations. The increase in 2016/17 is mainly attributed to once-off additional funding allocated for CMP. The decrease in 2017/18 is due to the non-continuation of additional funding for Operation Clean Audit, Operation Pay-on-Time and CMP, as these were only allocated additional funding for a limited time, in line with project requirements.

Transfers and subsidies to: Departmental agencies and accounts comprises transfers to KZNGBB. From 2012/13 onward, the budget includes additional funding for the merger of the horse racing regulator into the KZNGBB, which is being financed through additional revenue collected by the amalgamated entity. The 2014/15 increase is due to once-off additional funding for the KZNGBB IT system. The increase over the MTEF is inflationary related, despite the cut-back in transfer from 2015/16 due to cost-cutting.

Transfers and subsidies to: Households provides for the payment of staff exit costs. The substantial increase in the 2015/16 Main Appropriation is due to higher than anticipated payments of leave gratuities. The increase over the MTEF includes provision for staff exits, and inflationary related increments.

Machinery and equipment is purchased on a cyclical basis, hence the fluctuating trend against this category. The amounts in 2012/13 and 2013/14 related to the roll-out of phase 1 (2012/13) and phase 2 (2014/15) of the server refresher hardware for the upgrade of the department's computer network system, respectively. The amount reflected against 2015/16 will be utilised toward the upgrade of the biometric scanners. The 2016/17 MTEF shows flat growth and this includes the provision for hardware refresher servers, as well as the Biometric Access Control System.

Software and other intangible assets in 2012/13 relates to the once-off purchase of network management software, as well as open text licences for the ECM system. This was for the procurement of an internet connector licence required to connect external departments to the BPM processors.

Payments for financial assets in 2013/14 provides for the write-off of irrecoverable debts.

Service delivery measures – Programme 3: Financial Management

Table 6.21 below illustrates the main service delivery measures for Programme 3.

Table 6.21 : Service delivery measures – Programme 3: Financial Management

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2015/16	2016/17	2017/18	2018/19
1. Financial Assets and Liability Management					
1.1. To assist departments in improving cash management	<ul style="list-style-type: none"> Conduct tax information seminar annually Risk analysis per dept. to ensure compliance to tax legislation Provide quarterly assessment reports to depts. on status of bank related suspense accounts Review monthly bank reconciliations per dept Produce quarterly report on withdrawals from municipal bank accounts 	2 sessions 60 reports 60 assessment reports 180 reconciled bank reconciliation 4 reports on withdrawals from municipal bank accounts	2 sessions 56 reports 56 assessment reports 168 reconciled bank reconciliation 4 reports on withdrawals from municipal bank accounts	2 sessions 56 reports 56 assessment reports 168 reconciled bank reconciliation 4 reports on withdrawals from municipal bank accounts	2 sessions 56 reports 56 assessment reports 168 reconciled bank reconciliation 4 reports on withdrawals from municipal bank accounts
2. Public, Private Partnerships (PPP)					
2.1. To provide technical, financial and legal advice in support of all provincial PPP projects in line with PPP project cycle as regulated by NT guidelines	<ul style="list-style-type: none"> No. of seminars/workshops conducted for provincial departments, public entities, municipalities and municipal entities No. of reports for Provincial Treasury, management and NT PPP unit Contract management reports on closed deal 	2 12 12	2 12 12	2 12 12	2 12 12
3. Supply Chain Management					
3.1. Support and monitor adherence of state institutions to SCM prescripts	<ul style="list-style-type: none"> No. of SCM training sessions and information sessions conducted No. of assessments No. of reviews of the supplier registration form 	Conduct 4 training information sessions and workshops for state institutions 4 SCM forums for depts and municipalities Conduct 60 SCM assessments in depts., municipalities, and public entities. and investigate complaints Reviews and update supplier registration form	Conduct 4 training information sessions and workshops for state institutions 4 SCM forums for depts and municipalities Conduct 60 SCM assessments in depts., municipalities, and public entities. and investigate complaints Reviews and update supplier registration form	Conduct 4 training information sessions and workshops for state institutions 4 SCM forums for depts and municipalities Conduct 60 SCM assessments in depts., municipalities, and public entities. and investigate complaints Reviews and update supplier registration form	Conduct 4 training information sessions and workshops for state institutions 4 SCM forums for depts and municipalities Conduct 60 SCM assessments in depts., municipalities, and public entities. and investigate complaints Reviews and update supplier registration form

Table 6.21 : Service delivery measures – Programme 3: Financial Management

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2015/16	2016/17	2017/18	2018/19
	<ul style="list-style-type: none"> No. of policies and practice notes reviewed and issued No of contract management analysis conducted 	Review and update 4 practice notes New	Review and update policies and practice notes Conduct 8 contract management reviews for state institutions	Review and update policies and practice notes Conduct 8 contract management reviews for state institutions	Review and update policies and practice notes Conduct 8 contract management reviews for state institutions
4. Financial Reporting					
4.1. To assist departments, municipalities and public entities in the attainment of a clean audit outcome for the province	<ul style="list-style-type: none"> Consolidated AFS for provincial depts and the provincial revenue fund Consolidated AFS for public entities tabled in Legislature Annual Financial Statements for the Revenue Fund tabled in Legislature Provincial Audit Outcome analysis for municipalities, departments and public entities AFS support and training to provincial departments Financial Management Monitoring Support to public entities Financial Management Monitoring Support to municipalities 	Consolidated AFS for FY 13/14 tabled in Legislature by 30 November 2015 Consolidated AFS for FY 13/14 tabled in Legislature by 30 November 2015 Revenue Fund AFS for FY 13/14 tabled in Legislature by 30 November 2015 Summary of Audit Outcome analysis on AG's audit report for provincial departments and public entities by 31 August 2015 Summary of Audit Outcome Analysis on AG's audit report for municipalities by 31 January 2016 1 AFS training workshop by 31 March 2016 Pre-Audit review in 16 departments by 31 May 2015 Pre-Audit review in 12 public entities by 31 May 2015 1 AFS training workshop for 12 public entities by 31 March 2016 1 AFS training workshop for 58 municipalities by 30 June 2015 Pre-Audit review in 15 departments by 30 August 2015 Progress reports on intensive on-site financial management support to 10 municipalities within 10 days every quarter end	Consolidated AFS for FY 14/15 tabled in Legislature by 30 November 2016 Consolidated AFS for FY 14/15 tabled in Legislature by 30 November 2016 Revenue Fund AFS for FY 14/15 tabled in Legislature by 30 November 2016 Summary of Audit Outcome analysis on AG's audit report for provincial departments and public entities by 31 August 2016 Summary of Audit Outcome Analysis on AG's audit report for municipalities by 31 January 2017 1 AFS training workshop by 31 March 2017 Pre-Audit review in 15 departments by 31 May 2016 Pre-Audit review in 12 public entities by 31 May 2016 1 AFS training workshop for 12 public entities by 31 March 2017 1 AFS training workshop for 58 municipalities by 30 June 2016 Pre-Audit review in 15 departments by 30 August 2016 Progress reports on intensive on-site financial management support to 15 municipalities within 10 days every quarter end	Consolidated AFS for FY 15/16 tabled in Legislature by 30 November 2017 Consolidated AFS for FY 15/16 tabled in Legislature by 30 November 2017 Revenue Fund AFS for FY 15/16 tabled in Legislature by 30 November 2017 Summary of Audit Outcome analysis on AG's audit report for provincial departments and public entities by 31 August 2017 Summary of Audit Outcome Analysis on AG's audit report for municipalities by 31 January 2018 1 AFS training workshop by 31 March 2018 Pre-Audit review in 15 departments by 31 May 2017 Pre-Audit review in 12 public entities by 31 May 2017 1 AFS training workshop for 12 public entities by 31 March 2018 1 AFS training workshop for 58 municipalities by 30 June 2017 Pre-Audit review in 15 departments by 30 August 2017 Progress reports on intensive on-site financial management support to 20 municipalities within 10 days every quarter end	Consolidated AFS for FY 16/17 tabled in Legislature by 30 November 2018 Consolidated AFS for FY 16/17 tabled in Legislature by 30 November 2018 Revenue Fund AFS for FY 16/17 tabled in Legislature by 30 November 2018 Summary of Audit Outcome analysis on AG's audit report for provincial departments and public entities by 31 August 2018 Summary of Audit Outcome Analysis on AG's audit report for municipalities by 31 January 2019 1 AFS training workshop by 31 March 2019 Pre-Audit review in 15 departments by 31 May 2018 Pre-Audit review in 12 public entities by 31 May 2018 1 AFS training workshop for 12 public entities by 31 March 2019 1 AFS training workshop for 58 municipalities by 30 June 2018 Pre-Audit review in 15 departments by 30 August 2018 Progress reports on intensive on-site financial management support to 20 municipalities within 10 days every quarter end
5. Norms and Standards					
5.1. To develop, facilitate implementation and monitor compliance with financial norms and standards in provincial departments, municipalities and public entities	<ul style="list-style-type: none"> No. of policies and practice notes developed and reviewed for depts. municipalities and their respective entities No. of depts assessed and monitored 	48 instruction notes and policies developed and/or reviewed based on needs analysis All depts assessed and monitored	48 instruction notes and policies developed and/or reviewed based on needs analysis All depts assessed and monitored	48 instruction notes and policies developed and/or reviewed based on needs analysis All depts assessed and monitored	48 instruction notes and policies developed and/or reviewed based on needs analysis All depts assessed and monitored

Table 6.21 : Service delivery measures – Programme 3: Financial Management

Outputs		Performance indicators	Estimated performance	Medium-term targets		
			2015/16	2016/17	2017/18	2018/19
6. Supporting and Interlinked Financial Systems						
6.1. To provide technical and functional support to supporting and interlinked financial systems	• No. of initiatives implemented	2	2	2	2	
	• No. of policy reviews completed	4	4	4	4	
	• No. of compliance reports completed	12	12	12	12	
	• No. of information sessions conducted	4	4	4	4	
	• Mean-time to resolve (MTTR)-Treasury	8 hr MTTR	8 hr MTTR	8 hr MTTR	8 hr MTTR	
	• Percentage network uptime	99%	99%	99%	99%	
	• MTTR (transversal systems)	8-24 hr MTTR	8-24 hr MTTR	8-24 hr MTTR	8-24 hr MTTR	
7. Gaming and Betting						
7.1. Enhance the Gaming and Betting regulatory environment in KZN	• Amended KZN Gaming and Betting legislation	The KwaZulu-Natal Gaming and Betting Amendment Bill, 2016 to be presented to Cabinet and Legislature	Implementation of the 2016 Act and review of Regulations	Review of legislation	Review of legislation	
	• No. of quarterly regulatory reports on Board activities	4 quarterly reports	4 quarterly reports	4 quarterly reports	4 quarterly reports	
	• 4 reconciled tax returns	New	4 reconciled tax returns	4 reconciled tax returns	4 reconciled tax returns	
	• Functionality of the KZN Gaming and Betting Board	New	4 minutes of Board meetings	4 minutes of Board meetings	4 minutes of Board meetings	

6.4 Programme 4: Internal Audit

This programme consists of two sub-programmes, namely Assurance Services and Risk Management. The main purpose of the programme is to develop effective risk management strategies and governance, to build and maintain successful client relationships, to develop knowledge by creating a learning culture, and to build foundations for excellence to support the provincial government in achieving its objectives.

The following services are rendered by the unit:

- To conduct risk assessments on behalf of the Accounting Officers and Chief Executive Officers of provincial departments and public entities, develop comprehensive risk profiles and recommend improvements on significant risk exposures for each client.
- To review accounting and management processes and systems of internal control for efficiency and effectiveness in terms of their design and operation and provide recommendations for improvement.
- To develop, facilitate implementation and monitor integrated risk management strategies and fraud prevention strategies.
- To conduct forensic investigations and facilitate prosecution, perform misconduct enquiries and recovery in liaison with other state law enforcement agencies.
- To provide training and development programmes in areas such as risk management, strategy development and management, project management, design and improvement of systems of internal control, financial management and reporting, leadership, forensic investigations, governance, etc.
- To provide a consulting function as per requests by relevant MECs and Heads of Departments.
- To prepare special reviews on computerised systems and performance.

Tables 6.22 and 6.23 provide a summary of payments and budgeted estimates pertaining to Programme 4. It is noted that MTEF cuts in this programme, which totalled R943 000, R5.094 million and R6.381 million, respectively, were effected against *Compensation of employees, Goods and services*, as well as *Transfers and subsidies to: Households*.

Table 6.22 : Summary of payments and estimates by sub-programme: Internal Audit

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Assurance Services	54 050	59 033	73 585	69 989	79 989	77 739	65 275	65 275	68 539
2. Risk Management	39 104	48 330	56 835	61 569	71 769	71 614	56 408	58 613	61 543
Total	93 154	107 363	130 420	131 558	151 758	149 353	121 683	123 888	130 082

Table 6.23 : Summary of payments and estimates by economic classification: Internal Audit

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	92 760	106 710	129 803	130 628	150 828	147 873	120 683	122 885	129 076
Compensation of employees	46 283	49 329	54 987	65 279	61 279	59 900	71 173	71 173	72 272
Goods and services	46 477	57 381	74 816	65 349	89 549	87 973	49 510	51 712	56 804
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	29	121	170	50	50	647	50	53	56
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	4	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	29	121	170	50	50	643	50	53	56
Payments for capital assets	352	531	443	880	880	833	950	950	950
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	352	531	443	880	880	833	950	950	950
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	13	1	4	-	-	-	-	-	-
Total	93 154	107 363	130 420	131 558	151 758	149 353	121 683	123 888	130 082

The sub-programme: Assurance Services reflects an increase in 2013/14 in respect of specialised audit assignments undertaken in line with Operation Clean Audit. The increase in 2014/15 can be ascribed to the once-off additional funding for special audits and forensic investigations. The slight decrease in the 2015/16 Main Appropriation is due to the non-filling of posts resulting from lengthy recruitment processes. The increase from the 2015/16 Main to Adjusted Appropriation can be attributed to pressure arising from the previous year's performance audits, as well as an increased demand from client departments, hence the decrease in 2016/17. Also, additional funding that was received for special audits does not go beyond 2015/16. The below inflationary growth over the 2016/17 MTEF is mainly ascribed to the previously mentioned budget cuts.

The sub-programme: Risk Management includes expenditure in respect of forensic investigations in various departments and initiatives, such as fraud risk assessments, municipal financial capability assessments, workshops and training on risk management and internal control. The expenditure from 2012/13 to 2014/15 was attributed to an increase in forensic investigations due to commitments from the previous financial years for forensic investigations, as well as risk management facilitation workshops and training. The increase in the 2015/16 Main to the Adjusted Appropriation is to cater for increased demand in forensic investigations, hence the decrease in 2016/17. Also, additional funding that was received for forensic investigations does not go beyond 2015/16. The below inflationary growth over the 2016/17 MTEF is mainly ascribed to the previously mentioned budget cuts.

Compensation of employees decreased from the 2015/16 Main to the Adjusted Appropriation as a result of the non-filling of posts due to lengthy recruitment processes. The increase in 2016/17 caters for the stipends for internal audit learners in the department. The revised structure of Internal Audit that came about as a result of the department wanting to rely less on consultants will not be implemented at this stage, due to budget cuts relating to the freezing of all non-OSD posts.

The expenditure against *Goods and services* in the seven-year period under review can be attributed to performance audits, fraud risk assessments, municipal financial capability assessments, workshops, training on risk management and internal control, training and development programmes including

learnerships, forensic investigations, IT risk assessments on the BAS application system and the development of BCP and DRP guidelines. The increase in 2013/14 pertains to higher than anticipated consultants' fees for specialised audit assignments, as well as the appointment of service providers to assist with risk management assignments at municipalities. The 2014/15 and 2015/16 allocations include once-off funds for specialised audit assignments in line with Operation Clean Audit, as well as forensic investigations, and this explains the decrease in the 2015/16 Main Appropriation and 2016/17. The increase in the 2015/16 Adjusted Appropriation was due to the movement of funds from Programme 3 to this programme to cater for previous year performance audits, as well as the current demand of forensic investigations. The below inflationary growth over the 2016/17 MTEF is mainly attributed to the above-mentioned budget cuts.

Transfers and subsidies to: Households caters for the payment of staff exit costs.

Machinery and equipment is for the purchase of equipment for new staff appointments, and the replacement and upgrading of equipment. The fluctuating trend is due to its cyclical nature.

The spending against *Payments for financial assets* pertains to the write-off of irrecoverable staff debts.

Service delivery measures – Programme 4: Internal Audit

Table 6.24 below illustrates the main service delivery measures for Programme 4.

Table 6.24 : Service delivery measures – Programme 4: Internal Audit

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2015/16	2016/17	2017/18	2018/19	
1. Assurance Services						
1.1. To provide an efficient, effective and economical assurance service	<ul style="list-style-type: none"> No. of IA annual operational plans and a rolling three-year strategic plan developed and approved Annual Audit and Risk Committee report on clients' areas of risk management, governance and internal control submitted to MEC: Finance No. of risk based audit reports including follow up audit reports and reports on financial, IT, performance and governance audits No. of audit reports on predetermined objectives 	23	22	22	22	
		1	1	1	1	
		160	176	170	170	
		23	22	22	22	
1.2. To build and maintain client relationships	<ul style="list-style-type: none"> No. of meetings held between clients and the Cluster Audit and Risk Committee 	64	60	60	60	
1.3. To enhance capacity within and outside the unit	<ul style="list-style-type: none"> No. of training and development programmes attended No. of internal and/ independent external quality assurance reviews conducted 	16	12	12	12	
		2	1	1	1	
2. Risk Management						
2.1. Promote good governance through effective risk management	<ul style="list-style-type: none"> Risk registers updated, biannually, for provincial departments, municipalities and public entities Review risk management maturity of departments, public entities and municipalities, and assist with development of risk policies and procedures. Review and/or assist with development of Occupational Health and Safety programmes for departments, public entities and municipalities Review and/or assist with development of governance Frameworks for departments and public entities Review and/or assist with development of DPSA compliant IT Governance Framework, including BCP for departments, public entities and municipalities Assist with provision of complex internal audit services/reviews provided to municipalities and municipal entities Review of internal audit and audit committee practices of municipalities, and assist with closing of gaps Risk and governance-related conferences/forums held for provincial departments, municipalities, and public entities Best risk management/governance guidelines/transversal risk policies produced by the unit Risk Management Information System developed and rolled-out to provincial departments, municipalities, and public entities 	60	100	100	100	
		30	50	50	50	
		30	40	40	40	
		20	10	10	10	
		40	40	40	40	
		15	15	15	15	
		10	40	30	30	
		5	5	5	5	
		3	1	1	1	
		10	5	5	5	

Table 6.24 : Service delivery measures – Programme 4: Internal Audit

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2015/16	2016/17	2017/18	2018/19
	<ul style="list-style-type: none"> Review and/or assist with development of fraud prevention plans for provincial departments, municipalities, and public entities Risk/governance-related training/awareness provided to risk officials of departments, municipalities, and public entities 	40	70	70	70
		30	40	30	30
3. Forensic Services					
3.1 To promote a culture of zero tolerance for fraud and corruption	<ul style="list-style-type: none"> No. of forensic audits performed and investigations as per clients' requests and referrals from the Assurance team Updated register of forensic investigations – MEC report No. of follow-ups on completed investigations per institution Development and roll-out of fraud case management system Update the fraud case management system with forensic investigations per provincial department 	35	40	40	40
		4	4	4	4
		100	120	120	120
		1	1	N/A	N/A
		15	15	26	26

6.5 Programme 5: Growth and Development

Programme 5 consists of three sub-programmes, namely Budget Communication, Special Infrastructure Projects and Special Projects. It includes road shows, the feasibility studies for the government office precinct project, as well as infrastructure projects such as the development of the Pietermaritzburg, Prince Mangosuthu Buthelezi, Richards Bay and Margate airports. Tables 6.25 and 6.26 illustrate the payments and budgeted estimates pertaining to Programme 5. The 2016/17 MTEF cuts totalled R1.926 million and R5.945 million and were effected against *Goods and services* in 2017/18 and 2018/19, respectively.

Table 6.25 : Summary of payments and estimates by sub-programme: Growth and Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Budget Communication	6 032	7 456	5 180	8 097	4 097	1 772	3 526	3 526	3 526
2. Special Infrastructure Projects	30 285	21 970	31 665	10 062	10 280	10 280	-	-	-
3. Special Projects	2 000	12 514	6 967	16 000	28 000	26 418	16 900	3 500	-
Total	38 317	41 940	43 812	34 159	42 377	38 470	20 426	7 026	3 526

Table 6.26 : Summary of payments and estimates by economic classification: Growth and Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	10 305	19 970	12 147	24 097	31 097	27 190	20 426	7 026	3 526
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	10 305	19 970	12 147	24 097	31 097	27 190	20 426	7 026	3 526
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	28 012	21 970	31 665	10 062	11 280	11 280	-	-	-
Provinces and municipalities	28 012	21 970	31 665	10 062	10 280	10 280	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	1 000	1 000	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	38 317	41 940	43 812	34 159	42 377	38 470	20 426	7 026	3 526

The spending against the sub-programme: Budget Communication relates to budget road shows hosted by the MEC all over the province. The decrease in 2014/15 was due to cost-cutting, particularly on stationery and printing. The decrease from the 2015/16 Main to the Adjusted Appropriation was due to the

reprioritisation of funds to the Special Projects sub-programme for the PPP government office precinct feasibility study. The allocation increases below the inflationary rate due to the MTEF budget cuts.

The expenditure against the sub-programme: Special Infrastructure Projects of R30.285 million in 2012/13 related to the upgrading of the Pietermaritzburg, Richards Bay, and Prince Mangosuthu Buthelezi airports, and the feasibility study of the PPP government office precinct. The 2013/14 spending of R21.085 million includes the development of the airports, which was finalised at the end of the year. Also in 2013/14, funds were allocated toward infrastructure projects in Kokstad, namely the Shayamoya eco-complex and the light industrial park in Bhongweni. It must be noted that the increase in 2014/15 includes a roll-over of R18.383 million for the Shayamoya eco-complex (R13.062 million) and the light industrial park at Bhongweni (R5.321 million). These funds were not spent on these projects in 2013/14 due to delays in the appointment of a service provider for the light industrial park, and the fact that the construction of the Shayamoya eco-complex could not be completed as a result of the value of the tender being above the allocated budget for this project. The allocation of R10.062 million in the 2015/16 Main Appropriation comprises R2.062 million for the Shayamoya eco-complex and R8 million for the light industrial park at Bhongweni. The slight increase in the Adjusted Appropriation is attributed to a roll-over of R218 000 for Msunduzi electricity-related projects. There is no budget allocated over the 2016/17 MTEF, due to the fact that both infrastructure projects in Kokstad are anticipated to be completed by the end of 2015/16.

The amount reflected against the sub-programme: Special Projects in 2012/13 and 2013/14 was for air shows which were held at various airports in the province, to support the provincial aviation industry and to promote tourism and increase economic activity. The increase from the 2015/16 Main to Adjusted Appropriation is due to the provision for the feasibility study of the PPP Government Office Precinct, as well as the Legislature Complex feasibility studies. Also provided for in 2015/16 to 2017/18 are the funds for the IALCH floor repairs as well as the PPP Government Office Precinct. There is no allocation against this sub-programme in 2018/19 due to the non-continuation of the IALCH floor repairs project in line with project requirements.

The amounts reflected against *Goods and services* include expenditure in respect of budget road shows, air shows, and special projects, as detailed above. The increase from the 2015/16 Main to the Adjusted Appropriation is due to the provision for the PPP government office precinct, as well as the Legislature Complex. Also provided for in 2015/16 and 2016/17 are the funds for the IALCH floor repairs. The allocation against this category in 2017/18 caters for the PPP government office precinct.

Transfers and subsidies to: Provinces and municipalities relates to the development of regional airports, the Shayamoya eco-complex, the light industrial park at Bhongweni, and Msunduzi electricity-related development projects. The expenditure in 2012/13 and 2013/14 pertained to the development of the Pietermaritzburg, Prince Mangosuthu Buthelezi and Richards Bay airports. The 2015/16 allocation includes R2.062 million for the Shayamoya eco-complex and R8 million for the light industrial park at Bhongweni. There is no allocation against this category going forward, as construction of the previously mentioned projects is anticipated to be completed by the end of 2015/16. The 2015/16 Adjusted Appropriation included a roll-over relating the Msunduzi electricity-related development projects.

The expenditure reflected against *Transfers and subsidies to: Non-profit institutions* in 2015/16 includes a R1 million donation to the Coastal Horse Care Unit.

Service delivery measures – Programme 5: Growth and Development

Table 6.27 reflects the main service delivery measure pertaining to Programme 5.

Table 6.27 : Service delivery measures – Programme 5: Growth and Development

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2015/16	2016/17	2017/18	2018/19	
5.1. To provide for specific departmental approved events and initiatives not catered for in any other programme that will provide development in the province	• No. of events co-ordinated successfully	5	5	5	5	

7. Other programme information

7.1 Personnel numbers and costs

Table 6.28 below reflects personnel information per programme for the Provincial Treasury, for the period March 2012 to March 2018. Table 6.29 provides details of personnel in terms of the human resources and finance components.

The employees reflected as contract workers are interns employed by the department and are provided for under Programme 1. The department did not budget for its full staff complement over the MTEF due to budget cuts relating to the freezing of non-OSD. This will be reviewed in-year.

Table 6.28 : 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	172	189	169	159	159	159	159
2. Fiscal Resource Management	73	83	77	87	87	87	87
3. Financial Management	137	141	137	179	179	179	179
4. Internal Audit	143	156	137	135	135	135	135
5. Growth and Development	-	-	-	-	-	-	-
Total	525	569	520	560	560	560	560
Total provincial personnel cost (R thousand)	165 967	188 527	211 837	236 794	279 429	281 213	288 403
Unit cost (R thousand)	316	331	407	423	499	502	515

Table 6.29 : 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)	525	569	520	580	560	560	560	560	560
Personnel cost (R thousands)	165 967	188 527	211 837	260 566	257 166	236 794	279 429	281 213	288 403
Human resources component									
Personnel numbers (head count)	25	30	25	30	30	30	30	30	30
Personnel cost (R thousands)	28 259	38 429	32 596	34 333	34 333	34 333	34 333	34 333	34 333
Head count as % of total for department	4.76	5.27	4.81	5.17	5.36	5.36	5.36	5.36	5.36
Personnel cost as % of total for department	17.03	20.38	15.39	13.18	13.35	14.50	12.29	12.21	11.90
Finance component									
Personnel numbers (head count)	28	36	28	61	61	61	61	61	61
Personnel cost (R thousands)	22 925	23 226	24 829	26 050	26 050	26 050	26 050	26 050	26 050
Head count as % of total for department	5.33	6.33	5.38	10.52	10.89	10.89	10.89	10.89	10.89
Personnel cost as % of total for department	13.81	12.32	11.72	10.00	10.13	11.00	9.32	9.26	9.03
Full time workers									
Personnel numbers (head count)	437	440	419	479	459	459	459	459	459
Personnel cost (R thousands)	136 899	154 991	185 522	234 251	230 851	210 479	253 114	254 898	262 088
Head count as % of total for department	83.24	77.33	80.58	82.59	81.96	81.96	81.96	81.96	81.96
Personnel cost as % of total for department	82.49	82.21	87.58	89.90	89.77	88.89	90.58	90.64	90.88
Part-time workers									
Personnel numbers (head count)	-	-	-	-	-	-	-	-	-
Personnel cost (R thousands)	-	-	-	-	-	-	-	-	-
Head count as % of total for department	-	-	-	-	-	-	-	-	-
Personnel cost as % of total for department	-	-	-	-	-	-	-	-	-
Contract workers									
Personnel numbers (head count)	88	129	101	101	101	101	101	101	101
Personnel cost (R thousands)	29 068	33 536	26 315	26 315	26 315	26 315	26 315	26 315	26 315
Head count as % of total for department	16.76	22.67	19.42	17.41	18.04	18.04	18.04	18.04	18.04
Personnel cost as % of total for department	17.51	17.79	12.42	10.10	10.23	11.11	9.42	9.36	9.12

The total personnel for the department is 560 employees in 2015/16 and in the 2016/17 MTEF, respectively. The decrease in personnel numbers from 2013/14 to 2014/15 relates to the reduction of consultants and general contract employees. As of 2014/15, the department made provision for salaries for contract personnel that will be working on certain departmental projects, such as TAs working on IDIP, CMP, etc. The department will not fill any posts in the 2016/17 MTEF in line with the MTEF budget cuts. As mentioned, this will be reviewed in-year.

7.2 Training

Tables 6.30 and 6.31 show the department's actual spending and estimates on training per programme. As reflected in Table 6.31, there is a rising trend in the training expenditure over the seven-year period.

Table 6.30 : 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	713	896	558	732	732	601	653	653	961
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	713	896	558	732	732	601	653	653	961
Other	-	-	-	-	-	-	-	-	-
2. Fiscal Resource Management	130	196	221	273	243	276	315	315	315
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	130	196	221	273	243	276	315	315	315
Other	-	-	-	-	-	-	-	-	-
3. Financial Management	277	425	575	509	509	493	513	513	513
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	277	425	575	509	509	493	513	513	513
Other	-	-	-	-	-	-	-	-	-
4. Internal Audit	452	505	1 241	1 050	1 050	1 009	1 090	1 090	1 090
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	452	505	1 241	1 050	1 050	1 009	1 090	1 090	1 090
Other	-	-	-	-	-	-	-	-	-
5. Growth and Development	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	-	-	-	-	-	-	-	-	-
Total	1 572	2 022	2 595	2 564	2 534	2 379	2 571	2 571	2 879

Table 6.31 : Information on training: Provincial Treasury

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	525	569	520	560	560	560	560	560	560
Number of personnel trained	466	390	339	373	373	373	373	373	395
of which									
Male	191	187	157	150	150	150	150	150	159
Female	275	203	182	223	223	223	223	223	236
Number of training opportunities	946	517	836	600	600	600	615	630	631
of which									
Tertiary	1	-	3	3	3	3	5	5	6
Workshops	276	246	260	197	197	197	160	160	160
Seminars	170	90	149	100	100	100	100	105	105
Other	499	181	424	300	300	300	350	360	360
Number of bursaries offered	11	11	14	11	11	11	11	11	12
Number of interns appointed	41	50	59	14	14	14	14	14	14
Number of learnerships appointed	16	25	-	30	30	30	-	-	30
Number of days spent on training	177	102	156	115	115	115	120	125	125

The spending can be attributed to the learnership programme aimed at skills development and also the creation of an available resource pool resulting in the creation of employment opportunities and contributing to the growth of the economy and sustainable development.

The department largely complies with the Skills Development Act – i.e. it budgets for at least 1 per cent of its salary expense going toward staff training.

Table 6.30 illustrates the number of staff affected by the various training programmes and initiatives. It also includes a gender breakdown, an indication of the types of training, as well as details of the number of bursaries and learnerships.

ANNEXURE – VOTE 6: PROVINCIAL TREASURY

Table 6.A : Details of departmental receipts: Provincial Treasury

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Tax receipts	447 730	488 254	538 524	648 227	648 227	543 366	557 338	591 152	628 907
Casino taxes	383 056	421 355	467 319	556 890	556 890	466 336	478 167	510 227	545 111
Horse racing taxes	64 674	66 899	71 205	91 337	91 337	77 030	79 171	80 925	83 796
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	159	169	322	203	203	255	204	209	221
Sale of goods and services produced by department (excluding capital assets)	158	167	319	200	200	250	204	209	221
Sales by market establishments	49	54	90	81	81	101	82	83	88
Administrative fees	51	51	29	53	53	48	54	56	59
Other sales	58	62	200	66	66	101	68	70	74
<i>Of which</i>									
Insurance and garnishes	58	58	197	66	66	101	68	70	74
Sales: Assets less than 5000	-	3	-	-	-	-	-	-	-
Replacement of security cards	-	1	-	-	-	-	-	-	-
Sale of tender documents	-	-	3	-	-	-	-	-	-
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	1	2	3	3	3	5	-	-	-
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	1	-	-	-	-	-	-	-
Interest, dividends and rent on land	269 818	249 807	309 569	283 341	283 341	352 546	301 754	316 842	335 219
Interest	269 815	249 807	309 569	283 337	283 337	352 546	301 754	316 842	335 219
Dividends	3	-	-	4	4	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	32	409	39	170	170	734	181	192	203
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	32	409	39	170	170	734	181	192	203
Transactions in financial assets and liabilities	437	352	2 513	380	380	3 866	382	385	407
Total	718 176	738 992	850 967	932 322	932 322	900 767	859 860	908 780	964 957

Table 6.B : Payments and estimates by economic classification: Provincial Treasury

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	478 406	549 746	578 813	654 524	657 524	601 931	627 760	608 993	640 488
Compensation of employees	165 967	188 527	211 837	260 566	257 166	236 794	279 429	281 213	288 403
Salaries and wages	148 139	168 917	191 220	230 852	227 852	213 336	248 161	249 511	256 020
Social contributions	17 828	19 610	20 617	29 714	29 314	23 458	31 268	31 702	32 383
Goods and services	312 439	361 219	366 976	383 726	399 426	364 905	345 057	324 546	349 240
Administrative fees	10 323	11 904	7 560	12 570	9 060	9 347	11 116	11 116	12 116
Advertising	4 169	3 995	3 839	4 041	3 163	1 800	2 415	2 415	2 667
Assets less than the capitalisation threshold	499	631	548	562	573	309	869	869	919
Audit cost: External	4 526	3 318	4 406	6 889	6 679	5 175	6 991	6 991	8 019
Bursaries: Employees	297	194	260	250	250	301	250	250	250
Catering: Departmental activities	2 199	2 960	1 819	2 498	1 914	777	1 292	1 292	1 442
Communication (G&S)	2 364	2 162	2 186	3 126	3 112	3 129	3 362	3 362	4 012
Computer services	110 935	112 842	115 482	136 669	127 224	101 558	129 935	128 222	129 136
Cons & prof serv: Business and advisory services	122 794	163 278	168 918	145 088	165 288	164 957	117 273	111 875	127 597
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	1 660	1 218	3 182	931	831	2 570	1 169	1 169	1 169
Contractors	4 577	12 364	3 631	18 087	28 116	26 477	18 184	4 784	1 484
Agency and support / outsourced services	517	576	356	803	953	392	360	360	360
Entertainment	6	-	-	14	14	-	23	23	23
Fleet services (including govt motor transport)	1 017	1 194	1 375	1 111	1 526	1 526	1 161	1 161	2 661
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	224	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	61	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	26	-	-	-	-	-	-	-	-
Inventory: Medical supplies	2	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Meddas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	194	588	607	898	911	492	684	684	678
Consumable: Stationery, printing and office supplies	1 896	2 003	2 698	2 152	2 249	2 207	2 544	2 544	2 644
Operating leases	14 832	13 524	15 440	15 287	17 090	17 057	16 057	16 057	17 657
Property payments	7 854	7 073	12 526	6 332	6 992	8 077	6 496	6 496	9 496
Transport provided: Departmental activity	531	931	651	872	372	82	1 102	1 102	1 102
Travel and subsistence	14 408	12 869	15 371	17 477	17 223	14 283	16 722	16 722	18 572
Training and development	1 572	2 022	2 595	2 564	2 534	2 379	2 571	2 571	2 879
Operating payments	2 402	2 622	1 719	2 290	2 325	1 637	2 695	2 695	2 771
Venues and facilities	2 554	2 951	1 807	3 215	1 027	343	1 786	1 786	1 586
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	10 232	932	232	3 274	3 234	2 845
Interest	-	-	-	10 232	932	232	3 274	3 234	2 845
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	73 405	68 056	80 291	51 636	54 354	55 418	42 977	42 793	41 604
Provinces and municipalities	28 026	21 983	31 691	10 318	10 303	10 305	24	24	26
Provinces	14	13	26	23	23	25	24	24	26
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	14	13	26	23	23	25	24	24	26
Municipalities	28 012	21 970	31 665	10 295	10 280	10 280	-	-	-
Municipalities	28 012	21 970	31 665	10 062	10 280	10 280	-	-	-
Municipal agencies and funds	-	-	-	233	-	-	-	-	-
Departmental agencies and accounts	35 775	41 881	39 276	32 532	32 532	32 532	34 255	35 968	38 054
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	35 775	41 881	39 276	32 532	32 532	32 532	34 255	35 968	38 054
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	4	-	-	-
Public corporations	-	-	-	-	-	4	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	4	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	893	1 468	3 150	4 383	4 735	3 370	3 370	244
Households	9 604	3 299	7 856	5 636	7 136	7 842	5 328	3 431	3 280
Social benefits	9 604	767	4 091	1 383	1 383	2 835	850	893	945
Other transfers to households	-	2 532	3 765	4 253	5 753	5 007	4 478	2 538	2 335
Payments for capital assets	5 909	6 114	14 854	5 991	5 991	6 504	4 543	7 243	6 416
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	5 515	6 114	14 854	5 991	5 991	6 504	4 543	7 243	6 416
Transport equipment	1 053	1 695	2 397	1 372	1 372	702	1 675	4 375	3 548
Other machinery and equipment	4 462	4 419	12 457	4 619	4 619	5 802	2 868	2 868	2 868
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	394	-	-	-	-	-	-	-	-
Payments for financial assets	13	417	4	-	-	-	-	-	-
Total	557 733	624 333	673 962	712 151	717 869	663 853	675 280	659 029	688 508

Table 6.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	87 232	91 313	102 757	113 133	116 633	108 792	124 060	125 844	133 848
Compensation of employees	43 763	49 660	55 836	68 415	70 385	60 680	79 466	81 250	79 966
Salaries and wages	38 804	44 179	50 094	59 582	61 398	53 689	69 884	71 234	70 384
Social contributions	4 959	5 481	5 742	8 833	8 987	6 991	9 582	10 016	9 582
Goods and services	43 469	41 653	46 921	44 718	46 248	48 112	44 594	44 594	53 882
Administrative fees	246	1 802	904	408	413	255	425	425	425
Advertising	3 400	3 025	2 125	3 082	2 082	750	1 314	1 314	1 566
Assets less than the capitalisation threshold	109	110	159	140	149	67	373	373	423
Audit cost: External	4 526	3 318	4 406	6 889	6 679	5 175	6 991	6 991	8 019
Bursaries: Employees	297	194	282	250	250	301	250	250	250
Catering: Departmental activities	281	908	479	330	230	203	639	639	739
Communication (G&S)	1 279	1 096	1 034	1 553	1 539	1 788	1 646	1 646	2 296
Computer services	5	-	31	7	62	61	158	158	158
Cons & prof serv: Business and advisory services	216	130	2 870	188	188	5 060	218	218	218
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	443	1 198	2 094	751	651	2 547	977	977	977
Contractors	1 664	1 505	804	545	545	726	858	858	1 058
Agency and support / outsourced services	39	-	54	97	247	174	103	103	103
Entertainment	5	-	-	10	10	-	18	18	18
Fleet services (including govt motor transport)	1 017	1 194	1 375	1 111	1 526	1 526	1 161	1 161	2 661
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	114	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	61	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	26	-	-	-	-	-	-	-	-
Inventory: Medical supplies	2	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medias inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	193	465	497	666	666	328	396	396	396
Consumable: Stationery, printing and office supplies	814	668	1 100	1 123	1 126	666	1 455	1 455	1 455
Operating leases	14 201	13 295	15 382	14 580	16 510	16 765	15 360	15 360	16 860
Property payments	7 813	6 993	8 520	6 332	6 992	8 077	6 453	6 453	9 453
Transport provided: Departmental activity	-	17	31	22	22	22	102	102	102
Travel and subsistence	5 086	3 558	3 342	5 442	5 169	2 615	3 677	3 677	4 177
Training and development	713	896	558	732	732	601	653	653	961
Operating payments	689	1 017	531	412	412	282	850	850	1 050
Venues and facilities	230	264	343	48	48	123	517	517	517
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	9 004	3 525	7 113	7 659	9 159	9 525	7 872	5 932	2 605
Provinces and municipalities	14	13	26	256	23	25	24	24	26
Provinces	14	13	26	23	23	25	24	24	26
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	14	13	26	23	23	25	24	24	26
Municipalities	-	-	-	233	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	233	-	-	-	-	-
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	-	893	241	3 150	3 383	3 735	3 370	3 370	244
Households	8 990	2 619	6 846	4 253	5 753	5 765	4 478	2 538	2 335
Social benefits	8 990	90	3 084	-	-	758	-	-	-
Other transfers to households	-	2 529	3 762	4 253	5 753	5 007	4 478	2 538	2 335
Payments for capital assets	1 669	2 073	3 345	2 297	2 297	1 399	2 620	5 320	4 493
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 669	2 073	3 345	2 297	2 297	1 399	2 620	5 320	4 493
Transport equipment	1 053	1 695	2 397	1 372	1 372	702	1 675	4 375	3 548
Other machinery and equipment	616	378	948	925	925	697	945	945	945
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	21	-	-	-	-	-	-	-
Total	97 905	96 932	113 215	123 089	128 089	119 716	134 552	137 096	140 946

Table 6.D : Payments and estimates by economic classification: Fiscal Resource Management

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	76 716	90 510	74 981	103 166	103 166	94 064	102 770	95 170	99 944
Compensation of employees	30 283	37 038	45 548	59 892	59 492	54 815	59 397	59 397	61 256
Salaries and wages	27 231	33 347	41 521	54 354	54 254	49 998	53 908	53 908	55 618
Social contributions	3 052	3 691	4 027	5 538	5 238	4 817	5 489	5 489	5 638
Goods and services	46 433	53 472	29 433	43 274	43 674	39 249	43 373	35 773	38 688
Administrative fees	81	60	49	118	103	93	124	124	124
Advertising	35	365	95	-	122	146	-	-	-
Assets less than the capitalisation threshold	47	144	216	77	79	58	83	83	83
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	160	75	51	195	211	114	180	180	180
Communication (G&S)	201	252	294	293	293	305	315	315	315
Computer services	16	13	-	120	120	120	120	120	120
Cons & prof serv: Business and advisory services	42 155	49 142	25 024	37 412	37 812	34 225	37 320	29 720	32 735
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	84	-	-	-	-	-	-
Contractors	25	44	28	14	43	84	14	14	14
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	22	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medias inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	1	9	9	28	41	15	46	46	46
Consumable: Stationery, printing and office supplies	242	273	428	252	349	393	300	300	300
Operating leases	188	52	-	262	135	18	201	201	201
Property payments	-	15	6	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	1 633	1 400	1 824	2 230	2 276	2 442	2 407	2 407	2 707
Training and development	130	196	221	273	243	276	315	315	315
Operating payments	950	973	708	1 168	1 203	804	1 210	1 210	1 010
Venues and facilities	547	459	396	832	644	156	738	738	538
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	23	66	-	-	-	59	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	23	66	-	-	-	59	-	-	-
Social benefits	23	63	-	-	-	59	-	-	-
Other transfers to households	-	3	-	-	-	-	-	-	-
Payments for capital assets	131	425	486	401	401	348	286	286	286
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	131	425	486	401	401	348	286	286	286
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	131	425	486	401	401	348	286	286	286
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	203	-	-	-	-	-	-	-
Total	76 870	91 204	75 467	103 567	103 567	94 471	103 056	95 456	100 230

Table 6.E : Payments and estimates by economic classification: Financial Management

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	211 393	241 243	259 125	283 500	255 800	224 012	259 821	258 068	274 094
Compensation of employees	45 638	52 500	55 466	66 980	66 010	61 399	69 393	69 393	74 909
Salaries and wages	40 681	47 104	49 978	58 210	57 494	55 521	60 322	60 322	64 972
Social contributions	4 957	5 396	5 488	8 770	8 516	5 878	9 071	9 071	9 937
Goods and services	165 755	188 743	203 659	206 288	188 858	162 381	187 154	185 441	196 340
Administrative fees	9 756	9 912	6 383	11 734	8 234	8 747	10 227	10 227	11 227
Advertising	40	-	153	106	106	77	104	104	104
Assets less than the capitalisation threshold	133	310	110	155	155	161	193	193	193
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	26	135	96	75	75	124	65	65	115
Communication (G&S)	492	427	459	620	620	648	701	701	701
Computer services	110 754	111 876	115 201	136 232	126 732	100 804	129 337	127 624	128 538
Cons & prof serv: Business and advisory services	38 304	60 189	73 242	50 593	46 193	44 837	39 214	39 214	46 823
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	1 217	20	1 004	180	180	23	192	192	192
Contractors	51	33	20	118	118	114	132	132	132
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	1	-	-	4	4	-	5	5	5
Fleet services (including govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	49	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	82	64	159	159	116	190	190	190
Consumable: Stationery, printing and office supplies	681	670	717	582	579	548	586	586	686
Operating leases	216	109	58	272	272	101	319	319	419
Property payments	41	65	-	-	-	-	43	43	43
Transport provided: Departmental activity	-	-	4	-	-	-	-	-	-
Travel and subsistence	3 412	4 178	5 418	4 658	4 631	5 489	5 124	5 124	6 174
Training and development	277	425	575	509	509	493	513	513	513
Operating payments	301	298	72	134	134	94	138	138	214
Venues and facilities	4	14	83	157	157	5	71	71	71
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	10 232	932	232	3 274	3 234	2 845
Interest	-	-	-	10 232	932	232	3 274	3 234	2 845
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	36 337	42 374	41 343	33 865	33 865	33 907	35 055	36 808	38 943
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	35 775	41 881	39 276	32 532	32 532	32 532	34 255	35 968	38 054
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	35 775	41 881	39 276	32 532	32 532	32 532	34 255	35 968	38 054
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	1 227	-	-	-	-	-	-
Households	562	493	840	1 333	1 333	1 375	800	840	889
Social benefits	562	493	837	1 333	1 333	1 375	800	840	889
Other transfers to households	-	-	3	-	-	-	-	-	-
Payments for capital assets	3 757	3 085	10 580	2 413	2 413	3 924	687	687	687
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3 363	3 085	10 580	2 413	2 413	3 924	687	687	687
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	3 363	3 085	10 580	2 413	2 413	3 924	687	687	687
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	394	-	-	-	-	-	-	-	-
Payments for financial assets	-	192	-	-	-	-	-	-	-
Total	251 487	286 894	311 048	319 778	292 078	261 843	295 563	295 563	313 724

Estimates of Provincial Revenue and Expenditure

Table 6.F : Payments and estimates by economic classification: Internal Audit

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	92 760	106 710	129 803	130 628	150 828	147 873	120 683	122 885	129 076
Compensation of employees	46 283	49 329	54 987	65 279	61 279	59 900	71 173	71 173	72 272
Salaries and wages	41 423	44 287	49 627	58 706	54 706	54 128	64 047	64 047	65 046
Social contributions	4 860	5 042	5 360	6 573	6 573	5 772	7 126	7 126	7 226
Goods and services	46 477	57 381	74 816	65 349	89 549	87 973	49 510	51 712	56 804
Administrative fees	229	130	224	310	310	252	340	340	340
Advertising	3	104	144	-	-	9	-	-	-
Assets less than the capitalisation threshold	210	67	63	190	190	23	220	220	220
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	(22)	-	-	-	-	-	-
Catering: Departmental activities	30	26	34	38	38	74	38	38	38
Communication (G&S)	392	387	399	660	660	388	700	700	700
Computer services	160	953	250	310	310	603	320	320	320
Cons & prof serv: Business and advisory services	39 846	50 680	66 791	56 855	81 055	80 815	40 479	42 681	47 779
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	15	4	7	-	-	-	-	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	39	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	25	37	45	45	33	52	52	46
Consumable: Stationery, printing and office supplies	159	392	453	195	195	600	203	203	203
Operating leases	227	68	-	173	173	173	177	177	177
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	4 277	3 733	4 787	5 147	5 147	3 737	5 514	5 514	5 514
Training and development	452	505	1 241	1 050	1 050	1 009	1 090	1 090	1 090
Operating payments	429	303	408	376	376	257	377	377	377
Venues and facilities	9	4	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	29	121	170	50	50	647	50	53	56
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	4	-	-	-
Public corporations	-	-	-	-	-	4	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	4	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	29	121	170	50	50	643	50	53	56
Social benefits	29	121	170	50	50	643	50	53	56
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	352	531	443	880	880	833	950	950	950
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	352	531	443	880	880	833	950	950	950
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	352	531	443	880	880	833	950	950	950
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	13	1	4	-	-	-	-	-	-
Total	93 154	107 363	130 420	131 558	151 758	149 353	121 683	123 888	130 082

Table 6.G : Payments and estimates by economic classification: Growth and 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	10 305	19 970	12 147	24 097	31 097	27 190	20 426	7 026	3 526
Compensation of employees	-	-	-	-	-	-	-	-	-
Salaries and wages	-	-	-	-	-	-	-	-	-
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	10 305	19 970	12 147	24 097	31 097	27 190	20 426	7 026	3 526
Administrative fees	11	-	-	-	-	-	-	-	-
Advertising	691	501	1 322	853	853	818	997	997	997
Assets less than the capitalisation threshold	-	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	1 702	1 816	1 159	1 860	1 360	262	370	370	370
Communication (G&S)	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	2 273	3 137	991	40	40	20	42	42	42
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	2 822	10 778	2 772	17 410	27 410	25 553	17 180	3 780	280
Agency and support / outsourced services	478	576	302	706	706	218	257	257	257
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	7	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	-	-
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	4 000	-	-	-	-	-	-
Transport provided: Departmental activity	531	914	616	850	350	60	1 000	1 000	1 000
Travel and subsistence	-	-	-	-	-	-	-	-	-
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	33	31	-	200	200	200	120	120	120
Venues and facilities	1 764	2 210	985	2 178	178	59	460	460	460
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	28 012	21 970	31 665	10 062	11 280	11 280	-	-	-
Provinces and municipalities	28 012	21 970	31 665	10 062	10 280	10 280	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	28 012	21 970	31 665	10 062	10 280	10 280	-	-	-
Municipalities	28 012	21 970	31 665	10 062	10 280	10 280	-	-	-
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	-	-	-	-	1 000	1 000	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	38 317	41 940	43 812	34 159	42 377	38 470	20 426	7 026	3 526

Table 6.H : Summary of transfers to local government

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	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	-	2 009	-	-	-	-	-	-	-
B KZN211 Vulamehlo	-	-	-	-	-	-	-	-	-
B KZN212 Umdoni	-	-	-	-	-	-	-	-	-
B KZN213 Umzumbe	-	-	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	-	-	-	-	-	-	-	-	-
B KZN215 Ezinqoleni	-	-	-	-	-	-	-	-	-
B KZN216 Hibiscus Coast	-	-	-	-	-	-	-	-	-
C DC21 Ugu District Municipality	-	2 009	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	574	17 071	5 672	-	218	218	-	-	-
B KZN221 uMshwathi	-	-	-	-	-	-	-	-	-
B KZN222 uMngeni	-	-	-	-	-	-	-	-	-
B KZN223 Mpofana	-	-	-	-	-	-	-	-	-
B KZN224 Impendle	-	-	-	-	-	-	-	-	-
B KZN225 Msunduzi	574	17 071	5 672	-	218	218	-	-	-
B KZN226 Mkhambathini	-	-	-	-	-	-	-	-	-
B KZN227 Richmond	-	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
B KZN232 Ennambithi/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	19 661	596	-	-	-	-	-	-	-
B KZN261 eDumbe	-	-	-	-	-	-	-	-	-
B KZN262 uPhongolo	-	-	-	-	-	-	-	-	-
B KZN263 Abaqulusi	-	-	-	-	-	-	-	-	-
B KZN265 Nongoma	-	-	-	-	-	-	-	-	-
B KZN266 Ulundi	-	-	-	-	-	-	-	-	-
C DC26 Zululand District Municipality	19 661	596	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
B KZN271 Umhlabuyalingana	-	-	-	-	-	-	-	-	-
B KZN272 Jozini	-	-	-	-	-	-	-	-	-
B KZN273 The Big 5 False Bay	-	-	-	-	-	-	-	-	-
B KZN274 Hlabisa	-	-	-	-	-	-	-	-	-
B KZN275 Mtubatuba	-	-	-	-	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	7 777	-	-	-	-	-	-	-	-
B KZN281 Umfolozi	-	-	-	-	-	-	-	-	-
B KZN282 uMhlathuze	7 777	-	-	-	-	-	-	-	-
B KZN283 Ntambanana	-	-	-	-	-	-	-	-	-
B KZN284 uMlalazi	-	-	-	-	-	-	-	-	-
B KZN285 Mthonjaneni	-	-	-	-	-	-	-	-	-
B KZN286 Nkandla	-	-	-	-	-	-	-	-	-
C DC28 uThungulu District Municipality	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	-	-	-	-	-	-	-
B KZN291 Mandeni	-	-	-	-	-	-	-	-	-
B KZN292 KwaDukuza	-	-	-	-	-	-	-	-	-
B KZN293 Ndwedwe	-	-	-	-	-	-	-	-	-
B KZN294 Maphumulo	-	-	-	-	-	-	-	-	-
C DC29 Ilembe District Municipality	-	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	-	2 294	25 993	10 062	10 062	10 062	-	-	-
B KZN431 Ingwe	-	-	-	-	-	-	-	-	-
B KZN432 Kwa Sani	-	-	-	-	-	-	-	-	-
B KZN433 Greater Kokstad	-	2 294	25 993	10 062	10 062	10 062	-	-	-
B KZN434 Ubuhlebezwe	-	-	-	-	-	-	-	-	-
B KZN435 Umzimkhulu	-	-	-	-	-	-	-	-	-
C DC43 Harry Gwala District Municipality	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	233	-	-	-	-	-
Total	28 012	21 970	31 665	10 295	10 280	10 280	-	-	-

Table 6.1 : Financial summary for KwaZulu-Natal Gaming and Betting Board (KZNGBB)

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	14 410	17 410	26 639	23 991	25 455	22 745	22 875
Sale of goods and services other than capital assets	12 610	15 324	23 738	21 251	23 235	20 414	20 427
Interest, dividends and rent on land	1 727	2 086	2 901	2 740	2 220	2 331	2 448
Other non-tax revenue	73	-	-	-	-	-	-
Transfers received*	35 775	41 881	39 276	39 411	34 255	35 968	38 054
Sale of capital assets	-	409	7	-	-	-	-
Total revenue	50 185	59 700	65 922	63 402	59 710	58 713	60 929
Expenses							
Current expense	43 243	49 269	54 429	58 050	63 404	62 241	63 633
Compensation of employees	26 824	32 158	35 848	39 885	43 749	47 230	50 991
Use of goods and services	15 530	15 947	17 540	16 500	15 361	11 483	9 938
Depreciation	889	1 164	1 041	1 665	4 294	3 528	2 704
Transfers and subsidies	-	-	-	-	-	-	-
Total expenses	43 243	49 269	54 429	58 050	63 404	62 241	63 633
Surplus / (Deficit)**	6 942	10 431	11 493	5 352	(3 694)	(3 528)	(2 704)
Cash flow summary							
Adjust surplus / (deficit) for accrual transactions	434	(169)	141	1 434	4 294	3 528	2 704
Adjustments for:							
Depreciation	889	1 164	1 041	1 665	4 294	3 528	2 704
Net (profit) / loss on disposal of fixed assets	(73)	(409)	(7)	-	-	-	-
Other	(382)	(924)	(893)	(231)	-	-	-
Operating surplus / (deficit) before changes in working capital	7 376	10 262	11 634	6 786	600	-	-
Changes in working capital	549	5 433	6 319	1 453	1 660	1 013	1 144
(Decrease) / increase in accounts payable	869	5 803	5 938	26	1 468	942	1 076
Decrease / (increase) in accounts receivable	(320)	(415)	434	1 380	170	(3)	(9)
(Decrease) / increase in provisions	-	45	(53)	47	22	74	77
Cash flow from operating activities	7 925	15 695	17 953	8 239	2 260	1 013	1 144
Transfers from government	35 775	41 881	39 276	-	-	-	-
Capital	-	-	-	-	-	-	-
Current	35 775	41 881	39 276	-	-	-	-
Cash flow from investing activities	(218)	102	(440)	(3 119)	(6 300)	-	-
Acquisition of assets	(685)	(1 307)	(1 308)	(3 350)	(6 300)	-	-
Computer equipment	(517)	(1 127)	(369)	(3 250)	(600)	-	-
Furniture and office equipment	(69)	(115)	(29)	(100)	-	-	-
Computer software	(99)	(65)	(910)	-	(5 700)	-	-
Other flows from investing activities	467	1 409	868	231	-	-	-
Interest income	467	888	859	231	-	-	-
Proceeds from claims	-	521	9	-	-	-	-
Cash flow from financing activities	-	-	(20 800)	-	-	-	-
Net increase / (decrease) in cash and cash equivalents	7 707	15 797	(3 287)	5 120	(4 040)	1 013	1 144
Balance sheet data							
Carrying value of assets	2 265	2 296	2 561	4 246	6 252	2 724	20
Computer equipment	940	1 380	1 177	3 356	2 102	784	-
Furniture and office equipment	511	430	336	293	150	40	20
Transport assets	350	249	148	47	-	-	-
Computer software	464	237	900	550	4 000	1 900	-
Investments	-	-	-	-	-	-	-
Cash and cash equivalents	41 778	57 575	54 287	59 407	55 368	56 381	57 525
Bank	41 777	57 573	54 283	59 403	55 364	56 377	57 521
Cash on hand	1	2	4	4	4	4	4
Receivables and prepayments	2 257	2 673	2 200	820	650	653	662
Trade receivables	31	176	155	165	178	205	236
Other receivables	338	307	497	450	472	448	426
Prepaid expenses	382	-	-	-	-	-	-
Accrued income	1 506	2 190	1 548	205	-	-	-
Inventory	-	-	-	-	-	-	-
Total assets	46 300	62 544	59 048	64 473	62 270	59 758	58 207
Capital and reserves	29 092	39 485	30 178	35 530	31 836	28 308	25 604
Share capital and premium	-	-	-	-	-	-	-
Accumulated reserves	20 906	29 092	39 485	30 178	35 530	31 836	28 308
Surplus / (Deficit)	6 942	10 431	11 493	5 352	(3 694)	(3 528)	(2 704)
Other	1 244	(38)	(20 800)	-	-	-	-
Borrowings	-	-	-	-	-	-	-
Post retirement benefits	-	-	-	-	-	-	-
Trade and other payables	3 880	3 545	3 269	3 295	3 553	3 224	2 966
Trade payables	1 073	9	54	745	820	901	991
Other	2 807	3 536	3 215	2 550	2 733	2 323	1 975
Deferred income	12 310	18 336	24 198	24 198	25 408	26 678	28 012
Provisions	1 018	1 178	1 403	1 450	1 473	1 548	1 625
Funds managed (e.g. Poverty alleviation fund)	-	-	-	-	-	-	-
Contingent liabilities	-	-	-	-	-	-	-
Total equity and liabilities	46 300	62 544	59 048	64 473	62 270	59 758	58 207

*Note: The transfer for 2015/16 includes an amount of R6.879m which was rolled over from 2014/15.

**Note: The surplus relates to the accounting treatment of capital expenses relating to the Business Process Re-engineering project.

Table 6.J : Personnel summary for KwaZulu-Natal Gaming and Betting Board (KZNGBB)

	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)	26 824	32 158	35 848	39 885	43 749	47 230	50 991
Personnel numbers (head count)	71	70	71	77	77	77	77
Unit cost	378	459	505	518	568	613	662
B. Part-time and temporary contract employees							
Personnel cost (R thousand)	-	-	-	-	-	-	-
Personnel numbers (head count)	-	-	-	-	-	-	-
Unit cost	-	-	-	-	-	-	-
C. Interns							
Personnel cost (R thousand)	-	-	-	-	-	-	-
Personnel numbers (head count)	-	-	-	-	-	-	-
Unit cost	-	-	-	-	-	-	-
Total for entity							
Personnel cost (R thousand)	26 824	32 158	35 848	39 885	43 749	47 230	50 991
Personnel numbers (head count)	71	70	71	77	77	77	77
Unit cost	378	459	505	518	568	613	662
D. Learnerships							
Personnel cost (R thousand)	-	-	-	-	-	-	-
Personnel numbers (head count)	-	-	-	-	-	-	-
Unit cost	-	-	-	-	-	-	-
Details 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	9	9	9	9	9	9	9
Executive Management	1	1	-	1	1	1	1
Senior Management	4	4	6	6	6	6	6
Middle Management	10	10	11	11	11	11	11
Professionals	46	43	44	49	49	49	49
Semi-skilled	9	11	9	9	9	9	9
Very low skilled	1	1	1	1	1	1	1
Total	80	79	80	86	86	86	86

VOTE 7

Health

Operational budget	R 36 576 815 423
MEC remuneration	R 1 821 577 ¹
Total amount to be appropriated	R 36 578 637 000
Responsible MEC	MEC for Health
Administering department	Health
Accounting officer	Head: Health

1. Overview

Vision

The vision of the Department of Health is: *Optimal health for all persons in KwaZulu-Natal.*

Mission Statement

The department's mission statement is: *To develop and implement a sustainable, co-ordinated, integrated and comprehensive health system at all levels, based on the primary health care approach through the district health system, to ensure universal access to health care.*

Strategic objectives

Strategic policy direction: Directly linked with the National Development Plan (NDP) 2030 with the main focus on improving the health and well-being of the population and strengthening the health system effectiveness.

The department's strategic goals, each comprising a number of strategic objectives and sub-outcomes, have been aligned with the NDP 2030, the MTSF 2014-2019, the PGDP 2030 and National Health sector priorities. The overarching goal remains “*Increasing the life expectancy of all South Africans*”. The strategic goals for 2015-2019 are:

- Strengthen health system effectiveness.
- Reduce and manage the burden of disease.
- Universal health coverage.
- Strengthen human resources for health.
- Improved quality of health care.

Core functions

The main purpose of the department is to develop and implement a sustainable, co-ordinated, integrated and comprehensive health system based on the primary health care approach, which encompasses promotive, curative, rehabilitative, supportive and palliative care. This is guided by the principles of accessibility, equity, quality and efficiency, sustainability, community participation, appropriate technology, and inter-governmental and inter-sectoral collaboration.

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

The department provides health services primarily to the uninsured population of KZN, who comprise about 87.5 per cent of the province's total population of 10 919 077 (2015 Mid-Year Population Estimates, Stats SA). In addition, the department provides central health services to people beyond provincial boundaries. The following main categories of health services provided by the department are:

Primary health care services

Primary health care services are rendered at community/household level by community outreach teams and mobile clinics and in fixed clinics and community health centres. Services include health promotion and prevention, screening and early detection of health conditions or risk factors, referral and curative and rehabilitative services.

Hospital services

District hospitals render hospital services at a general practitioner level, while provincial hospitals render hospital services at a specialist level. District hospitals provide clinical outreach services to primary health care (PHC) clinics. Specialised hospitals render specialised hospital services for patients with TB, psychiatric illnesses and those patients requiring long-term or chronic step-down/rehabilitative care. Tertiary and central hospitals render tertiary, central and quaternary hospital services at specialist level. Tertiary and central hospitals also provide clinical outreach services to provincial and district hospitals and participate in research to improve evidence-based practice.

Forensic pathology services

This category renders specialised forensic and medico-legal services including establishing the circumstances and causes surrounding unnatural death, ensure integrity of forensic evidence and providing an Inspector of Anatomy Services.

Emergency medical services

This category provides emergency care for trauma patients including patients from road traffic accidents, and provides emergency transport for emergency medical and obstetric patients. Planned patient transport is provided for inter-hospital transfer, while indigent patients are transported between clinics and hospitals.

Legislative mandate

In carrying out its functions, the department is governed mainly by the following Acts and regulations:

- The Constitution of the Republic of South Africa (Act No. 108 of 1996)
- KwaZulu-Natal Health Act (Act No. 1 of 2009) and Regulations
- National Health Act (Act No. 61 of 2003)
- Mental Health Care Act (Act No. 17 of 2002)
- Public Finance Management Act (Act No. 1 of 1999, as amended) and the Treasury Regulations
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000)
- Annual Division of Revenue Act
- Public Service Act (Act No. 103 of 1994) and the Public Service Regulations
- Medicines and Related Substances Act (Act No. 101 of 1965, as amended)
- Pharmacy Act (Act No. 53 of 1974, as amended)
- Nursing Act (Act No. 33 of 2005)
- Choice of Termination of Pregnancy Act (Act No. 92 of 1996, as amended)
- Labour Relations Act (Act No. 66 of 1995)
- Basic Conditions of Employment Act (Act No. 75 of 1997)
- Skills Development Act (Act No. 97 of 1998)
- National Health Laboratory Service Act (Act No. 37 of 2000)
- Occupational Health and Safety Act (Act No. 85 of 1993)

- Traditional Health Practitioners Act (Act No. 35 of 2004)
- Health Professions Act (Act No. 56 of 1974)
- Human Tissue Act (Act No. 65 of 1983)
- Allied Health Professions Act (Act No. 63 of 1982)

2. Review of the 2015/16 financial year

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

Preventing and reducing the burden of disease with the main focus on maternal, neonatal, child and women's health and nutrition, TB, HIV and AIDS, and non-communicable conditions. According to 2015/16 mid-year data:

- According to Stats SA 2015/16 mid-year estimates, the total life expectancy increased from 56.9 years to 57.7 years.
- The facility maternal mortality ratio reduced from 124.9 per 100 000 live births in 2014/15 to 123 per 100 000 live births.
- The mother to child transmission of HIV was reduced from 1.3 per cent in 2014/15 to 1.1 per cent in 2015/16.
- The child under 5 years severe acute malnutrition incidence decreased from 6.3 per 1 000 in 2014/15 to 6.2 per 1 000 in 2015/16.
- The cumulative number of HIV positive clients remaining on anti-retroviral (ARV) therapy increased from 897 270 in 2014/15 to 1 028 595 in 2015/16.
- The TB incidence decreased from 828 per 100 000 population in 2014/15 to 776 per 100 000 population in 2015/16.
- Hypertension and diabetes incidence both showed an increase between 2014/15 and 2015/16, which is expected as a result of more effective screening and detection at household level. Hypertension incidence increased from 19.2 per 1 000 to 22.3 per 1 000 and diabetes incidence increased from 1.6 per 1 000 to 3.6 per 1 000.
- Malaria incidence decreased slightly from 0.07 per 1 000 in 2014/15 to 0.06 per 1 000 in 2015/16 in the at-risk population.

Scale up primary health care (PHC) re-engineering including Ideal Clinic Realisation and Maintenance (ICRM – Operation Phakisa):

- The main focus remains strengthening of community-based services including health promotion, as well as early screening and detection of disease or at-risk patients to ensure early referral and treatment.
- According to 2015/16 mid-year data, a total of 6 650 044 and 4 272 230 clients were screened for hypertension and diabetes, respectively.
- Household visits increased from 103 852 in 2014/15 to an estimated 151 954 visits for 2015/16.
- The PHC headcount is estimated to increase from 31 232 092 in 2014/15 to 31 410 546 in 2015/16 (based on 2015/16 mid-year data).
- A total of 54 653 school children were screened as part of the school health programme.

Strengthening of hospital services:

- Clinical governance was prioritised including outreach programmes and mentorship. Outreach services were strengthened through the partnership with the Red Cross Aero Medical Services. Intensive consultation with clinical disciplines, service providers and managers is at an advanced stage to inform the finalisation of the Hospital Rationalisation Plan aimed at improving hospital efficiencies and improving utilisation of scarce resources.

Improving human resources for health:

- Consultation in collaboration with the University of KwaZulu-Natal (UKZN) is ongoing for the implementation of the Decentralised Training in a PHC Model, with the first pilot to commence in 2016 in the uThungulu district. This will have a positive impact on alignment of the service delivery and training platforms, as well as production of skilled and competent human resources for health.
- Incremental increases in health sciences student numbers at UKZN will increase the pool of human resources in the medium to long term which falls within the vision of the department to strengthen the health system and quality of care. The final student numbers will depend on funding made available from the Department of Higher Education and Training.
- The review of organisational structures of all facilities commenced in earnest in 2014/15 and continued in 2015/16. Structures will be aligned with functions, as well as norms and standards from the Workload Indicator of Staffing Need (WISN).

Strengthening health information systems and management:

- 90 per cent of hospitals and 45 per cent of PHC facilities in KZN have broadband access, which serves as an enabler for the implementation of a web-based health information system to improve data quality and reduce workload.
- The department continued the roll-out of the Revenue Enhancement Strategy in collaboration with Provincial Treasury, with the implementation of the Meditech software at six institutions by the end of 2015/16. This project is bearing fruit with R30.479 million allocated back to the department in 2015/16, being excess revenue collected in 2014/15 as a result of the collaboration. This funding will be utilised to upgrade the existing patient billing systems at six more institutions, to reduce the dependence on manual systems.

Improving quality of care:

- The department continued to implement the National Core Standards, including annual self-assessments and development of Quality Improvement Plans to address identified challenges.
- The department continued to strive to meet the 2020 target of 60 per cent of hospitals compliant with all vital and extreme measures. These include, but are not limited to, measures which ensure that the safety of patients and staff are safeguarded so as to not result in unnecessary harm or death.

Improve universal health coverage:

- The department continued to implement the NHI pilot in uMgungundlovu, Umzinyathi and Amajuba Districts. The department contracted 45 private practitioners to render services at PHC clinics, thereby providing services at community level. Note that the NHI conditional grant ceases from 2017/18 to become part of the National Department of Health's (NDOH) national indirect grant for NHI. The funding of NHI costs in the province will be affected by this and discussions with NDOH are currently underway to determine a way forward in this regard.

Improving financial management

- The purchase of St. Aidan's Hospital was processed in 2015/16 with the payment of R60 million. A VAT settlement of R8.400 million as negotiated and agreed to by all parties will be paid in 2016/17.
- As mentioned, the department continued the roll-out of the Revenue Enhancement Strategy in collaboration with Provincial Treasury, with the implementation of the Meditech software at six institutions by the end of 2015/16. This software is an electronic billing system that has potential to add a patient record system and reduce the dependence on manual systems.
- The department has commenced with a pilot of a pharmacy stock control system.

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, as well as briefly looking at the challenges facing the department, and proposed new developments. The department plans to achieve the following:

The bulk of the department's budget allocation is for the delivery of PHC services to the approximately 87 per cent uninsured population of KZN. The main services rendered at PHC level include the comprehensive management of HIV and AIDS, as well as the provision of clinic (including mobiles) and hospital care at a district level. The department also provides hospital care at a general, tertiary and central level, for patients whose levels of care require more specialised services, as well as emergency transport for patients who require urgent attention. In 2016/17, the department will continue with these services and will strive to achieve improvements and enhancements to these services, as set out below.

Prevent and reduce the burden of disease with the main focus on maternal, neonatal, child and women's health, nutrition, TB, HIV and AIDS, and non-communicable conditions, as follows:

- Reduce the mother to child transmission rate of HIV to less than 1 per cent by March 2017.
- Reduce the facility maternal mortality ratio to 115 maternal deaths per 100 000 live births by March 2017.
- Decrease the child under 5 year severe acute malnutrition incidence to 5.2 per 1 000 by March 2017.
- Decrease the TB incidence to 700 per 100 000 population by March 2017.
- Increase the TB client treatment success rate to 86 per cent by March 2017.
- Increase the total number of clients remaining on ARV therapy to 1 205 438 by March 2017.
- Decrease the hypertension incidence to 16.5 per 1 000 by March 2017. This will be monitored to determine the impact of improved screening and early detection of hypertension.
- Decrease the diabetes incidence to 1.3 per 1 000 by March 2017. This will be monitored to determine the impact of improved screening and early detection of diabetes.

Scale up PHC re-engineering with the main focus on implementing the ICRM (Operation Phakisa):

- Increase the percentage of fixed PHC facilities that score above 80 per cent against the Ideal Clinic criteria (dashboard) to 40 per cent by March 2017.

Strengthen and improve hospital efficiencies with the main focus on implementation of an approved hospital rationalisation plan over the next 5 to 10 years:

- Re-classification of hospitals based on service packages, aligned post establishment, review of bed norms per clinical discipline, hospital complexes, emergency units in selected hospitals, roll-out of a patient information system in a phased approach, telehealth, and strengthening of clinical governance. Hospitals targeted will include King Edward VIII, Ngwelezane, King Dinuzulu, and McCord.

Improving human resources for health with the main focus on the finalisation of a costed long term human resources plan:

- Costed organisational structure based on service gaps and established norms and standards (using empirical evidence from current research conducted by the Epidemiology Unit, the Health Economics and HIV and AIDS Research Division (HEARD) at UKZN and supported by WISN, currently implemented in the NHI pilot districts).
- The department will undertake a comprehensive headcount exercise in 2016/17, in conjunction with Provincial Treasury, to identify any ghost employees, with any savings realised to be reprioritised towards existing pressures in *Compensation of employees*, as well as pressures in medicines and medical supplies brought about by the weakening Rand/Dollar exchange rate.
- Pilot the Decentralised Training in a PHC Model in Northern KwaZulu-Natal, with increased intake in the Pietermaritzburg area. This programme seeks to expose health sciences students to practical training at PHC level, as opposed to only at hospital level, as was done in the past.
- The Cuban Doctors' programme will continue. However, as per an instruction from NDOH, no further students are to be enrolled in the programme, and the first graduates are expected to return to the province from 2016/17. The department will continue to carefully monitor this programme as pressures result from exchange rate fluctuations.

Improving financial management where the department intends to:

- Provide an electronic inventory management system in all hospitals and community health centres, along with an electronic billing system in central, tertiary and regional hospitals and selected high volume district hospitals, with 12 institutions expected to be online by the end of 2016/17. As mentioned, the billing system is supplied by Meditech and, apart from billing, will assist in developing a patient record system. In addition, the department plans to introduce an electronic pharmacy management system at all facilities (Rx Solution), an electronic NHLS system in all hospitals and CHCs, and roll out an electronic ordering system for clinics.
- Regarding the NHLS pressures, the department receives additional funding to address the funding gap resulting from the move to the fee-for-service payment mechanism. To further address the gap, the department will review and implement gate-keeping processes to reduce costs.
- Introduce organisational wide roll-out and training on standard operating procedures in finance and SCM, leadership training of district finance managers, benchmarking of best finance practices, mentoring and coaching of junior staff.
- The department will finalise its draft report on addressing the growing problem of medico-legal claims. The report was drafted following a workshop held in 2015 to plan the way forward in addressing the unacceptably high levels of claims against the department and seeks to provide a working framework for medical, clinical, and legal personnel, as well as planning to mitigate and prevent adverse incidents and to promptly deal with the consequences thereof. In conjunction with Provincial Treasury, the recommendations of the report will be finalised and implemented with a view to reducing the financial burden resulting from claims.

Improving quality of care with focus on implementation and annual self-assessment of the National Core Standards and development and implementation of Quality Improvement Plans to address identified gaps:

- Increase the percentage of hospitals that are compliant with all extreme and vital measures of the core standards to 60 per cent (or more) by March 2020. As mentioned, these include, but are not limited to, measures which ensure that the safety of patients and staff is safeguarded so as to not result in unnecessary harm or death.
- Sustain a patient satisfaction rate of 95 per cent (or more) in all health facilities by March 2020.

Improve universal health coverage by implementing the NHI pilot in the 3 identified districts.

- Roll out of the Chronic Medication Dispensing and Supply Model.
- Pilot appropriate referral systems across all institutions in the province.
- As mentioned earlier, the effect of the withdrawal of the NHI grant funding from 2017/18 is still under discussion with NDOH.

4. Receipts and financing

4.1 Summary of receipts

Table 7.1 below gives the source of funding for Vote 7 over the seven year period 2012/13 to 2018/19. The table also compares actual and budgeted receipts against actual and budgeted payments.

In 2012/13, the department received provincial cash resources of R252.320 million for the following:

- R12 million for a vaccine campaign to reduce maternal and child mortality.
- R6.250 million to improve the department's PABX telecommunication systems.
- R185.963 million to address pressures due to the acceleration of various infrastructure projects.
- The balance of R48.107 million was top-up funding for the cost of the higher than budgeted 2012 wage agreement, not fully funded by National Treasury.

Table 7.1 : 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	22 014 761	23 428 519	24 636 764	26 017 187	26 017 310	26 017 310	29 275 163	31 527 554	33 284 270
Conditional grants	5 023 849	5 429 296	6 428 886	6 903 719	6 903 596	6 903 596	7 302 804	8 013 983	8 899 603
Health Professions Training and Development grant	261 860	276 262	292 837	299 513	299 513	299 513	312 377	331 943	351 196
Health Facility Revitalisation grant	1 176 452	1 072 531	1 362 469	1 229 775	1 229 775	1 229 775	1 114 693	1 095 910	1 153 707
National Tertiary Services grant	1 323 114	1 415 731	1 496 427	1 530 246	1 530 246	1 530 246	1 596 286	1 696 266	1 794 649
Comprehensive HIV, AIDS and TB grant	2 225 423	2 652 072	3 257 992	3 813 094	3 812 972	3 812 972	4 244 243	4 889 864	5 555 075
Social Sector EPWP Incentive Grant for Provinces	-	-	2 580	13 000	13 000	13 000	13 000	-	-
EPWP Integrated Grant for Provinces	1 000	3 000	2 581	3 683	3 682	3 682	7 122	-	-
National Health Insurance grant	33 000	9 700	14 000	14 408	14 408	14 408	15 083	-	-
AFCON: Medical Services grant	3 000	-	-	-	-	-	-	-	-
Human Papillomavirus Vaccine grant	-	-	-	-	-	-	-	-	44 976
Total receipts	27 038 610	28 857 815	31 065 650	32 920 906	32 920 906	32 920 906	36 577 967	39 541 537	42 183 873
Total payments	27 390 533	29 531 410	31 245 510	32 981 786	33 969 992	34 314 275	36 578 637	39 541 537	42 183 873
Surplus/(Deficit) before financing	(351 923)	(673 595)	(179 860)	(60 880)	(1 049 086)	(1 393 369)	(670)	-	-
Financing									
of which									
Provincial roll-overs	-	14 949	5 848	-	1 449	1 449	-	-	-
Provincial cash resources	252 320	346 446	47 967	60 880	1 047 637	1 047 637	670	-	-
Surplus/(Deficit) after financing	(99 603)	(312 200)	(126 045)	-	-	(344 283)	-	-	-

Also in 2012/13, the department over-spent by R99.603 million. This was related to the addressing of critical staff needs at PHC level, which included the closing of the gap in standards for municipal clinics taken over from local government, the progressive commissioning of CHCs and the King Dinuzulu Hospital, whereby the department's budget was not keeping pace with new developments. There were also pressures from infrastructure commitments being higher than the budget, and the department being unable to slow down delivery sufficiently during the year to match the final appropriation.

In 2013/14, the department received a roll-over of R14.949 million in respect of the NHI grant. The funds were to be used to pay for medical and surgical equipment, and information technology equipment, which was ordered in 2012/13, but only delivered in 2013/14. Also in 2013/14, the department received additional funding of R346.446 million from provincial cash resources as follows:

- R94.866 million for the take-over costs of McCord Hospital and malpractice insurance premiums.
- R200 million from equitable share funding for infrastructure development pressures.
- R1 million for spending on Operation Sukuma Sakhe (OSS) initiatives, as identified by the MEC.
- R50.580 million for the upgrading and refurbishment of the regional laundry in Dundee.

The over-spending of R312.200 million in 2013/14 relates mainly to pressures against medical supplies and medicines from the clearing of backlog payments from 2012/13 (particularly for ARV drugs), and the introduction of new (more expensive) tenders in District Health Services (DHS). Also causing pressure was the increased demand for regional services, as well as costs for TB medication. In addition, there was pressure resulting from medico-legal claims and higher than expected staff exit costs. Most of the litigation is at regional hospital level, with the additional challenge of a high attrition rate among medical specialists (who provide leadership) and critical shortage of specialised nursing staff. Furthermore, there were more staff exits than anticipated, particularly among the nursing staff.

This 2013/14 over-spending resulted in unauthorised expenditure in terms of the adoption of the resolutions of SCOPA by the Legislature on 9 December 2014. Thus, in terms of Section 34(2) of the PFMA, the department is liable for the repayment thereof. This resulted in the first instalment of the first charge of R107.607 million being implemented in 2015/16 and 2016/17. A final instalment of R107.608 million is implemented in 2017/18. This is reflected as a footnote in Tables 7.6 and 7.7 below.

In 2014/15, the department's equitable share was reduced by R1.769 million related to previous years' irregular expenditure. Cabinet approved that, where departments were unable to provide sufficient justification for the irregular expenditure, it becomes a first charge against the vote. Also in 2014/15, the department received additional funding of R200 million for the Health Facility Revitalisation grant to fund in-year infrastructure pressures. This amount was taken from the indirect National Health grant and allocated to the province as a direct grant.

In addition, a roll-over of R5.848 million was approved in respect of the NHI grant, to pay for the development of a patient record system, with orders placed in 2013/14, but the development process of the system only getting underway in 2014/15.

The department began rolling out the human papillomavirus (HPV) vaccine in 2014/15, which has shown to prevent cervical cancer in women. The funding for the roll-out in 2014/15 and 2015/16 was made available through the NDOH as an indirect grant. An amount of R42.661 million was added to the provincial equitable share in 2016/17 as the programme was intended to become integrated into the normal business of provincial health departments. However, this has since been revised with the HPV vaccine grant, which was scheduled to end in 2015/16, now continuing as an indirect grant for the first two years of the 2016/17 MTEF before changing to a direct grant in 2018/19.

The department was also allocated additional funding of R47.967 million from provincial cash resources in 2014/15 for:

- Trade creditors and VAT at McCord Hospital (R15.870 million, with minor carry-through of R880 000 in 2015/16 and R670 000 in 2016/17, with R703 000 removed from the baseline in 2017/18 as this funding is no longer required).
- Operational costs at St. Mary's Hospital (R30.907 million), pending the finalisation of the transaction advisors' investigation into the potential provincialisation of the hospital.
- Own revenue reallocated back to the department (R1.190 million) being the sale of the McCord Hospital debtors' book, with the funding returned to the department for various infrastructure changes that needed to be made at the hospital to convert it to a specialised eye-care hospital.

In 2015/16, a roll-over of R1.449 million was approved in respect of the NHI conditional grant, to pay for the procurement of four mobile caravan clinics, with orders placed in 2014/15, but only delivered in 2015/16. Also in 2015/16, the department was allocated additional funding of R1.048 billion from provincial cash resources for the following:

- R60 million for the purchase of St. Aidan's Hospital.
- R880 000 for trade creditors and VAT at McCord Hospital.
- R617.778 million for the above-budget 2015 wage agreement.
- R30.479 million for higher than budgeted collection of patient fees, reallocated to the department to fund the Revenue Enhancement Strategy.
- R270.500 million allocated for the NHLS to assist in pressures as a result of moving from a flat-fee payment mechanism to a fee-for-services mechanism.
- R68 million to address pressures arising from medico-legal claims.

In the December 2015 IYM, the department is projecting to over-spend its 2015/16 budget by R344.283 million mainly due to expected home-owners' allowance back-pay (part of the 2015 wage agreement) still to be processed on PERSAL, the costs of ongoing forensic investigations and external service providers assisting in disciplinary cases, as well as NHLS costs which increased due to the department changing its policy from a flat-fee payment to a more expensive fee-for-services payment.

In 2016/17, the department is allocated additional funding of R670 000 from provincial cash resources related to carry-through costs for trade creditors and VAT at McCord Hospital. In addition, additional funding was allocated to the department against the equitable share as follows:

- The department receives R664.889 million, R712.135 million and R765.440 million over the 2016/17 MTEF being carry-through costs of the above-budget 2015 wage agreement.
- The equitable share is reduced over the MTEF by R42.548 million, R42.477 million and R42.406 million due to the previously mentioned revision of the indirect HPV vaccine grant, which was scheduled to end in 2015/16, now continuing as an indirect grant for the first two years of the 2016/17 MTEF before changing to a direct grant in 2018/19.
- Funding of R80 million is provided in 2016/17 only for the once-off purchase of hospital linen.

- Additional funding is allocated to address pressures which have arisen from the change in payment mechanism for NHLS to a fee-for-service payment, with R310.497 million, R329.124 million and R348.872 million allocated over the three years of the MTEF. This amount fully compensates the department for this pressure.
- Funding for pressures related to the weakening exchange rate affecting imported medicines, medical equipment and supplies is allocated R785.696 million, R1.640 billion and R1.648 billion over the MTEF. This cost was calculated at R1.875 billion in 2016/17, growing to R2.122 billion in 2018/19. It is anticipated that the previously mentioned headcount to be undertaken by the department could result in savings which could then be redirected to address this pressure.

Note that, over the 2016/17 MTEF, the Health Facility Revitalisation grant baseline decreases in 2017/18 due to the reforms that were made to the provincial infrastructure grant system that are intended to institutionalise proper planning for infrastructure. Provinces were informed in 2012/13 by National Treasury that they will be required to bid for the infrastructure allocation two years in advance and financial incentives will be built into the infrastructure grant for provinces that implement best practices. In this regard, the department received an increase in 2016/17 in this grant of R109.454 million, as the required planning documents were submitted. This amount subsequently declined to R67.172 million due to the cuts imposed by National Treasury in an effort to lower the country's expenditure ceiling. The outer year shows growth of R53.809 million.

Note also that a number of conditional grants are affected by the effects of fiscal consolidation announced by the National Minister of Finance in 2014, with cuts in 2015/16 and 2016/17 in the Health Professions Training and Development grant, the National Health Insurance grant and the National Tertiary Services grant. The Comprehensive HIV and AIDS grant (now renamed the Comprehensive HIV, AIDS and TB grant) was protected from these cuts.

Further cuts have been affected against three grants over the 2016/17 MTEF due to the adverse economic outlook for the country. These include the Health Facility Revitalisation grant and the Comprehensive HIV, AIDS and TB grant. In addition, the NHI grant ceases as from 2017/18, with the baseline returned to NDOH as part of the national indirect grant for NHI.

The department has been allocated nine national conditional grants over the seven year period, and these are described in more detail in Section 5.5.

4.2 Departmental receipts collection

A summary of revenue collected by the Department of Health over the seven year period under review is reflected in Table 7.2. Details of these departmental receipts are given in *Annexure – Vote 7: Health*.

Table 7.2 : Summary of departmental receipts collection

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	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	218 326	237 077	250 237	231 538	231 538	236 777	255 372	270 359	284 935
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	17	29	31	21	21	37	21	22	23
Interest, dividends and rent on land	186	5 988	143	217	217	49	135	142	149
Sale of capital assets	35 941	9 607	14 009	10 000	10 000	3 900	12 000	12 600	13 230
Transactions in financial assets and liabilities	12 601	18 046	25 513	16 182	16 182	24 633	16 182	17 040	17 892
Total	267 071	270 747	289 933	257 958	257 958	265 396	283 710	300 162	316 229

The bulk of revenue collected by this department is against *Sale of goods and services other than capital assets*. The major receipts under this category relate to patient fees, boarding fees, rentals, parking fees, and commission charged on PERSAL deductions for insurance premiums and garnishees. The high

collection in 2013/14 and 2014/15 was due to higher than anticipated receipts on patient fees. This was due to the continued implementation of revenue enhancement initiatives by the department, in conjunction with Provincial Treasury. Also, the revenue retention incentive by Provincial Treasury, focusing solely on patient fees, is expected to further improve the department's performance going forward. The higher than anticipated collection in the 2015/16 Revised Estimate is mainly from patient fees. The collection on patient fees could have been even higher, but was affected by an unstable pattern of claims paid by the Road Accident Fund due to cash flow challenges with the fund and Compensation for Occupational Injuries and Diseases Act claims not being accepted by the Department of Labour's new IT system. The department anticipates that this issue will be resolved during 2016/17.

Most of the remaining revenue categories do not follow a predictable trend, such as the sale of redundant equipment and vehicles. For this reason, projections for the MTEF were formulated based on historic trends. The collection of revenue from patient fees is influenced by the following factors:

- Due to the socio-economic challenges that exist in the province, most recipients of health services are unable to make a meaningful contribution for the services provided. Through the revenue enhancement programme, the department is focusing on how to optimise revenue from patients who can afford but are currently receiving free services. The department is in the process of improving the revenue and billing system. This system will, among others, be able to identify and verify patients who can afford to pay for health services and eventually identify those who are members or beneficiaries of medical aid schemes. At the time of going to print, the department had not yet been able to revise patient fee projections for the 2016/17 MTEF. These will be revised in 2016/17, for inclusion in the 2017/18 MTEF process. At present, six institutions have implemented the system, with a further six expected to implement during 2016/17.
- The provision of free services at health institutions is for pregnant women, social pensioners, formally unemployed citizens and patients on the ART programme, who do not belong to any medical aid scheme.
- The ongoing review of the Uniform Patient Fee Structure (UPFS) that is applicable to private hospital patients (PHP), i.e. medical aid patients, statutory cases and patients whose income exceeds the limit for free services, resulting in more groups being exempt from the payment of fees and the reduction in fees payable by certain categories of patients.

Fines, penalties and forfeits reflects revenue from parking transgressions, which are difficult to anticipate accurately.

Interest, dividends and rent on land largely reflects interest on staff debts. The reduced collection in this regard in 2014/15 was due to the reversal of interest charged on in-service debts incorrectly set up as interest bearing debts. The fluctuation over the seven-year period is due to the volatility in staff debts, coupled with interest rate changes.

The category *Sale of capital assets* relates largely to the sale of redundant assets such as motor vehicles and equipment. The amounts collected in 2013/14 and 2014/15 are based on the auction sale of vehicles. The lower than anticipated revenue in the 2015/16 Revised Estimate is due to the auction of motor vehicles not conducted as anticipated by the department. The budget over the 2016/17 MTEF is very conservative due to the inconsistency in collecting revenue from this source.

Transactions in financial assets and liabilities relates to the recovery of staff debts, which emanate mainly from salary reversals from previous financial years, breached bursary contracts, refunds of previous years' expenditure, etc. The 2015/16 Revised Estimate is significantly higher than anticipated. Over MTEF the department is very conservative in terms of budgeting for this category, due to its uncertain nature.

4.3 Donor funding

Donor funding received by the department, which falls outside its voted fund allocation, is summarised in Tables 7.3 and 7.4 below.

Table 7.3 : 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	884	3 677	927	960	960	960	-	-	-
European Union PHC project	-	2 000	-	-	-	-	-	-	-
HWSETA Learnership - Edendale Campus	126	-	-	-	-	-	-	-	-
HWSETA Learnership - Head Office	199	-	-	-	-	-	-	-	-
HWSETA Learnership - King Edward Sub-Campus	262	-	-	-	-	-	-	-	-
HWSETA Learnership - Ngwelezane	-	158	-	-	-	-	-	-	-
HWSETA Learnership - Nkandla	105	-	-	-	-	-	-	-	-
HWSETA Learnership - Pharmacy	-	28	-	-	-	-	-	-	-
HWSETA Learnership - Social & Aux	137	-	-	-	-	-	-	-	-
HWSETA	-	1 266	718	960	960	960	-	-	-
MRI Novartis Training	55	-	-	-	-	-	-	-	-
PSETA Learnership - Church of Scotland, Ekombe and Nkandla Hospitals	-	225	84	-	-	-	-	-	-
MASEA Awards	-	-	125	-	-	-	-	-	-
Total	884	3 677	927	960	960	960	-	-	-

Table 7.4 : 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	5 353	668	1 132	10 282	11 242	11 242	-	-	-
Aspen	2 500	-	-	-	-	-	-	-	-
Astra Zeneca	79	88	-	29	29	29	-	-	-
Atlantic Philanthropies	1 507	305	60	7 557	7 557	7 557	-	-	-
Bayer Health Care: Greys	6	-	-	-	-	-	-	-	-
COGTA	225	-	-	3	3	3	-	-	-
Conforth Investments	101	-	18	32	32	32	-	-	-
European Union PHC project	602	-	-	-	-	-	-	-	-
HWSETA Learnership - Bethesda Sub-Campus	101	-	-	20	20	20	-	-	-
HWSETA Learnership - Edendale Campus	-	-	-	126	126	126	-	-	-
HWSETA Learnership - Head Office	-	-	-	236	236	236	-	-	-
HWSETA Learnership - HIV and AIDS Support	-	-	-	45	45	45	-	-	-
HWSETA Learnership - King Edward Sub-Campus	109	1	23	255	255	255	-	-	-
HWSETA Learnership - Mosvold	-	-	-	91	91	91	-	-	-
HWSETA Learnership - Mseleni	-	-	-	12	12	12	-	-	-
HWSETA Learnership - Ngwelezane	-	-	-	158	158	158	-	-	-
HWSETA Learnership - Nkandla	-	73	6	26	26	26	-	-	-
HWSETA Learnership - Pharmacy	-	-	-	28	28	28	-	-	-
HWSETA Learnership - Prince Mshiyeni Hospital	21	18	-	15	15	15	-	-	-
HWSETA Learnership - Social and Auxilliary	102	-	-	35	35	35	-	-	-
HWSETA Learnership - St Aidan's	-	128	-	195	195	195	-	-	-
HWSETA	-	-	1 025	959	1 919	1 919	-	-	-
Impumelelo Trust Innovation	-	-	-	24	24	24	-	-	-
MRI Novartis Training	-	55	-	-	-	-	-	-	-
PSETA Learnership - Church of Scotland, Ekombe and Nkandla Hospitals	-	-	-	309	309	309	-	-	-
SA Breweries	-	-	-	2	2	2	-	-	-
Total	5 353	668	1 132	10 282	11 242	11 242	-	-	-

It is noted that spending on donor funds in Table 7.4 exceeds receipts in Table 7.3. This is due to the roll-over of unspent receipts from previous financial years offsetting expenditure incurred in future years. These roll-overs related mainly to the European Union PHC project and the funding provided by Atlantic Philanthropies. The bulk of the remaining donations are small once-off allocations. The European Union PHC project funding received in 2013/14, was returned to the donor in 2014/15, as the department was not informed of the purpose of the funding.

In 2008/09 and 2009/10, the department received a donation in two instalments of R6 million each from Atlantic Philanthropies, which was used to strengthen the capacity of nursing education institutions in KZN. These funds could not be fully utilised by 2014/15 due to continued delays experienced with the tender process, and R7.557 million was rolled over to 2015/16. The department anticipates fully spending this funding in 2015/16.

The department received new donor funding in 2015/16 from HWSETA amounting to R960 000. These are funds for the learnership programmes in various hospitals and will be spent in 2015/16. No donations are expected over the 2016/17 MTEF, at this stage.

5. Payment summary

This section provides information pertaining to the vote as a whole at an aggregated level, including payments and budgeted estimates in terms of programmes and economic classification. Further details are given in Section 6 below, as well as in the *Annexure – Vote 7: Health*.

5.1 Key assumptions

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

- Although provision should have been made for an inflationary wage adjustment of 7.2 per cent in 2016/17, 6.8 per cent in 2017/18 and 6.8 per cent for 2018/19, as well as 1.5 per cent per year for pay progression, this was not possible due to pressures from the weakening exchange rate and non-negotiables. The department has only provided for a 5.6 per cent, a 6.6 per cent and a 6.1 per cent increase in the three years of the MTEF, respectively. This situation will be reviewed by the department during 2016/17, with the previously mentioned headcount exercise to be undertaken, possibly assisting with these pressures if ghost employees are detected.
- Where feasible, CPI projections were used to calculate inflation related items.
- Funding for the eThekweni Metro municipal clinics will be provided *via* transfer payments over the 2016/17 MTEF.
- 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:
 - 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. Provision was made for the filling of critical vacant posts to enable the department to meet its service delivery needs, while taking cognisance of the need for government to reduce its *Compensation of employees* spend.
 - Departments' equitable share funded *Goods and services* budgets were cut by 2 per cent (also not affecting Education or Health).
 - Departments' and public entities' hosting of events budgets were cut over the MTEF.
 - 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.
 - 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 7.5 shows additional funding received by the department over the three MTEF periods: 2014/15, 2015/16 and 2016/17. 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.

Table 7.5 : 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	231 986	311 746	396 378	416 196	440 335
Re-grading of clerical staff	59 505	68 132	72 561	76 189	80 608
Carry-through of previous wage agreements	125 704	242 734	280 486	294 510	311 592
National priorities:	-	-	42 661	44 794	47 392
<i>Roll-out of HPV vaccine</i>	-	-	42 661	44 794	47 392
McCord Hospital (trade creditors and VAT)	15 870	880	670	703	743
St Mary's Hospital - operations	30 907	-	-	-	-
2015/16 MTEF period		47 368	(1 137)	36 104	38 198
Function shift to Port Health Services to NDOH		(20 379)	(21 459)	(22 597)	(23 908)
Provincial cash resources: Assist with 2014 wage agreement carry-through		79 755	95 748	138 470	146 501
NHLS - Function shift of NICD, NIOH, NCR and training		(72 008)	(75 426)	(79 066)	(83 652)
Removal of McCord Hospital (trade creditors and VAT) in 2017/18		-	-	(703)	(744)
Purchase of St Aidan's Hospital		60 000	-	-	-
2016/17 MTEF period			1 798 534	2 639 093	2 720 278
Above-budget 2015 wage agreement			664 889	712 135	765 440
HPV vaccine reduction			(42 548)	(42 477)	(42 406)
Hospital linen			80 000	-	-
NHLS fee-for-service pressures			310 497	329 124	348 872
Exchange rate pressures - medicine, equipment and supplies			785 696	1 640 311	1 648 372
Total	231 986	359 114	2 193 775	3 091 393	3 198 811

In the 2014/15 MTEF, the following changes were made to the department's baseline:

- Carry-through costs of the re-grading of clerical staff from level 4 to 5 in line with DPSA requirements, as well as the carry-through of previous wage agreements.
- Funding for the roll-out of the HPV vaccine commencing in 2016/17.
- Additional funding related to the take-over costs for McCord Hospital.
- Additional funding in 2014/15 only for operational costs at St. Mary's Hospital, pending the activities of transaction advisors investigating the possible provincialisation of the hospital.

In the 2015/16 MTEF, the following changes were made to the department's baseline:

- Carry-through costs of the above-budget 2014 wage agreement. Note that this did not cover the full carry-through costs as National Treasury did not provide these as part of fiscal consolidation and the province assisted as far as possible in this regard, with only about 40 per cent of the costs covered.
- Additional funding related to the purchase of St Aidan's Hospital.
- The budget was reduced as a result of the function shift of Port Health Services to the National Department of Health.
- Also shown is the ceasing of funding for the takeover of McCord Hospital in 2017/18.

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. 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. However, 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. As such, the department was protected from these cuts.

In the 2016/17 MTEF, the following changes are made to the department's baseline:

- Carry-through costs of the above-budget 2015 wage agreement.
- The HPV vaccine funding, which was scheduled to end as an indirect grant in 2015/16 and become part of the department's equitable share from 2016/17, continues as an indirect grant for the first two years of the 2016/17 MTEF before changing to a direct grant in 2018/19. This funding is thus removed from the equitable share baseline.

- Funding is provided in 2016/17 only for the once-off purchase of hospital linen.
- Additional funding to fully address pressures which have arisen from the change in payment mechanism for NHLS to a fee-for-service payment.
- Additional funding for pressures related to the weakening exchange rate affecting imported medicines, medical equipment and supplies. Note that, as mentioned earlier, these pressures are not fully funded.

Note that additional funding was allocated in the 2012/13 MTEF for improving infrastructure support. Although no longer visible in Table 7.5, this funding was specifically and exclusively appropriated and the department has not yet completed the implementation of its revised infrastructure staffing structure that this funding was intended for. Thus amounts of R22.743 million, R23.880 million and R25.265 million remain ring-fenced for this purpose over the three years of the 2016/17 MTEF.

5.3 Summary by programme and economic classification

The department has eight budget programmes in total, with four of them directly linked to the core functions of the department, and they fully adhere to the generic Health sector structure.

Tables 7.6 and 7.7 below provide a summary of payments and estimates of these eight programmes, as well as per economic classification.

As explained previously, the department is liable for the repayment of over-expenditure in 2013/14, resulting in a first charge against the department's budget from 2015/16 to 2017/18, and this is reflected under Programme 1: Administration and against *Payments for financial assets*. This is shown as a footnote in Tables 7.6 and 7.7 below.

Most programmes show sustained growth from 2012/13 to 2018/19, with conditional grants accounting for a significant portion of this increase, along with the previously mentioned additional funding by the province for exchange rate and NHLS pressures.

Note that, as previously mentioned, the allocation for the Health Facility Revitalisation grant is relatively low in the outer years due to the reforms that were made to the provincial infrastructure grant system that are intended to institutionalise proper planning for infrastructure. This affects Programme 8: Health Facilities Management and *Buildings and other fixed structures* in 2017/18 and 2018/19.

The increase over the 2016/17 MTEF incorporates the carry-through costs of previous wage agreements and the increases to existing conditional grants, as well as the previously mentioned additional funding, with carry-through, for the pressures in NHLS due to the change in payment mechanism to fee-for-service, and to assist with the pressures on imported medicines, medical supplies and equipment, resulting from the weakening exchange rate.

Table 7.6 : Summary of payments and estimates by programme: Health

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	635 763	689 089	701 925	737 119	768 148	883 320	839 035	851 680	861 440
2. District Health Services	11 516 435	12 947 599	14 334 353	15 578 862	15 969 171	16 064 356	17 370 402	19 014 674	20 568 421
3. Emergency Medical Services	926 036	1 009 940	1 068 113	1 160 311	1 185 636	1 185 636	1 199 775	1 277 350	1 347 186
4. Provincial Hospital Services	7 567 375	8 121 196	8 473 425	8 775 638	9 213 546	9 213 546	9 723 434	10 310 751	10 910 116
5. Central Hospital Services	3 338 850	3 640 586	3 817 800	3 984 966	4 088 601	4 193 956	4 435 839	4 849 362	5 076 659
6. Health Sciences and Training	901 935	999 351	1 018 949	1 055 250	1 055 250	1 055 250	1 100 150	1 166 683	1 234 351
7. Health Care Support Services	130 541	122 844	151 908	138 288	138 288	166 859	326 487	255 354	270 163
8. Health Facilities Management	2 373 597	2 000 806	1 679 037	1 551 352	1 551 352	1 551 352	1 583 515	1 815 683	1 915 537
Total	27 390 533	29 531 410	31 245 510	32 981 786	33 969 992	34 314 275	36 578 637	39 541 537	42 183 873
Unauth. Exp. (1st charge) not available for spending	-	-	-	(107 607)	(107 607)	(107 607)	(107 607)	(107 608)	-
Baseline available for spending after 1st charge	27 390 533	29 531 410	31 245 510	32 874 179	33 862 385	34 206 668	36 471 030	39 433 929	42 183 873

Table 7.7 : Summary of payments and estimates by economic classification: Health

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	24 746 845	26 890 291	28 911 128	30 780 575	31 631 280	32 021 520	34 374 587	36 984 175	39 633 268
Compensation of employees	16 886 345	18 676 776	20 014 542	21 138 481	21 625 944	21 830 915	23 096 722	24 633 318	26 187 519
Goods and services	7 860 500	8 213 347	8 895 900	9 642 094	10 005 170	10 190 139	11 277 865	12 350 857	13 445 749
Interest and rent on land	-	169	686	-	166	466	-	-	-
Transfers and subsidies to:	486 764	740 159	828 088	648 156	843 119	858 059	734 473	786 547	825 156
Provinces and municipalities	26 330	79 199	122 618	111 290	211 540	210 157	174 707	206 347	211 991
Departmental agencies and accounts	25 351	11 370	15 895	16 171	19 046	18 960	20 025	17 876	18 912
Higher education institutions	57	501	16	-	-	-	-	-	-
Foreign governments and international organisations	-	-	66	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	277 586	256 751	222 051	215 100	197 039	196 932	203 313	210 687	222 241
Households	157 440	392 339	467 442	305 595	415 494	432 010	336 428	351 637	372 012
Payments for capital assets	2 156 923	1 867 332	1 505 879	1 445 448	1 387 977	1 324 660	1 361 970	1 663 207	1 725 449
Buildings and other fixed structures	1 662 936	1 530 972	1 206 505	1 143 659	1 097 558	1 102 958	896 221	967 681	989 128
Machinery and equipment	493 987	336 179	299 374	301 789	290 419	221 702	465 749	695 526	736 321
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	181	-	-	-	-	-	-	-
Payments for financial assets	1	33 629	415	107 607	107 616	110 036	107 607	107 608	-
Total	27 390 533	29 531 410	31 245 510	32 981 786	33 969 992	34 314 275	36 578 637	39 541 537	42 183 873
Unauth. Exp. (1st charge) not available for spending	-	-	-	(107 607)	(107 607)	(107 607)	(107 607)	(107 608)	-
Baseline available for spending after 1st charge	27 390 533	29 531 410	31 245 510	32 874 179	33 862 385	34 206 668	36 471 030	39 433 929	42 183 873

The increase in Programme 1: Administration in 2013/14 was due to improved personnel capacity at head office to reduce dependence on consultants, as well as to improve audit outcomes, to cover extensive fraud investigations at head office and to provide for an increase in municipal and security costs. Also contributing to the growth in 2013/14 were pressures from forensic investigations, communications and computer services. The minimal growth in 2014/15 was attributed to the decision to scale down in respect of the procurement of new computers and motor vehicles. As previously mentioned, the department was liable for the first charge of the unauthorised expenditure which was to be paid over a period of three years, hence the increase in 2015/16. The increase in the 2015/16 Revised Estimate is due to pressures from forensic/disciplinary investigations, higher than expected A-G costs, as well as business advisory services. The reduction in 2016/17 from the 2015/16 Revised Estimate is attributable to a decision to utilise internal capacity to conduct disciplinary inquiries, with only complex cases to be referred to consultants, with growth thereafter for inflationary purposes only.

The increase in Programme 2: District Health Services over the seven years relates mainly to the restructuring of the department to improve service delivery at the PHC level. In addition, expenditure included the various wage agreements and increases in the Comprehensive HIV, AIDS and TB grant. The increase in 2013/14 was caused by over-expenditure due to the restructuring of PHC services, increased costs in ARV medication and micro-nutrients, municipal domestic charges, computer and essential medical equipment. The increase in 2014/15 was due to the filling of critical posts related to community outreach programmes and the roll-out of flu vaccines with no funding from the National Department of Health. The increase in the 2015/16 Adjusted Appropriation and the further increase in the Revised Estimate are due to the above-budget 2015 wage agreement, an increase in NHLS payments due to the fee-for-services payment method that was introduced, the municipal clinics carry-over expenditure from 2014/15 and the extreme pressure in respect of non-negotiable items such as medicines, medical supplies, laboratory services, patient catering, security and cleaning services. This group of items is under extreme pressure due to increases in contract prices of security and cleaning services and increased medicine costs due to the weakening of the Rand. The MTEF includes funding for the carry-through costs of previous wage agreements, general capacity building, additional NHLS and exchange rate pressure funding, as well as strong growth in the Comprehensive HIV, AIDS and TB grant, particularly in 2018/19.

In Programme 3: Emergency Medical Services, the overall growth is due to the continued drive to improve emergency medical services. The growth in 2013/14 and the 2015/16 Adjusted Appropriation is due to the once-off purchase of additional ambulances to continue the expansion of services to under-served areas. The increase in 2013/14 was also due to the increased demand for air ambulance services, increasing fuel

costs and pressures arising from the implementation of danger allowances for paramedic staff. Spending in 2015/16 also includes emergency vehicles and aeromedical services carry-over expenditure from 2014/15, hence the slower growth in 2014/15 and minimal growth in 2016/17. The relatively flat growth in 2016/17 relates to the expected decline in repair costs of emergency vehicles due to the stringent control measures to be implemented in 2016/17 and over the MTEF period. These measures will involve the appointment of an assessor to manage all the repairs and there will be verification of invoices before any commitment.

Overall, Programme 4: Provincial Hospital Services grows consistently over the entire period. The increase in 2013/14 was mainly due to the higher than expected medico-legal claims against the state and staff exit costs were significantly higher than anticipated, as well as pressures in the cost of medicines. The increase in 2015/16 is due to the previously mentioned NHLS fee-for-services payments, increased costs of non-negotiable items, water, electricity, as well as claims against the state. The slightly slower growth in 2016/17 is due to medico-legal claims not being budgeted for, mitigated by an increase in funding for the previously mentioned increase in NHLS fee-for-services costs. The 2016/17 MTEF includes carry-through costs for previous wage agreements, as well as the NHLS costs.

The sustained growth in Programme 5: Central Hospital Services from 2012/13 to 2018/19 relates mainly to the provision for the development and improvement of tertiary services. The impact of the introduction of the various OSDs for medical personnel, higher medical inflation and the Rand/Dollar exchange rate are also reflected in the trends. The increase in 2013/14 to 2015/16 was mainly due to higher than expected costs for the PPP at the Inkosi Albert Luthuli Central Hospital (IALCH). These costs are subject to exchange rate fluctuations. In addition, there was some over-spending against medical supplies, also influenced by the exchange rate and medical inflation. The lower growth in 2014/15 was due to the delay in the final quarterly payment to the PPP at IALCH. The increase in the 2015/16 Revised Estimate is mainly related to the filling of critical posts to strengthen neonatal services, as well as the PPP payment carry-over expenditure from 2014/15. The 2016/17 MTEF includes carry-through costs of previous wage agreements. Although additional funding has been received for NHLS and exchange rate pressures, the 2016/17 MTEF does not fully fund higher medical inflation, the effect of the weakening Rand/Dollar exchange rate on medicine, medical supplies, the PPP agreement, as well as the 2015 wage agreement carry-through costs, which are the major cost drivers under this programme. The latter pressure has resulted from the housing allowance increase causing many more employees taking up the allowance, whereas initial costs were based on the original number of recipients.

Programme 6: Health Sciences and Training shows consistent growth. The increase in 2013/14 related to training of an additional 351 doctors under the Cuban Doctors' programme, which commenced in 2012/13. Additional doctors were enrolled in this programme in 2014/15 and 2015/16, whereas the intake in some nursing training programmes was scaled down, hence the slower growth in 2014/15 and 2015/16. The weakening Rand/Dollar exchange rate has contributed to the increased costs for this programme. Growth over the 2016/17 MTEF accounts for inflation only. The department has received a written directive from NDOH that there should be no further recruitment for the Cuban Doctors' programme for the 2016 intake. It is projected that the number of students returning from Cuba will be 14 in 2016/17, 14 in 2017/18 and 13 in 2018/19, as mentioned previously.

Programme 7: Health Care Support Services is to enable the Provincial Medical Supply Centre (PMSC) to carry sufficient medical stock to meet demand. The significant reduction in 2013/14 was because there was no need to top up the Medicine Trading Account, due to sufficient funding. Funding for 2015/16 and 2016/17 provides for the commissioning of the KwaZulu Provincial Laundry. Once-off additional linen and laundry trucks will be procured during this period, explaining the increase in the 2015/16 Revised Estimate. Furthermore, the previously mentioned once-off additional funding of R80 million for hospital linen is allocated in 2016/17, accounting for the negative growth in 2017/18. In addition, there were delays in the commissioning of the KwaZulu Provincial Laundry in 2015/16, hence there were further costs in 2015/16 related to the outsourcing of laundry services.

Programme 8: Health Facilities Management is mainly financed through conditional grant funding, and the performance of this programme is directly linked to the Health Facility Revitalisation grant. The variances in this programme also account for the variances against *Buildings and other fixed structures*. The high base in 2012/13 was due to the acceleration in the delivery of infrastructure projects such as Dr.

Pixley Ka Seme Hospital, the Pomeroy and Dannhauser CHCs, the King Dinuzulu Hospital (former King George V Hospital) TB Complex, alterations and additions to the Lower Umfolozi War Memorial (LUWM) Hospital, as well as the upgrade of electrical reticulation at the Ngwelezane District Hospital. The pressure in the delivery of infrastructure projects already on site continued in 2013/14, hence the relatively high spending in 2013/14 which also included pressures in the supply of the KwaZulu Provincial Laundry and essential health technology equipment, LUWM Hospital for alterations and additions, as well as for the upgrade of electrical systems at the Ngwelezane District Hospital. The slightly lower trend over the 2016/17 MTEF is due to the previously mentioned reforms that were made to the provincial infrastructure grant system that are intended to institutionalise proper planning for infrastructure. As mentioned, baseline cuts were effected against both the equitable share and conditional grants from 2013/14 onward, and funding was also reprioritised from the equitable share portion of this programme, to other programmes, to cover the cost of commissioning facilities which have been completed and for which no funding was provided, for example, King Dinuzulu Hospital, Dannhauser CHC, Pomeroy CHC and clinics. These reductions have been offset to some extent by additional funding allocated over the MTEF for the impact of the weakening exchange rate on the cost of medical equipment.

Compensation of employees shows a strong upward trend from 2012/13 to 2015/16, mainly due to the carry-through costs of the various OSDs for medical personnel and other staff categories, as well as higher than anticipated wage agreements. In addition, from 2010/11, the department commenced restructuring its service delivery by strengthening services at PHC level. This required the employment of additional personnel at clinics and CHCs. Funding was provided from 2011/12 for the OSDs for medical personnel, health team pilots and models and improving hospital norms and standards, among others, with substantial growth in 2012/13 and 2013/14 for the latter items. In addition, there were carry-through costs for OSDs and improving infrastructure support. The increase in 2013/14 was mainly due to the late implementation of OSD for maternity nursing staff, and the filling of critical HIV and AIDS and CHC posts. The increase in 2014/15 was due to pressures from the takeover of McCord Hospital (R53 million), the above-budget 2014 annual wage agreement (R171 million) and the absorption of staff (mainly community service) with contractual obligations (R70 million). The increase in the 2015/16 Revised Estimate relates to the increase in the housing allowance, which formed part of the 2015 wage agreement. The low growth in 2016/17 is attributable to the previously mentioned under-funded increase in housing allowance at this stage, as well as the need to fund the increasing costs of the non-negotiables. The growth over the outer years of the 2016/17 MTEF is also low and does not cover inflationary adjustments due to exchange rate pressures and the funding of non-negotiables. As mentioned, this will need to be reviewed in-year by the department.

Goods and services increases substantially from 2012/13 to 2016/17. As mentioned, the department now provides for the payment of NHLS costs via a fee-for-services mechanism which is significantly higher than the previous flat-fee rate. The pressure under this item is primarily related to the increase in demand for health services, the high rate of inflation on medical supplies and services, as well as increased catering and fuel costs. Other contributing factors are the increasing demand for ART, treatment of MDR/XDR TB, the introduction of specific projects such as the reduction of infant and child mortality through immunisation, increased costs of non-negotiables, increased costs of water and electricity, as well as a substantial increase in the Comprehensive HIV, AIDS and TB grant. The increase in 2013/14 included pressure from ARVs and other medication, forensic investigations and rising fuel costs. The increase in 2014/15 related to the acceleration in the maintenance and repairs of existing facilities, pressures in forensic investigations, IT services and consultants. In addition, there were pressures against medicine (flu vaccines and oral contraceptives), increased contract prices for medical supplies and security, patient catering and groceries. The growth in 2015/16 and 2016/17 includes additional funding for NHLS pressures, ARV treatment, the carry-through costs of national priority initiatives, acceleration in the day-to-day maintenance of existing facilities, as well as inflationary adjustments. The growth in 2018/19 relates to the previously mentioned additional funding for the inclusion of TB into the Comprehensive HIV, AIDS and TB grant. Note that the department's costs for medicines, medical supplies and medical equipment will be impacted by the deteriorating Rand/Dollar exchange rate as more than 90 per cent of these items are imported, and this is likely to add significant pressure if the exchange rate does not improve. As mentioned earlier, additional funding in this regard has been allocated for these pressures over the 2016/17 MTEF, however, the funding falls short of the amount required.

The 2013/14 and 2014/15 spending on *Interest and rent on land* largely relates to interest costs on medico-legal claims, while the expenditure in 2015/16 relates to interest on over-due accounts.

The strong growth from 2013/14 to 2015/16 against *Transfers and subsidies to: Provinces and municipalities* relates mainly to the commitment to strengthen the treatment of HIV and AIDS by municipal clinics and ensure that the levels of care provided meet provincial standards. There were delays in the signing of SLAs with the eThekweni Metro in 2014/15 which resulted in expenditure being carried over to 2015/16, hence the high growth in the 2015/16 Adjusted Appropriation followed by negative growth in 2016/17.

The decrease against *Transfers and subsidies to: Departmental agencies and accounts* in 2013/14 was because there was no need to top up the Medicine Trading Account in that year. The increase in 2014/15 and the 2015/16 Adjusted Appropriation provides for the HWSETA levy, in line with the growth in *Compensation of employees*. Growth over the 2016/17 MTEF is for inflationary purposes only.

The decrease in *Transfers and subsidies to: Non-profit institutions* in 2013/14 was due to the transfers budgeted for McCord Hospital no longer being required following the negotiations and take-over by the state. The negative growth in 2014/15 was due to the provincialisation of McCord Hospital as the funding for the hospital has moved to other categories, and is discussed in more detail in Section 5.9. In addition, the department had made provision for the phased-in contribution to the KZN Children's Hospital infrastructure and renovations up to 2013/14, with no provision made thereafter. The reduction in the 2015/16 Adjusted Appropriation is due to funds that were earmarked for further negotiations with the non-profit institutions across various sub-programmes and thus not allocated to any specific project, which were reprioritised to offset previously mentioned pressures under municipal clinics.

The fluctuating trend reflected in *Transfers and subsidies to: Households* relates to staff exit costs and medico-legal claims. The increasing trend from 2013/14 to 2015/16 was related to the higher than expected medico-legal claims and pressures regarding the Cuban Doctors' programme. Although, as previously mentioned, NDOH has given instructions that no further recruitment is to take place, the costs for those already in Cuba are influenced by the fluctuating exchange rate, with an average of 14 per year expected to return over the MTEF, and thereafter undergo a further 18 months of local training before graduating. There are no provisions for the medico-legal claims in the 2016/17 MTEF, hence the declining trend over the MTEF period. The department cannot reprioritise funds to medico-legal claims at this stage due to other competing service delivery needs, and this will need be addressed in-year by the department.

As mentioned in Programme 8 above, the trends for *Buildings and other fixed structures* show high spending in 2012/13 and 2013/14 due to the ongoing focus on improving physical facilities, including the provision of essential equipment. Much of this increase was attributable to significant increases in the Health Facility Revitalisation grant, as well as the development of forensic pathology services, affecting mainly *Buildings and other fixed structures*. The high 2012/13 amount was attributed to acceleration in a number of infrastructure projects on site that could not be stopped without incurring further costs to the department. These included the Dr Pixley ka Seme Hospital, the Pomeroy and Dannhauser CHCs, the King Dinuzulu Hospital TB Complex, alterations and additions to the LUWM Hospital, as well as the upgrade of electrical reticulation at the Ngwelezane District Hospital. From 2013/14, the trend reduces in line with the availability of funds, and the reprioritisation of some of this funding from new projects to accelerate the day-to-day maintenance of existing infrastructure. The 2016/17 MTEF trend is affected by the previously mentioned reduction in the Health Facility Revitalisation grant from 2016/17.

The high base in *Machinery and equipment* in 2012/13 relates mainly to the drive undertaken to clear the backlog in the procurement of essential health technology equipment and to replace all redundant and leased computer and printing equipment. In addition, there were purchases of additional motor vehicles for the ward-based community outreach programme, the replacement of old ambulances, the purchase of additional ambulances to expand emergency medical services to under-served rural areas, which all started in 2011/12. The census related baseline cuts resulted in the department having to reprioritise funding to other non-negotiable service delivery imperatives, hence the decrease in this category over this period. The negative trend in 2014/15 and 2015/16 can mainly be attributed to the census related baseline budget cuts which were made, as the funding was required for the committed and contracted capital projects

which were in construction phase. The high growth in 2016/17 is attributable to the increased allocation to clear the backlog in the procurement of medical equipment caused by the previously mentioned budget cuts. The 2016/17 MTEF trend is affected by the previously mentioned reduction in the Health Facility Revitalisation grant from 2016/17, as well as the increase in funding to address exchange rate pressures.

Payments for financial assets reflect debts that were written-off over the period, as well as the payments for the unauthorised expenditure first charge.

5.4 Summary of conditional grant payments and estimates

Tables 7.8 and 7.9 illustrate conditional grant payments and estimates from 2012/13 to 2018/19. Details of all conditional grants are listed below, with further detail given in *Annexure – Vote 7: Health*.

Note that the historical figures set out in Table 7.1 for the period 2012/13 to 2015/16 indicate the actual receipts for each grant, as well as other technical adjustments, and therefore should not be compared to the figures reflected in Table 7.8 below.

Table 7.8 : Summary of conditional grants payments and estimates by name

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Health Professions Training and Development grant	261 860	276 262	292 847	299 513	299 513	299 513	312 377	331 943	351 196
Health Facility Revitalisation grant	1 176 514	1 072 529	1 362 469	1 229 775	1 229 775	1 229 775	1 114 693	1 095 910	1 153 707
National Tertiary Services grant	1 323 114	1 415 743	1 496 426	1 530 246	1 530 246	1 530 246	1 596 286	1 696 266	1 794 649
Comprehensive HIV, AIDS and TB grant	2 225 423	2 651 997	3 258 231	3 813 094	3 812 972	3 812 972	4 244 243	4 889 864	5 555 075
Human Papillomavirus Vaccine grant	-	-	-	-	-	-	-	-	44 976
Social Sector EPWP Incentive Grant for Provinces	-	-	2 580	13 000	13 000	13 000	13 000	-	-
EPWP Integrated Grant for Provinces	1 000	3 000	2 581	3 683	3 682	3 682	7 122	-	-
National Health Insurance grant	17 115	15 520	18 399	14 408	15 857	15 857	15 083	-	-
AFCON 2013: Medical Services grant	1 672	-	-	-	-	-	-	-	-
Total	5 006 698	5 435 051	6 433 533	6 903 719	6 905 045	6 905 045	7 302 804	8 013 983	8 899 603

Table 7.9 : Summary of conditional grants payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	3 710 600	4 339 798	5 043 090	5 676 469	5 894 088	5 899 188	6 451 573	7 112 913	7 991 991
Compensation of employees	2 132 513	2 725 666	3 001 076	3 176 492	3 208 562	3 207 497	3 319 815	3 715 010	4 014 601
Goods and services	1 578 087	1 614 127	2 042 013	2 499 977	2 685 526	2 691 691	3 131 758	3 397 903	3 977 390
Other	-	5	1	-	-	-	-	-	-
Transfers and subsidies to:	11 336	16 464	64 454	67 009	82 247	84 072	91 020	95 564	101 106
Provinces and municipalities	-	7	40 001	30 000	60 000	60 000	70 000	73 500	77 763
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	11 336	12 742	14 291	27 000	12 607	14 586	11 507	12 174	12 880
Households	-	3 715	10 162	10 009	9 640	9 486	9 513	9 890	10 463
Payments for capital assets	1 284 762	1 078 789	1 325 989	1 160 241	928 710	921 785	760 211	805 506	806 506
Buildings and other fixed structures	979 788	1 021 351	1 171 045	1 143 659	891 271	891 271	731 455	778 832	775 832
Machinery and equipment	304 974	57 438	154 944	16 582	37 439	30 514	28 756	26 674	30 674
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	5 006 698	5 435 051	6 433 533	6 903 719	6 905 045	6 905 045	7 302 804	8 013 983	8 899 603

The *Health Professions Training and Development grant* supports the department in providing funding for operational costs associated with the training and development of health professionals, development and recruitment of medical specialists in under-served provinces and support and strengthen under-graduate teaching and training processes in health facilities. The trend in this grant over the seven years reflects inflationary increases only. A decision was taken in 2011/12 to use the grant to fund the personnel costs of registrars only. The grant receives an inflation related adjustment of R19.253 million in 2018/19.

The **Health Facility Revitalisation grant** has the following aims:

- To accelerate the construction, maintenance, upgrading and rehabilitation of new and existing health infrastructure.
- To enable provinces to plan, manage, modernise, rationalise and transform the infrastructure, health technology, monitoring and evaluation of hospitals and to transform hospital management and improve quality of care, in line with national policy objectives.
- To supplement provincial funding of health infrastructure, to accelerate the provision of health facilities including office furniture and related equipment, as well as to ensure proper maintenance of provincial health infrastructure for nursing colleges and schools.

The high spending in 2012/13 in the Health Facility Revitalisation grant relates primarily to the intensive drive to improve the physical health facilities in KZN. The decrease in 2013/14 relates to the census based budget cuts. As mentioned previously, the allocation for this grant reduces in the outer years due to the reforms that were made to the provincial infrastructure grant system that are intended to institutionalise proper planning for infrastructure. However, the department received an increase in 2016/17 in this grant of R109.454 million, as the required planning documents were submitted. However, this grant was subject to reductions over the 2016/17 MTEF because of the constrained national economy amounting to R42.282 million in 2016/17, resulting in a net increase of R67.172 million. The grant is reduced by R3.988 million in 2017/18 and grows in 2018/19 by R53.809 million.

The **National Tertiary Services grant** is used to enable provinces to plan, modernise, rationalise and transform the tertiary hospital service delivery platform in line with national policy objectives, including improving access and equity. The increasing trend relates mainly to additional funding provided for the modernisation of tertiary services. The grant receives additional funding of R98.383 million in 2018/19.

The **Comprehensive HIV, AIDS and TB grant** is provided to enable the sector to develop effective and integrated management of HIV, AIDS and TB, to support the implementation of the National Operational Plan for comprehensive HIV and AIDS treatment and care and to subsidise, in part, funding for the ARV treatment programme. Note that the grant has been extended with the focus to now include TB. As such, the name of the grant is amended to take this into account and a sizeable additional allocation is received, particularly in the outer year. The substantial growth indicates the critical importance placed on managing this pandemic. From 2012/13, funding was increased to enable the ARV threshold to be reduced to a CD4 count of 350. The grant continues to grow strongly over the 2016/17 MTEF, with the growth in 2016/17 providing for increased ARV take-up rate and the impact of the withdrawal of PEPFAR donor funding used for HIV and AIDS prevention, care and treatment programmes within this grant. Furthermore, the province has succeeded in motivating for an increase in funding based on the fact that historical funding saw KZN receive 25 per cent of the national grant funding, while carrying approximately 31 per cent of the national case-load. This funding, reallocated from other provinces, is phased in over two years (2014/15 and 2015/16) to allow the other provinces time to adjust to their lower levels of funding. The grant allocation also provides for the rising CD4 threshold rising from 350 to 500 from 2015/16 onwards. The increase in the baseline is for the continued expansion of the Antiretroviral Treatment Programme (in 2018/19), HIV prevention and to cater for TB screening and treatment (in the outer years). Note that this grant was subject to baseline cuts in the first two years of the 2016/17 MTEF due to the constrained national economy with R48.853 million cut in 2016/17 and R3.084 million in 2017/18. However, the reduction in 2017/18 is offset by an increase of R52 million for the extension in focus to now include TB, with a further significant increase in 2018/19 of R714.127 million.

The **Human Papillomavirus Vaccine grant**, which was scheduled to end in 2015/16, continues as an indirect grant for the first two years of the 2016/17 MTEF before changing to a direct grant in 2018/19, with R44.976 million allocated to this grant in 2018/19.

The **Social Sector EPWP Incentive Grant for Provinces** subsidises non-profit organisations in home community-based care programmes to provide stipends to previously unpaid volunteers to maximise job creation and skills development in line with the EPWP guidelines. There was no funding for this grant in 2012/13 and 2013/14 and these functions were paid from the equitable share. With the resumption of the

grant in 2014/15, the department utilises the funding to subsidise home community-based care-givers and receives R13 million in 2016/17.

The *EPWP Integrated Grant for Provinces* is used to enhance the number of full time equivalent jobs created through labour intensive infrastructure programmes, which utilises local people to maintain grounds and clean buildings. Note that funding is provided for 2016/17 only, with R7.122 million allocated in this regard.

The *National Health Insurance grant* has been allocated to provide financial support for the development of projects directed at improving health delivery in line with the requirements of the introduction of the NHI. The grant was reduced significantly from 2013/14, due to an indirect National Health grant, which will be spent by the NDOH on behalf of provinces. The new grant has two components, one to support infrastructure projects and the second to support the NHI scheme pilots. The high amount in 2013/14 is due to a roll-over from 2012/13 for medical, surgical and information technology equipment ordered in 2012/13, but only delivered in 2013/14. Similarly, the high 2014/15 amount relates to a roll-over of R5.848 million from 2013/14 for a patient record system, ordered in 2013/14 but only delivered in 2014/15. The growth in 2016/17 is for inflation only, and the grant ceases in 2016/17, to become part of the indirect grant at NDOH.

The *AFCON 2013: Medical Services grant* was a grant which provided once-off funding allocated in 2012/13 for support to the African Cup of Nations (AFCON) tournament.

The increase from 2013/14 in *Compensation of employees* results mainly from the decision to incorporate the payment of registrars (medical specialists in training) into the Health Professions Training and Development grant, the increase in the number of HIV and AIDS projects driven by the improved HIV and AIDS ARV policy resulting in the need to employ more staff, and the implementation of the OSDs for medical personnel. The high growth in the outer year relates to additional funds for the Comprehensive HIV, AIDS and TB grant, allocated to enhance staffing levels to match the growth in levels of treatment and to cater for TB screening and treatment.

The significant increase in *Goods and services* from 2012/13 onward is directly linked to the growth in the Comprehensive HIV, AIDS and TB grant. This is linked to the funding provided for ARVs, the anticipated increase in the uptake of additional patients on the ARV programme, the increased cost of the ARV medicines to be covered by the department's budget due to the ceasing of funding by international donors, the increased costs of micro-nutrients, as well as provision for the male circumcision programme. As previously mentioned, this grant is extended in focus to now include TB and therefore the significant growth is for the continued expansion of the ARV programme, HIV prevention and to cater for TB screening and treatment (in the outer years). The increase in the 2015/16 Adjusted Appropriation relates to funding reprioritised from *Buildings and other fixed structures* (within the Health Facilities Revitalisation grant) due to slower than expected progress on the Dr. Pixley ka Seme Hospital due to slow SCM processes by the implementing agent. This funding will be used for maintenance and repairs of existing infrastructure.

Transfers and subsidies to: Provinces and municipalities grows significantly in 2014/15 related to support for municipal clinics in the treatment of HIV and AIDS. The further increase in 2015/16 is due to the carry-over of expenditure from 2014/15 resulting from delays in finalising the SLAs with the eThekweni Metro for municipal clinics. The funding against *Transfers and subsidies to: Non-profit institutions* relates to similar support to NGOs for treatment related to HIV and AIDS.

The increasing trend in *Buildings and other fixed structures* from 2012/13 to 2014/15 relates to the drive to improve infrastructure, in line with the trends in the Health Facility Revitalisation grant. The decrease in the 2015/16 Adjusted Appropriation was mainly due to the previously mentioned slower than expected progress on the Dr. Pixley ka Seme Hospital, with funding redirected to maintenance projects. The 2016/17 MTEF trend is lower from 2016/17 onward due to the previously mentioned decrease in the Health Facility Revitalisation grant.

The fluctuating trend in *Machinery and equipment* relates to the variation in the business plans of the grants related to this category, mainly the Health Facility Revitalisation grant and the National Tertiary

Services grant. The decrease in 2013/14 is attributed to reprioritisation to *Buildings and other fixed structures* to address pressures. The decrease in 2016/17 relates to the previously mentioned decrease in the Health Facility Revitalisation grant. Allocations over the 2016/17 MTEF have been made in accordance with the business plans of the relevant grants.

5.5 Summary of infrastructure payments and estimates

Table 7.10 below presents a summary of infrastructure payments and estimates by categories for Vote 7. Detailed information on infrastructure is given in the *Annexure – Vote 7: Health*.

The infrastructure trend decreases between 2012/13 to 2015/16, resulting from the previously mentioned census based budget cuts. Thereafter, the trend stabilises and is largely in line with the Health Facility Revitalisation grant, affecting mainly *New infrastructure assets: Capital, Upgrades and additions: Capital*, as well as *Refurbishment and rehabilitation: Capital*.

The department provided for the building of additional CHCs and clinics, particularly from 2012/13 to 2014/15, in line with its service delivery plan, as well as the upgrading or replacement of hospitals and clinics in a state of disrepair.

Table 7.10 : Summary of infrastructure payments and estimates by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Existing infrastructure assets	1 675 290	1 480 827	1 259 591	925 285	983 616	1 033 644	955 355	1 193 882	1 312 683
Maintenance and repair: Current	439 636	325 401	354 977	363 758	317 202	338 410	440 294	356 002	413 809
Upgrades and additions: Capital	1 015 627	840 089	633 455	402 569	481 643	530 636	360 261	684 098	732 427
Refurbishment and rehabilitation: Capital	220 027	315 337	271 159	158 958	184 771	164 598	154 800	153 782	166 447
New infrastructure assets: Capital	654 434	475 909	395 254	578 921	527 131	483 982	581 160	579 801	560 854
Infrastructure transfers	20 000	20 022	-	-	-	-	-	-	-
Infrastructure transfer: Current	-	22	-	-	-	-	-	-	-
Infrastructure transfer: Capital	20 000	20 000	-	-	-	-	-	-	-
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	-	-	-	-	-	-	-	-	-
Total	2 349 724	1 976 758	1 654 845	1 504 206	1 510 747	1 517 626	1 536 515	1 773 683	1 873 537
<i>Capital infrastructure</i>	<i>1 910 088</i>	<i>1 651 335</i>	<i>1 299 868</i>	<i>1 140 448</i>	<i>1 193 545</i>	<i>1 179 216</i>	<i>1 096 221</i>	<i>1 417 681</i>	<i>1 459 728</i>
<i>Current infrastructure</i>	<i>439 636</i>	<i>325 423</i>	<i>354 977</i>	<i>363 758</i>	<i>317 202</i>	<i>338 410</i>	<i>440 294</i>	<i>356 002</i>	<i>413 809</i>

Maintenance and repair: Current expenditure shows a fluctuating trend over the period. The high spending in 2012/13 is a result of a conscious decision taken by the department to accelerate delivery on day-to-day maintenance and small maintenance projects, after Provincial Treasury expressed a concern over significant under-expenditure against this category. The reduction in 2013/14 was due to poor performance relating to no-period contracts in place for the department, as well as poor performance from contractors. The funding was moved to *Buildings and other fixed structures* to accommodate the over-committed value of projects in construction. The decrease in the 2015/16 Adjusted Appropriation relates to funding reprioritised to *Machinery and equipment* to address pressures in the medical equipment replacement programme. These savings resulted from over-budgeting for maintenance, which was corrected in the department's final infrastructure plan approved in April 2015, after the original budget was tabled. The increase in 2016/17 relates to a more focused application of the DORA requirements for the Health Facility Revitalisation grant, which requires a 25 per cent allocation of the grant to maintenance. In addition, there is a drive to address backlogs in fixed equipment maintenance (lifts, air-conditioners, chillers, boilers, etc), hence the reduction in 2017/18. Note that the previously mentioned cuts in the Health Facility Revitalisation grant related to the constrained economic outlook were effected against this category over the 2016/17 MTEF.

Upgrades and additions: Capital was high in 2012/13 as a result of good progress at the King Dinuzulu Hospital TB Complex, alterations and additions to the LUWM Hospital, as well as the upgrade of electrical reticulation at the Ngwelezane District Hospital. The significant decrease in 2013/14 was due to the Dundee Regional Laundry not commencing operation, the acquisition of St. Aidan's Hospital did not materialise, as well as slow spending on the King Dinuzulu Hospital health technology equipment and

Natalia building phase 1 and 2 projects. The further decrease in 2014/15 relates to reprioritisation to *Maintenance and repair: Current* to address spending pressures in maintenance. Mitigating this movement to some degree was once-off additional funding received for the Health Facility Revitalisation grant. The increases in the 2015/16 Adjusted Appropriation and the Revised Estimate relate to pressures for replacement equipment, as well as faster than anticipated progress on a number of projects including the KwaZulu Provincial Laundry, as well as the Stanger and Edendale Hospital projects. As mentioned above, this category shows a decrease in 2016/17 related to the previously mentioned decrease in the Health Facility Revitalisation grant. The strong growth in 2017/18 and 2018/19 is due to additional funding allocated for exchange rate related pressures in the costs of essential medical equipment.

Refurbishment and rehabilitation: Capital shows strong growth in 2013/14 due to the refurbishment of Addington Hospital and the KwaZulu Provincial Laundry in eThekweni. Also contributing was the renovation of the maternity, female and paediatric wards at the Mosveld Hospital and the renovation of the Ekuhlengeni Life Care Centre. The decline in 2015/16 is due to the Census-based cuts effected in 2013/14. The increase in the 2015/16 Adjusted Appropriation relates to pressures from projects progressing faster than expected, including projects at RK Khan, King Edward VIII and Ngwelezane Hospitals. The decrease in 2016/17 relates to the previously mentioned decrease in the Health Facility Revitalisation grant.

The declining trend in *New infrastructure assets: Capital* from 2012/13 to 2014/15 relates to a decision by management to increase funding for the maintenance, upgrading, rehabilitation and refurbishment of existing infrastructure in order to preserve these facilities. The high spending in 2012/13 relates to the faster than expected progress at the Pomeroy and Dannhauser CHCs, as well as office and residential accommodation lease agreements being higher than initially forecast. The leases were identified as current expenditure, and from 2013/14 they are being paid as such. The decrease from 2013/14 relates to the above-mentioned budget cuts and to slowing the pace of construction so that spending remained within budget at the King Dinuzulu and Dr. Pixley ka Seme Hospitals, as well as the Phoenix Mortuary. The main project contributing to the growth in 2015/16 is the Dr. Pixley ka Seme Hospital. Also affecting the growth is the construction of CHCs in Dannhauser, Jozini and Bruntville. The decrease in the 2015/16 Adjusted Appropriation relates to slower than expected progress on the Dr. Pixley ka Seme Hospital project. The trend over the MTEF relates to this project, which is expected to be complete in 2019/20.

The funds reflected under the category *Infrastructure transfers: Capital* from 2012/13 to 2013/14 are for the transfer to the KZN Children's Hospital Trust for the development and refurbishment of the KZN Children's Hospital in eThekweni, which was completed in 2013/14.

5.6 Summary of Public Private Partnerships (PPP)

Table 7.11 provides a summary of PPP projects in the department. In 2002/03, the department entered into a PPP with Impilo Consortium (Pty) Ltd. The agreement covered the provision of equipment, information management and technology and facilities management for the IALCH. This agreement enables the department to focus on the clinical services at the hospital, and to promote the hospital as a central referral hospital, operating at the highest standards in terms of quality, efficiency, effectiveness and patient focused care. The current contract with Impilo Consortium (Pty) Ltd comes to an end in 2016/17, and PT's PPP unit is currently assisting the department regarding its exit strategy and final works.

Table 7.11 : Summary of Public Private Partnership projects

R thousand	Annual cost of project 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
Projects signed in terms of Treasury Regulation 16	647 788	679 454	681 636	874 478	768 478	837 138	814 000	-	-
PPP unitary charge	647 788	679 454	681 636	874 478	768 478	837 138	814 000	-	-
Total	647 788	679 454	681 636	874 478	768 478	837 138	814 000	-	-

Payments made for services rendered are index-linked and are thus subject to movements in CPI. Payments in 2016/17 have been calculated based on current estimates. The increasing trend over the period relates mainly to the deterioration in the Rand/Dollar exchange rate. The decline to zero in 2017/18 is due to the anticipated ending of the PPP in 2017. In line with the PPP agreement, the transaction

advisors will, in 2016/17, conduct the feasibility study survey, prepare the exit strategy and assist with the implementation thereof. The funds, from 2017/18 onward, are reflected against the standard categories of *Goods and services* and *Machinery and equipment* within Programme 5: Central Hospital Services.

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

5.8 Transfers to other entities

Table 7.12 provides a list of entities that receive funding from the department.

Table 7.12 : Summary of departmental transfers to other entities

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Austerville Halfway House	2.2: Comm. Hlth Clinics	525	520	536	552	552	552	569	-	-
Azalea House	2.2: Comm. Hlth Clinics	485	480	495	510	510	510	525	-	-
Claremont Day Care Centre	2.2: Comm. Hlth Clinics	371	367	378	389	389	389	401	-	-
Ekuhanyeni Clinic (AIDS step down centre)	2.2: Comm. Hlth Clinics	926	946	920	967	967	967	-	-	-
Elandskop Clinic	2.2: Comm. Hlth Clinics	458	187	-	-	-	-	-	-	-
Enkumane Clinic	2.2: Comm. Hlth Clinics	276	271	265	-	-	-	-	-	-
Ethembeni Care Centre	2.6: HIV and AIDS	4 366	4 715	4 189	5 179	5 179	5 179	-	-	-
Genesis Care Centre	2.6: HIV and AIDS	2 891	2 487	2 857	2 861	2 861	2 861	-	-	-
Humana People to People	2.6: HIV and AIDS	-	2 073	3 291	3 131	-	-	-	-	-
Ikwezi Cripple Care	2.2: Comm. Hlth Clinics	1 515	1 136	1 170	1 205	1 205	1 205	1 242	-	-
John Peattie House	2.2: Comm. Hlth Clinics	1 348	1 335	1 139	1 173	1 367	1 173	1 408	-	-
Jona Vaughn Centre	2.2: Comm. Hlth Clinics	2 359	2 335	2 017	2 077	2 420	2 077	2 493	-	-
KZN Blind and Deaf Society	2.2: Comm. Hlth Clinics	-	-	800	824	824	824	849	-	-
Lyn House	2.2: Comm. Hlth Clinics	590	584	593	611	611	611	629	-	-
Madeline Manor	2.2: Comm. Hlth Clinics	849	841	866	892	892	892	919	-	-
Magaye school for the Blind	2.2: Comm. Hlth Clinics	-	-	458	515	515	515	530	-	-
Matikwe Oblate Clinic	2.2: Comm. Hlth Clinics	496	491	486	481	481	481	-	-	-
Mountain View Hospital	Various	9 971	9 871	9 773	9 675	9 675	9 675	-	-	-
Noyi Bazi Oblate Clinic	2.2: Comm. Hlth Clinics	501	496	178	-	-	-	-	-	-
Philanjalo Hospice (step down centre)	2.6: HIV and AIDS	2 881	3 378	1 935	2 525	2 525	2 500	-	-	-
Power of God	2.6: HIV and AIDS	-	-	1 100	1 133	1 133	1 133	1 167	-	-
Rainbow Haven	2.9: District Hospitals	393	385	397	409	409	409	421	-	-
Scadifa Centre	2.2: Comm. Hlth Clinics	959	949	925	953	953	953	982	-	-
Siloah Hospital	Various	19 149	18 958	21 873	21 934	21 934	21 934	-	-	-
Sparkes Estate	2.2: Comm. Hlth Clinics	1 067	445	1 099	1 132	1 132	1 132	1 166	-	-
St Lukes Home	2.2: Comm. Hlth Clinics	730	430	443	456	456	456	470	-	-
St Mary's Hospital Marianhill	Various	112 226	116 963	150 961	124 174	124 174	124 174	-	-	-
The Bekimpelo Trust	2.2: Comm. Hlth Clinics	7 600	7 904	8 141	8 385	8 385	8 385	-	-	-
Other entities	Various	104 654	78 204	4 766	1 547	3 207	6 378	5 517	-	-
Earmarked for further negotiations	Various	-	-	-	21 410	4 283	1 567	184 025	210 687	222 241
Total		277 586	256 751	222 051	215 100	197 039	196 932	203 313	210 687	222 241

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

The effect of the higher than anticipated wage agreements and the OSD for doctors is shown under those institutions which qualify for the state salary increases.

The reduction in 2013/14 is a result of the previously mentioned reduction in transfer to McCord Hospital following its take-over by the province, as well as delays in signing SLAs for various NGOs.

The further decrease in 2014/15 is due to the ceasing of funding for McCord Hospital as it was taken over as a provincial hospital and funding is now from other categories. In addition, the funding for the KZN Children's Hospital Trust for the development and refurbishment of this hospital in the eThekweni Metro ceases, due to the completion of the contract.

The decrease in the 2015/16 Adjusted Appropriation was due to unallocated funds that were earmarked for future negotiations but were unlikely to be allocated, as well as institutions received ARV medication from the department instead of transfers. These funds were moved to *Transfers and subsidies to: Provinces and municipalities* to offset pressures arising from the department's decision to increase HIV and AIDS funding at municipal clinics.

Over the MTEF, the baseline growth is for inflationary purposes only. Note that the funds against *Earmarked for further negotiations* are funds awaiting recommendations upon receipt of requests for additional or new funding from the districts (for NGOs). These funds will be allocated as soon as the figures from the department's Committee for Grant Funding are received. For the 2016/17 amount, this will take place early in 2016/17 and will therefore be formalised in the 2016/17 Adjustments Estimate, while the process for 2017/18 onward will be completed in time for the 2017/18 MTEF budget process.

5.9 Transfers to local government

Table 7.13 shows transfers to local government, per category of municipality. All transfers are made to a single grant, namely municipal clinics in the sub-programme: Community Health Clinics. It is noted that, although the payment of motor vehicle licences falls under *Transfers and subsidies to: Provinces and municipalities*, these funds are not transferred to any municipality, and hence are excluded from the table.

Although these funds are earmarked for transfer to municipalities, the transfer is dependent upon the provision of satisfactory services in line with SLAs signed by municipalities. The purpose of the transfer is to subsidise primary health care for services provided by local authorities/municipal clinics. Until the negotiations for the take-over of these clinics has been finalised, these funds will remain in this category. Further details of amounts per grant type and municipality are given in *Annexure – Vote 7: Health*.

Table 7.13 : Summary of departmental transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Category A	-	61 051	105 000	105 000	205 250	205 250	169 048	200 000	205 394
Category B	22 893	13 685	12 404	-	-	-	-	-	-
Category C	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	22 893	74 736	117 404	105 000	205 250	205 250	169 048	200 000	205 394

The increase from 2013/14 to 2015/16 in Category A, which represents the eThekweni Metro, pertains mainly to inflation, and relates to transfers to municipal clinics within the Metro. The nil expenditure in 2012/13 and the significant increase in 2014/15 against Category A was due to a delay in the signing of the SLAs with eThekweni. The significant increase from 2013/14 to the 2015/16 Revised Estimate relates to the department's decision to provide additional funding to meet the health funding requirements of the clinics in the Metro and the transfer payment expenditure carried over from 2012/13, 2013/14 and 2014/15, respectively, due to delays in the signing of SLAs, as previously mentioned. The further increase in 2016/17 (as compared to the 2015/16 Adjusted Appropriation) is largely due to the commitment to assist clinics with pressures in the treatment of HIV and AIDS, the extension of hours of services, as well as to cater for an increase in neonatal services.

The varying trend in Category B relates to the anticipated provincialisation of the municipal clinics. The majority of the municipal clinics were taken over by the department by the end of 2012/13, and funding in 2014/15 only provided for the uMhlathuze Municipality whose clinics were provincialised by December 2014, hence no funding was provided from 2015/16 onward. In addition, funding was provided in 2012/13 for the finalisation of the provincialisation of clinics in Umlalazi (uThungulu), as well as municipalities in the uMgungundlovu and Ilembe Districts. Funding will continue to be provided over the 2016/17 MTEF for the eThekweni Metro only, as mentioned previously.

5.10 Transfers and subsidies

Table 7.14 gives a summary of spending on *Transfers and subsidies* by programme and main category. The various trends in each programme are explained above and below the table.

- In Programmes 1 to 5, the amounts reflected against *Departmental agencies and accounts* relate to TV licences which arose from an amendment to SCOA in 2012/13, shifting the allocation from *Goods and services* to this category. Historical data was restated for comparison purposes.

Table 7.14 : Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Administration	7 977	3 201	7 249	6 101	6 651	6 429	6 519	6 845	7 242
Provinces and municipalities	1 900	1 952	3 267	3 100	3 100	3 423	3 359	3 527	3 732
Motor vehicle licences	1 900	1 952	3 267	3 100	3 100	3 423	3 359	3 527	3 732
Departmental agencies and accounts	-	-	-	1	1	1	1	1	1
SABC - TV licences	-	-	-	1	1	1	1	1	1
Higher education institutions	-	3	-	-	-	-	-	-	-
Donations and gifts higher education institutions	-	3	-	-	-	-	-	-	-
Foreign government and international organisations	-	-	66	-	-	-	-	-	-
Foreign government gift exchange	-	-	66	-	-	-	-	-	-
Households	6 077	1 246	3 916	3 000	3 550	3 005	3 159	3 317	3 509
Social benefits	2 289	1 236	3 862	3 000	3 000	2 305	3 159	3 317	3 509
Other transfer to households	3 788	10	54	-	550	700	-	-	-
2. District Health Services	268 218	333 524	411 766	332 658	416 887	425 976	397 062	435 802	454 206
Provinces and municipalities	22 893	74 736	117 404	105 000	205 250	205 250	169 048	200 000	205 394
Municipalities - municipal clinics	22 893	74 736	117 404	105 000	205 250	205 250	169 048	200 000	205 394
Departmental agencies and accounts	6	21	10	38	35	44	41	43	45
SABC - TV licences	6	21	10	38	35	44	41	43	45
Non-profit institutions	204 686	207 922	190 405	182 000	165 157	165 856	170 213	175 844	185 377
Non-profit institutions	204 686	207 922	190 405	182 000	165 157	165 856	170 213	175 844	185 377
Households	40 633	50 846	103 947	45 620	46 445	54 826	57 760	59 915	63 390
Social benefits	29 841	47 441	73 065	45 620	45 311	52 346	57 760	59 915	63 390
Other transfers to households	10 792	3 405	30 882	-	1 134	2 480	-	-	-
3. Emergency Medical Services	4 165	3 946	4 684	4 891	5 216	3 474	4 392	5 017	5 171
Provinces and municipalities	1 537	2 511	1 947	3 190	3 190	1 482	2 300	2 820	2 865
Motor vehicle licences	1 537	2 511	1 947	3 190	3 190	1 482	2 300	2 820	2 865
Departmental agencies and accounts	-	-	2	1	1	2	2	2	2
SABC - TV licences	-	-	2	1	1	2	2	2	2
Households	2 628	1 435	2 735	1 700	2 025	1 990	2 090	2 195	2 304
Social benefits	970	862	2 098	750	750	1 575	1 654	1 737	1 823
Other transfers to households	1 658	573	637	950	1 275	415	436	458	481
4. Provincial Hospital Services	68 886	124 336	124 026	63 607	116 194	115 832	62 233	65 219	69 001
Departmental agencies and accounts	56	15	64	77	92	50	82	86	91
SABC - TV licences	56	15	64	77	92	50	82	86	91
Non-profit institutions	37 770	28 829	31 646	33 100	31 882	31 076	33 100	34 843	36 864
Non-profit institutions	37 770	28 829	31 646	33 100	31 882	31 076	33 100	34 843	36 864
Households	31 060	95 492	92 316	30 430	84 220	84 706	29 051	30 290	32 046
Social benefits	26 561	35 867	46 755	30 430	31 812	30 215	29 051	30 290	32 046
Other transfers to households	4 499	59 625	45 561	-	52 408	54 491	-	-	-
5. Central Hospital Services	4 920	45 259	40 875	10 324	23 959	23 021	10 763	11 306	11 961
Provinces and municipalities	-	-	-	-	-	2	-	-	-
Motor vehicle licences	-	-	-	-	-	2	-	-	-
Departmental agencies and accounts	-	52	51	54	54	-	57	60	63
SABC - TV licences	-	52	51	54	54	-	57	60	63
Households	4 920	45 207	40 824	10 270	23 905	23 019	10 706	11 246	11 898
Social benefits	4 812	11 387	14 391	10 270	10 270	9 799	10 706	11 246	11 898
Other transfers to households	108	33 821	26 433	-	13 635	13 220	-	-	-
6. Health Sciences and Training	96 105	208 586	238 187	230 000	273 909	283 075	252 824	261 647	276 823
Departmental agencies and accounts	10 119	11 282	15 768	16 000	18 863	18 863	19 842	17 684	18 710
HWSETA	10 119	11 282	15 768	16 000	18 863	18 863	19 842	17 684	18 710
Higher education institutions	57	498	16	-	-	-	-	-	-
Donations and gifts higher education institutions	57	498	16	-	-	-	-	-	-
Non-profit institutions	15 130	-	-	-	-	-	-	-	-
Non-profit institutions	15 130	-	-	-	-	-	-	-	-
Households	70 799	196 806	222 403	214 000	255 046	264 212	232 982	243 963	258 113
Social benefits	1 650	2 083	2 324	2 000	2 014	2 489	2 982	2 302	2 436
Other transfers to households	69 149	194 723	220 079	212 000	253 032	261 723	230 000	241 661	255 677
7. Health Support Services	16 493	1 285	1 264	575	303	252	680	711	752
Departmental agencies and accounts	15 170	-	-	-	-	-	-	-	-
Medicine Trading Account	15 170	-	-	-	-	-	-	-	-
Households	1 323	1 285	1 264	575	303	252	680	711	752
Social benefits	1 318	1 285	1 264	575	303	252	680	711	752
Other transfers to households	5	-	-	-	-	-	-	-	-
8. Health Facilities Management	20 000	20 022	37	-	-	-	-	-	-
Non-profit institutions	20 000	20 000	-	-	-	-	-	-	-
KZN Childrens' Hospital Trust	20 000	20 000	-	-	-	-	-	-	-
Households	-	22	37	-	-	-	-	-	-
Social benefits	-	22	37	-	-	-	-	-	-
Total	486 764	740 159	828 088	648 156	843 119	858 059	734 473	786 547	825 156

- In all programmes (apart from Programme 6) the variable trend against *Households* relates largely to staff exit costs, which are difficult to budget for. In Programmes 2, 4 and 5, the variable trend is exacerbated by medico-legal claims, which are also erratic in nature. No provision was made for

these claims over the 2016/17 MTEF, and hence there is negative growth in 2016/17 against most programmes. Note that, as mentioned previously, the department will finalise its draft report in 2016/17 on addressing the growing problem of medico-legal claims. The recommendations of the report will be implemented with a view to reducing the financial burden resulting from claims. The department cannot reprioritise funds to medico-legal claims at this stage due to other competing service delivery needs, and this will need to be reviewed in-year, when the need arises.

- All motor vehicle licences are centralised within Programme 1 and historical data has been restated.
- In Programme 2, the significant increase against *Provinces and municipalities* in 2013/14 and 2014/15 relates to the eThekwin Metro and uMhlathuze Municipality for additional funding allocated to assist clinics in the treatment of HIV and AIDS. Also contributing to the increases in 2014/15 and 2015/16 was carry-over expenditure from 2013/14 and 2014/15, respectively, due to the late presentation of invoices by the municipalities. The consistent increase over the period relates to additional funding to strengthen the HIV and AIDS programme under the municipal clinics.
- In Programme 2, the minimal growth in *Non-profit institutions* in 2013/14, the decrease in 2014/15 and further reduction in 2015/16 is due to the provincialisation of McCord Hospital. The amounts allocated over the 2016/17 MTEF provide for inflationary increases only.
- In Programme 4, the reduction against *Non-profit institutions* in 2013/14 was the result of the department's reassessment of all non-profit institutions. The decrease in the 2015/16 Adjusted Appropriation is due to the decision to reallocate unallocated funding for non-profit institutions to other service delivery pressures. This decision was carried through over the 2016/17 MTEF, hence the provision for inflationary increases only in the outer years.
- In Programme 6, *Departmental agencies and accounts* relates to the compulsory levy paid to the HWSETA on an annual basis and shows strong growth from 2012/13 to the 2015/16 Revised Estimate, ascribed to the HWSETA levy, in line with the growth in *Compensation of employees*.
- Also in Programme 6, the significant increase against *Households* (and particularly in 2013/14 and 2015/16) relates to the department's decision to implement intensive training programmes through bursaries in order to address the shortage of personnel in the health fields, including the previously mentioned Cuban Doctors' programme. The increase over the MTEF relates to inflationary adjustment with no plans to expand the bursary programme due to budget pressures. The high growth in 2015/16 in particular is due to the increase in the number of students enrolled in the Cuban Doctors' programme. As mentioned, there will be no further students added to this programme in line with a NDOH instruction, with an average of 14 students returning per year over the 2016/17 MTEF.
- In Programme 6, the spending against *Non-profit institutions* in 2012/13 was for the training college portion of the subsidy paid to McCord Hospital, which ceased in 2012/13.
- In Programme 7, the spending against *Departmental agencies and accounts* in 2012/13 results from the additional funding that was required to enable the provincial Medical Supply Centre (Medicine Trading Account) to carry sufficient medical stock to meet demand. The decrease in 2013/14 was due to the account having sufficient funding for the supply of pharmaceuticals and medical sundries, with no top-up needed. This situation is carried through to the 2016/17 MTEF.
- In Programme 8 in 2012/13 and 2013/14, the department transferred funds to the KZN Children's Hospital Trust for the development and refurbishment of the KZN Children's Hospital in the eThekwin Metro. There is no funding over the MTEF and the contract is finalised.

6. Programme description

The services rendered by this department are categorised under eight programmes, further details of which are discussed below. The department largely conforms to the uniform budget structure for the Health sector. The information for each programme is given in terms of sub-programmes and economic classification, with details of economic classification given in *Annexure – Vote 7: Health*.

6.1 Programme 1: Administration

Programme 1 comprises two sub-programmes, namely Office of the MEC and Management, with the objectives of providing overall strategic leadership, co-ordination and management of activities toward the achievement of optimal health status of all the communities in the province, as well as the administration of the department in line with good governance practice. The programme also includes the formulation of policies and strategies in line with national and provincial priorities.

Tables 7.15 and 7.16 summarise information for the period 2012/13 to 2018/19. It is the department's policy to keep the allocation of this programme to a maximum of two per cent of total budget, which has been achieved over the past four years and will be maintained over the 2016/17 MTEF. Note that the costs for computer services against *Goods and services* were centralised from all programmes to this programme in 2013/14, and historical data was amended for comparative purposes.

Table 7.15 : Summary of payments and estimates by sub-programme: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Office of the MEC	20 371	17 011	16 818	18 189	18 189	17 544	19 634	20 891	22 285
2. Management	615 392	672 078	685 107	718 930	749 959	865 776	819 401	830 789	839 155
Total	635 763	689 089	701 925	737 119	768 148	883 320	839 035	851 680	861 440
Unauth. Exp. (1st charge) not available for spending	-	-	-	(107 607)	(107 607)	(107 607)	(107 607)	(107 608)	-
Baseline available for spending after 1st charge	635 763	689 089	701 925	629 512	660 541	775 713	731 428	744 072	861 440

Table 7.16 : Summary of payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	531 385	610 665	678 837	615 311	645 790	757 867	695 434	732 184	848 863
Compensation of employees	246 972	273 361	292 983	326 673	326 673	325 245	356 418	379 788	401 959
Goods and services	284 413	337 290	385 799	288 638	319 117	432 552	339 016	352 396	446 904
Interest and rent on land	-	15	55	-	-	71	-	-	-
Transfers and subsidies to:	7 977	3 201	7 249	6 101	6 651	6 429	6 519	6 845	7 242
Provinces and municipalities	1 900	1 952	3 267	3 100	3 100	3 423	3 359	3 527	3 732
Departmental agencies and accounts	-	-	-	1	1	1	1	1	1
Higher education institutions	-	3	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	66	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	6 077	1 246	3 916	3 000	3 550	3 005	3 159	3 317	3 509
Payments for capital assets	96 400	41 594	15 827	8 100	8 100	11 416	29 475	5 043	5 335
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	96 400	41 413	15 827	8 100	8 100	11 416	29 475	5 043	5 335
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	181	-	-	-	-	-	-	-
Payments for financial assets	1	33 629	12	107 607	107 607	107 608	107 607	107 608	-
Total	635 763	689 089	701 925	737 119	768 148	883 320	839 035	851 680	861 440
Unauth. Exp. (1st charge) not available for spending	-	-	-	(107 607)	(107 607)	(107 607)	(107 607)	(107 608)	-
Baseline available for spending after 1st charge	635 763	689 089	701 925	629 512	660 541	775 713	731 428	744 072	861 440

The slow growth overall in 2014/15 relates to the decision to scale down in respect of the procurement of new computers and motor vehicles and focus on the replacement of essential equipment only. The replacement of all leased computer and printing equipment was also mostly completed in 2012/13, hence there was minimal spending on this project from 2013/14. The significant growth in the 2015/16 Adjusted Appropriation relates to health patient fee over-collection as recorded in the 2014/15 year-end revenue outcome. These funds were specifically and exclusively appropriated for activities related to the department's Revenue Enhancement Strategy. The further growth in the Revised Estimate is due to pressures from forensic/disciplinary investigations, higher than expected A-G costs, as well as business advisory services. Growth in the two outer years of the MTEF is for inflationary purposes only. The growth in the amount available for spending in 2018/19 is due to the last installment of the first charge being paid in 2017/18 and hence the funding is redirected to other service delivery needs.

The increasing trend in *Compensation of employees* from 2013/14 to 2015/16 relates to the need to improve management capacity at head office to address the challenges of service delivery. The high growth in 2013/14 is attributed to provision for financial management capacity to improve audit outcomes and filling of various critical posts related to the SCM and asset management functions. The slower growth in 2014/15 was due to the decision to defer the filling of head office posts to 2015/16, hence the higher growth in 2015/16. Note that additional funding was allocated in the 2012/13 MTEF for improving infrastructure support. As mentioned earlier, this funding was specifically and exclusively appropriated and the department has not yet completed the implementation of its revised infrastructure staffing structure that this funding was intended for. Thus, amounts of R22.743 million, R23.880 million and R25.265 million remain ring-fenced for this purpose over the three years of the 2016/17 MTEF. The 2016/17 MTEF growth provides for inflationary adjustments only.

The growth in *Goods and services* from 2013/14 reflects the increasing costs of forensic investigations and higher SITA costs related to software licences and other SITA service charges. The reduction in the 2015/16 Main Appropriation and over the MTEF relates to the projected forced savings from computer services and the reduced utilisation of consultants in disciplinary cases, with only complex cases to be referred to consultants. The increase in the 2015/16 Adjusted Appropriation relates to R30.479 million allocated to the department from higher than expected patient fee revenue to fund the Revenue Enhancement Strategy. The high Revised Estimate is due to the previously mentioned pressures from forensic/disciplinary investigations, higher than expected A-G costs, as well as business advisory services.

The expenditure against *Interest and rent on land* relates to interest paid on over-due accounts.

Transfers and subsidies to: Provinces and municipalities provides for motor vehicle licences. The increase over the 2016/17 MTEF is for inflationary adjustments, as only replacement vehicles will be purchased.

Transfers and subsidies to: Departmental agencies and accounts relates to payments for TV licences.

The fluctuating trend in *Transfers and subsidies to: Households* is due to staff exit costs.

The high base in *Machinery and equipment* in 2012/13 relates to funding that was made available for purchasing of replacement vehicles at head office, as well as vehicles for the Ministry. The reductions in 2013/14 and 2014/15 are attributed to the scaling down of the purchase of replacement computer equipment and vehicles due to the previously mentioned census based budget cuts. Over the 2016/17 MTEF, funding is provided to replace essential equipment only.

As previously mentioned, the department is liable for the repayment of the over-expenditure with the first instalment of the first charge of R107.607 million being implemented against the budget in 2015/16 and the last instalment in 2017/18, hence the negative growth in *Payments for financial assets* in 2018/19.

Service delivery measures – Programme 1: Administration

Table 7.17 illustrates the main service delivery measures relating to Programme 1. The performance indicators provided comply fully with the customised measures for the Health sector.

Table 7.17 : Service delivery measures – Programme 1: Administration

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2015/16	2016/17	2017/18	2018/19	
To conduct the strategic management and overall administration of the Department of Health	• Audit opinion from the Auditor-General	Unqualified	Unqualified	Unqualified	Unqualified	
	• Percentage hospitals with broadband access	90%	100%	100%	100%	
	• Percentage fixed PHC facilities with broadband access	45%	55%	65%	75%	

6.2 Programme 2: District Health Services

The purpose of Programme 2: District Health Services is to render primary health care services and district hospital services. This programme comprises nine sub-programmes, which are used to facilitate identification of the different functions. The main aims of these sub-programmes are:

- To render primary health care services with a nurse-driven service at clinic level, including visiting points, mobile and local authority clinics.
- To provide service planning, administration of services, managing personnel and financial administration and the co-ordination and monitoring of district health services.
- To render primary health care services in respect of maternal child and women's health, geriatrics, occupational therapy, physiotherapy, psychiatry, speech therapy, communicable diseases, oral and dental health, mental health, rehabilitation and disability and chronic health.
- To render primary health care services at non-health facilities in respect of home-based care, abuse victims, mental and chronic care, school health.
- To render primary health care services related to the comprehensive management of HIV, AIDS and TB campaigns and special projects.
- To provide services directed at providing nutrition for the malnourished members of the population.
- To render forensic pathology services and medico-legal services in the province.
- To render hospital services at general practitioner level.

Tables 7.18 and 7.19 summarise payments and estimates for Programme 2.

The significant allocation supports the policy of providing access to the less expensive, but most important level of health care. The programme provides for, *inter alia*, the commissioning of new clinics and community health centres, and the comprehensive management of HIV and AIDS and its related diseases, especially TB.

The increases over the seven-year period for Programme 2 as a whole relate to the higher than anticipated wage agreements and carry-through costs of the various OSDs for medical personnel and other categories of staff. Also contributing was additional funding provided for inflationary increases in medical supplies and services, improving infant and child mortality rates, as well as substantial increases in HIV and AIDS funding each year. Further amounts were allocated for national priorities from 2011/12, with carry-through costs over the 2016/17 MTEF, to provide for capacity building for personnel and *Goods and services*, funding for family health team pilots/models, improving hospital norms and standards, and the general policy adjustment. In addition, the NHI grant commenced from 2012/13, aimed at establishing two pilot districts in line with the implementation of NHI. As mentioned, this funding decreased in 2013/14 due to a new indirect National Health grant, to be spent by the NDOH on behalf of provinces. The high growth in 2013/14 was related to the addressing of critical staff needs at PHC level, which included the closing of the gap in standards for municipal clinics taken over from local government. This includes addressing staffing levels, basic medical equipment, and infrastructure backlogs, an increased number of school health teams, district family and specialist teams, and TB tracing and injection teams, the progressive commissioning of CHCs and the King Dinuzulu Hospital, higher than expected litigation costs (medico-legal claims), as well as the filling of critical posts for accelerating the HIV and AIDS programme and staff exit costs, with more nurses leaving employment than expected.

Table 7.18 : Summary of payments and estimates by sub-programme: District Health Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. District Management	218 582	217 300	230 547	238 592	250 041	250 788	289 975	292 643	318 637
2. Community Health Clinics	2 480 318	2 790 347	3 072 816	3 321 028	3 547 112	3 520 981	3 880 589	4 148 564	4 399 023
3. Community Health Centres	955 647	1 048 435	1 208 843	1 388 550	1 388 550	1 408 786	1 564 694	1 688 184	1 787 259
4. Community Based Services	790	-	2 580	13 000	13 000	26 289	40 000	32 000	34 726
5. Other Community Services	692 921	906 723	1 013 430	1 089 351	1 101 276	1 096 118	1 177 971	1 281 986	1 401 317
6. HIV and AIDS	2 392 689	2 725 639	3 257 870	3 813 094	3 813 094	3 813 094	4 244 243	4 889 884	5 555 075
7. Nutrition	44 433	44 089	43 763	50 000	39 769	38 548	55 000	62 920	66 569
8. Coroner Services	146 073	156 225	163 356	173 157	173 157	173 194	192 428	205 288	217 194
9. District Hospitals	4 584 982	5 058 841	5 341 148	5 492 090	5 643 172	5 736 558	5 925 502	6 413 205	6 788 621
Total	11 516 435	12 947 599	14 334 353	15 578 862	15 969 171	16 064 356	17 370 402	19 014 674	20 568 421

Table 7.19 : Summary of payments and estimates by economic classification: District Health Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	11 151 083	12 510 682	13 774 307	15 106 704	15 467 255	15 577 093	16 842 647	18 448 194	19 971 813
Compensation of employees	7 690 784	8 714 714	9 481 720	10 184 010	10 382 275	10 501 461	11 229 114	11 952 802	12 733 963
Goods and services	3 460 300	3 795 947	4 292 441	4 922 694	5 084 841	5 075 398	5 613 533	6 495 392	7 237 850
Interest and rent on land	-	22	146	-	139	234	-	-	-
Transfers and subsidies to:	268 218	333 524	411 766	332 658	416 887	425 976	397 062	435 802	454 206
Provinces and municipalities	22 893	74 736	117 404	105 000	205 250	205 250	169 048	200 000	205 394
Departmental agencies and accounts	6	21	10	38	35	44	41	43	45
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	204 686	207 922	190 405	182 000	165 157	165 856	170 213	175 844	185 377
Households	40 633	50 846	103 947	45 620	46 445	54 826	57 760	59 915	63 390
Payments for capital assets	97 134	103 393	148 259	139 500	85 027	61 285	130 693	130 678	142 402
Buildings and other fixed structures	-	-	210	-	-	-	-	-	-
Machinery and equipment	97 134	103 393	148 049	139 500	85 027	61 285	130 693	130 678	142 402
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	21	-	2	2	-	-	-
Total	11 516 435	12 947 599	14 334 353	15 578 862	15 969 171	16 064 356	17 370 402	19 014 674	20 568 421

The strong growth from 2013/14 to 2015/16 in the Community Health Clinics and Community Health Centres sub-programmes includes additional funding for the various wage agreements, the OSDs for medical personnel, funding for inflationary costs in medical related *Goods and services* and reducing infant and child mortality. The increase from 2013/14 was mainly related to the increased costs of medicines, vaccines, property related payments and increased patient demand at PHC level, the addressing of critical staff needs at PHC level, which included the closing of the gap in standards for municipal clinics taken over from local government. This included addressing staffing levels, basic medical equipment, etc. The strong growth over the MTEF relates to the ongoing phased in commissioning of new clinics and CHCs, as well as closing staffing gaps for both clinical and non-clinical staff. The non-clinical staff gap relates to the need to appoint the general orderly staff for the cleaning of buildings since the EPWP Integrated Grant for Provinces provides for grounds and gardens only. Additional funding is also allocated over the MTEF for the previously mentioned NHLS and exchange rate pressures.

The sub-programme: Community Based Services is funded mainly through the Social Sector EPWP Incentive Grant for Provinces which was phased out from 2012/13, and it was decided to place all community health workers' expenditure into other sub-programmes within Programme 2, where the costs are incurred, hence there was no spending or allocations in respect of this sub-programme in 2013/14. The grant was funded again (from 2014/15 to 2016/17 only), and the funding supports the community health workers' stipends. The increase in the 2015/16 Revised Estimate relates to the chronic medication pilot project, whereby patients on chronic medication will collect their medication at designated community drop off points. Expenditure for such medicine is thus reflected under this sub-programme going forward.

The increase from 2013/14 onward in the sub-programme: Other Community Services was due to the introduction of community nursing services and an additional intake of community doctors resulting from the extension of the medical intern programme to two years, as well as the various OSDs for medical personnel.

The strong growth in the HIV and AIDS sub-programme relates mainly to increases in the Comprehensive HIV, AIDS and TB grant to cater for increased uptake of patients on ARV therapy. Additional funds were allocated from 2012/13 to 2016/17 to assist with the increase of the ARV threshold to a CD4 count of 350 in 2012/13 and 500 in 2014/15, the introduction of the Fixed Dose Combination ARV drugs, as well as provision for equipment and the increasing costs of ARV medication. The strong growth over the entire period aligns with the growth in the Comprehensive HIV, AIDS and TB grant to fund the increase in patient numbers and the targets over the period. The increase in the 2016/17 MTEF baseline is for the continued expansion of the ARV Programme (in 2018/19), HIV prevention and to cater for TB screening and treatment in line with the grant's extended focus to now include TB.

The sub-programme: Nutrition has negative growth from 2013/14 to 2015/16 due to this sub-programme being subjected to budget cuts. The growth in 2016/17 and the steady growth in the outer years is attributed to the need to restore the nutrition budget due to the population's vulnerability to malnutrition taking into account the current drought levels and increasing food prices.

The stable growth in the sub-programme: Coroner Services across the seven years includes the various wage agreements and inflationary increases only.

The increase in the sub-programme: District Hospitals in 2013/14 was largely due to the increase in the NHLS flat-fee rate. The increase in the 2015/16 Adjusted Appropriation relates to additional funding to address the NHLS fee-for-service costs, as well as the above-budget 2015 wage agreement. The growth in 2016/17 is due to the additional funding for the pressures in the NHLS fee-for-service costs, exchange rate pressures on medicines and medical supplies, as well as carry-through costs for the 2015 wage agreement.

The increase in *Compensation of employees* from 2013/14 relates to an increased number of school health teams, district family teams and district specialist teams, as well as TB tracing and injection teams. Also affecting the growth was the closing of the gap in standards for municipal clinics taken over from local government, as previously mentioned. This included addressing staffing levels and basic medical equipment. The slow growth in 2016/17 is attributable to the under-funding of the carry-through cost of the above-budget 2015 wage agreement.

The consistently strong growth in *Goods and services* up to 2015/16 was mainly due to the CPI over the period, high medical inflation, the increase in NHLS costs, an increase in property related costs such as water and electricity, security services and cleaning services, as well as the increase in the number of patients treated for HIV, AIDS and TB. In addition to the carry-through costs from previous allocations, funding for national priorities in 2011/12 provided for family health teams, the general policy adjustment, capacity building and, in 2012/13 and 2013/14, additional funding for the reduction of the ARV threshold to a CD4 count of 350. The carry-through costs of these initiatives are reflected over the 2016/17 MTEF. The growth in 2013/14 was attributed to pressures from ARVs and other medication. The increase in the 2015/16 Revised Estimate is caused by the move to a fee-for-services payment mechanism for the NHLS. Additional funding for the NHLS fee-for-service carry-through costs and exchange rate pressures contribute to the growth over the 2016/17 MTEF period.

The significant growth in *Transfers and subsidies to: Provinces and municipalities* from 2013/14 to 2015/16 relates to the eThekweni Metro receiving additional funding to assist the municipal clinics in the treatment of HIV and AIDS, as well as the carry-over expenditure from 2012/13 to 2013/14 due to the delays in the signing of SLAs with the municipality. The negative growth in 2016/17 is attributed to the once-off carry-over expenditure in 2015/16 due to delays in finalising the SLAs.

Transfers and subsidies to: Departmental agencies and accounts relates to payments for TV licences.

The minimal growth in *Transfers and subsidies to: Non-profit institutions* in 2013/14, as well as the reductions in 2014/15 and 2015/16 are due to the provincialisation of McCord Hospital. The reduction in 2015/16 is also due to the NPI patients receiving ARV medication directly from the department, as well as the reprioritisation of funds that were not allocated to any specific entity but were earmarked for further negotiations with the NPIs under this programme. The amounts allocated over the 2016/17 MTEF provide for budgeted contributions towards inflationary increases only.

Transfers and subsidies to: Households relates to staff exit costs and medico-legal claims, and historical fluctuations are based on actual payments made. The high growth in 2014/15 is due to more medico-legal claims cases being finalised. This is erratic in nature and accounts for the fluctuations under this category. The negative growth in 2015/16 is attributed to budget cuts and the department not being in a position to reprioritise additional funding to these costs at this stage due to other competing service delivery needs. The 2016/17 MTEF allocation provides for staff exit costs only.

The increase against *Machinery and equipment* in 2014/15 was due to the need to procure additional vehicles for the new outreach teams. In the 2016/17 MTEF, additional amounts are provided to replace essential equipment.

Service delivery measures – Programme 2: District Health Services

Table 7.20 illustrates the main service delivery measures of Programme 2: District Health Services. The performance indicators provided comply fully with the customised measures for the Health sector.

Table 7.20 : Service delivery measures – Programme 2: District Health Services

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2015/16	2016/17	2017/18	2018/19	
1. Clinics and Community Health Centres						
To provide facilities for patients to be treated at PHC level	No. of districts piloting NHI interventions	3	3	3	3	
	Established NHI Consultation Forum	Not established	Established	Established	Established	
	Percentage of fixed PHC facilities scoring above 70% on the Ideal Clinic Dashboard	10.1%	40%	60%	80%	
	Client Satisfaction Survey Rate (PHC)	30.8%	100%	100%	100%	
	Client Satisfaction Rate (PHC)	83%	85%	88%	90%	
	Outreach household registration visit coverage (annualised)	6%	30%	35%	40%	
	No. of districts with fully fledged District Clinical Specialist Teams	0	2	3	4	
	PHC utilisation rate (annualised)	3	3	3	3	
	Complaint resolution rate	80%	85%	90%	95%	
Complaint resolution within 25 working days rate	94.8%	95%	95%	95%		
2. District Hospitals						
Rendering hospital service at district level	National core standards self-assessment rate	63.2%	100%	100%	100%	
	Quality improvement plan after self-assessment rate	62.5%	100%	100%	100%	
	Percentage of hospitals compliant with all extreme and vital measures of the national core standards	0%	21%	39%	53%	
	Client satisfaction survey rate	84%	100%	100%	100%	
	Client satisfaction rate	80%	95%	95%	95%	
	Average length of stay – total	6.3 days	6 days	6.4 days	6.9 days	
	Inpatient bed utilisation rate – total	62.1%	65.8%	68.3%	70%	
	Expenditure per patient day equivalent	R2 071	R1 947	R2 024	R2 000	
	Complaints resolution rate	73.8%	80%	90%	90%	
	Complaint resolution within 25 working days rate	91.5%	95%	95%	95%	
3. HIV and AIDS, TB and STI control						
Rendering primary health care service in respect of HIV and AIDS, TB and STI control	Adults remaining on ART – total	968 964	1 205 438	1 328 706	1 433 843	
	Total children (under 15 years) remaining on ART – total	58 736	68 286	75 773	82 820	
	TB / HIV co-infected clients on ART rate	70%	90%	90%	90%	
	Client tested for HIV (including ANC)	2 436 884	2 659 268	3 058 158	3 516 882	
	TB symptom 5 years and older screened rate	27.5%	35%	45%	55%	
	Male condom distribution coverage (annualised)	48.1	81	84	87	
	Medical male circumcision performed – total	157 634	491 684	516 268	542 081	
		605 910 cum	1 096 604 cum	1 612 872 cum	2 154 953 cum	
	TB client treatment success rate	85.8%	86%	87%	89%	
	TB client lost to follow up rate	3.8 %	3.4%	2.9%	2.4%	
	TB client death rate	3.7 %	3.5%	3.0%	2.4%	
	TB MDR confirmed treatment initiation rate	Denominator not available from NHLS	70%	80%	80%	
	TB MDR treatment success rate	58%	60%	62%	65%	
4. Maternal, child and women health						
Rendering a comprehensive and integrated maternal, child and women health at primary health care level	Antenatal 1st visit before 20 weeks rate	62.2%	62.6%	65%	68%	
	Mother postnatal visit within 6 days rate	70%	82%	90%	95%	
	Antenatal client initiated on ART rate	96.4%	97%	98%	99%	
	Infant 1st PCR test positive around 10 weeks rate	1.1%	>1%	>0.5%	>0.5%	
	Immunisation coverage under 1 year (annualised)	90.1%	92%	94%	95%	
	Measles 2nd dose coverage (annualised)	85.3%	90%	95%	95%	
	DTaP-IPV/Hib 3 - Measles 1st dose drop-out rate	7.9%	6%	5%	4%	
	Child under 5 years diarrhoea case fatality rate	2.5%	2.5%	2.4%	2.3%	
	Child under 5 years pneumonia case fatality rate	3.2%	3%	2.9%	2.8%	
	Child under 5 years severe acute malnutrition case fatality rate	8.9%	8%	7.5%	7%	
	School Grade 1 learners screening coverage (annualised)	12.4%	25%	30%	35%	
	School Grade 8 learners screening coverage (annualised)	6.1%	20%	25%	30%	
	Couple year protection rate (annualised)	48.2%	60%	65%	70%	
	Cervical cancer screening coverage (annualised)	73.1%	75%	75%	75%	

Table 7.20 : Service delivery measures – Programme 2: District Health Services

Table 122: Service delivery measures – Programme 2: District health services						
Outputs	Performance indicators		Estimated performance	Medium-term targets		
			2015/16	2016/17	2017/18	2018/19
	<ul style="list-style-type: none">• Human papillomavirus vaccine 1st dose coverage• Human papillomavirus vaccine 2nd dose coverage• Vitamin A dose 12-59 months coverage (annualised)• Infant exclusively breastfed at HepB 3rd dose rate• Maternal mortality in facility ratio (annualised)• Inpatient early neonatal death rate	22% 72% 63% 54.3% 123/ 100 000 10.2/ 1000	85% 85% 65% 60% 115/ 100 000 9.3/ 1000	90% 90% 70% 62% 105/ 100 000 9/ 1000	90% 90% 75% 65% 94/ 100 000 8.7/ 1000	
5. Disease prevention and control						
Rendering preventive and promotive health services	<ul style="list-style-type: none">• Clients screened for hypertension• Clients screened for diabetes• Clients screened for mental health• Cataract surgery rate (annualised)• Malaria case fatality rate	6 650 044 4 272 730 Not reported 527.7/ 1 mil 1.4%	7 980 052 5 127 276 100 000 1 154/ 1 mil < 0.5%	9 576 062 6 152 731 120 000 1 395/ 1 mil <0.5%	11 491 274 7 383 277 144 000 1 627/ 1 mil <0.5%	

6.3 Programme 3: Emergency Medical Services

The purpose of Programme 3: Emergency Medical Services is to render pre-hospital emergency medical services, including inter-hospital transfers and planned patient transport.

Poverty and topography are major cost drivers for both the Emergency Transport and Planned Patient Transport sub-programmes. Tables 7.21 and 7.22 below summarise payments and budgeted estimates pertaining to Programme 3.

Table 7.21 : Summary of payments and estimates by sub-programme: Emergency Medical Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Emergency Services	863 099	967 208	1 026 983	1 094 031	1 123 127	1 131 370	1 131 508	1 211 049	1 275 988
2. Planned Patient Transport	62 937	42 732	41 130	66 280	62 509	54 266	68 267	66 301	71 198
Total	926 036	1 009 940	1 068 113	1 160 311	1 185 636	1 185 636	1 199 775	1 277 350	1 347 186

Table 7.22 : Summary of payments and estimates by economic classification: Emergency Medical Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	870 638	975 416	1 061 869	1 095 120	1 120 120	1 145 211	1 143 802	1 217 333	1 282 015
Compensation of employees	641 810	715 735	768 178	789 187	814 187	825 417	842 003	899 259	944 492
Goods and services	228 827	259 679	293 675	305 933	305 933	319 766	301 799	318 074	337 523
Interest and rent on land	-	2	16	-	-	28	-	-	-
Transfers and subsidies to:	4 165	3 946	4 684	4 891	5 216	3 474	4 392	5 017	5 171
Provinces and municipalities	1 537	2 511	1 947	3 190	3 190	1 482	2 300	2 820	2 865
Departmental agencies and accounts	-	-	2	1	1	2	2	2	2
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 628	1 435	2 735	1 700	2 025	1 990	2 090	2 195	2 304
Payments for capital assets	51 234	30 578	1 189	60 300	60 300	36 951	51 581	55 000	60 000
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	51 234	30 578	1 189	60 300	60 300	36 951	51 581	55 000	60 000
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	371	-	-	-	-	-	-
Total	926 036	1 009 940	1 068 113	1 160 311	1 185 636	1 185 636	1 199 775	1 277 350	1 347 186

The increase in 2013/14 was mainly due to inflationary adjustments, the gradual filling of vacant posts, as well as increased fuel costs. The overall increase in the sub-programme: Planned Patient Transport results from the successful implementation of the inter-hospital transfer programme.

The increase in *Compensation of employees* over the entire period relates to the various wage agreements, the introduction of the OSD for emergency personnel, as well as reprioritisation of funding to bring the salaries of emergency medical workers in line with those in other provinces, in order to retain staff and avoid strike action. The high growth in 2013/14 relates to the absorption of trainees, the strengthening of obstetrical ambulance services, as well as the provision for standard danger allowances to various categories of Emergency Medical Services personnel. The growth over the 2016/17 MTEF provides for inflation only.

The main cost drivers under *Goods and services* are fuel and repairs to emergency vehicles, the latter being related to the rough terrain in rural areas, and these costs will increase as the service expands. The high growth in 2013/14 and 2014/15 was due to high fuel costs, the related maintenance and repair costs, as well as costs on aeromedical services. The negative growth in 2016/17 is attributed to the targeted savings to be realised from stringent maintenance and repairs control measures to be implemented. As mentioned previously, the department will appoint assessors who will carry out all the necessary assessment and verification for repairs before any commitment. All vehicle repairs will be centralised and approved by the CFO. This central control seeks to reduce expenditure relating to fuel consumption, usage of tyres, maintenance of vehicles and to conduct fleet inspections, especially related to mileage and vehicle utilisation.

The variable trend in *Transfers and subsidies to: Provinces and municipalities* relates to motor vehicle licences which are driven by the size of the fleet of emergency medical service vehicles in each year, with ambulances being procured and the old fleet being disposed of, and registration and licensing costs thereof will thus vary accordingly.

With regard to *Transfers and subsidies to: Households*, the variable trend is due to the unpredictability of staff exit costs. The high 2012/13 and 2014/15 amounts relate to a legal claim against the department by the First Aid League, and an increase in staff exit costs.

Regarding *Machinery and equipment*, the low expenditure in 2014/15 and the significant high expenditure in 2015/16 is attributed to the late delivery of ambulances ordered in 2014/15 and additional ambulances purchased to address shortages. This was supporting the drive to meet the national norms for this service. The reduction in the 2015/16 Revised Estimate is part of the 2015/16 savings plan to reduce over-spending, with the procurement of emergency vehicles deferred to 2016/17. The drive to increase the number of ambulances will continue over the 2016/17 MTEF, hence a steady growth in the allocated budget for this period.

The expenditure against *Payments for financial assets* relates to the write-off of various losses.

Service delivery measures – Programme 3: Emergency Medical Services

Table 7.23 below illustrates the main service delivery measures pertaining to Programme 3. The performance indicators provided comply fully with the customised measures for the Health sector.

Table 7.23 : Service delivery measures – Programme 3: Emergency Medical Services

Table 7.23 : Service delivery measures – Programme 3: Emergency Medical Services					
Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2015/16	2016/17	2017/18	2018/19
1. Emergency Medical Services					
Rendering emergency medical services including ambulance services, special operations, communications and air ambulance services	• EMS P1 urban response under 15 minutes rate	5%	6%	7%	8%
	• EMS P1 rural response under 40 minutes rate	33%	34%	35%	36%
	• EMS inter-facility transfer rate	41%	40%	38%	36%

6.4 Programme 4: Provincial Hospital Services

The purpose of this programme is the delivery of hospital services which are accessible, appropriate and effective and the provision of general specialist services including a specialised rehabilitation service, and a platform for training health professionals and research. Programme 4 comprises five sub-programmes, with the following main objectives:

- To render regional hospital services at a general specialist level and a platform for training of health workers and research.
- To render hospital services for tuberculosis, including multi-drug resistance.
- To render specialist psychiatric hospital services for people with mental illness and intellectual disability and providing a platform for training of health workers and research.
- To provide medium to long-term care to patients who require rehabilitation and/or a minimum degree of active medical care but cannot be sent home.
- To render an affordable and comprehensive oral health service, based on primary health care.

Tables 7.24 and 7.25 summarise payments and estimates relating to Programme 4.

Table 7.24 : Summary of payments and estimates by sub-programme: Provincial Hospital Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. General (Regional) Hospitals	6 115 757	6 560 190	6 727 470	6 881 905	7 281 397	7 283 245	7 668 159	8 126 048	8 598 700
2. Tuberculosis Hospitals	591 880	631 342	673 267	746 111	764 772	761 101	793 589	846 781	895 894
3. Psychiatric-Mental Hospitals	641 596	686 549	753 333	797 229	793 223	791 736	845 859	899 958	952 156
4. Sub-acute, Step-down and Chronic Medical Hospitals	203 274	226 848	301 940	331 496	355 257	358 567	395 897	416 707	440 876
5. Dental Training Hospital	14 868	16 267	17 415	18 897	18 897	18 897	19 930	21 257	22 490
Total	7 567 375	8 121 196	8 473 425	8 775 638	9 213 546	9 213 546	9 723 434	10 310 751	10 910 116

Table 7.25 : Summary of payments and estimates by economic classification: Provincial Hospital Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	7 486 935	7 969 342	8 316 935	8 644 111	9 064 962	9 069 087	9 636 201	10 206 427	10 799 742
Compensation of employees	5 654 254	6 146 682	6 505 622	6 735 829	6 988 789	7 005 681	7 334 492	7 808 100	8 261 147
Goods and services	1 832 681	1 822 532	1 811 170	1 908 282	2 076 146	2 063 273	2 301 709	2 398 327	2 538 595
Interest and rent on land	-	128	143	-	27	133	-	-	-
Transfers and subsidies to:	68 886	124 336	124 026	63 607	116 194	115 832	62 233	65 219	69 001
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	56	15	64	77	92	50	82	86	91
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	37 770	28 829	31 646	33 100	31 882	31 076	33 100	34 843	36 864
Households	31 060	95 492	92 316	30 430	84 220	84 706	29 051	30 290	32 046
Payments for capital assets	11 554	27 518	32 459	67 920	32 390	26 208	25 000	39 105	41 373
Buildings and other fixed structures	-	79	-	-	-	-	-	-	-
Machinery and equipment	11 554	27 439	32 459	67 920	32 390	26 208	25 000	39 105	41 373
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	5	-	-	2 419	-	-	-
Total	7 567 375	8 121 196	8 473 425	8 775 638	9 213 546	9 213 546	9 723 434	10 310 751	10 910 116

The sustained growth in Programme 4 over the seven year period relates to the various wage agreements, the OSD for medical personnel, high inflation rates on medical supplies and services, as well as NHLS costs. Further contributing factors include the carry-through costs of the MDR/XDR TB facilities opened in the Greytown, Murchison and Thulasizwe Hospitals.

The increase in 2013/14 in the General (Regional) Hospitals sub-programme relates to the commissioning of an additional 80 beds at the LUWM Hospital, pressures in the costs of medicines, as well as funding for

unbudgeted medico-legal claims against the state. The low growth in 2014/15 is due to the decision to reduce the medicine levy as part of the savings plan, the correct booking of NHLS expenditure to other service delivery programmes, as well as fewer claims against the state paid in 2014/15. The increase in the 2015/16 Adjusted Appropriation relates to increased NHLS payments due to the adoption of the fee-for-service payment mechanism, increased cost of cleaning services, security services and water and electricity. The growth over the 2016/17 MTEF includes additional funding for the increased NHLS costs, as well as the exchange rate pressures in medicines and medical supplies.

The Tuberculosis Hospitals sub-programme shows an increase in *Goods and services* in 2015/16 attributable to the medicine payments that were deferred from 2014/15, and the increased costs of TB medication. Thereafter, the increase includes inflationary adjustments only. The reduction in 2016/17 is mainly due to the closure of the FOSA TB Hospital, as part of the rationalisation of services.

The increasing trend in the sub-programme: Psychiatric-Mental Hospitals relates to the various wage agreements and OSDs, and the MTEF includes carry-through costs and inflationary increases only.

The spending in the sub-programme: Sub-acute, Step-down and Chronic Medical Hospitals shows a significant increase in 2014/15 that is attributed to the take-over of McCord Hospital, as well as the commissioning of the KwaZulu-Natal Childrens' Hospital in eThekweni. The 2016/17 MTEF allocation makes provision for the operational costs of McCord Hospital to function as a specialised eye-care hospital with more funding allocated in the outer year.

The Dental Training Hospital sub-programme shows steady growth over the entire period, with inflationary growth over the 2016/17 MTEF.

The increase against *Compensation of employees* in 2013/14 was due to the above-budget 2013 wage agreement and clerical re-grading, as well as the commissioning of 80 additional beds at LUWM Hospital. The increase in 2015/16 is mainly due to the provision for the commissioning of McCord Hospital as a specialised eye-care hospital, the carry-through costs of the commissioning of additional beds at LUWM Hospital and also to cover the existing *Compensation of employees* budget gaps in this programme. The low growth in 2016/17 is due to the shortfall in the carry-through costs for the 2015 wage agreement, as explained previously.

The expenditure on *Goods and services* from 2013/14 onward includes the national priority funding for improving norms and standards at public hospitals, additional capacity for purchasing *Goods and services* and funding for the general policy adjustment. The negative growth in 2013/14 was attributed to the reduction in the "buying out" of beds from private hospitals, as well as the correct allocation of NHLS expenditure, mainly to Programme 2. The decrease in 2014/15 was due to the previously mentioned reduction in the medicine levy at the PPSD. The growth from 2015/16 provides for the commissioning of McCord Hospital as a specialised eye-care hospital. The increase in 2016/17 is attributable to the previously mentioned additional funding for NHLS and exchange rate pressures.

The amounts against *Transfers and subsidies to: Departmental agencies and accounts* relate to TV licences.

The substantial reduction in *Transfers and subsidies to: Non-profit institutions* in 2013/14 was the result of the reassessment of all the department's non-profit institutions. The further decrease in the 2015/16 Adjusted Appropriation is due to the decision to reallocate unallocated funding for non-profit institutions to other service delivery pressures. This decision was carried through over the 2016/17 MTEF, with provision for inflationary increases only in the outer years.

The high spending against *Transfers and subsidies to: Households* from 2013/14 to 2015/16 relates to a number of medico-legal claims. There is no provision for medico-legal claims over the 2016/17 MTEF due to the department not being in a position to reprioritise funding to these costs at this stage because of other competing service delivery needs, hence the drop in 2016/17 and minimal growth thereafter. This will be reviewed in-year as medico-legal costs arise.

The low base in 2012/13 against *Machinery and equipment* relates mainly to the delay in the delivery of replacement essential equipment ordered for provincial hospitals. This equipment was ordered in 2012/13

but only delivered in 2013/14 and contributes to the significant growth in 2013/14. Additional funding is provided over the 2016/17 MTEF for the replacement of redundant essential equipment under this programme, and increases are matched to identified cyclical replacement needs.

Service delivery measures – Programme 4: Provincial Hospital Services

Table 7.26 below illustrates the main service delivery measures pertaining to Programme 4. The measures comply fully with the customised measures of the health sector.

Table 7.26 : Service delivery measures – Programme 4: Provincial Hospital Services

Table 7.20: Service delivery measures – Programme 4: Provincial Hospital Services					
Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2015/16	2016/17	2017/18	2018/19
1. General (Regional) Hospitals					
Rendering of hospital services at a general specialist level and a platform for training of health workers and research	• National core standards self-assessment rate	100%	100%	100%	100%
	• Quality improvement plan after self-assessment rate	100%	100%	100%	100%
	• Percentage of hospitals compliant with all extreme and vital measures of the national core standards	0%	23%	38.4%	53.8%
	• Client satisfaction survey rate	100%	100%	100%	100%
	• Client satisfaction rate	87%	89%	91%	93%
	• Average length of stay – total	6.5 days	6.5 days	6.5 days	6.5 days
	• Inpatient bed utilisation rate – total	67.8%	70.7%	70.7%	71%
	• Expenditure per PDE	R2 837	R2 822	R2 971	R3 127
	• Complaints resolution rate	82.2%	86%	88%	90%
	• Complaints resolution within 25 working days rate	97%	97.5%	97.8%	98.2%
2. Specialised Hospitals					
Rendering of hospital services at a specialist level including TB, psychiatric, oral and dental, step-down and chronic	• National core standards self-assessment rate	100%	100%	100%	100%
	• Quality improvement plan after self-assessment rate	100%	100%	100%	100%
	• Percentage of hospitals compliant with all extreme and vital measures of the national core standards	0%	33%	56%	67%
	• Client satisfaction survey rate	100%	100%	100%	100%
	• Client satisfaction rate	72%	89%	94%	100%
	• Average length of stay - total	39.3 days	39.1 days	39 days	39 days
	• Inpatient bed utilisation rate - total	62.9%	63%	63.2%	63.3%
	• Expenditure per PDE	R1 491	R1 582	R1 675	R1 774
	• Complaints resolution rate	30.7%	55.5%	68.6%	77.4%
	• Complaints resolution within 25 working days rate	89%	92%	94.3%	94.7%

6.5 Programme 5: Central Hospital Services

The main purpose of Programme 5: Central Hospital Services is to provide tertiary health services and to create a platform for the training of health workers.

Tables 7.27 and 7.28 below summarise payments and budgeted estimates relating to the two sub-programmes that fall under this programme.

Table 7.27 : Summary of payments and estimates by sub-programme: Central Hospital Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Central Hospital Services	1 697 441	1 785 076	1 914 646	2 154 298	2 063 323	2 150 507	2 333 471	2 528 972	2 593 644
2. Provincial Tertiary Hospital Services	1 641 409	1 855 510	1 903 154	1 830 668	2 025 278	2 043 449	2 102 368	2 320 390	2 483 015
Total	3 338 850	3 640 586	3 817 800	3 984 966	4 088 601	4 193 956	4 435 839	4 849 362	5 076 659

Table 7.28 : Summary of payments and estimates by economic classification: Central Hospital Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	3 326 365	3 563 853	3 774 252	3 962 062	4 061 896	4 166 479	4 419 576	4 831 864	5 058 147
Compensation of employees	1 805 528	1 984 474	2 135 330	2 226 728	2 266 728	2 333 609	2 407 673	2 607 315	2 805 152
Goods and services	1 520 837	1 579 379	1 638 596	1 735 334	1 795 168	1 832 870	2 011 903	2 224 549	2 252 995
Interest and rent on land	-	-	326	-	-	-	-	-	-
Transfers and subsidies to:	4 920	45 259	40 875	10 324	23 959	23 021	10 763	11 306	11 961
Provinces and municipalities	-	-	-	-	-	2	-	-	-
Departmental agencies and accounts	-	52	51	54	54	-	57	60	63
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	4 920	45 207	40 824	10 270	23 905	23 019	10 706	11 246	11 898
Payments for capital assets	7 565	31 474	2 673	12 580	2 746	4 456	5 500	6 192	6 551
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	7 565	31 474	2 673	12 580	2 746	4 456	5 500	6 192	6 551
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	3 338 850	3 640 586	3 817 800	3 984 966	4 088 601	4 193 956	4 435 839	4 849 362	5 076 659

The positive trend over the entire period is due to the increasing demand for tertiary and central hospital services, as well as the various OSDs and annual wage agreements, and related carry-through costs. The significant increase in 2015/16 relates mainly to the high inflation rate on medicines, medical supplies and service costs, the Rand/Dollar exchange rate, accruals from 2014/15, as well as increased costs of blood products and increased stock levels of medical supplies to meet the increasing demand for services. The drop in the 2015/16 Main Appropriation was due to an error during the 2015/16 budget process that was rectified during the Adjustments Estimate, affecting the PPP payment against *Goods and services*. The 2016/17 MTEF includes the carry-through costs of wage agreements, OSDs and national priorities. Also, additional funding was received for the previously mentioned pressures in NHLS costs, as well as items affected by the deteriorating Rand/Dollar exchange rate including medicines, medical supplies and equipment.

The high trend in *Compensation of employees* in 2013/14 and 2014/15 was due to the above-budget 2012 wage adjustment and the reclassification of Grey's Hospital as a tertiary hospital, as indicated in Government Gazette No. 35101, as well as the filling of critical posts in order to reduce the buying out of beds. The high growth in 2014/15 is also attributable to the filling of critical posts to strengthen neonatal services. The increase in the 2015/16 Revised Estimate is due to the carry-through costs for the filling of critical posts in 2014/15 which was not fully funded during the 2015/16 MTEF budget process. The growth in 2016/17 is restricted by the previously mentioned above-budget 2015 wage agreement.

The low growth in *Goods and services* in 2013/14 and 2014/15 is attributed to efficiency gains from high cost drivers such as medicines, medical supplies and blood products, as well as the accruals of PPP and medicine payments from 2014/15 to 2015/16, accounting for the increase in 2015/16 and negative growth in 2016/17. The high expenditure in the 2015/16 Revised Estimate was due to PPP payment accruals from 2014/15, as well as the reduction in the medicine levy in 2014/15 as part of previously mentioned savings plan. The growth over the 2016/17 MTEF caters for the carry-through of the NHLS and exchange rate pressures.

The high expenditure against *Transfers and subsidies to: Households* from 2013/14 to 2015/16 relates to medico-legal claims against the department. No provision was made for these claims over the 2016/17 MTEF period due to competing service delivery needs, hence the negative growth in 2016/17. The department will assess this in-year as the need arises.

The increase in spending against *Machinery and equipment* in 2013/14 was due to critical medical equipment ordered in 2012/13, but only delivered and paid for in 2013/14. The slow spending in 2014/15 and 2015/16 was due to reprioritisation of the *Machinery and equipment* budget to other service delivery

needs due to budget constraints, as well as the slow pace in the delivery of medical equipment. The increase in the 2016/17 MTEF relates to the provision for the planned replacement and modernisation of critical major medical equipment for tertiary services, as well the clearing of the backlog due to the previously mentioned shortage of funds.

Service delivery measures – Programme 5: Central Hospital Services

Table 7.29 illustrates service delivery measures pertaining to Programme 5: Central Hospital Services. The measures comply fully with the customised measures of the health sector.

Table 7.29: Service delivery measures – Programme 5: Central Hospital Services

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2015/16	2016/17	2017/18	2018/19	
1. Tertiary Hospitals						
To provide tertiary health services and create a platform for the training of health workers	• National core standards self-assessment rate	100%	100%	100%	100%	
	• Quality improvement plan after self-assessment rate	0%	100%	100%	100%	
	• Percentage of hospitals compliant with all extreme and vital measures of the national core standards	0%	66%	100%	100%	
	• Client satisfaction survey rate	100%	100%	100%	100%	
	• Client satisfaction rate	94%	96%	97%	100%	
	• Average length of stay – total	7.8 days	7.7 days	7.6 days	7.4 days	
	• Inpatient bed utilisation rate – total	76.3%	78.9%	81.7%	84.5%	
	• Expenditure per PDE	R5 375	R4 780	R5 146	R5 364	
	• Complaints resolution rate	83.5%	85%	90%	94.5%	
	• Complaints resolution within 25 working days rate	100%	100%	100%	100%	
2. Central Hospitals						
Rendering of a highly specialised medical health and quaternary service on a national basis and a platform for the training of health workers and research	• National core standards self-assessment rate	0%	100%	100%	100%	
	• Quality improvement plan after self-assessment rate	0%	100%	100%	100%	
	• Percentage of hospitals compliant with all extreme and vital measures of the national core standards	0%	100%	100%	100%	
	• Client satisfaction survey rate	100%	100%	100%	100%	
	• Client satisfaction rate	94%	96%	97%	100%	
	• Average length of stay – total	8.6 days	8.5 days	8.5 days	8.5 days	
	• Inpatient bed utilisation rate – total	67.2%	67.1%	67.1%	67%	
	• Expenditure per PDE	R8 088	R8 173	R8 637	R8 992	
	• Complaints resolution rate	75%	80%	85%	90%	
	• Complaints resolution within 25 working days rate	96.3%	96.5%	97%	98%	

6.6 Programme 6: Health Sciences and Training

The purpose of this programme is to render training and development opportunities for actual and potential employees of the department. The five sub-programmes have the following main aims:

- To provide for training of nurses at under-graduate and post-basic level.
- To provide training of rescue and ambulance personnel.
- To provide PHC related training for personnel.
- To provide skills development interventions for all occupational categories in the department.
- To provide bursaries for health science training at undergraduate and post-graduate levels.

Tables 7.30 and 7.31 summarise information relating to Programme 6 for the period 2012/13 to 2018/19.

Table 7.30 : Summary of payments and estimates by sub-programme: Health Sciences and Training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Nursing Training Colleges	334 013	292 602	276 189	296 953	280 341	279 813	280 382	300 650	318 088
2. EMS Training Colleges	10 890	5 968	5 039	4 709	4 575	3 772	18 176	18 304	19 366
3. Bursaries	82 997	205 880	243 405	237 500	283 379	289 297	255 910	268 912	284 509
4. Primary Health Care Training	54 574	47 043	41 957	49 610	40 913	41 161	38 530	41 481	43 887
5. Training Other	419 461	447 858	452 359	466 478	446 042	441 207	507 152	537 336	568 501
Total	901 935	999 351	1 018 949	1 055 250	1 055 250	1 055 250	1 100 150	1 166 683	1 234 351

Table 7.31 : Summary of payments and estimates by economic classification: Health Sciences and Training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	804 266	789 339	778 344	816 250	777 965	771 940	842 326	898 400	950 507
Compensation of employees	746 254	736 405	722 027	743 354	719 538	714 227	776 000	828 732	876 798
Goods and services	58 012	52 931	56 317	72 896	58 427	57 713	66 326	69 668	73 709
Interest and rent on land	-	3	-	-	-	-	-	-	-
Transfers and subsidies to:	96 105	208 586	238 187	230 000	273 909	283 075	252 824	261 647	276 823
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	10 119	11 282	15 768	16 000	18 863	18 863	19 842	17 684	18 710
Higher education institutions	57	498	16	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	15 130	-	-	-	-	-	-	-	-
Households	70 799	196 806	222 403	214 000	255 046	264 212	232 982	243 963	258 113
Payments for capital assets	1 564	1 426	2 412	9 000	3 369	228	5 000	6 636	7 021
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 564	1 426	2 412	9 000	3 369	228	5 000	6 636	7 021
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	6	-	7	7	-	-	-
Total	901 935	999 351	1 018 949	1 055 250	1 055 250	1 055 250	1 100 150	1 166 683	1 234 351

The negative growth against the sub-programme: Nursing Training Colleges in 2013/14 and 2014/15, low growth in 2015/16, as well as the declining trend against the sub-programme: Primary Health Care Training from 2012/13 to 2016/17 is mainly due to the reduced intake of nursing students, as well as the department's change in policy, with student nurses being paid by stipend and no longer on the more expensive permanent salary basis. In addition, there has been reprioritisation of funding to other areas of critical clinical needs due to shortfalls in funding.

The negative growth from 2013/14 to 2015/16 and very high growth in 2016/17 under EMS Training Colleges was due to the incorrect linking of EMS training staff against Programme 3, which is corrected in 2016/17. Historical figures have not been restated as yet, due to delays in correcting the error on PERSAL.

The increase in the sub-programme: Bursaries over the entire period is attributed to the pressures in bursary payments related to the increase in student numbers on the Cuban Doctors' programme. These payments are subject to Rand/Dollar exchange rate pressures which has not been favourable in the recent past. As mentioned earlier, there will be no further students added to this programme in accordance with a NDOH instruction, with an average of 14 students returning from Cuba per year over the 2016/17 MTEF.

In the sub-programme: Training Other, the increase over the seven year period is due to the extension of the medical internship period to two years, as well as the OSD for doctors. The reduction in the 2015/16 Adjusted Appropriation and Revised Estimate is due to the decision to put on hold the training and development of administrative support staff as part of the cost-containment measures. The 2016/17 MTEF increase provides for the carry-through costs of the various wage agreements.

The trend across the seven year period shows a steady increase in *Compensation of employees* and includes carry-through costs for OSDs for medical personnel and wage agreements. The low growth from 2012/13 through to 2014/15 reflects the change in the department's policy with regard to nurses being paid by stipend and no longer on the more expensive permanent salary basis. The decision to discontinue

certain nurse training programmes in light of budget cuts also contributed to this low growth. The decrease in 2014/15 is also related to the movement of nutrition advisors to the Other Community Services sub-programme in Programme 2. The training programme for these employees was under Programme 6 and, after completion of training, the staff were shifted to Programme 2.

The fluctuating trend in *Goods and services* is attributed to the travelling costs related to the Cuban Doctors' programme where travelling is linked to exchange rate fluctuations, as well as the training of personnel in health related fields. The decrease in 2013/14 and again in the 2015/16 Adjusted Appropriation is due to forced savings to address the previously mentioned bursary pressures related to the Cuban Doctors' programme. Growth over the 2016/17 MTEF addresses the related travelling costs of the students in the Cuban Doctors' programme and inflationary growth only in the outer two years.

The category *Transfers and subsidies to: Departmental agencies and accounts* shows strong growth from 2012/13 through to 2015/16, which is ascribed to the HWSETA levy, which is in line with the growth in *Compensation of employees*.

Transfers and subsidies to: Non-profit institutions in 2012/13 relates to the McCord Hospital. The ceasing of funding from 2013/14 is attributed to the provincialisation of McCord Hospital during 2013/14.

The significant increase in *Transfers and subsidies to: Households* over the entire period relates to the department's decision to implement intensive training programmes through bursaries to address the shortage of personnel in the health fields, including the previously mentioned Cuban Doctors' programme.

The funding against *Machinery and equipment* makes provision for additional equipment at the various training campuses. The reduced amount in 2013/14 relates to funding moved to the service delivery programmes, to address pressures in these programmes. The increase from 2015/16 seeks to address shortages that have arisen in the past, and the budget grows marginally over the 2016/17 MTEF.

The expenditure against *Payments for financial assets* relates to the write-off of losses.

Service delivery measures – Programme 6: Health Sciences and Training

Table 7.32 below illustrates service delivery pertaining to Programme 6. The measures comply fully with the customised measures of the health sector.

Table 7.32 : Service delivery measures – Programme 6: Health Sciences and Training

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2015/16	2016/17	2017/18	2018/19
2. Bursaries					
Provision of bursaries for health science training programmes at undergraduate and postgraduate levels. Target group includes actual and potential employees	• No. of bursaries awarded for first year medicine students	91	50	50	50
	• No. of bursaries awarded for first year nursing students	450	450	450	450

6.7 Programme 7: Health Care Support Services

The aim of this programme is to house a number of centralised services including:

- The PMSC, which manages the supply of pharmaceuticals and medical sundries to hospitals, community health centres, clinics and local authorities, via the Medicine Trading Account.
- Provision of laundry services to hospitals, care and rehabilitation centres and certain local authorities.
- Provision of specialised orthotic and prosthetic services to hospitals and clinics.

Tables 7.33 and 7.34 below summarise the payments and estimates relating to this programme for the period 2012/13 to 2018/19.

Table 7.33 : Summary of payments and estimates by sub-programme: Health Care Support Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Medicine Trading Account	15 170	-	6	-	-	-	-	-	-
2. Laundry Services	90 040	90 271	125 667	104 280	104 280	135 642	281 884	217 767	230 396
3. Orthotic and Prosthetic Services	25 331	32 573	26 235	34 008	34 008	31 217	44 603	37 587	39 767
Total	130 541	122 844	151 908	138 288	138 288	166 859	326 487	255 354	270 163

Table 7.34 : Summary of payments and estimates by economic classification: Health Care Support Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	112 663	121 545	147 452	135 113	135 485	161 707	317 307	251 771	266 372
Compensation of employees	78 745	81 357	84 524	95 700	94 149	91 632	106 900	115 322	122 008
Goods and services	33 918	40 188	62 928	39 413	41 336	70 075	210 407	136 449	144 364
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	16 493	1 285	1 264	575	303	252	680	711	752
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	15 170	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 323	1 285	1 264	575	303	252	680	711	752
Payments for capital assets	1 385	14	3 192	2 600	2 500	4 900	8 500	2 872	3 039
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 385	14	3 192	2 600	2 500	4 900	8 500	2 872	3 039
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	130 541	122 844	151 908	138 288	138 288	166 859	326 487	255 354	270 163

Note that, from 2013/14, the department has centralised the Laundry Services and the Orthotic and Prosthetic Services as separate sub-programmes within Programme 7, which is in line with the budget and programme structure for the Health sector. These functions were previously spread over Programmes 2, 4 and 5. Historical data has been adjusted accordingly.

The expenditure against the Medicine Trading Account sub-programme in 2012/13 results from the additional funding that was required to enable the PMSC to carry sufficient medical stock to meet demand. The reduction in 2013/14 was due to the account having sufficient funding for the supply of pharmaceuticals and medical sundries, with no top-up needed. This situation was carried through to 2015/16. The medicine trading account will cease to exist as from 2016/17. This is due to the decision to incorporate the Provincial Pharmacy Supply Depot to be part of the departmental facilities. This also accounts for the trend against *Transfers and subsidies to: Departmental agencies and accounts*.

The notable increase in 2014/15 against the Laundry Services sub-programme is due to the procurement of additional laundry linen and laundry vehicles for the commissioning of the KwaZulu Provincial Laundry. The increase in 2014/15 was also attributed to the outsourcing of laundry services due to delays in the commissioning of the KwaZulu Provincial Laundry. This trend continues in 2015/16 and 2016/17, with an additional R80 million allocated for linen in the latter year, as the department purchases additional hospital linen and laundry trucks to ensure the smooth functioning of the KwaZulu Provincial Laundry. This once-off spending explains the decrease in 2017/18, with inflationary growth in the outer year.

The high growth in 2013/14 under the Orthotic and Prosthetic Services sub-programme was caused by the delivery of medical supplies that were ordered in 2012/13, accounting for the negative growth in 2014/15. The high growth in 2016/17 is a once-off provision for the procurement of critical orthotic and prosthetic medical equipment, hence the decline in 2017/18, with inflationary growth in the outer year.

Compensation of employees grows steadily over the seven-year period, driven mainly by the various higher than expected wage agreements, as well as additional laundry services staff.

The high growth in *Goods and services* in 2014/15 through to 2016/17 is due to the provision for the bulk purchase of linen for the commissioning of KwaZulu Provincial Laundry, the once-off procurement of laundry vehicles, as well as the outsourcing of laundry services while awaiting the commissioning.

The fluctuating trend against *Transfers and subsidies to: Households* relates to the unpredictable nature of staff exit costs.

Expenditure against *Machinery and equipment* relates to office equipment and laundry vehicles for the programme. The reduction in 2013/14 was related to the delay in the delivery of laundry vehicles. The increase in 2014/15 was due to the delivery of laundry vehicles ordered in 2013/14, as well as the planned once-off purchase of special/modified laundry vehicles. The increase in 2016/17 relates to the previously mentioned purchase of orthotic and prosthetic medical equipment, hence the drop in 2017/18.

6.8 Programme 8: Health Facilities Management

Programme 8: Health Facilities Management consists of six sub-programmes, the main aim of which is the facilities management of community health clinics, community health centres, district hospitals, emergency medical services facilities, provincial hospitals, central and tertiary hospitals, as well as all other buildings and structures.

The main activities of the programme are to provide new health facilities, and rehabilitate, upgrade and maintain existing facilities. This includes the provision of additional PHC facilities, to ensure improved access to health services in under-served areas of the province, as well as the provision of major medical equipment.

Tables 7.35 and 7.36 below summarise payments and estimates relating to Programme 8.

Table 7.35 : Summary of payments and estimates by sub-programme: Health Facilities Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Community Health Facilities	562 070	523 719	443 562	200 842	176 277	195 699	133 293	164 508	210 866
2. District Hospital Services	651 614	588 488	476 652	159 266	186 349	200 373	365 010	452 886	497 523
3. Emergency Medical Services	5 377	1 328	-	2 381	-	-	-	-	-
4. Provincial Hospital Services	812 898	600 958	500 232	941 445	915 282	901 788	840 970	915 440	913 080
5. Central Hospital Services	28 598	24 396	18 685	11 897	31 514	26 963	76 043	134 135	135 636
6. Other Facilities	313 041	261 917	239 906	235 521	241 930	226 529	168 199	148 714	158 432
Total	2 373 597	2 000 806	1 679 037	1 551 352	1 551 352	1 551 352	1 583 515	1 815 683	1 915 537

Table 7.36 : Summary of payments and estimates by economic classification: Health Facilities Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	463 510	349 449	379 132	405 904	357 807	372 136	477 294	398 002	455 809
Compensation of employees	21 998	24 048	24 158	37 000	33 605	33 643	44 122	42 000	42 000
Goods and services	441 511	325 401	354 974	368 904	324 202	338 493	433 172	356 002	413 809
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	20 000	20 022	37	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	20 000	20 000	-	-	-	-	-	-	-
Households	-	22	37	-	-	-	-	-	-
Payments for capital assets	1 890 088	1 631 335	1 299 868	1 145 448	1 193 545	1 179 216	1 106 221	1 417 681	1 459 728
Buildings and other fixed structures	1 662 936	1 530 893	1 206 295	1 143 659	1 097 558	1 102 958	896 221	967 681	989 128
Machinery and equipment	227 152	100 442	93 573	1 789	95 987	76 258	210 000	450 000	470 600
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 373 597	2 000 806	1 679 037	1 551 352	1 551 352	1 551 352	1 583 515	1 815 683	1 915 537

The high base in 2012/13 is largely the result of a drive to improve and maintain the infrastructure of the department and is also related to increasing conditional grant funding, especially the Health Facility Revitalisation grant, as well as the department's equitable share. The decrease in 2016/17 in some sub-programmes and in *Buildings and other fixed structures*, as well as *Machinery and equipment* relates to the previously mentioned reforms that were made to the provincial infrastructure grant system that are intended to institutionalise proper planning for infrastructure. The increase in 2017/18 and 2018/19 is due to additional funding for the effect of the weakening exchange rate on the cost of medical equipment.

The increase in *Compensation of employees* from 2012/13 to 2013/14 is due to the implementation of the EPWP Integrated Grant for Provinces, which utilises local people to maintain grounds and clean buildings. Although this grant has received funding in 2016/17 only, at this stage, the programme is continuing and thus funds will be made available over the remainder of the MTEF for this.

The day-to-day maintenance drive accounts for the peak against *Goods and services* in 2012/13 and is an effort to bring facilities up to standard for the roll-out of the NHI. The reduction in *Goods and services* in 2013/14 is a result of the hired/leased properties being paid under capital projects, and this has been reversed in 2014/15. The reduction in 2013/14 was also due to the provincial tenders not being in place, poor performing contractors were also reported by some districts and lack of capacity at some institutions in carrying out the maintenance functions. The level of funding for maintenance fluctuates over the 2016/17 MTEF due to the previously mentioned fluctuations in the Health Facility Revitalisation grant, namely the additional once-off funding allocated in 2016/17 for submission of acceptable plans, as well as an additional allocation in the outer year.

With regard to *Transfers and subsidies to: Non-profit institutions*, the department transferred R20 million in 2012/13 and 2013/14 to the KZN Children's Hospital Trust for the development and refurbishment of the KZN Children's Hospital in the eThekweni Metro.

The high base against *Machinery and equipment* in 2012/13 was due to once-off payments for essential medical equipment, needed to meet the requirements of the NHI. The negative growth in 2013/14 can mainly be attributed to this once-off expenditure, as well as reprioritisation undertaken, as the funding was required for the committed and contracted capital projects which were already in the construction phase. The trend over the 2016/17 MTEF caters for the effect of the weakening exchange rate on the replacement of redundant essential medical equipment, for which the department received additional funding.

Service delivery measures – Programme 8: Health Facilities Management

Table 7.37 below illustrates service delivery pertaining to Programme 8. Note that these are new measures promulgated by the sector from 2014/15.

Table 7.37 : Service delivery measures – Programme 8: Health Facilities Management

Table 1.57: Service delivery measures – Programme 6: Health Facilities Management					
Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2015/16	2016/17	2017/18	2018/19
1. Health Facilities Management					
Provision of new health facilities and the refurbishment, upgrading and maintenance of existing facilities	• No. of health facilities that have undergone major and minor refurbishment	21	8	8	8
	• Establish service level agreements (SLAs) with Department of Public Works (and any other implementing agents)	1	1	1	1

7. Other programme information

7.1 Personnel numbers and costs

Tables 7.38 and 7.39 reflect personnel information for the Department of Health. The following personnel are not included in the information provided as they are not paid from the department's voted funds:

- Personnel working at the Provincial Pharmacy Supply Depot, who are paid from the Medicine Trading Account.
- Staff occupying sub-vented (shared costs) posts and whose salaries are claimed from the UKZN.

The high staff numbers in 2013/14 is largely due to the department placing student nurses and community care-givers (CCG) on the payroll. Although the numbers have increased significantly, the cost to the department for CCGs has not increased, as the affected staff were paid *via* transfers to NGOs previously. In the case of student nurses, the costs are lower as they now receive a stipend, instead of a full salary.

Table 7.38 : 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	781	779	781	817	817	817	817
2. District Health Services	38 895	45 237	46 968	46 531	46 531	46 531	46 531
3. Emergency Medical Services	3 168	3 241	3 104	3 049	3 049	3 049	3 049
4. Provincial Hospital Services	22 099	22 338	22 402	21 788	21 788	21 788	21 788
5. Central Hospital Services	4 507	4 475	4 435	5 845	5 845	5 845	5 845
6. Health Sciences and Training	4 212	4 159	3 311	3 454	2 954	2 954	2 954
7. Health Care Support Services	499	495	469	609	609	609	609
8. Health Facilities Management	565	882	676	779	779	779	779
Total	74 726	81 606	82 146	82 872	82 372	82 372	82 372
Total provincial personnel cost (R thousand)	16 886 345	18 676 776	20 014 542	21 830 915	23 096 722	24 633 318	26 187 519
Unit cost (R thousand)	226	229	244	263	280	299	318

Table 7.39 : 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)	74 726	81 606	82 146	83 192	82 872	82 872	82 372	82 372	82 372
Personnel cost (R thousands)	16 886 345	18 676 776	20 014 542	21 138 481	21 625 944	21 830 915	23 096 722	24 633 318	26 187 519
Human resources component									
Personnel numbers (head count)	1 138	1 268	1 268	1 268	1 350	1 350	1 350	1 350	1 350
Personnel cost (R thousands)	225 980	312 595	344 527	353 887	379 536	383 137	405 359	432 315	459 594
Head count as % of total for department	1.52	1.55	1.54	1.52	1.63	1.63	1.64	1.64	1.64
Personnel cost as % of total for department	1.34	1.67	1.72	1.67	1.76	1.76	1.76	1.76	1.76
Finance component									
Personnel numbers (head count)	2 702	3 014	3 014	3 014	3 054	3 054	3 054	3 054	3 054
Personnel cost (R thousands)	442 681	547 493	590 112	619 814	710 953	717 699	759 326	809 821	860 920
Head count as % of total for department	3.62	3.69	3.67	3.62	3.69	3.69	3.71	3.71	3.71
Personnel cost as % of total for department	2.62	2.93	2.95	2.93	3.29	3.29	3.29	3.29	3.29
Full time workers									
Personnel numbers (head count)	73 250	80 242	71 945	71 966	65 772	65 772	65 772	65 772	65 772
Personnel cost (R thousands)	16 318 828	18 379 522	19 591 524	20 638 889	19 937 447	20 142 418	21 310 322	22 728 068	24 162 061
Head count as % of total for department	98.02	98.33	87.58	86.51	79.37	79.37	79.85	79.85	79.85
Personnel cost as % of total for department	96.64	98.41	97.89	97.64	92.19	92.27	92.27	92.27	92.27
Part-time workers									
Personnel numbers (head count)	902	825	825	825	773	773	773	773	773
Personnel cost (R thousands)	135 763	220 469	225 016	249 592	256 438	256 438	271 306	289 357	307 615
Head count as % of total for department	1.21	1.01	1.00	0.99	0.93	0.93	0.94	0.94	0.94
Personnel cost as % of total for department	0.80	1.18	1.12	1.18	1.19	1.17	1.17	1.17	1.17
Contract workers									
Personnel numbers (head count)	574	539	9 376	10 401	16 327	16 327	15 827	15 827	15 827
Personnel cost (R thousands)	431 754	76 785	198 002	250 000	1 432 059	1 432 059	1 515 093	1 615 892	1 717 843
Head count as % of total for department	0.77	0.66	11.41	12.50	19.70	19.70	19.21	19.21	19.21
Personnel cost as % of total for department	2.56	0.41	0.99	1.18	6.62	6.56	6.56	6.56	6.56

7.2 Training

Tables 7.40 and 7.41 reflect departmental expenditure on training, which is centralised under Programme 6: Health Sciences and Training. The department is required by the Skills Development Act to budget at least 1 per cent of its salary expenses on staff training, to cater for human resource development. As the

percentage spent on training exceeds three per cent of the department's baseline, this requirement is fully achieved.

The costs reflected include the costs of staff and other running costs within Programme 6, hence the total cost is more than that reflected against *Training and development* in Annexure 7B. The training provided is for medical interns, nurses, emergency medical rescue and ambulance personnel and skills development for all occupational categories in the department. The department has several training programmes aimed at developing and retaining skills. These include training at Nursing Colleges, the Cuban Doctors' programme, as well as registrar training programmes in respect of specialist medical training. The most significant portion of the training costs within Programme 6 is for *Other*, and relates to the running costs of the various institutions (including *Compensation of employees* for training staff).

Table 7.40 : Payments on training by programme: Health

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	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
2. District Health Services	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
3. Emergency Medical Services	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
4. Provincial Hospital Services	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
5. Central Hospital Services	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
6. Health Sciences and Training	901 968	1 012 752	1 051 400	1 104 853	1 104 853	1 104 853	1 163 410	1 221 581	1 292 433
Travel and subsistence	18 048	11 157	11 300	11 876	11 876	11 876	12 482	13 118	13 879
Payments on tuition	111 738	241 605	205 650	216 138	216 138	216 138	227 161	238 746	252 593
Other	772 182	759 990	834 450	876 839	876 839	876 839	923 767	969 717	1 025 961
7. Health Care Support Services	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
8. Health Facilities Management	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	901 968	1 012 752	1 051 400	1 104 853	1 104 853	1 104 853	1 163 410	1 221 581	1 292 433

Table 7.41 : Information on training: Health

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	74 726	81 606	82 146	82 872	82 872	82 872	82 372	82 372	82 372
Number of personnel trained	24 950	9 530	9 500	11 500	11 500	11 500	13 500	15 500	16 399
of which									
Male	6 904	2 439	3 330	4 130	4 130	4 130	4 930	5 730	6 062
Female	18 046	7 091	6 170	7 370	7 370	7 370	8 570	9 770	10 337
Number of training opportunities	12 410	13 155	8 030	8 916	8 916	8 916	8 975	9 048	9 573
of which									
Tertiary	1 700	1 802	32	100	100	100	120	140	148
Workshops	550	583	618	618	618	618	655	688	728
Seminars	60	64	198	198	198	198	200	220	233
Other	10 100	10 706	7 182	8 000	8 000	8 000	8 000	8 000	8 464
Number of bursaries offered	897	1 487	1 581	1 600	1 600	1 600	1 700	1 800	1 904
Number of interns appointed	500	183	272	150	150	150	200	250	265
Number of learnerships appointed	250	250	181	250	250	250	250	263	278
Number of days spent on training	-	-	-	-	-	-	-	-	-

ANNEXURE – VOTE 7: HEALTH

Table 7.A : Details of departmental receipts: Health

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	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	218 326	237 077	250 237	231 538	231 538	236 777	255 372	270 359	284 935
Sale of goods and services produced by department (excluding capital assets)	217 499	236 584	249 286	230 728	230 728	235 732	254 519	269 455	283 979
Sales by market establishments	14 141	14 369	14 366	23 185	23 185	14 052	17 944	19 153	19 153
Administrative fees	3 231	4 347	5 262	783	783	5 289	5 600	5 930	6 280
Other sales	200 127	217 868	229 658	206 760	206 760	216 391	230 975	244 372	258 546
Of which									
Health patient fees	125 730	145 608	156 079	138 741	138 741	145 320	166 888	176 568	186 810
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	827	493	951	810	810	1 045	853	903	957
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	17	29	31	21	21	37	21	22	23
Interest, dividends and rent on land	186	5 988	143	217	217	49	135	142	149
Interest	186	5 988	143	217	217	49	135	142	149
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	35 941	9 607	14 009	10 000	10 000	3 900	12 000	12 600	13 230
Land and sub-soil assets	35 941	9 607	14 009	10 000	10 000	3 900	12 000	12 600	13 230
Other capital assets	-	-	-	-	-	-	-	-	-
Transactions in financial assets and liabilities	12 601	18 046	25 513	16 182	16 182	24 633	16 182	17 040	17 892
Total	267 071	270 747	289 933	257 958	257 958	265 396	283 710	300 162	316 229

Estimates of Provincial Revenue and Expenditure

Table 7.B : Payments and estimates by economic classification: Health

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	24 746 845	26 890 291	28 911 128	30 780 575	31 631 280	32 021 520	34 374 587	36 984 175	39 633 268
Compensation of employees	16 886 345	18 676 776	20 014 542	21 138 481	21 625 944	21 830 915	23 096 722	24 633 318	26 187 519
Salaries and wages	14 687 243	16 304 543	17 563 298	18 503 497	18 943 714	19 065 152	20 174 448	21 532 667	22 806 153
Social contributions	2 199 102	2 372 233	2 451 244	2 634 984	2 682 230	2 765 763	2 922 274	3 100 651	3 381 366
Goods and services	7 860 500	8 213 347	8 895 900	9 642 094	10 005 170	10 190 139	11 277 865	12 350 857	13 445 749
Administrative fees	32	30	-	30	8	232	292	257	236
Advertising	12 940	13 790	14 083	25 554	32 463	31 768	49 824	50 539	51 176
Assets less than the capitalisation threshold	68 901	48 440	46 064	50 244	50 492	45 710	75 524	65 276	71 552
Audit cost: External	9 315	15 924	122 572	10 000	10 000	82 110	20 000	20 580	25 457
Bursaries: Employees	151	734	3 694	2 500	2 276	2 454	3 885	4 017	4 245
Catering: Departmental activities	2 314	2 087	2 286	2 095	2 001	4 574	6 581	6 665	6 938
Communication (G&S)	90 818	93 271	99 330	99 521	101 876	99 042	103 494	107 872	115 137
Computer services	152 690	197 733	133 813	175 329	181 739	184 820	176 415	178 958	188 813
Cons & prof serv: Business and advisory services	53 502	74 476	52 943	40 307	37 708	59 709	50 483	49 382	123 446
Cons & prof serv: Infrastructure and planning	72	139	812	7 262	-	-	2 000	76 200	80 504
Cons & prof serv: Laboratory services	539 752	587 579	913 128	937 900	1 208 400	1 357 174	1 630 542	1 642 870	1 705 673
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	7 321	8 907	12 025	13 783	8 663	13 569	12 251	9 566	10 182
Contractors	175 450	149 831	140 172	188 367	139 038	155 715	288 767	211 484	285 666
Agency and support / outsourced services	929 848	946 858	1 034 152	1 053 160	1 064 021	1 126 226	1 192 588	1 281 883	1 306 394
Entertainment	33	6	2	4	4	3	7	7	7
Fleet services (incl. govt motor transport)	205 900	151 338	293 620	288 501	292 675	296 683	272 643	288 403	306 150
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	2 009	11 282	17 296	21 131	18 660	25 830	26 090	27 320
Inventory: Farming supplies	-	2	5	-	-	(7)	-	-	-
Inventory: Food and food supplies	101 721	116 213	120 101	131 976	124 302	119 340	132 825	156 239	165 302
Inventory: Fuel, oil and gas	200 656	263 346	124 589	134 700	120 543	150 841	126 346	129 479	136 919
Inventory: Learner and teacher support material	-	-	29	900	123	140	160	219	231
Inventory: Materials and supplies	27 361	10 007	10 634	15 823	11 152	12 745	15 405	15 506	16 218
Inventory: Medical supplies	1 283 784	1 339 263	1 481 668	1 540 201	1 517 263	1 400 772	1 563 950	1 810 002	1 978 109
Inventory: Medicine	2 317 378	2 520 816	2 392 666	2 999 606	3 028 583	2 953 583	3 117 878	3 796 890	4 280 933
Medcas inventory interface	-	-	3	-	-	-	-	-	-
Inventory: Other supplies	-	1	1 098	226	330	1 563	1 454	1 466	1 551
Consumable supplies	214 645	255 640	262 751	242 953	264 107	289 213	439 549	379 252	400 255
Consumable: Stationery, printing & office supplies	52 930	45 413	73 778	52 524	78 965	81 570	98 908	100 981	107 210
Operating leases	109 010	98 849	135 476	159 431	166 825	154 469	136 823	132 865	137 136
Property payments	1 085 911	1 081 879	1 180 365	1 239 362	1 340 293	1 338 604	1 494 074	1 557 676	1 648 153
Transport provided: Departmental activity	21 840	58 556	72 277	76 115	76 148	86 626	83 280	87 115	90 635
Travel and subsistence	75 510	65 388	80 518	83 863	77 298	70 002	92 336	95 988	102 693
Training and development	45 043	28 420	15 950	30 640	12 228	11 074	24 613	26 992	28 692
Operating payments	73 729	33 995	57 987	18 811	27 296	32 338	33 463	34 335	36 860
Venues and facilities	1 944	2 018	4 826	3 110	7 215	8 813	5 672	5 800	5 953
Rental and hiring	-	390	1 200	-	4	5	3	3	3
Interest and rent on land	-	169	686	-	166	466	-	-	-
Interest	-	169	686	-	-	-	-	-	-
Rent on land	-	-	-	-	166	466	-	-	-
Transfers and subsidies	486 764	740 159	828 088	648 156	843 119	858 059	734 473	786 547	825 156
Provinces and municipalities	26 330	79 199	122 618	111 290	211 540	210 157	174 707	206 347	211 991
Provinces	3 437	4 463	5 214	6 290	6 290	4 907	5 659	6 347	6 597
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	3 437	4 463	5 214	6 290	6 290	4 907	5 659	6 347	6 597
Municipalities	22 893	74 736	117 404	105 000	205 250	205 250	169 048	200 000	205 394
Municipalities	22 893	74 736	117 404	105 000	205 250	205 250	169 048	200 000	205 394
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	25 351	11 370	15 895	16 171	19 046	18 960	20 025	17 876	18 912
Social security funds	-	-	-	-	-	1	-	-	-
Entities receiving transfers	25 351	11 370	15 895	16 171	19 046	18 959	20 025	17 876	18 912
Higher education institutions	57	501	16	-	-	-	-	-	-
Foreign governments and international organisations	-	-	66	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	277 586	256 751	222 051	215 100	197 039	196 932	203 313	210 687	222 241
Households	157 440	392 339	467 442	305 595	415 494	432 010	336 428	351 637	372 012
Social benefits	67 441	100 183	143 796	92 645	93 460	98 981	105 992	109 518	115 854
Other transfers to households	89 999	292 156	323 646	212 950	322 034	333 029	230 436	242 119	256 158
Payments for capital assets	2 156 923	1 867 332	1 505 879	1 445 448	1 387 977	1 324 660	1 361 970	1 663 207	1 725 449
Buildings and other fixed structures	1 662 936	1 530 972	1 206 505	1 143 659	1 097 558	1 102 958	896 221	967 681	989 128
Buildings	1 662 936	1 530 972	1 206 295	1 143 659	1 097 010	1 102 410	896 221	967 681	989 128
Other fixed structures	-	-	210	-	548	548	-	-	-
Machinery and equipment	493 987	336 179	299 374	301 789	290 419	221 702	465 749	695 526	736 321
Transport equipment	112 017	95 348	122 385	134 000	113 830	84 893	127 437	132 057	142 844
Other machinery and equipment	381 970	240 831	176 989	167 789	176 589	136 809	338 312	563 469	593 477
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	181	-	-	-	-	-	-	-
Payments for financial assets	1	33 629	415	107 607	107 616	110 036	107 607	107 608	-
Total	27 390 533	29 531 410	31 245 510	32 981 786	33 969 992	34 314 275	36 578 637	39 541 537	42 183 873
Unauth. Exp. (1st charge) not available for spending	-	-	-	(107 607)	(107 607)	(107 607)	(107 607)	(107 608)	-
Baseline available for spending after 1st charge	27 390 533	29 531 410	31 245 510	32 874 179	33 862 385	34 206 668	36 471 030	39 433 929	42 183 873

Table 7.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	2015/16	2015/16	2016/17	2017/18	2018/19
Current payments	531 385	610 665	678 837	615 311	645 790	757 867	695 434	732 184	848 863
Compensation of employees	246 972	273 361	292 983	326 673	326 673	325 245	356 418	379 788	401 959
Salaries and wages	214 728	237 846	255 527	285 945	285 945	283 342	310 689	330 816	344 534
Social contributions	32 244	35 515	37 456	40 728	40 728	41 903	45 729	48 972	57 425
Goods and services	284 413	337 290	385 799	288 638	319 117	432 552	339 016	352 396	446 904
Administrative fees	3	2	-	-	-	115	204	204	204
Advertising	2 235	7 796	3 504	4 020	4 020	2 654	3 543	3 755	4 012
Assets less than the capitalisation threshold	2 239	1 082	416	240	240	443	581	594	610
Audit cost: External	-	15 924	122 566	10 000	10 000	82 110	20 000	20 527	25 401
Bursaries: Employees	24	12	(2)	-	-	52	85	85	85
Catering: Departmental activities	756	635	500	600	600	1 306	2 574	2 605	2 643
Communication (G&S)	7 143	4 009	10 581	13 399	13 399	10 904	11 502	12 204	13 059
Computer services	140 220	176 019	133 465	145 329	175 808	178 751	166 000	173 909	183 544
Cons & prof serv: Business and advisory services	40 204	50 623	33 043	30 035	30 035	51 314	41 954	43 509	115 890
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	25	-	-	4	45	45	45
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	1 108	1 195	504	2 000	2 000	1 141	1 320	1 430	1 564
Contractors	185	2 778	1 507	992	992	994	894	946	1 009
Agency and support / outsourced services	4 577	6 027	7 756	9 600	9 600	6 885	3 100	3 590	4 186
Entertainment	6	6	2	4	4	3	7	7	7
Fleet services (incl. govt motor transport)	2 706	4 233	5 324	4 500	4 500	5 421	5 545	5 782	6 070
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	3 415	100	100	116	225	230	236
Inventory: Farming supplies	-	-	-	-	-	(7)	-	-	-
Inventory: Food and food supplies	48	2 569	18	74	74	48	64	68	73
Inventory: Fuel, oil and gas	1 228	-	6	-	-	31 155	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	26	2	9	25	25	22	42	43	44
Inventory: Medical supplies	-	170	(1 684)	50	50	80	1 213	1 216	1 219
Inventory: Medicine	-	-	318	-	-	176	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	2 815	4 366	(6 517)	630	630	603	758	792	832
Consumable: Stationery, printing & office supplies	3 894	2 665	8 149	4 800	4 800	5 082	14 447	14 700	15 008
Operating leases	5 471	3 879	5 012	5 580	5 580	5 250	4 707	4 974	5 300
Property payments	33 139	30 139	25 844	31 260	31 260	26 502	32 532	34 180	37 245
Transport provided: Departmental activity	-	18	-	-	-	-	-	-	-
Travel and subsistence	22 714	18 829	18 047	16 000	16 000	15 570	19 190	20 033	21 061
Training and development	2 332	3 020	2 591	2 400	2 400	-	-	116	257
Operating payments	10 766	350	7 745	5 000	5 000	2 626	3 220	1 483	1 803
Venues and facilities	574	943	2 922	2 000	2 000	3 230	5 262	5 367	5 495
Rental and hiring	-	-	733	-	-	1	2	2	2
Interest and rent on land	-	15	55	-	-	71	-	-	-
Interest	-	15	55	-	-	-	-	-	-
Rent on land	-	-	-	-	-	71	-	-	-
Transfers and subsidies	7 977	3 201	7 249	6 101	6 651	6 429	6 519	6 845	7 242
Provinces and municipalities	1 900	1 952	3 267	3 100	3 100	3 423	3 359	3 527	3 732
Provinces	1 900	1 952	3 267	3 100	3 100	3 423	3 359	3 527	3 732
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	1 900	1 952	3 267	3 100	3 100	3 423	3 359	3 527	3 732
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	1	1	1	1	1	1
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	1	1	1	1	1	1
Higher education institutions	-	3	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	66	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	6 077	1 246	3 916	3 000	3 550	3 005	3 159	3 317	3 509
Social benefits	2 289	1 236	3 862	3 000	3 000	2 305	3 159	3 317	3 509
Other transfers to households	3 788	10	54	-	550	700	-	-	-
Payments for capital assets	96 400	41 594	15 827	8 100	8 100	11 416	29 475	5 043	5 335
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	96 400	41 413	15 827	8 100	8 100	11 416	29 475	5 043	5 335
Transport equipment	7 468	8 873	1 274	3 000	3 000	3 125	3 170	3 329	3 522
Other machinery and equipment	88 932	32 540	14 553	5 100	5 100	8 291	26 305	1 714	1 813
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	181	-	-	-	-	-	-	-
Payments for financial assets	1	33 629	12	107 607	107 607	107 608	107 607	107 608	-
Total	635 763	689 089	701 925	737 119	768 148	883 320	839 035	851 680	861 440
Unauth. Exp. (1st charge) not available for spending	-	-	-	(107 607)	(107 607)	(107 607)	(107 607)	(107 608)	-
Baseline available for spending after 1st charge	635 763	689 089	701 925	629 512	660 541	775 713	731 428	744 072	861 440

Estimates of Provincial Revenue and Expenditure

Table 7.D : Payments and estimates by economic classification: District Health Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16	2015/16	2015/16	2016/17	2017/18	2018/19
Current payments	11 151 083	12 510 682	13 774 307	15 106 704	15 467 255	15 577 093	16 842 647	18 448 194	19 971 813
Compensation of employees	7 690 784	8 714 714	9 481 720	10 184 010	10 382 275	10 501 461	11 229 114	11 952 802	12 733 963
Salaries and wages	6 664 600	7 572 469	8 288 913	8 891 351	9 071 401	9 149 053	9 816 221	10 397 516	11 077 659
Social contributions	1 026 184	1 142 245	1 192 807	1 292 659	1 310 874	1 352 407	1 412 893	1 555 286	1 656 304
Goods and services	3 460 300	3 795 947	4 292 441	4 922 694	5 084 841	5 075 398	5 613 533	6 495 392	7 237 850
Administrative fees	29	24	-	30	7	62	72	37	15
Advertising	8 586	3 017	6 701	18 053	25 366	25 797	42 966	43 319	43 493
Assets less than the capitalisation threshold	25 992	14 295	25 771	30 263	33 000	28 106	51 750	41 068	46 831
Audit cost: External	4 413	-	(1)	-	-	-	-	-	-
Bursaries: Employees	-	6	-	-	-	-	-	-	-
Catering: Departmental activities	1 199	1 212	1 473	1 270	1 241	2 893	2 930	2 970	3 142
Communication (G&S)	45 643	53 192	53 110	49 937	52 283	53 347	55 760	57 558	61 031
Computer services	8	8 141	93	30 000	5 705	5 705	10 415	5 049	5 269
Cons & prof serv: Business and advisory services	2 878	13 925	5 070	3 250	6 762	6 946	8 273	5 610	7 279
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	74 200	78 504
Cons & prof serv: Laboratory services	364 539	421 965	822 165	738 900	838 900	959 670	1 045 000	1 037 932	1 065 651
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	998	2 313	3 026	3 050	2 354	4 767	4 201	1 404	1 498
Contractors	19 531	19 024	23 625	43 566	26 379	25 853	48 757	50 958	53 918
Agency and support / outsourced services	90 454	98 536	104 484	110 440	107 606	100 728	104 310	111 479	117 944
Entertainment	14	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	77 000	88 524	94 603	88 784	91 836	93 633	92 404	96 935	103 900
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	1 987	3 489	2 546	4 948	5 048	5 964	5 051	5 347
Inventory: Farming supplies	-	10	4	-	-	-	-	-	-
Inventory: Food and food supplies	63 800	67 878	69 551	77 500	70 208	67 649	79 220	100 088	105 894
Inventory: Fuel, oil and gas	62 301	54 800	34 179	40 829	33 827	32 079	34 253	32 825	34 753
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	6 501	1 210	4 023	2 929	4 653	5 747	5 903	5 928	6 382
Inventory: Medical supplies	345 827	356 334	423 879	514 012	479 443	416 162	493 873	652 215	764 884
Inventory: Medicine	1 729 191	1 896 528	1 820 811	2 326 057	2 360 514	2 310 406	2 471 061	3 056 563	3 545 244
Medcas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	296	446	226	330	350	367	379	401
Consumable supplies	95 014	119 761	114 440	101 373	115 392	115 480	124 945	130 684	143 746
Consumable: Stationery, printing & office supplies	26 864	23 235	35 617	28 280	47 975	43 486	48 523	49 259	52 177
Operating leases	19 371	19 679	41 646	72 885	54 193	50 128	50 227	51 087	54 065
Property payments	415 927	491 428	560 275	596 226	682 359	683 586	771 695	818 024	866 520
Transport provided: Departmental activity	895	938	979	1 115	1 105	1 097	1 229	1 275	1 349
Travel and subsistence	22 810	21 497	26 087	23 028	22 976	21 774	26 241	27 347	30 244
Training and development	15 621	3 426	3 141	6 710	1 897	2 553	19 613	20 739	21 942
Operating payments	14 227	11 614	12 290	10 765	13 357	12 121	13 580	15 408	16 426
Venues and facilities	667	761	1 171	670	224	224	-	-	-
Rental and hiring	-	390	293	-	1	1	1	1	1
Interest and rent on land	-	22	146	-	139	234	-	-	-
Interest	-	22	146	-	-	-	-	-	-
Rent on land	-	-	-	-	139	234	-	-	-
Transfers and subsidies	268 218	333 524	411 766	332 658	416 887	425 976	397 062	435 802	454 206
Provinces and municipalities	22 893	74 736	117 404	105 000	205 250	205 250	169 048	200 000	205 394
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	22 893	74 736	117 404	105 000	205 250	205 250	169 048	200 000	205 394
Municipalities	22 893	74 736	117 404	105 000	205 250	205 250	169 048	200 000	205 394
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	6	21	10	38	35	44	41	43	45
Social security funds	-	-	-	-	-	1	-	-	-
Entities receiving transfers	6	21	10	38	35	43	41	43	45
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	204 686	207 922	190 405	182 000	165 157	165 856	170 213	175 844	185 377
Households	40 633	50 846	103 947	45 620	46 445	54 826	57 760	59 915	63 390
Social benefits	29 841	47 441	73 065	45 620	45 311	52 346	57 760	59 915	63 390
Other transfers to households	10 792	3 405	30 882	-	1 134	2 480	-	-	-
Payments for capital assets	97 134	103 393	148 259	139 500	85 027	61 285	130 693	130 678	142 402
Buildings and other fixed structures	-	-	210	-	-	-	-	-	-
Buildings	-	-	210	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	97 134	103 393	148 049	139 500	85 027	61 285	130 693	130 678	142 402
Transport equipment	65 190	58 239	105 978	64 000	47 944	38 282	67 001	69 571	75 076
Other machinery and equipment	31 944	45 154	42 071	75 500	37 083	23 003	63 692	61 107	67 326
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	21	-	2	2	-	-	-
Total	11 516 435	12 947 599	14 334 353	15 578 862	15 969 171	16 064 356	17 370 402	19 014 674	20 568 421

Table 7.E : Payments and estimates by economic classification: Emergency Medical Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	870 638	975 416	1 061 869	1 095 120	1 120 120	1 145 211	1 143 802	1 217 333	1 282 015
Compensation of employees	641 810	715 735	768 178	789 187	814 187	825 417	842 003	899 259	944 492
Salaries and wages	540 298	608 066	658 964	673 195	698 195	700 237	716 757	766 418	802 726
Social contributions	101 512	107 669	109 214	115 992	115 992	125 179	125 246	132 841	141 766
Goods and services	228 827	259 679	293 675	305 933	305 933	319 766	301 799	318 074	337 523
Administrative fees	-	3	-	-	-	-	-	-	-
Advertising	391	171	52	100	100	11	10	15	21
Assets less than the capitalisation threshold	1 231	192	424	900	900	321	1 000	1 048	1 106
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	70	4	77	-	-	-	-	-	-
Communication (G&S)	10 766	8 250	8 107	8 399	8 399	8 703	9 050	9 492	10 768
Computer services	-	2 233	45	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	-	3	11	-	-	-	2	2	-
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	49	140	151	-	-	68	50	50	50
Contractors	7 198	925	901	350	350	2 462	3 205	3 225	3 247
Agency and support / outsourced services	585	542	696	500	500	528	600	626	658
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	59 091	36 055	169 437	173 000	173 000	173 484	149 701	159 134	168 087
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	292	11 000	11 000	7 914	12 000	12 550	13 000
Inventory: Farming supplies	-	-	1	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	83 678	115 351	3 350	-	-	90	1 100	1 101	1 100
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	17	23	91	-	-	31	90	90	90
Inventory: Medical supplies	7 281	6 709	11 086	10 724	10 724	11 840	11 000	11 572	13 120
Inventory: Medicine	319	277	335	500	500	196	100	126	158
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	5 537	10 986	1 009	1 500	1 500	1 192	1 100	1 200	1 294
Consumable: Stationery, printing & office supplies	1 516	280	2 948	500	500	1 118	3 000	3 027	4 070
Operating leases	2 591	2 270	1 441	1 917	1 917	1 483	1 820	1 921	2 047
Property payments	14 034	14 073	17 341	17 293	17 293	20 510	20 875	21 786	23 664
Transport provided: Departmental activity	20 924	57 591	71 283	75 000	75 000	85 476	82 000	85 788	89 231
Travel and subsistence	4 991	3 536	4 503	4 050	4 050	3 604	4 196	4 410	4 673
Training and development	10	14	-	-	-	8	-	-	-
Operating payments	8 485	51	94	200	200	727	900	911	1 139
Venues and facilities	63	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	2	16	-	-	28	-	-	-
Interest	-	2	16	-	-	-	-	-	-
Rent on land	-	-	-	-	-	28	-	-	-
Transfers and subsidies	4 165	3 946	4 684	4 891	5 216	3 474	4 392	5 017	5 171
Provinces and municipalities	1 537	2 511	1 947	3 190	3 190	1 482	2 300	2 820	2 865
Provinces	1 537	2 511	1 947	3 190	3 190	1 482	2 300	2 820	2 865
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	1 537	2 511	1 947	3 190	3 190	1 482	2 300	2 820	2 865
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	2	1	1	2	2	2	2
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	2	1	1	2	2	2	2
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 628	1 435	2 735	1 700	2 025	1 990	2 090	2 195	2 304
Social benefits	970	862	2 098	750	750	1 575	1 654	1 737	1 823
Other transfers to households	1 658	573	637	950	1 275	415	436	458	481
Payments for capital assets	51 234	30 578	1 189	60 300	60 300	36 951	51 581	55 000	60 000
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	51 234	30 578	1 189	60 300	60 300	36 951	51 581	55 000	60 000
Transport equipment	31 132	21 502	250	55 000	55 000	35 871	45 266	49 000	53 500
Other machinery and equipment	20 102	9 076	939	5 300	5 300	1 080	6 315	6 000	6 500
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	371	-	-	-	-	-	-
Total	926 036	1 009 940	1 068 113	1 160 311	1 185 636	1 185 636	1 199 775	1 277 350	1 347 186

Table 7.F : Payments and estimates by economic classification: Provincial Hospital Services

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
R thousand	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	7 486 935	7 969 342	8 316 935	8 644 111	9 064 962	9 069 087	9 636 201	10 206 427	10 799 742
Compensation of employees	5 654 254	6 146 682	6 505 622	6 735 829	6 988 789	7 005 681	7 334 492	7 808 100	8 261 147
Salaries and wages	4 923 790	5 376 242	5 711 914	5 869 564	6 104 964	6 113 206	6 415 987	6 884 321	7 207 419
Social contributions	730 464	770 440	793 708	866 265	883 825	892 475	918 505	923 779	1 053 728
Goods and services	1 832 681	1 822 532	1 811 170	1 908 282	2 076 146	2 063 273	2 301 709	2 398 327	2 538 595
Administrative fees	-	1	-	-	1	8	15	15	16
Advertising	1 301	1 855	2 533	2 691	2 061	2 217	2 285	2 420	2 560
Assets less than the capitalisation threshold	28 996	28 696	7 176	9 520	5 056	5 139	6 085	6 507	6 884
Audit cost: External	4 901	-	7	-	-	-	-	-	-
Bursaries: Employees	-	30	-	-	-	-	-	-	-
Catering: Departmental activities	59	72	51	82	102	86	136	142	150
Communication (G&S)	20 922	20 896	20 856	21 415	21 449	19 784	20 590	21 640	22 896
Computer services	805	2 963	165	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	22	2 467	944	7 012	91	106	204	210	223
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	141 716	132 117	90 938	154 000	274 500	281 500	405 497	420 462	444 849
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	3 994	4 319	7 091	8 050	3 512	6 530	6 000	6 001	6 349
Contractors	63 236	28 367	13 843	12 820	23 358	23 697	31 730	32 076	33 937
Agency and support / outsourced services	127 640	132 417	143 019	146 162	155 986	152 549	159 393	166 891	176 572
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	67 031	13 486	16 685	16 006	16 909	17 020	18 099	18 846	19 940
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	1 688	2 700	4 133	3 151	5 374	5 513	5 833
Inventory: Farming supplies	-	(9)	-	-	-	-	-	-	-
Inventory: Food and food supplies	30 895	37 800	42 795	46 900	45 777	43 667	45 341	47 604	50 365
Inventory: Fuel, oil and gas	8 049	54 390	48 190	52 950	52 531	50 204	52 432	55 088	58 284
Inventory: Learner and teacher support material	-	-	2	-	-	-	-	-	-
Inventory: Materials and supplies	332	7 583	2 208	1 870	2 213	3 488	3 730	3 854	4 077
Inventory: Medical supplies	512 510	508 460	547 036	501 882	508 506	507 445	540 520	564 029	597 322
Inventory: Medicine	393 649	413 615	385 535	448 509	443 029	428 574	446 827	472 088	500 048
Medsas inventory interface	-	(6)	-	-	-	-	-	-	-
Inventory: Other supplies	-	(300)	-	-	-	-	-	-	-
Consumable supplies	78 038	64 227	84 441	79 002	80 063	78 774	83 808	87 768	92 859
Consumable: Stationery, printing & office supplies	16 123	16 071	20 100	15 728	21 844	26 658	25 522	26 395	27 927
Operating leases	10 734	9 361	9 578	10 815	11 406	11 187	11 317	11 875	12 564
Property payments	279 837	318 900	355 217	362 563	393 947	391 436	426 758	438 509	463 942
Transport provided: Departmental activity	21	9	14	-	43	52	49	50	53
Travel and subsistence	5 145	4 840	5 118	7 234	4 250	3 546	3 919	4 214	4 459
Training and development	96	405	48	-	-	-	-	-	-
Operating payments	36 628	19 500	5 851	371	5 376	6 452	6 078	6 130	6 486
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	41	-	3	3	-	-	-
Interest and rent on land	-	128	143	-	27	133	-	-	-
Interest	-	128	143	-	-	-	-	-	-
Rent on land	-	-	-	-	27	133	-	-	-
Transfers and subsidies	68 886	124 336	124 026	63 607	116 194	115 832	62 233	65 219	69 001
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	56	15	64	77	92	50	82	86	91
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	56	15	64	77	92	50	82	86	91
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	37 770	28 829	31 646	33 100	31 882	31 076	33 100	34 843	36 864
Households	31 060	95 492	92 316	30 430	84 220	84 706	29 051	30 290	32 046
Social benefits	26 561	35 867	46 755	30 430	31 812	30 215	29 051	30 290	32 046
Other transfers to households	4 499	59 625	45 561	-	52 408	54 491	-	-	-
Payments for capital assets	11 554	27 518	32 459	67 920	32 390	26 208	25 000	39 105	41 373
Buildings and other fixed structures	-	79	-	-	-	-	-	-	-
Buildings	-	79	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	11 554	27 439	32 459	67 920	32 390	26 208	25 000	39 105	41 373
Transport equipment	5 203	5 239	7 228	5 000	3 646	2 531	6 000	5 238	5 542
Other machinery and equipment	6 351	22 201	25 231	62 920	28 744	23 677	19 000	33 867	35 831
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	5	-	-	2 419	-	-	-
Total	7 567 375	8 121 196	8 473 425	8 775 638	9 213 546	9 213 546	9 723 434	10 310 751	10 910 116

Table 7.G : Payments and estimates by economic classification: Central Hospital Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	3 326 365	3 563 853	3 774 252	3 962 062	4 061 896	4 166 479	4 419 576	4 831 864	5 058 147
Compensation of employees	1 805 528	1 984 474	2 135 330	2 226 728	2 266 728	2 333 609	2 407 673	2 607 315	2 805 152
Salaries and wages	1 559 993	1 722 842	1 866 714	1 948 281	1 988 281	2 032 540	2 097 948	2 285 943	2 458 185
Social contributions	245 535	261 632	268 616	278 447	278 447	301 069	309 725	321 372	346 967
Goods and services	1 520 837	1 579 379	1 638 596	1 735 334	1 795 168	1 832 870	2 011 903	2 224 549	2 252 995
Administrative fees	-	-	-	-	-	2	-	-	-
Advertising	272	853	1 070	600	782	777	850	876	927
Assets less than the capitalisation threshold	6 145	199	462	1 500	617	340	500	390	413
Audit cost: External	1	-	-	-	-	-	-	53	56
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	10	13	13	6	5	6	6
Communication (G&S)	4 743	5 449	5 307	4 733	5 063	5 272	5 500	5 750	6 084
Computer services	5 534	3 509	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	340	-	-	-	-	-	-	-	-
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	33 497	33 497	-	42 000	92 000	116 000	180 000	184 431	195 128
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	1 152	758	1 244	683	797	1 006	600	601	636
Contractors	15 925	18 538	9 802	9 200	10 531	10 528	21 707	12 804	24 127
Agency and support / outsourced services	706 589	709 331	777 818	780 485	790 319	865 516	924 151	998 262	1 005 997
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	907	932	856	856	928	886	920	973
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	314	400	400	1 367	1 350	1 361	1 440
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	6 977	7 966	7 737	7 502	8 243	7 976	8 200	8 479	8 970
Inventory: Fuel, oil and gas	34 189	35 056	35 111	36 744	32 351	34 569	35 320	35 232	37 275
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	1	1
Inventory: Materials and supplies	114	453	686	493	493	261	170	181	191
Inventory: Medical supplies	410 139	452 542	492 738	502 533	502 533	451 043	496 167	563 506	583 377
Inventory: Medicine	194 216	210 390	185 667	224 540	224 540	214 231	199 890	268 113	235 483
Medas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	5	652	-	-	1 213	1 087	1 087	1 150
Consumable supplies	26 552	19 132	26 866	28 421	29 947	27 779	25 880	28 201	29 837
Consumable: Stationery, printing & office supplies	3 409	1 725	5 281	1 943	2 908	3 158	3 200	3 302	3 493
Operating leases	1 016	818	732	550	550	806	1 100	881	932
Property payments	66 801	75 143	83 900	89 782	90 275	88 349	103 783	108 505	114 799
Transport provided: Departmental activity	-	-	1	-	-	1	2	2	2
Travel and subsistence	1 341	867	868	1 071	665	541	370	383	405
Training and development	475	537	78	-	-	-	-	-	-
Operating payments	1 410	1 704	1 320	1 285	1 285	1 201	1 185	1 222	1 293
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	326	-	-	-	-	-	-
Interest	-	-	326	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	4 920	45 259	40 875	10 324	23 959	23 021	10 763	11 306	11 961
Provinces and municipalities	-	-	-	-	-	2	-	-	-
Provinces	-	-	-	-	-	2	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	2	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	52	51	54	54	-	57	60	63
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	52	51	54	54	-	57	60	63
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	4 920	45 207	40 824	10 270	23 905	23 019	10 706	11 246	11 898
Social benefits	4 812	11 387	14 391	10 270	10 270	9 799	10 706	11 246	11 898
Other transfers to households	108	33 821	26 433	-	13 635	13 220	-	-	-
Payments for capital assets	7 565	31 474	2 673	12 580	2 746	4 456	5 500	6 192	6 551
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	7 565	31 474	2 673	12 580	2 746	4 456	5 500	6 192	6 551
Transport equipment	1 073	182	421	-	240	368	500	500	529
Other machinery and equipment	6 492	31 292	2 252	12 580	2 506	4 088	5 000	5 692	6 022
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	3 338 850	3 640 586	3 817 800	3 984 966	4 088 601	4 193 956	4 435 839	4 849 362	5 076 659

Table 7.H : Payments and estimates by economic classification: Health Sciences and Training

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	804 266	789 339	778 344	816 250	777 965	771 940	842 326	898 400	950 507
Compensation of employees	746 254	736 405	722 027	743 354	719 538	714 227	776 000	828 732	876 798
Salaries and wages	698 061	696 775	687 353	720 090	684 422	678 843	684 700	731 212	773 622
Social contributions	48 193	39 630	34 674	23 264	35 116	35 384	91 300	97 520	103 176
Goods and services	58 012	52 931	56 317	72 896	58 427	57 713	66 326	69 668	73 709
Administrative fees	-	-	-	-	-	44	-	-	-
Advertising	81	60	144	30	74	74	80	80	85
Assets less than the capitalisation threshold	924	501	530	650	514	513	353	388	411
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	127	686	3 696	2 500	2 276	2 402	3 800	3 932	4 160
Catering: Departmental activities	229	164	175	130	45	283	936	942	997
Communication (G&S)	1 201	1 054	948	1 210	855	706	812	876	927
Computer services	-	2 126	45	-	83	221	-	-	-
Cons & prof serv: Business and advisory services	(0)	54	34	10	219	232	50	51	54
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	15	182	9	-	-	57	80	80	85
Contractors	58	16	1	-	-	1	3	4	4
Agency and support / outsourced services	3	5	59	10	10	20	34	35	37
Entertainment	13	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	69	2 351	2 320	1 780	1 999	1 815	1 480	1 570	1 661
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	123	8	8	8
Inventory: Farming supplies	-	1	-	-	-	-	-	-	-
Inventory: Food and food supplies	1	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	1 905	374	-	200	112	108	160	171	181
Inventory: Learner and teacher support material	-	-	27	800	23	140	160	213	225
Inventory: Materials and supplies	21	48	51	-	1	31	50	50	53
Inventory: Medical supplies	43	198	413	-	45	117	75	75	79
Inventory: Medicine	-	6	-	-	-	-	-	-	-
Medas inventory interface	-	6	3	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	1 347	1 160	1 373	1 430	1 417	1 377	1 503	1 579	1 671
Consumable: Stationery, printing & office supplies	984	1 369	1 486	1 102	787	1 740	3 767	3 830	4 052
Operating leases	1 168	1 221	1 273	1 580	1 542	1 524	1 502	1 586	1 678
Property payments	4 515	4 752	6 122	6 074	6 443	7 235	8 050	8 384	8 870
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	18 048	15 471	25 585	32 410	28 878	24 369	37 543	38 720	40 966
Training and development	24 413	20 083	10 091	21 530	7 931	8 513	5 000	6 137	6 493
Operating payments	2 206	729	1 199	1 010	182	709	470	524	554
Venues and facilities	640	314	733	440	4 991	5 359	410	433	458
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	3	-	-	-	-	-	-	-
Interest	-	3	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	96 105	208 586	238 187	230 000	273 909	283 075	252 824	261 647	276 823
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	10 119	11 282	15 768	16 000	18 863	18 863	19 842	17 684	18 710
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	10 119	11 282	15 768	16 000	18 863	18 863	19 842	17 684	18 710
Higher education institutions	57	498	16	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	15 130	-	-	-	-	-	-	-	-
Households	70 799	196 806	222 403	214 000	255 046	264 212	232 982	243 963	258 113
Social benefits	1 650	2 083	2 324	2 000	2 014	2 489	2 982	2 302	2 436
Other transfers to households	69 149	194 723	220 079	212 000	253 032	261 723	230 000	241 661	255 677
Payments for capital assets	1 564	1 426	2 412	9 000	3 369	228	5 000	6 636	7 021
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 564	1 426	2 412	9 000	3 369	228	5 000	6 636	7 021
Transport equipment	817	1 313	2 189	5 000	2 000	-	2 500	2 212	2 340
Other machinery and equipment	747	113	223	4 000	1 369	228	2 500	4 424	4 681
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	6	-	7	7	-	-	-
Total	901 935	999 351	1 018 949	1 055 250	1 055 250	1 055 250	1 100 150	1 166 683	1 234 351

Table 7.1 : Payments and estimates by economic classification: Health Care Support Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	112 663	121 545	147 452	135 113	135 485	161 707	317 307	251 771	266 372
Compensation of employees	78 745	81 357	84 524	95 700	94 149	91 632	106 900	115 322	122 008
Salaries and wages	64 110	66 664	70 109	79 500	77 680	75 048	89 529	96 021	101 588
Social contributions	14 635	14 693	14 415	16 200	16 469	16 584	17 371	19 301	20 420
Goods and services	33 918	40 188	62 928	39 413	41 336	70 075	210 407	136 449	144 364
Administrative fees	-	-	-	-	-	1	1	1	1
Advertising	54	38	79	60	60	64	90	74	78
Assets less than the capitalisation threshold	18	46	31	300	300	222	255	281	297
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication (G&S)	384	399	417	428	428	327	280	352	372
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	-	-	7	-	-	(2)	-	-	-
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	5	-	-	-	-	-	-	-	-
Contractors	273	488	596	-	-	541	510	780	826
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	3	5 782	4 319	3 575	3 575	4 382	4 528	5 216	5 519
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	22	161	550	550	941	909	1 377	1 456
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	9 081	3 223	3 705	1 520	1 520	2 433	2 560	4 541	4 805
Inventory: Learner and teacher support material	-	-	-	100	100	-	-	5	5
Inventory: Materials and supplies	353	105	389	501	501	377	420	360	381
Inventory: Medical supplies	7 977	14 307	5 410	11 000	11 486	9 618	16 102	12 389	13 108
Inventory: Medicine	3	-	-	-	-	-	-	-	-
Medas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	5 293	4 639	6 218	7 050	7 050	31 688	163 881	87 649	92 733
Consumable: Stationery, printing & office supplies	138	67	192	150	150	185	229	248	263
Operating leases	26	97	110	104	104	115	150	150	159
Property payments	10 172	10 825	11 684	13 825	13 825	10 893	12 395	14 298	15 127
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	103	106	116	70	70	77	67	71	75
Training and development	33	-	1	-	-	-	-	-	-
Operating payments	2	46	29 488	180	1 617	8 213	8 030	8 657	9 159
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	5	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	16 493	1 285	1 264	575	303	252	680	711	752
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	15 170	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	15 170	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 323	1 285	1 264	575	303	252	680	711	752
Social benefits	1 318	1 285	1 264	575	303	252	680	711	752
Other transfers to households	5	-	-	-	-	-	-	-	-
Payments for capital assets	1 385	14	3 192	2 600	2 500	4 900	8 500	2 872	3 039
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 385	14	3 192	2 600	2 500	4 900	8 500	2 872	3 039
Transport equipment	1 134	-	3 154	2 000	2 000	4 716	3 000	2 207	2 335
Other machinery and equipment	251	14	38	600	500	184	5 500	665	704
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	130 541	122 844	151 908	138 288	138 288	166 859	326 487	255 354	270 163

Table 7.J : Payments and estimates by economic classification: Health Facilities Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	463 510	349 449	379 132	405 904	357 807	372 136	477 294	398 002	455 809
Compensation of employees	21 998	24 048	24 158	37 000	33 605	33 643	44 122	42 000	42 000
Salaries and wages	21 663	23 639	23 804	35 571	32 826	32 882	42 617	40 420	40 420
Social contributions	335	409	354	1 429	779	761	1 505	1 580	1 580
Goods and services	441 511	325 401	354 974	368 904	324 202	338 493	433 172	356 002	413 809
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	20	-	-	-	-	175	-	-	-
Assets less than the capitalisation threshold	3 356	3 429	11 254	6 871	9 865	10 626	15 000	15 000	15 000
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication (G&S)	16	22	4	-	-	-	-	-	-
Computer services	6 123	2 742	-	-	143	143	-	-	-
Cons & prof serv: Business and advisory services	10 058	7 404	13 834	-	601	1 113	-	-	-
Cons & prof serv: Infrastructure and planning	72	139	812	7 262	-	-	2 000	2 000	2 000
Cons & prof serv: Laboratory services	-	-	-	3 000	3 000	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	69 043	79 696	89 897	121 439	77 428	91 639	181 961	110 691	168 598
Agency and support / outsourced services	-	-	321	5 963	-	-	1 000	1 000	1 000
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	1 923	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	226	152	48	2 457	202	202	521	521	521
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	19 997	583	3 177	10 005	3 266	2 787	5 000	5 000	5 000
Inventory: Medical supplies	7	543	2 790	-	4 476	4 467	5 000	5 000	5 000
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Meddas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	48	31 369	34 921	23 547	28 108	32 320	37 674	41 379	37 283
Consumable: Stationery, printing & office supplies	2	1	5	21	1	143	220	220	220
Operating leases	68 633	61 524	75 684	66 000	91 533	83 975	66 000	60 391	60 391
Property payments	261 486	136 619	119 982	122 339	104 891	110 093	117 986	113 990	117 986
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	358	242	194	-	409	522	810	810	810
Training and development	2 063	935	-	-	-	-	-	-	-
Operating payments	4	1	-	-	279	288	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	128	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	20 000	20 022	37	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving 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	20 000	20 000	-	-	-	-	-	-	-
Households	-	22	37	-	-	-	-	-	-
Social benefits	-	22	37	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	1 890 088	1 631 335	1 299 868	1 145 448	1 193 545	1 179 216	1 106 221	1 417 681	1 459 728
Buildings and other fixed structures	1 662 936	1 530 893	1 206 295	1 143 659	1 097 558	1 102 958	896 221	967 681	989 128
Buildings	1 662 936	1 530 893	1 206 295	1 143 659	1 097 010	1 102 410	896 221	967 681	989 128
Other fixed structures	-	-	-	-	548	548	-	-	-
Machinery and equipment	227 152	100 442	93 573	1 789	95 987	76 258	210 000	450 000	470 600
Transport equipment	-	-	1 891	-	-	-	-	-	-
Other machinery and equipment	227 152	100 442	91 682	1 789	95 987	76 258	210 000	450 000	470 600
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 373 597	2 000 806	1 679 037	1 551 352	1 551 352	1 551 352	1 583 515	1 815 683	1 915 537

Table 7.K : Payments and estimates by economic classification: Conditional grants

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	3 710 600	4 339 798	5 043 090	5 676 469	5 894 088	5 899 188	6 451 573	7 112 913	7 991 991
Compensation of employees	2 132 513	2 725 666	3 001 076	3 176 492	3 208 562	3 207 497	3 319 815	3 715 010	4 014 601
Salaries and wages	1 855 637	2 394 996	2 661 917	2 781 702	2 795 877	2 795 115	2 887 851	3 224 980	3 485 803
Social contributions	276 876	330 670	339 159	394 790	412 685	412 382	431 964	490 030	528 798
Goods and services	1 578 087	1 614 127	2 042 013	2 499 977	2 685 526	2 691 691	3 131 758	3 397 903	3 977 390
Administrative fees	-	-	-	-	-	37	62	-	-
Advertising	1 899	873	3 831	15 022	23 217	23 235	14 107	14 404	15 239
Assets less than the capitalisation threshold	6 262	1 442	7 139	14 109	15 898	14 393	15 456	16 731	16 831
Audit cost: External	150	1 566	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	186	220	825	500	700	1 997	1 226	349	369
Communication (G&S)	2 794	998	329	-	300	367	311	3 243	3 431
Computer services	10 236	6 193	-	35 658	5 658	5 658	5 415	57 000	60 306
Cons & prof serv: Business and advisory services	10 059	1 694	15 701	2 537	2 556	2 540	2 663	-	1 500
Cons & prof serv: Infrastructure and planning	-	-	-	7 000	7 000	7 000	2 000	2 000	2 000
Cons & prof serv: Laboratory services	280 004	157 220	601 156	488 900	561 920	559 646	692 000	611 807	647 292
Cons & prof serv: Scientific and tech services	108	4	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	21 865	9 657	6 530	41 692	86 500	86 500	183 697	112 946	171 145
Contractors	119 331	11 651	5 948	20 963	10 108	5 119	5 644	4 065	4 243
Agency and support / outsourced services	-	-	-	-	-	-	-	55 014	58 205
Entertainment	-	452	150	500	-	4	22	68	93
Fleet services (incl. govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	4 214	1 815	1 949	-	-	-	2 000	2 125	2 248
Inventory: Clothing material and accessories	27 649	4 270	4 393	-	-	-	4 000	4 730	5 005
Inventory: Farming supplies	-	-	1 923	-	-	-	-	-	-
Inventory: Food and food supplies	3	40	2 468	-	2 500	2 500	47 353	5 000	5 000
Inventory: Fuel, oil and gas	129 131	-	30	-	-	-	-	-	-
Inventory: Learner and teacher support material	778 866	288 830	351 214	448 537	350 550	344 629	446 662	543 555	660 212
Inventory: Materials and supplies	124 377	1 105 246	929 808	1 380 616	1 386 323	1 415 362	1 513 093	1 742 864	2 079 916
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	904	-	-	-	-	-	-	-	-
Medsas inventory interface	5 250	8 712	12 043	4 520	36 208	34 077	46 593	41 236	47 598
Inventory: Other supplies	1 605	800	1 171	2 720	6 586	837	1 075	4 028	4 249
Consumable supplies	1 995	574	78 614	18 806	97 453	97 515	9 844	9 875	20 661
Consumable: Stationery, printing & office supplies	3 492	220	-	-	-	-	-	-	-
Operating leases	34 752	996	3 797	4 122	77 626	77 620	106 074	106 730	106 772
Property payments	1 502	55	-	-	-	-	-	233	247
Transport provided: Departmental activity	6 140	3 283	6 817	2 895	8 047	7 013	10 390	5 765	7 553
Travel and subsistence	5 068	3 642	1 811	6 710	1 000	1 265	17 489	52 340	55 376
Training and development	216	3 473	3 232	3 500	5 376	4 377	4 582	1 092	1 155
Operating payments	29	201	1 134	670	-	-	-	703	744
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	5	1	-	-	-	-	-	-
Interest and rent on land	-	5	1	-	-	-	-	-	-
Interest and rent on land	-	5	1	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	11 336	16 464	64 454	67 009	82 247	84 072	91 020	95 564	101 106
Provinces and municipalities	-	7	40 001	30 000	60 000	60 000	70 000	73 500	77 763
Provinces	-	7	1	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	7	1	-	-	-	-	-	-
Municipalities	-	-	40 000	30 000	60 000	60 000	70 000	73 500	77 763
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	40 000	30 000	60 000	60 000	70 000	73 500	77 763
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	11 336	12 742	14 291	27 000	12 607	14 586	11 507	12 174	12 880
Households	-	3 715	10 162	10 009	9 640	9 486	9 513	9 890	10 463
Social benefits	-	3 715	10 162	10 009	9 640	9 486	9 513	9 890	10 463
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	1 284 762	1 078 789	1 325 989	1 160 241	928 710	921 785	760 211	805 506	806 506
Buildings and other fixed structures	979 788	1 021 351	1 171 045	1 143 659	891 271	891 271	731 455	778 832	775 832
Buildings	979 788	1 021 351	1 171 045	1 143 659	891 271	891 271	731 455	778 832	775 832
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	304 974	57 438	154 944	16 582	37 439	30 514	28 756	26 674	30 674
Transport equipment	-	-	68 728	-	14 160	7 235	-	-	-
Other machinery and equipment	304 974	57 438	86 216	16 582	23 279	23 279	28 756	26 674	30 674
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	5 006 698	5 435 051	6 433 533	6 903 719	6 905 045	6 905 045	7 302 804	8 013 983	8 899 603

Table 7.L : Payments and estimates by economic classification: Health Prof. Training and Dev. grant (Prog 4: Provincial Hospital Services)

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	261 860	276 262	292 847	299 513	299 513	299 513	312 377	331 943	351 196
Compensation of employees	261 860	276 262	292 837	299 513	299 513	299 513	312 377	331 943	351 196
Salaries and wages	227 818	253 650	275 614	260 578	260 578	260 578	271 768	288 791	305 540
Social contributions	34 042	22 612	17 223	38 935	38 935	38 935	40 609	43 152	45 656
Goods and services	-	-	10	-	-	-	-	-	-
Travel and subsistence	-	-	10	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	261 860	276 262	292 847	299 513	299 513	299 513	312 377	331 943	351 196

Table 7.M : Payments and estimates by economic classification: Health Facility Revitalisation grant (Prog 3: Health Facilities Management)

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	24 515	18 532	112 438	76 364	323 504	323 504	367 238	298 078	358 875
Compensation of employees	3 647	3 639	4 613	20 000	20 000	20 000	20 000	22 000	25 000
Salaries and wages	3 348	3 274	4 265	18 500	18 500	18 500	18 500	20 460	23 250
Social contributions	299	365	348	1 500	1 500	1 500	1 500	1 540	1 750
Goods and services	20 868	14 893	107 825	56 364	303 504	303 504	347 238	276 078	333 875
Advertising	-	-	-	22	22	22	-	-	-
Assets less than the capitalisation threshold	1 709	83	6 712	13 709	13 709	13 709	15 000	15 000	15 000
Audit cost: External	-	1 566	-	-	-	-	-	-	-
Communication	14	22	-	-	-	-	-	-	-
Computer services	6 124	2 742	-	-	-	-	-	-	-
Cons/prof: Business & advisory services	10 059	2	13 194	-	-	-	-	-	-
Cons/prof: Infrastructure & planning	-	-	-	7 000	7 000	7 000	2 000	2 000	2 000
Contractors	71	270	14	15 192	80 000	80 000	177 172	106 012	163 809
Agency & support/outsourced services	-	7 393	-	15 963	1 000	1 000	1 000	1 000	1 000
Inventory: Clothing materials and Accessories	-	-	1 923	-	-	-	-	-	-
Inventory: Materials and supplies	-	32	2 272	-	2 500	2 500	5 000	5 000	5 000
Inventory: Medical supplies	-	514	1 315	-	4 476	4 476	5 000	5 000	5 000
Inventory: Other consumables	-	344	3 000	100	25 068	25 068	35 000	35 000	35 000
Inventory: Stationery and printing	-	1	-	220	220	220	220	220	220
Lease payments	75	43	75 524	36	91 533	91 533	36	36	36
Property payments	405	714	3 686	3 822	77 566	77 566	106 000	106 000	106 000
Travel and subsistence	346	231	184	300	410	410	810	810	810
Training and development	2 064	935	-	-	-	-	-	-	-
Operating expenditure	1	1	-	-	-	-	-	-	-
Venues and facilities	-	-	1	-	-	-	-	-	-
Transfers and subsidies to	-	22	37	-	-	-	-	-	-
Households	-	22	37	-	-	-	-	-	-
Social benefits	-	22	37	-	-	-	-	-	-
Payments for capital assets	1 151 999	1 053 975	1 249 994	1 153 411	906 271	906 271	747 455	797 832	794 832
Buildings and other fixed structures	979 788	1 021 351	1 171 045	1 143 659	891 271	891 271	731 455	778 832	775 832
Buildings	979 788	1 021 351	1 171 045	1 143 659	891 271	891 271	731 455	778 832	775 832
Machinery and equipment	172 211	32 624	78 949	9 752	15 000	15 000	16 000	19 000	19 000
Transport equipment	-	-	1 891	-	-	-	-	-	-
Other machinery and equipment	172 211	32 624	77 058	9 752	15 000	15 000	16 000	19 000	19 000
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 176 514	1 072 529	1 362 469	1 229 775	1 229 775	1 229 775	1 114 693	1 095 910	1 153 707

Table 7.N : Payments and estimates by economic classification: Social Sector EPWP Grant for Provinces (Prog 2: District Health Services)

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	-	-	2 580	13 000	13 000	13 000	13 000	-	-
Compensation of employees	-	-	2 052	13 000	13 000	13 000	13 000	-	-
Salaries and wages	-	-	2 052	13 000	13 000	13 000	13 000	-	-
Goods and services	-	-	528	-	-	-	-	-	-
Inventory: Medical supplies	-	-	528	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	2 580	13 000	13 000	13 000	13 000	-	-

Table 7.O : Payments and estimates by economic classification: National Tertiary Services grant (Prog 5: Central Hospital Services)

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	1 212 339	1 396 467	1 491 968	1 525 646	1 525 646	1 525 646	1 590 263	1 689 866	1 787 878
Compensation of employees	716 922	1 067 658	1 190 836	1 203 384	1 203 384	1 203 384	1 254 825	1 333 418	1 410 756
Salaries and wages	623 723	932 999	1 055 282	1 046 178	1 046 178	1 046 178	1 091 698	1 160 074	1 227 358
Social contributions	93 199	134 659	135 554	157 206	157 206	157 206	163 127	173 344	183 398
Goods and services	495 417	328 809	301 132	322 262	322 262	322 262	335 438	356 448	377 122
Advertising	108	-	-	-	-	-	-	-	-
Assets less than the capitalisation threshold	270	344	403	400	400	400	150	159	168
Communication	2 251	500	-	-	-	-	-	-	-
Computer services	-	116	-	-	-	-	-	-	-
Cons/prof: Legal cost	108	-	-	-	-	-	-	-	-
Contractors	20 912	9 387	6 516	6 500	6 500	6 500	6 525	6 934	7 336
Agency & support/outsourced services	116 421	-	2 344	-	-	-	-	-	-
Inventory: Food and food supplies	2 117	1 815	1 949	-	-	-	2 000	2 125	2 248
Inventory: Fuel, oil and gas	27 302	4 221	4 393	-	-	-	4 000	4 251	4 498
Inventory: Materials and supplies	-	2	-	-	-	-	-	-	-
Inventory: Medical supplies	158 598	207 668	241 533	254 207	254 207	254 207	270 266	287 194	303 851
Inventory: Medicine	124 377	97 793	38 889	55 540	55 540	55 540	48 030	51 038	53 998
Inventory: Other consumables	3 460	4 224	4 160	4 420	4 420	4 420	3 683	3 914	4 141
Inventory: Stationery and printing	1 197	143	-	-	-	-	-	-	-
Lease payments	1 995	371	278	500	500	500	500	531	562
Property payments	34 385	6	-	-	-	-	-	-	-
Travel and subsistence	1 035	668	326	195	195	195	107	114	121
Training and development	700	536	-	-	-	-	-	-	-
Operating expenditure	181	1 015	341	500	500	500	177	188	199
Transfers and subsidies to	-	-	4 458	4 600	4 600	4 600	6 023	6 400	6 771
Households	-	-	4 458	4 600	4 600	4 600	6 023	6 400	6 771
Social benefits	-	-	4 458	4 600	4 600	4 600	6 023	6 400	6 771
Payments for capital assets	110 775	19 276	-	-	-	-	-	-	-
Machinery and equipment	110 775	19 276	-	-	-	-	-	-	-
Other machinery and equipment	110 775	19 276	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 323 114	1 415 743	1 496 426	1 530 246	1 530 246	1 530 246	1 596 286	1 696 266	1 794 649

Table 7.P : Payments and estimates by economic classification: National Health Insurance grant (Prog 2: District Health Services)

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	9 124	10 075	8 434	9 578	9 578	9 578	10 001	-	-
Compensation of employees	(90)	317	1 527	1 383	1 383	1 383	1 957	-	-
Salaries and wages	(85)	297	1 475	1 234	1 234	1 234	1 713	-	-
Social contributions	(5)	20	52	149	149	149	244	-	-
Goods and services	9 214	9 758	6 907	8 195	8 195	8 195	8 044	-	-
Advertising	-	-	27	-	-	-	-	-	-
Assets less than the capitalisation threshold	2 027	991	5	-	-	-	-	-	-
Audit cost: External	150	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	24	17	-	-	-	-	-	-
Computer services	3 672	3 335	-	5 658	5 658	5 658	5 415	-	-
Cons/prof: Business & advisory services	-	1 692	2 499	2 537	2 537	2 537	2 629	-	-
Contractors	882	-	-	-	-	-	-	-	-
Agency & support/outsourced services	-	497	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	196	-	-	-	-	-	-
Inventory: Clothing materials and Accessories	-	-	30	-	-	-	-	-	-
Inventory: Medical supplies	199	714	27	-	-	-	-	-	-
Inventory: Other consumables	460	171	-	-	-	-	-	-	-
Inventory: Stationery and printing	21	190	774	-	-	-	-	-	-
Property payments	350	261	23	-	-	-	-	-	-
Travel and subsistence	417	245	968	-	-	-	-	-	-
Training and development	1 007	1 480	1 208	-	-	-	-	-	-
Operating expenditure	-	11	-	-	-	-	-	-	-
Venues and facilities	29	147	1 133	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	7 991	5 445	9 965	4 830	6 279	6 279	5 082	-	-
Machinery and equipment	7 991	5 445	9 965	4 830	6 279	6 279	5 082	-	-
Transport equipment	-	-	1 094	-	-	-	-	-	-
Other machinery and equipment	7 991	5 445	8 871	4 830	6 279	6 279	5 082	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	17 115	15 520	18 399	14 408	15 857	15 857	15 083	-	-

Table 7.Q : Payments and estimates by economic classification: Comprehensive HIV, AIDS and TB grant (Prog 2: District Health Services)

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	2 200 090	2 635 462	3 132 242	3 748 685	3 719 165	3 724 265	4 151 572	4 793 026	5 453 066
Compensation of employees	1 148 773	1 374 798	1 506 630	1 635 529	1 667 600	1 666 535	1 710 534	2 027 649	2 227 649
Salaries and wages	999 432	1 201 794	1 320 648	1 438 529	1 452 705	1 451 943	1 484 050	1 755 655	1 929 655
Social contributions	149 341	173 004	185 982	197 000	214 895	214 592	226 484	271 994	297 994
Goods and services	1 051 317	1 260 659	1 625 611	2 113 156	2 051 565	2 057 730	2 441 038	2 765 377	3 225 417
Administrative fees	-	-	-	-	-	37	62	-	-
Advertising	1 571	873	3 804	15 000	23 195	23 213	14 107	14 404	15 239
Assets less than the capitalisation threshold	2 256	24	19	-	1 789	284	306	1 572	1 663
Catering: Departmental activities	186	196	808	500	700	1 997	1 226	349	369
Communication	529	476	329	-	300	367	311	3 243	3 431
Computer services	440	-	-	30 000	-	-	-	57 000	60 306
Cons/prof: Business & advisory services	-	-	8	-	19	3	34	-	-
Cons/prof: Laboratory services	280 004	157 220	601 156	488 900	561 920	559 646	692 000	611 807	647 292
Cons/prof: Legal cost	-	4	-	-	-	-	-	-	-
Contractors	-	-	-	20 000	-	-	-	-	-
Agency & support/outourced services	2 910	3 761	3 604	5 000	9 108	4 119	4 644	3 065	3 243
Entertainment	-	-	-	-	-	-	-	55 014	58 205
Fleet services (incl. GMT)	-	452	150	500	-	4	22	68	93
Inventory: Food and food supplies	2 097	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	347	49	-	-	-	-	-	479	507
Inventory: Materials and supplies	3	6	-	-	-	-	42 353	-	-
Inventory: Medical supplies	129 125	79 934	107 811	194 330	91 867	85 946	171 396	251 361	351 361
Inventory: Medicine	620 063	1 007 453	890 919	1 325 076	1 330 783	1 359 822	1 465 063	1 691 826	1 993 942
Inventory: Other consumables	904	3 973	4 883	-	6 720	4 589	7 910	2 322	2 457
Inventory: Stationery and printing	1 330	466	397	2 500	6 366	617	855	3 808	4 029
Lease payments	312	160	2 812	18 270	5 420	5 482	9 308	9 308	20 063
Rental and hiring	-	220	-	-	-	-	-	-	-
Property payments	2 087	15	88	300	60	54	74	730	772
Transport provided: Departmental activity	17	55	-	-	-	-	-	233	247
Travel and subsistence	1 117	2 131	5 329	2 400	7 442	6 408	9 473	4 841	5 122
Training and development	2 624	691	603	6 710	1 000	1 265	17 489	52 340	55 376
Operating expenditure	3 360	2 446	2 891	3 000	4 876	3 877	4 405	904	956
Venues and facilities	35	54	-	670	-	-	-	703	744
Interest and rent on land	-	5	1	-	-	-	-	-	-
Interest	-	5	1	-	-	-	-	-	-
Transfers and subsidies to	11 336	16 442	59 959	62 409	77 647	79 472	84 997	89 164	94 335
Provinces and municipalities	-	7	40 001	30 000	60 000	60 000	70 000	73 500	77 763
Provinces	-	7	1	-	-	-	-	-	-
Provincial agencies and funds	-	7	1	-	-	-	-	-	-
Municipalities	-	-	40 000	30 000	60 000	60 000	70 000	73 500	77 763
Municipal agencies and funds	-	-	40 000	30 000	60 000	60 000	70 000	73 500	77 763
Non-profit institutions	11 336	12 742	14 291	27 000	12 607	14 586	11 507	12 174	12 880
Households	-	3 693	5 667	5 409	5 040	4 886	3 490	3 490	3 692
Social benefits	-	3 693	5 667	5 409	5 040	4 886	3 490	3 490	3 692
Payments for capital assets	13 997	93	66 030	2 000	16 160	9 235	7 674	7 674	7 674
Machinery and equipment	13 997	93	66 030	2 000	16 160	9 235	7 674	7 674	7 674
Transport equipment	-	-	65 743	-	14 160	7 235	-	-	-
Other machinery and equipment	13 997	93	287	2 000	2 000	2 000	7 674	7 674	7 674
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 225 423	2 651 997	3 258 231	3 813 094	3 812 972	3 812 972	4 244 243	4 889 864	5 555 075

Table 7.R : Payments and estimates by economic classification: Afcon 2013 Medical Services grant (Prog 3: Emergency Medical Services)

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	1 672	-	-	-	-	-	-	-	-
Compensation of employees	1 401	-	-	-	-	-	-	-	-
Salaries and wages	1 401	-	-	-	-	-	-	-	-
Goods and services	271	-	-	-	-	-	-	-	-
Advertising	220	-	-	-	-	-	-	-	-
Inventory: Medical supplies	6	-	-	-	-	-	-	-	-
Inventory: Medicine	6	-	-	-	-	-	-	-	-
Travel and subsistence	39	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 672	-	-	-	-	-	-	-	-

Table 7.S : Payments and estimates by economic classification: EPWP Integrated Grant for Provinces (Prog 8: Health Facilities Management)

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	1 000	3 000	2 581	3 683	3 682	3 682	7 122	-	-
Compensation of employees	-	2 992	2 581	3 683	3 682	3 682	7 122	-	-
Salaries and wages	-	2 982	2 581	3 683	3 682	3 682	7 122	-	-
Social contributions	-	10	-	-	-	-	-	-	-
Goods and services	1 000	8	-	-	-	-	-	-	-
Property payments	1 000	-	-	-	-	-	-	-	-
Travel and subsistence	-	8	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 000	3 000	2 581	3 683	3 682	3 682	7 122	-	-

Table 7.T : Payments and estimates by economic classification: Human Papillomavirus Vaccine grant (Prog 2: District Health Services)

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	-	-	-	-	-	-	-	-	40 976
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	40 976
Cons/prof. Business & advisory services	-	-	-	-	-	-	-	-	1 500
Inventory: Medicine	-	-	-	-	-	-	-	-	31 976
Inventory: Other consumables	-	-	-	-	-	-	-	-	6 000
Travel and subsistence	-	-	-	-	-	-	-	-	1 500
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	4 000
Machinery and equipment	-	-	-	-	-	-	-	-	4 000
Other machinery and equipment	-	-	-	-	-	-	-	-	4 000
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	44 976

Table 7.U : Health - 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)	Total project cost	Expenditure to date from previous years	Total available		MTEF Forward estimates	
				Date: Start	Date: Finish						2016/17	2017/18	2017/18	2018/19
R thousands														
Existing infrastructure assets									10 689 604	2 760 127	955 355	1 193 882	1 312 883	
<i>of which:</i>									4 034 618	1 044 395	440 294	356 002	413 809	
Maintenance and repair: Current														
Institutional Maintenance: Unkhangakude District	Various	Unkhangakude	Institutions	Ongoing	Ongoing	Equitable share	Programme 8	Packaged prog	198 992	17 324	6 145	6 430	6 893	
Institutional Maintenance: Anajuba District	Various	Anajuba	Institutions	Ongoing	Ongoing	Equitable share	Programme 8	Packaged prog	777 710	5 616	4 404	4 625	4 893	
Institutional Maintenance: eThekweni District	Various	eThekweni	Institutions	Ongoing	Ongoing	Equitable share	Programme 8	Packaged prog	626 398	75 597	28 196	29 550	31 264	
Institutional Maintenance: lembe District	Various	lembe	Institutions	Ongoing	Ongoing	Equitable share	Programme 8	Packaged prog	130 949	13 338	5 098	5 342	5 652	
Institutional Maintenance: Harry Gwala District	Various	Harry Gwala	Institutions	Ongoing	Ongoing	Equitable share	Programme 8	Packaged prog	258 645	9 888	5 384	5 654	5 982	
Institutional Maintenance: Ugu District	Various	Ugu	Institutions	Ongoing	Ongoing	Equitable share	Programme 8	Packaged prog	249 214	41 252	8 658	9 035	9 560	
Institutional Maintenance: uMgungundlovu District	Various	uMgungundlovu	Institutions	Ongoing	Ongoing	Equitable share	Programme 8	Packaged prog	570 386	44 970	32 599	27 435	24 026	
Institutional Maintenance: Unzinyathi District	Various	Unzinyathi	Institutions	Ongoing	Ongoing	Equitable share	Programme 8	Packaged prog	203 048	18 198	5 699	6 180	6 538	
Institutional Maintenance: Uthukela District	Various	Uthukela	Institutions	Ongoing	Ongoing	Equitable share	Programme 8	Packaged prog	146 080	11 033	4 861	5 104	5 400	
Institutional Maintenance: uThungulu District	Various	uThungulu	Institutions	Ongoing	Ongoing	Equitable share	Programme 8	Packaged prog	269 353	16 923	12 674	13 197	13 962	
Institutional Maintenance: Zululand District	Various	Zululand	Institutions	Ongoing	Ongoing	Equitable share	Programme 8	Packaged prog	175 034	22 051	7 844	8 236	8 714	
Various	Various	Various	Various	Ongoing	Ongoing	Equitable share	Programme 8	Packaged prog	1 128 809	768 145	318 632	235 214	291 015	
Upgrades and additions: Capital									2 837 889	487 538	360 261	684 098	732 427	
St. Benedictine Hospital (Nursing College)	Construction	Zululand	Student accommodation (40 beds) - phase 1	30 September 2014	30 April 2018	Revolutions grant	Programme 8	Individual	38 446	20 000	22 000	412	412	
Catherine Booth Hospital	Design	uThungulu	Demolish and rebuild new wards	01 April 2016	15 April 2020	Equitable share	Programme 8	Individual	95 000	-	10 000	40 000	40 000	
Equipping of various completed new facilities	Various	Various	New PHC facilities: Furniture	Ongoing	Ongoing	Various	Programme 8	Packaged prog	48 434	20 000	10 000	10 000	10 000	
Hlabisa Hospital	Design	Unkhangakude	Pharmacy and OPD	01 November 2014	01 November 2018	Revolutions grant	Programme 8	Individual	120 000	14 000	40 000	40 000	40 000	
Charles Johnson Memorial Hospital	Construction	Unzinyathi	New staff accommodation - 30 staff (incl. comm. serv. doctors)	01 September 2016	30 September 2018	Equitable share	Programme 8	Individual	13 247	-	2 000	20 000	20 000	
Essential Health Technology Equipment Programme	Various	Various	Procurement of essential health technology equipment	Ongoing	Ongoing	Equitable share	Programme 8	Packaged prog	1 172 984	55 348	154 324	450 000	470 600	
Stanger Hospital	Construction	lembe	New labour and neo-natal ward	09 April 2013	31 March 2019	Revolutions grant	Programme 8	Individual	155 000	106 045	25 000	5 000	5 000	
St. Margaret's hospital	Feasibility	uMgungundlovu	Building a new male/female TB wards	01 April 2016	31 March 2019	Equitable share	Programme 8	Individual	50 000	-	4 000	20 000	20 000	
Ngwelazane Hospital	Design	uThungulu	8 new theatres, CSSD, 20 bed ICU, isolation unit, 30 bed high care, theatre specialist offices, overnight doctors accommodation. Upgrades to kitchen, laundry, supplies department, cafeteria and occupational therapy department	01 April 2017	31 March 2020	Equitable share	Programme 8	Individual	550 000	-	-	20 000	57 415	
Various	Various	Various	Various	Ongoing	Ongoing	Various	Programme 8	Packaged prog	594 778	272 145	92 937	76 686	69 000	
Refurbishment and rehabilitation: Capital									3 817 097	1 228 194	154 600	153 782	166 447	
Addington Hospital	Construction	eThekweni	Renovation of core block of hospital	19 March 2012	22 March 2017	Revolutions grant	Programme 8	Packaged prog	171 839	176 334	4 000	-	11 501	
Prince Mshiyeni Memorial Hospital	Construction	eThekweni	Water reservoir	01 May 2014	31 March 2019	Revolutions grant	Programme 8	Packaged prog	67 000	20 000	35 000	2 000	2 116	
King Edward VIII Hospital	Construction	eThekweni	Unblocking and repair of stormwater pipes and repairs to N and S block roofs	13 July 2014	30 March 2018	Revolutions grant	Programme 8	Individual	70 020	19 679	-	15 000	15 000	
McCord Hospital	Feasibility	eThekweni	Renovation of hospital	01 April 2016	31 March 2019	Equitable share	Programme 8	Packaged prog	8 000	-	2 000	3 000	3 000	
Ngwelazane Hospital	Construction	uThungulu	Medical wards (192 beds) E.F.G.H and demolish existing crisis centre parklane and construct new crisis centre, demolish old wards E.F.G.H	15 July 2014	31 March 2019	Revolutions grant	Programme 8	Individual	320 000	108 149	85 000	79 262	80 330	
Foot Services	Construction	Various	Repair or replace freezers/cold rooms (48 institutions)	01 June 2015	31 March 2020	Equitable share	Programme 8	Individual	40 000	3 000	5 000	5 000	5 000	
King Dinuzulu Hospital	Design	eThekweni	Renovate staff accommodation	01 November 2015	30 June 2019	Equitable share	Programme 8	Individual	80 000	2 000	20 000	46 000	46 000	
Various	Various	Various	Various	Ongoing	Ongoing	Various	Programme 8	Individual	3 060 238	899 032	3 800	3 500	3 500	

Table 7.U (continued) : Health - 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)	Total project cost	Expenditure to date from previous years	Total available		MTEF Forward estimates	
				Date: Start	Date: Finish						2016/17	2017/18	2017/18	2018/19
R thousands														
New infrastructure assets: Capital									4 188 354	1 340 231	581 160	579 801		560 854
of which:														
Dr. Pixley ka Seme Hospital	Construction	eThekweni	New 500 bed regional hospital	10 August 2014	30 March 2019	Revitalisation grant	Programme 8	Packaged prog	2 912 459	574 059	505 000	500 000		423 245
Grootville Clinic	Construction	Ilembe	Replacement of clinic Phase 9 (including a separate PMTCT unit)	31 March 2016	30 September 2019	Equitable share	Programme 8	Packaged prog	55 000	-	7 500	16 000		29 500
Osindweni Hospital Clinics	Construction	eThekweni	Replace TB ward	01 April 2017	31 March 2019	Revitalisation grant	Programme 8	Packaged prog	90 350	-	-	20 000		20 000
Masons Clinic	Construction	Various	Installation of generators	01 April 2016	30 June 2017	Equitable share	Programme 8	Packaged prog	55 000	15 847	19 153	-		20 000
	Feasibility	uMgungundlovu	Replacement Clinic (Construction of a large clinic with residence)	01 April 2017	01 April 2018	Revitalisation grant	Programme 8	Packaged prog	22 000	-	-	2 000		20 000
Phoenix CHC	Design	eThekweni	Construction of Admin Block, Block F, Parking - Phase 2	01 April 2017	31 March 2019	Equitable share	Programme 8	Packaged prog	15 000	-	-	7 500		7 500
Makhele / Nkukwana Clinic	Design	Harry Gwala	New clinic	01 June 2015	30 June 2018	Revitalisation grant	Programme 8	Packaged prog	18 000	-	8 000	10 000		100
Ofofo / Nkama Clinic	Design	Harry Gwala	New clinic	01 June 2015	30 June 2018	Revitalisation grant	Programme 8	Packaged prog	18 000	-	8 000	10 000		1 000
Various	Various	Various	Various	Ongoing	Ongoing	Various	Programme 8	Packaged prog	1 002 545	750 325	33 507	14 301		39 509
Infrastructure transfers														
of which:														
Infrastructure transfers: Current														
Infrastructure transfers: Capital														
Infrastructure: Payments for financial assets														
Infrastructure: Leases														
Total									14 877 958	4 100 358	1 536 515	1 773 683		1 873 537
Capital infrastructure									10 843 340	3 055 963	1 096 221	1 417 681		1 459 728
Current infrastructure									4 034 618	1 044 395	440 294	356 002		413 809

Table 7.V : Summary of transfers to local government

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	-	61 051	105 000	105 000	205 250	205 250	169 048	200 000	205 394
Total: Ugu Municipalities	7 270	-	-	-	-	-	-	-	-
B KZN211 Vulamehlo	-	-	-	-	-	-	-	-	-
B KZN212 Umdoni	1 585	-	-	-	-	-	-	-	-
B KZN213 Umzumbe	-	-	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	861	-	-	-	-	-	-	-	-
B KZN215 Ezingoleni	-	-	-	-	-	-	-	-	-
B KZN216 Hibiscus Coast	4 824	-	-	-	-	-	-	-	-
C DC21 Ugu District Municipality	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	5 838	673	-	-	-	-	-	-
B KZN221 uMshwathi	-	-	-	-	-	-	-	-	-
B KZN222 uMngeni	-	764	673	-	-	-	-	-	-
B KZN223 Mpofana	-	-	-	-	-	-	-	-	-
B KZN224 Impendle	-	-	-	-	-	-	-	-	-
B KZN225 Msunduzi	-	5 074	-	-	-	-	-	-	-
B KZN226 Mkhambathini	-	-	-	-	-	-	-	-	-
B KZN227 Richmond	-	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	2 824	-	534	-	-	-	-	-	-
B KZN232 Emnambithi/Ladysmith	-	-	534	-	-	-	-	-	-
B KZN233 Indaka	-	-	-	-	-	-	-	-	-
B KZN234 Umtshezi	1 413	-	-	-	-	-	-	-	-
B KZN235 Okhahlamba	1 411	-	-	-	-	-	-	-	-
B KZN236 Imbabazane	-	-	-	-	-	-	-	-	-
C DC23 Uthukela District Municipality	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	1 619	417	746	-	-	-	-	-	-
B KZN241 Endumeni	-	-	746	-	-	-	-	-	-
B KZN242 Nqutu	-	-	-	-	-	-	-	-	-
B KZN244 Msinga	-	-	-	-	-	-	-	-	-
B KZN245 Umvoti	1 619	417	-	-	-	-	-	-	-
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	7 149	6 773	10 451	-	-	-	-	-	-
B KZN281 Umfolozi	-	-	-	-	-	-	-	-	-
B KZN282 uMhlathuze	5 630	6 773	10 451	-	-	-	-	-	-
B KZN283 Ntambanana	-	-	-	-	-	-	-	-	-
B KZN284 uMlalazi	637	-	-	-	-	-	-	-	-
B KZN285 Mthorjaneni	882	-	-	-	-	-	-	-	-
B KZN286 Nkandla	-	-	-	-	-	-	-	-	-
C DC28 uThungulu District Municipality	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	4 031	657	-	-	-	-	-	-	-
B KZN291 Mandeni	564	657	-	-	-	-	-	-	-
B KZN292 KwaDukuza	3 467	-	-	-	-	-	-	-	-
B KZN293 Ndwedwe	-	-	-	-	-	-	-	-	-
B KZN294 Maphumulo	-	-	-	-	-	-	-	-	-
C DC29 Ilembe District Municipality	-	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	-	-	-	-	-	-	-	-	-
B KZN431 Ingwe	-	-	-	-	-	-	-	-	-
B KZN432 Kwa Sani	-	-	-	-	-	-	-	-	-
B KZN433 Greater Kokstad	-	-	-	-	-	-	-	-	-
B KZN434 Ubuhlebezwe	-	-	-	-	-	-	-	-	-
B KZN435 Umzimkulu	-	-	-	-	-	-	-	-	-
C DC43 Harry Gwala District Municipality	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	22 893	74 736	117 404	105 000	205 250	205 250	169 048	200 000	205 394

VOTE 8

Human Settlements

Operational budget	R 3 485 112 000
MEC remuneration	Nil
Total amount to be appropriated	R 3 485 112 000
Responsible MEC	MEC for Public Works and Human Settlements ¹
Administering department	Human Settlements
Accounting officer	Head: Human Settlements

1. Overview

Vision

The vision of the department is: *Together breaking new ground to achieve decent, integrated and sustainable human settlement patterns.*

Mission statement

The mission of the department is: *To deliver 200 000 suitably located housing opportunities and security of tenure over the next five years through collaborative partnership, legislative planning processes and empowerment of women in construction.*

Strategic goals and objectives

Strategic policy direction: By focussing on its role of achieving decent, integrated and sustainable housing opportunities and security of tenure, the department seeks to align its operations and strategic position with the overall aim of government to achieve accountability and effective service delivery for all citizens. The department's strategic objectives are summarised as follows:

- Ensuring the financial viability of the department.
- Provision of skilled human resources.
- Accelerating urban housing opportunities.
- Accelerating the creation of rental housing opportunities, and implementing projects that ensure spatial, social and economic integration.
- Identifying and implementing rectification projects to ensure transfers and home ownership.

Core functions

The following core functions have been identified as key for the attainment of the strategic objectives:

- To promote the provision of housing development.
- To promote the provision of affordable housing and essential services.
- To manage, control and maintain the immovable assets of the department.
- To research, establish, monitor and implement policies within the National Housing Policy Framework.
- To administer and manage housing subsidies of targeted groups.

¹ The salary of the MEC of Human Settlements is budgeted for under Vote 14: Public Works.

- To formulate a Provincial Housing Development Plan for the province.
- To facilitate and create housing institutions.
- To provide legal advice on land and environmental issues.
- To administer and co-ordinate the Community Residential Unit (CRU) programme.
- To administer the clearance of slums in KwaZulu-Natal.
- To capacitate housing stakeholders.

Legislative mandates

The principal legislative mandates governing the operations of the department are:

- Constitution of the Republic of South Africa (Act No. 108 of 1996)
- Housing Act (Act No. 107 of 1997)
- Housing Consumers Protection Measures Act (Act No. 95 of 1998, amended by Act No. 27 of 1999)
- Rental Housing Act (Act No. 50 of 1999)
- Sectional Titles Act (Act No. 95 of 1986, as amended by Acts No. 24 and 29 of 2003)
- Prevention of Illegal Eviction and Unlawful Occupation of Land Act (Act No. 19 of 1998)
- Home Loan and Mortgage Disclosure Act (Act No. 63 of 2000)
- Disestablishment of South African Trust Limited Act (Act No. 26 of 2002)
- Constitutional Court judgment of 2000, on the enforceability of social and economic rights
- KwaZulu-Natal Housing Act (Act No. 12 of 1998, as amended)
- Housing Development Schemes for Retired Persons Act (Act No. 65 of 1988, as amended by Act No. 20 of 1998)
- National Building Regulations and Building Standards Act (Act No. 103 of 1977)
- Construction Industry Development Board Act (Act No. 38 of 2000)
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000)
- Housing Consumers Protection Measures Act (Act No. 17 of 2007)
- Social Housing Act (Act No. 16 of 2008)
- Housing Development Agency Act (Act No. 23 of 2008)
- Public Finance Management Act (Act No. 1 of 1999, as amended and the Treasury Regulations)
- Broad-Based Black Economic Empowerment Act (Act No. 53 of 2003)
- National Environmental Management Act (Act No. 107 of 1998, as amended by Act No. 8 of 2004)
- Communal Land Rights Act (Act No. 11 of 2004)
- Communal Property Associations Act (Act No. 28 of 1996)
- Deeds Registries Act (Act No. 47 of 1937)
- Extension of Security of Tenure Act (Act No. 62 of 1997)
- Land Administration Act (Act No. 2 of 1995)
- Reconstruction and Development Programme Fund Act (Act No. 7 of 1994)
- Municipal Finance Management Act (Act No. 56 of 2003)
- Corruption Act (Act No. 94 of 2004, as amended)
- Expropriation Act (Act No. 39 of 1951, as repealed by Act No. 63 of 1975)
- National Heritage Resources Act (Act No. 25 of 1999)
- Standards Act (Act No. 29 of 1993)
- State Land Disposal Act (Act No. 48 of 1961)
- Intergovernmental Relations Framework Act (Act No. 13 of 2005)

2. Review of the 2015/16 financial year

This section provides a review of 2015/16, outlining the main achievements and progress made during the year, as well as providing a brief discussion on challenges and new developments.

Rental Housing Tribunal

The Rental Housing Tribunal component continues to regulate good relationships between tenants and landlords by implementing pre-emptive and pro-active measures. The Tribunal was added as a stakeholder to the Social Housing and CRU Provincial Steering Committee, which sits monthly, and all issues, challenges and possible solutions relating to the rental housing programmes are discussed. The department compiled tenant training material which is presented to tenants prior to their occupation of any project. This process is ongoing and is conducted in partnership with the social housing institutions and municipalities.

The main achievement for this period was a significant increase in respect of complaints resolved by the Tribunal. An annual target of 1 380 was set for the number of complaints to be resolved, and a total number of 1 192 complaints were resolved as at the end of December. This was brought about by, among other things, the extensive marketing of the services of the Tribunal.

Furthermore, the Tribunal introduced a teleconferencing facility for speedy resolution of cases dealt with by way of mediation, where parties are unable to present themselves before the Tribunal at the same time. This is one of the contributing features in the resolution of disputes within the prescribed 90 days period.

Social Rental Housing

Social Rental Housing is a rental housing initiative developed and managed mainly by non-profit social housing institutions for households with monthly incomes between R3 500 and R7 500. The development of the social housing programme is dependent on whether the proposed project is situated in the approved and gazetted restructuring zones by the National Department of Human Settlements (NDHS). This then enables the Social Housing Regulatory Authority (SHRA), which is an accredited social housing institution, to qualify for the Restructuring Capital Grant which is disbursed and administered by the regulatory authority.

During 2015/16, the department continued to identify social housing pipeline projects and also approved and implemented social housing projects. There are four social housing projects in KZN that are currently being implemented. Upon completion, the projects will yield 1 802 units. The yield is broken down into Hilltop (240 units), Hamptons (430 units), Hampshire (180 units) and Westgate-Grange (952 units).

The department made an application to the National Minister to approve additional restructuring zones identified in five municipalities, which are eThekweni, uMhlatuze, Newcastle, KwaDukuza and Hibiscus Coast. Emnambithi Municipality did not submit their declared restructuring zones to the department for inclusion, while Msunduzi Municipality indicated that, at this stage, they have no intention of submitting additional restructuring zones, as the current zones are adequate in terms of their pipeline projects that are aligned to their Integrated Development Plans and housing sector plans.

Concept drawings have been completed in respect of these additional restructuring zones and have been approved by the department. The department will confirm the extension of the appointment of the project land surveyor, MHP Geomatics, to carry out professional services in order for the project to proceed.

All processes pertaining to the identification and declaration of restructuring zones by municipalities and the provincial department, the development of social housing estates and accreditation of social housing institutions, are initially tabled and endorsed by the members of the Provincial Public Service Commission, where all the relevant key role-players are represented, including municipalities, SHRA, NDHS, National Housing Fund Corporation (NHFC), the provincial department, etc.

During 2014/15, there were only three SHRA accredited social housing institutions in KZN. In 2015/16, SHRA conditionally accredited five additional social housing institutions in KZN. These institutions were presented and endorsed by the KZN Provincial Steering Committee. This will assist in the delivery and management of social housing units within the province.

Community Residential Unit (CRU)

CRU is an instrument that complements social housing. It can either be a development of greenfield units, or the upgrading of existing hostels to family units. The programme was created to address rental housing needs for households in the income bracket between R800 - R3 500 per month. The department has since revised and adopted CRU norms and standards that will guide the effective implementation of CRU projects in terms of specifications and cost per unit. NDHS has been in consultation with the KZN CRU component on an ongoing basis in the formulation of the National CRU norms and standards.

In 2015/16, the department projected to deliver 273 new CRU units to Klaarwater (35 units), KwaMashu (96 units), Dalton (16 units), Jacobs (20 units) and Rocky Park (106 units).

Informal Settlements Upgrade (ISU)

This is one of the Outcome eight principles that is targeted for delivery, especially to the most destitute people who are affected by social ills. Land invasion has been the biggest threat to this programme due to urbanisation and people coming to the cities to better their lives. The slum clearance programme, launched by the Premier in April 2014, is a Cabinet driven special programme to ensure that slums are eradicated and the most vulnerable are being provided with services. In line with the department's strategic objectives, as well as government's outcome based approach to service delivery, the programme aims to ensure that the strategic outputs and measures of Outcome eight (i.e. Sustainable Human Settlements and Improved Quality of Household Life) are addressed by targeting its Informal Settlements Upgrade subsidy programme toward the clearance of slums.

An anti-invasion strategy was introduced, to ensure that all land earmarked for development is being monitored for land invasion. This land will be developed as a new township with a view to relocating residents of nearby informal settlements (also known as "greenfield" type developments). To date, 2 202 units and 1 544 sites were delivered under this instrument during the three quarters of 2015/16. The supply of bulk infrastructure (in particular water) proved to be a challenge in the delivery of sites and thus delayed delivery. The department has taken an aggressive stance that no construction of houses will be approved should there still be bulk services challenges within the projects. The strategic focus for the Integrated Residential Development Programme (IRDP) has been on the delivery of serviced sites. This has resulted in the delivery of 794 units and 3 010 sites during the three quarters of 2015/16. The greenfield nature of the IRDP instrument (as opposed to the *in situ* nature of many ISU) allows for better planning for the availability of bulk services.

Rural Housing Development

This delivery programme progressed at a much faster pace than expected throughout all the districts. There is a paradigm shift in terms of the department's planning under this programme to ensure that more units are delivered on the Outcome eight targets. In 2015/16, the department projected 13 344 units, which is below the 15 000 delivered in previous financial years, in order to achieve Outcome eight. During the first three quarters of 2015/16, the department delivered 12 098 units under this programme.

3. Outlook for the 2016/17 financial year

This section 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 main purpose of the department's budget allocation is for the provision of housing to various sectors of the population including rural areas and informal settlements, with the bulk of the funding being provided *via* the Human Settlements Development grant (HSDG). In 2016/17, the department will continue with the provision of housing, as detailed below.

Rental Housing Tribunal

The Rental Housing Tribunal component will continue to regulate good relationships between tenants and landlords by implementing pre-emptive and pro-active measures. The significant increase in the number of complaints being received by the Rental Housing Tribunal has been a result of extensive marketing of the Tribunal's activities, which instigates a need to ensure the enforcement of its rulings in order to maintain its status and stature as an effective dispute resolution body. The enforceability of these rulings remains

the cornerstone of the existence of the KZN Rental Housing Tribunal. Work has been done to engage the Office of the Chief Magistrate to assist with the enforcement of spoliation orders and rulings of specific performance. The Office of the Director of Public Prosecutions, the Office of the Provincial Commissioner of the South African Police Services, as well as the Sheriff's Office are also key stakeholders in the chain of the enforcement of the Tribunal rulings.

Social Rental Housing

During 2016/17, the department envisages that additional restructuring zones will be approved by the National Minister. This will unlock the planned pipeline projects situated in the affected areas and thus enable KZN to make a meaningful contribution towards the realisation of the targeted 27 000 units in the current MTSF. The projected delivery targets for 2016/17 are 630 social housing units and 394 CRU units.

Rectification of pre-1994 Housing Stock

This programme is aimed at rectifying the housing stock constructed pre-1994. Project funding of R3.500 million for the rectification of 42 797 units was approved by the department. Various projects are underway, such as eThekweni with 533 units in R293 townships, as well as 60 units which were demolished by the owners, Umdoni with 302 units, Newcastle with 148 units at Emawoseni, Surayaville with 72 units and Fairleigh with 48 units.

Informal Settlements Upgrade

The Provincial Slum Clearance Co-ordination Sub-Committee will continue to monitor progress of slum clearance projects. Currently, over four projects are nearing completion, 30 projects are in the construction phase, 56 projects are in various stages of planning and 26 require complete relocations.

The department will continue implementing the Cornubia Integrated Residential Project north of Durban as the national priority "catalytic project" in 2016/17, which is expected to contribute towards achieving Outcome eight targets and ensuring sustainable human settlements. Over the 2016/17 MTEF, Phase 1A entails the completion of 482 sites and units and various units will be transferred to individual beneficiaries. Phase 1B with a yield of 2 186 units will also be implemented. All internal services have been done and the top structures will be done in 2016/17. Families from the slum clearance projects from various parts of the eThekweni Metro will be relocated houses, and thus slums will be cleared.

During 2016/17, the targeted number of ISU is 4 829 sites and 4 228 units. For the IRDP, the projected delivery for 2016/17 is 1 088 sites and 3 578 units to be delivered.

The Enhanced People's Housing Process (EPHP), which is part of a national initiative, provides for community/beneficiary involvement in the construction of their houses, and will result in additional houses being constructed over the medium-term. The EPHP methodology is being piloted within the province in partnership with the National Urban Reconstruction and Housing Agency (NURCHA), which is a development finance company providing bridging and developing finance to contractors and developers, as well as community based organisation Vulindlela Development Agency (VDA) in Msunduzi in implementing the Vulindlela rural housing project.

Rural Housing Development

During 2016/17, 8 946 units are being projected for delivery. The current commitments set out ensure that all nine provinces comply with the Outcome eight principles. This then means that the department's development goals must not only focus on rural priorities, but must strike the required balance in ensuring that Outcome eight principles are met.

4. Receipts and financing

4.1 Summary of receipts and financing

Table 8.1 indicates the sources of funding for Vote 8 for the period 2012/13 to 2018/19. The budget for 2016/17 is made up of the equitable share of R345.216 million and the HSDG of R3.125 billion, with the aim of promoting the provision of low income housing and essential services. The department also receives R15.194 million in 2016/17 in respect of the EPWP Integrated Grant for Provinces.

Table 8.1 : 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	300 409	311 786	326 962	342 630	342 630	342 630	345 216	362 444	383 512
Conditional grants	2 915 297	3 335 584	3 509 045	3 242 055	3 242 055	3 242 055	3 139 896	3 843 228	4 092 224
Human Settlements Development grant	2 915 297	3 332 584	3 509 045	3 235 475	3 235 475	3 235 475	3 124 702	3 843 228	4 092 224
EPWP Integrated Grant for Provinces	-	3 000	-	6 580	6 580	6 580	15 194	-	-
Total receipts	3 215 706	3 647 370	3 836 007	3 584 685	3 584 685	3 584 685	3 485 112	4 205 672	4 475 736
Total payments	3 377 771	3 617 002	3 873 178	3 584 685	3 822 970	3 822 970	3 485 112	4 205 672	4 475 736
Surplus/(Deficit) before financing	(162 065)	30 368	(37 171)	-	(238 285)	(238 285)	-	-	-
Financing									
of which									
Provincial roll-overs	27 637	-	-	-	-	-	-	-	-
Provincial cash resources	134 477	1 000	22 436	-	238 285	238 285	-	-	-
Surplus/(Deficit) after financing	49	31 368	(14 735)	-	-	-	-	-	-

The department's equitable share budget grows steadily from 2012/13 to 2018/19, attributed mainly to inflationary wage adjustments and inflation related items for the department's administration costs.

Conditional grants grow steadily from 2012/13 to 2014/15 attributed mainly to the HSDG, largely as a result of additional funding allocated for the informal settlements upgrade in rapidly urbanising mining towns to support the implementation of the Strategic Infrastructure Projects (SIPs) identified by the Presidential Infrastructure Co-ordinating Committee (PICC), as well as the re-allocation of R236 million by the National Department of Human Settlements from Limpopo due to slow spending. The growth was offset to some extent by the baseline cuts in the grant due to the data update resulting from the 2011 Census. There were further cuts in 2015/16 and 2016/17, partly due to the fiscal consolidation effects, as well as funds being reprioritised from all provinces to the Housing Development Agency (HDA) which was to take on an expanded mandate that included some of the planning and project development aspects that were previously carried out by provinces. In addition to this, there is a further cut in the HSDG in 2016/17 only, after a revision by NDHS, explaining the decrease from 2015/16 to 2016/17. Despite these cuts, the budget for the HSDG grows consistently over the 2016/17 MTEF at this stage. The allocation for the HSDG also includes funds earmarked for spending within the eThekweni Metro, as well as funding for disaster repairs (flood and fire).

It is noted that the department will again receive additional funding of R308.377 million in 2015/16 for the HSDG, being additional funding allocated by NDHS for projects. This additional amount will only be formalised in the Second Adjustments Estimate in March 2016, and hence is not included in Table 8.1.

Provincial cash resources in 2012/13 reflect R134.477 million, which comprised R85.229 million relating to funds from Thubelisha Homes for Ingwavuma Ministerial projects, and R49.248 million relating to the funds received in terms of the Wiggins and Bonela Housing project, which were reallocated for the implementation of social housing projects. An amount of R27.637 million against provincial roll-overs relates to the roll-over approved with regard to the Housing Disaster Relief grant. The department under-spent the 2012/13 allocation by an insignificant amount of R49 000.

The department was allocated R3 million in 2013/14 for the EPWP Integrated Grant for Provinces, with the aim of creating temporary work opportunities and transferring skills to the unemployed. An amount of R6.580 million was allocated in 2015/16 and R15.194 million is allocated in 2016/17 only, at this stage.

The department received an additional allocation of R1 million from provincial cash resources in 2013/14 for spending on OSS initiatives, as identified by the MEC.

The department under-spent its 2013/14 budget by R31.368 million, emanating mainly from the HSDG, as a result of a capturing error which was only identified in the auditing process after year-end, and after the National Treasury deadline for the submission of roll-over requests. A roll-over of these funds to 2014/15 was requested post-audit, but was declined by National Treasury due to the late submission.

Provincial cash resources in 2014/15 reflect R22.436 million relating to the reallocation of unused funds received from SHRA for the Meadowlands social housing project which was reallocated back to the department for the implementation of social housing projects under the Westgate-Grange project.

The department over-spent its 2014/15 budget by R14.735 million mainly as a result of payments in respect of eThekweni Metro arrear rates.

Provincial cash resources in the 2015/16 Adjusted Appropriation reflect R238.285 million, of which R7.312 million relates to the above-budget 2015 wage agreement which the department could not fund from within its baseline, an additional R100 million, in line with a Cabinet decision in respect of various housing projects such as KwaXolo Rural, Dube Village, Steve Biko Phase 2, Vulindlela, etc, as well as R130.973 million from NHFC and Ithala for various housing projects. As at the end of 2014/15, NHFC and Ithala had not completed the projects for which the funding was transferred and therefore had to repay any unspent funds together with interest earned to the department. These funds were then allocated back to the department in the 2015/16 Adjusted Appropriation for various housing projects such as Lakehaven Phase 2, Westgate-Grange, etc.

The decrease in 2016/17 relates to the revision of all conditional grants by National Treasury. This explains the significant decrease in 2016/17 and the increase thereafter in the HSDG. The equitable share grows steadily over the MTEF.

4.2 Departmental receipts collection

Table 8.2 provides a summary of the receipts collected by the department. Details of these departmental receipts are given in *Annexure – Vote 8: Human Settlements*.

Table 8.2 : Summary of departmental receipts collection

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	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	586	434	813	534	534	534	562	590	624
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	16	4 142	573	18	18	2 181	16	17	18
Sale of capital assets	1 494	19	49	500	500	500	520	546	578
Transactions in financial assets and liabilities	11 477	4 836	27 485	1 000	1 000	160 047	3 100	3 155	3 338
Total	13 573	9 431	28 920	2 052	2 052	163 262	4 198	4 308	4 557

The major source of departmental receipts is *Transactions in financial assets and liabilities*, which comprises revenue collected from previous years' staff debts in respect of breached bursary contracts, as well as recoveries of prior years' expenditure, such as unutilised funds from suppliers. The conservative budgeting over the MTEF reflects the difficulty in accurately projecting recoveries from projects, due to their uncertain nature. The historic and 2015/16 Revised Estimate collection can be explained as follows:

- The 2012/13 collection includes, *inter alia*, unspent funds which were returned to the PRF, as well as funds recovered by the Special Investigating Unit (SIU) in relation to fraud cases and funds returned to the department due to cancellation of payment to a supplier because of incorrect banking details.
- Revenue collected in 2013/14 comprises, among others, monies recovered by the SIU from finalised fraud cases, as well as a subsidy refund from the eThekweni Metro in respect of the Riverdene Housing project due to the cancellation of original beneficiaries that were not occupying houses and recovery of staff debts.
- Revenue collected in 2014/15 consists of, among others, an amount of R22.436 million which was recovered from SHRA in respect of unused funds pertaining to the Meadowlands social housing project. These funds were allocated back to the department in the 2014/15 Adjustments Estimate for use on the Westgate-Grange social housing project.
- As reflected in the 2015/16 Revised Estimate, the department is anticipating to over-collect its revenue budget. The substantial over-collection is due to, among others, an amount of

R118.441 million from the NHFC relating to previous years' expenditure in respect of the assessment, administration and management of social housing by the institution and R12.532 million from Ithala being the recall of surplus funds in respect of *in situ* relocation subsidies. These funds were allocated back to the department in the 2015/16 Adjustments Estimate, as mentioned previously.

Sale of goods and services other than capital assets is derived from commission on PERSAL deductions such as insurances and garnishee orders, rental on state-owned property, parking fees and sale of tender documents. The increase in 2014/15 is ascribed to the number of tender documents sold. Fewer tender documents are expected to be sold over the MTEF, because most tenders were awarded in the previous financial years.

Interest, dividends and rent on land includes interest from staff debts and interest on positive cash balances. In 2013/14, the department collected revenue amounting to R4.142 million mainly from the interest received on unused funds transferred to SHRA for the implementation of social housing projects. The high collection reflected in the 2015/16 Revised Estimate is due to interest received for the land acquisition of Abaqulusi Municipality and for uMhlathuze Municipality. The accrued interest was paid back to the department when the transfer to the municipality was done. Revenue projected over the MTEF is mainly related to interest on outstanding staff debts.

Sale of capital assets relates to cash received from the sale of redundant assets, such as motor vehicles and office equipment. Accurate projections against this category are difficult, due to its uncertain nature.

4.3 Donor funding – Nil

5. Payment summary

Section 5 reflects payments and budgeted estimates in terms of programmes and economic classification. Details are given in *Annexure – Vote 8: Human Settlements*.

5.1 Key assumptions

The following assumptions and factors were taken into account in finalising the budget allocations:

- The budget and service delivery indicators are based on a subsidy for a minimum of a 40m² house for new projects (i.e. projects approved from 2009/10 onward).
- Inflation related items have been based on CPI projections.
- Provision was made through reprioritisation for an inflationary wage adjustment of 7.2 per cent in 2016/17, 6.8 per cent in 2017/18 and 6.8 per cent in 2018/19, as well as the annual 1.5 per cent pay progression.
- Provision was made for the carry-through costs of the above-budget 2015 wage agreement.
- 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:
 - 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.
 - Departments' equitable share funded *Goods and services* budgets were cut by 2 per cent.
 - 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 8.3 shows additional funding received by the department over the three MTEF periods: 2014/15, 2015/16 and 2016/17. 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.

Table 8.3 : 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	596	2 110	2 560	2 688	2 844
Carry-through of previous wage agreements	1 673	3 230	3 732	3 919	4 146
Centralisation of communications budget under OTP	(513)	(540)	(565)	(593)	(628)
Centralisation of external bursaries budget under OTP	(564)	(580)	(607)	(637)	(674)
2015/16 MTEF period		580	607	637	674
Decentralisation of bursaries budget		580	607	637	674
2016/17 MTEF period			(15 907)	(16 734)	(17 658)
Above-budget 2015 wage agreement			8 053	8 628	9 271
Freezing all vacant non-OSD posts			(20 180)	(21 552)	(23 017)
Cutting events' budgets			(2 053)	(2 054)	(2 054)
2% Goods and services cut			(1 727)	(1 756)	(1 858)
Total	596	2 690	(12 740)	(13 409)	(14 140)

In the 2014/15 MTEF, the department received additional funding for the carry-through of previous wage agreements. Cabinet resolved for the centralisation of parts of the communication and external bursaries' budgets under the Office of the Premier (OTP), hence the budget reductions over the 2014/15 MTEF.

In the 2015/16 MTEF, the department was reallocated funds relating to the centralisation of the bursaries budget under OTP, due to a decision to decentralise bursaries back to departments.

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 was 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 Department of Human Settlements is commented on in Section 5.3 below.

Offsetting these cuts to some extent over the 2016/17 MTEF, is the fact that the department received additional funding for the carry-through cost of the above-budget 2015 wage agreement.

5.3 Summary by programme and economic classification

The budget structure of Vote 8 largely conforms to the uniform budget and programme structure prescribed for the Human Settlements sector.

Tables 8.4 and 8.5 provide a summary of the vote's payments and budgeted estimates over the MTEF, by programme and economic classification, respectively.

The allocation increases over the seven years in line with the allocation for the HSDG. As previously mentioned, the grant was reduced in 2015/16 and 2016/17, partly due to the fiscal consolidation effects and a revision done by NDHS, as well as funds reprioritised from all provinces to the HDA. The noticeable decrease in 2016/17 relates to the previously mentioned budget cuts implemented by National Treasury, as well as the cut in the HSDG only in 2016/17, hence the increase in 2017/18 and 2018/19 across all programmes. Due to the extent of the equitable share cuts, which total R23.960 million, R25.362 million and R26.929 million over the MTEF, the department could not cut only against *Compensation of employees* and *Goods and services*, therefore, *Transfers and subsidies to: Departmental agencies and accounts* and *Machinery and equipment* were also affected by the budget cuts. It should be noted that all four programmes were affected by the cuts.

Table 8.4 : Summary of payments and estimates by programme: Human Settlements

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Administration	151 366	163 986	182 847	193 378	195 128	195 128	190 054	200 045	213 584
2. Housing Needs, Research and Planning	13 823	14 115	14 223	17 076	17 209	17 209	16 111	17 005	17 832
3. Housing Development	3 027 491	3 270 961	3 532 420	3 205 251	3 371 396	3 371 396	3 096 492	3 766 737	4 014 007
4. Housing Asset Management, Property Management	185 091	167 940	143 688	168 980	239 237	239 237	182 455	221 885	230 313
Total	3 377 771	3 617 002	3 873 178	3 584 685	3 822 970	3 822 970	3 485 112	4 205 672	4 475 736

Table 8.5 : Summary of provincial payments and estimates by economic classification: Human Settlements

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	244 963	287 661	362 918	383 788	391 239	391 239	422 620	410 242	427 853
Compensation of employees	165 469	202 048	239 766	263 250	273 453	273 453	284 340	296 310	310 496
Goods and services	79 494	85 501	123 151	120 538	117 786	117 786	138 280	113 932	117 357
Interest and rent on land	-	112	1	-	-	-	-	-	-
Transfers and subsidies to:	3 120 318	3 314 180	3 429 932	3 184 463	3 414 543	3 414 543	3 028 198	3 791 493	4 043 006
Provinces and municipalities	115 145	40 447	68 458	148 680	149 021	149 021	86 087	90 472	90 472
Departmental agencies and accounts	319 568	168 692	145 325	168 980	257 237	257 237	200 455	235 885	230 313
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 685 605	3 105 041	3 216 149	2 866 803	3 008 285	3 008 285	2 741 656	3 465 136	3 722 221
Payments for capital assets	12 472	15 048	79 565	16 434	16 903	16 903	34 294	3 937	4 877
Buildings and other fixed structures	1 009	6 799	67 455	12 500	12 500	12 500	31 454	-	-
Machinery and equipment	11 128	8 027	11 731	3 934	4 403	4 403	2 840	3 937	4 877
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	335	222	379	-	-	-	-	-	-
Payments for financial assets	18	113	763	-	285	285	-	-	-
Total	3 377 771	3 617 002	3 873 178	3 584 685	3 822 970	3 822 970	3 485 112	4 205 672	4 475 736

Programme 1: Administration reflects a steady increase from 2012/13 to 2014/15. The increase from the 2015/16 Main to Adjusted Appropriation relates to funds received for the above-budget 2015 wage agreement. The decrease in 2016/17 relates to budget cuts, as mentioned above. The increase in 2017/18 and 2018/19 is to cater for wage agreements and inflationary adjustments.

Programme 2: Housing Needs, Research and Planning reflects a steady increase from 2012/13 to 2014/15. The slight increase from the 2015/16 Main to Adjusted Appropriation relates to funds received for the above-budget 2015 wage agreement. The decrease in 2016/17 relates to budget cuts, as mentioned above. The increase in 2017/18 and 2018/19 is to cater for wage agreements and inflationary adjustments.

Programme 3: Housing Development reflects an increase from 2012/13 to 2014/15 as the focus remained on fast-tracking service delivery in KZN, as well as the re-allocation of R236 million by the National Department of Human Settlements from Limpopo in 2014/15, as mentioned previously. The growth in this programme relates to the increase in the HSDG, which has been allocated for various housing programmes such as the Upgrade of Informal Settlements Programme (UISP), the Enhanced Peoples Housing Process

(EPHP), etc. The increase in the 2015/16 Adjusted Appropriation relates to the reallocation of funds received from NHFC and Ithala for monies which were transferred during 2011/12 and 2012/13, the above-budget 2015 wage agreement which the department could not fund from within its baseline, as well as funding provided in respect of various housing projects, as agreed to by Cabinet. The HSDG was marginally reduced in 2015/16 and 2016/17, partly due to the fiscal consolidation effects, the revision of conditional grants, as well as funds reprioritised from all provinces to the HDA. The decrease in 2016/17 relates to equitable share cuts, as well as conditional grant cuts against the HSDG, as mentioned above. The increase in 2017/18 and 2018/19 is to cater for wage agreements and inflationary adjustments, as well as projects being implemented with the 2017/18 and 2018/19 grant allocations which show significant increases.

The decrease against Programme 4: Housing Asset Management, Property Management from 2012/13 to 2014/15 relates to delays in the implementation of the rectification programme for the pre-1994 housing stock of Ex-Own Affairs and Ex-R293 areas which were delayed, as a result of the appointment of the service provider in the eThekweni Metro taking longer than anticipated. The increase in the 2015/16 Adjusted Appropriation is in respect of a Cabinet decision to provide once-off funding towards the rehabilitation of R293 and Ex-own Affairs townships, as well as funds related to the above-budget 2015 wage agreement. The decrease in 2016/17 relates to equitable share and conditional grant cuts in the HSDG, as mentioned above. The increase in 2017/18 and 2018/19 relates to the rectification of pre-1994 housing stock which was delayed in previous financial years due to specification changes and social issues, with the conditional grant allocation in the outer years showing good growth.

Compensation of employees reflects a steady increase from 2012/13 to 2014/15. The increase in the 2015/16 Adjusted Appropriation largely relates to funds received for the above-budget 2015 wage agreement. Although this category shows an increase over the 2016/17 MTEF which is to cater for the filling of OSD posts under the OPSCAP programme of the HSDG, it was reduced by R12.637 million, R15.993 million and R18.115 million over the MTEF as a result of the budget cuts.

Goods and services reflects a steady increase from 2012/13 to 2014/15 in line with inflationary increases and spending pressures relating to fast-tracking housing project launches. The decrease in the 2015/16 Adjusted Appropriation is due to the continuous implementation of cost-cutting measures, where housing project launches were reduced, as well as travel and subsistence costs. The spike in 2016/17 relates to additional funding received in respect of the EPWP Integrated Grant for Provinces, as well as professional services. The decrease in 2017/18 and 2018/19 is due to no allocation for the EPWP Integrated Grant for Provinces yet, cost-containment measures, particularly against travel and subsistence costs, as well as the above-mentioned budget cuts in respect of both conditional grant and equitable share. This category was reduced by R5.812 million, R4.751 million and R3.912 million over the MTEF in respect of the equitable share cuts.

Interest and rent on land pertains to interest paid on overdue accounts in 2013/14 and 2014/15. The department did not pay these accounts on time as illegal cession agreements were entered into by service providers implementing the Social and Economic Amenities programme.

The fluctuating trend against *Transfers and subsidies to: Provinces and municipalities* from 2012/13 to 2014/15 relates to the final transfer paid in 2012/13 to the eThekweni Metro in respect of the maintenance of R293 hostels. During 2012/13, there was also a transfer to the eThekweni Metro in respect of the CRU programme. The increase in 2015/16 relates to the CRU programme and operational costs for accredited municipalities which were inadequately budgeted for. The decrease in 2016/17 relates to the anticipated winding up of the CRU programme in the eThekweni Metro.

The high spending against *Transfers and subsidies to: Departmental agencies and accounts* in 2012/13 relates to transfers made to SHRA for the implementation of the social housing programme. Following an A-G finding, funds relating to the KZN Housing Fund were moved to this category with effect from 2014/15, in line with the reclassification of all activities relating to the management and maintenance of housing properties in respect of the KZN Housing Fund. The funding had previously been budgeted for under various economic classifications instead of *Transfers and subsidies to: Departmental agencies and accounts*. This is in compliance with an A-G finding and GRAP requirements, whereby the activities of

the fund must be paid *via* a transfer, and not form part of the Vote. Prior year information was adjusted accordingly. The increase in the 2015/16 Adjusted Appropriation relates to funding for the HDA where the department has entered into a three-year agreement with this public entity to undertake assigned functions and programmes. The decrease in 2016/17 relates to conditional grant cuts, as well as equitable share cuts of R4.511 million, R4.618 million and R4.902 million over the MTEF, as mentioned previously. The increase in 2017/18 is in respect of inflationary increases. The slight decrease in 2018/19 relates to no funding allocated for HDA in 2018/19 as per the agreement which caters for three years.

Transfers and subsidies to: Households shows an increasing trend from 2012/13 to 2014/15. This is due to the increase in the HSDG, as the bulk of the housing programmes are budgeted for under this category. The Housing Disaster Relief grant is also catered for within this category in 2012/13. The increase in the 2015/16 Adjusted Appropriation relates to the reallocation of funds received from NHFC and Ithala for monies which were transferred during 2011/12 and 2012/13. Although the HSDG has been reduced marginally in 2015/16 and 2016/17, partly due to the fiscal consolidation effects, and further conditional grant cuts, as well as funds reprioritised from all provinces to the HDA, the increase in 2017/18 and 2018/19 is in line with the fact that there was no HSDG cut in these years.

Buildings and other fixed structures is mainly related to the Social and Economic Amenities programme. The increasing trend from 2012/13 to 2014/15 is as a result of the fact that, in 2012/13 and 2013/14, this programme was stalled, as it was affected by forensic investigations. In 2014/15, the programme started to improve on its delivery. The high expenditure in 2014/15 relates to the acquisition of Riverview Social Housing Development to be used for middle income housing through the Finance Linked Individual Subsidy Programme (FLISP). In 2016/17, funding is allocated for the finalisation of the Social and Economic Amenities programme. There is no allocation in 2017/18 and 2018/19, due to the fact that the programme comes to an end in 2016/17.

Machinery and equipment shows a fluctuating trend from 2012/13 to 2016/17 which is due to the purchasing of vehicles being cyclical in nature. The increase in the 2015/16 Adjusted Appropriation is due to provision made for the purchase of a PABX telephone system. The fluctuation over the 2016/17 MTEF relates to the above-mentioned equitable share cuts amounting to R1 million in 2016/17 only, as well as the reduction in the purchasing of capital assets due to ongoing implementation of cost-cutting measures and the fact that purchasing of vehicles is cyclical in nature.

The spending against *Software and other intangible assets* relates to the purchase of various software packages in 2012/13, 2013/14 and 2014/15.

The amounts under *Payments for financial assets* relate to the write-off of staff debts in terms of the departmental write-off policy in 2012/13 to 2015/16.

5.4 Summary of conditional grants payments and estimates

Tables 8.6 and 8.7 below provide a summary of the conditional grant payments and budgeted estimates over the MTEF period by conditional grant name and economic classification, respectively. The department has three grants, namely the HSDG, the Housing Disaster Relief grant and the EPWP Integrated Grant for Provinces, although only the HSDG and EPWP Integrated Grant for Provinces received funding up to 2016/17, and only the HSDG continues over the MTEF at this stage. As previously mentioned, the HSDG was reduced marginally in 2015/16 and 2016/17, partly due to the fiscal consolidation effects implemented over the 2015/16 MTEF, as well as funds reprioritised from all provinces to the HAD, with further budget cuts affected in 2016/17.

Note that the department will receive additional funding of R308.377 million in 2015/16 for the HSDG, being additional funding allocated by NDHS for projects. This additional amount will only be formalised in the Second Adjustments Estimate in March 2016, though, and hence is not included in the tables below.

The HSDG is cut in 2016/17 only, after the revision of all conditional grants by National Treasury. This explains the significant decrease in 2016/17 and the increase thereafter in the HSDG and various economic classifications.

Note that the historical figures set out in Table 8.6 below reflect actual expenditure per grant, and should not be compared to those reflected in Table 8.1, which represent the actual receipts for each grant.

Details are given in *Annexure – Vote 8: Human Settlements*.

Table 8.6 : Summary of conditional grants payments and estimates by name

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Human Settlements Development grant	3 077 411	3 309 243	3 509 045	3 235 475	3 235 475	3 235 475	3 124 702	3 843 228	4 092 224
Housing Disaster Relief grant	27 637	-	-	-	-	-	-	-	-
EPWP Integrated Grant for Provinces	-	-	-	6 580	6 580	6 580	15 194	-	-
Total	3 105 048	3 309 243	3 509 045	3 242 055	3 242 055	3 242 055	3 139 896	3 843 228	4 092 224

Table 8.7 : Summary of conditional grants payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	6 654	48 464	95 845	95 950	98 115	98 115	130 009	104 104	104 104
Compensation of employees	500	38 575	57 656	59 492	68 518	68 518	72 254	73 248	76 248
Goods and services	6 154	9 781	38 189	36 458	29 597	29 597	57 755	30 856	27 856
Interest and rent on land	-	108	-	-	-	-	-	-	-
Transfers and subsidies to:	3 097 175	3 253 711	3 340 206	3 133 105	3 131 041	3 131 041	2 977 780	3 738 430	3 987 426
Provinces and municipalities	115 000	40 384	68 326	148 400	148 741	148 741	85 792	90 172	90 172
Departmental agencies and accounts	271 311	109 636	98 059	118 482	155 989	155 989	150 939	183 759	175 670
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 710 864	3 103 691	3 173 821	2 866 223	2 826 311	2 826 311	2 741 049	3 464 499	3 721 584
Payments for capital assets	1 219	7 068	72 994	13 000	12 899	12 899	32 107	694	694
Buildings and other fixed structures	1 009	6 799	67 455	12 500	12 500	12 500	31 454	-	-
Machinery and equipment	210	269	5 160	500	399	399	653	694	694
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	379	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	3 105 048	3 309 243	3 509 045	3 242 055	3 242 055	3 242 055	3 139 896	3 843 228	4 092 224

The department's main funding relates to the HSDG, which aims to promote the provision of low income housing using different programmes such as project linked subsidies, people's housing programmes, IRDP, rural housing subsidies, UISP, social housing, etc.

In 2012/13, the department received the Housing Disaster Relief grant, to rehabilitate communities affected by storm damage. Disaster funding was not separately provided for from 2013/14 going forward, as the disaster allocation then formed part of the HSDG. The HSDG included an amount of R158.821 million in 2015/16, which is ring-fenced for repairs to houses affected by disasters.

The department receives R6.580 million and R15.194 million in 2015/16 and 2016/17, respectively, in respect of the EPWP Integrated Grant for Provinces for the recruitment of community members (especially the youth) during the implementation of projects.

From 2010/11, the department started funding *Compensation of employees* from the HSDG, in line with the Division of Revenue Act (DORA), which allows for a portion (up to 5 per cent) of the conditional grant funding to be used for administrative purposes to enhance service delivery. This explains the increase against *Compensation of employees* in 2013/14 from 2012/13. The increase in the 2015/16 Adjusted Appropriation relates to the above-budget 2015 wage agreement in respect of officials who are appointed on a contractual basis utilising HSDG funding. The increase over the 2016/17 MTEF relates to inflationary wage increases and contract posts in respect of the HSDG.

The increase in *Goods and services* from 2012/13 to 2013/14 relates to poor spending on the Extended Enhanced Discount Benefit Scheme (EEDBS) programme due to delays in the rehabilitation of housing

which led to the increase in the maintenance of housing properties. The substantial increase in 2014/15 was due to the fast-tracking of housing project launches. The decrease in the 2015/16 Adjusted Appropriation is due to continuous implementation of cost-cutting measures, where housing project launches, as well as travel and subsistence costs were reduced. This decrease continued over the MTEF. The noticeable increase in 2016/17 relates to the EPWP Integrated Grant for Provinces funding. The decrease from 2016/17 to 2018/19 is as a result of the fact that no EPWP Integrated Grant for Provinces funding has been allocated beyond 2016/17, at this stage.

Interest and rent on land pertains to interest paid on overdue accounts in 2013/14. The department did not pay these accounts on time as illegal cession agreements were entered into by service providers implementing the Social and Economic Amenities programme, as mentioned previously.

The fluctuating trend against *Transfers and subsidies to: Provinces and municipalities* from 2012/13 to 2014/15 relates to the final amount paid in 2012/13 to the eThekweni Metro in respect of the maintenance of R293 hostels. During 2012/13, there was also a transfer to the eThekweni Metro in respect of the CRU programme. The decrease in 2016/17 relates to conditional grant cuts. The flat trend in 2017/18 and 2018/19 is largely due to the anticipated winding up of the CRU programme in the eThekweni Metro.

The spending against *Transfers and subsidies to: Departmental agencies and accounts* in 2012/13 relates to transfers made to SHRA for the implementation of the social housing programme. In 2012/13 to 2015/16 and over the 2016/17 MTEF, funds relating to the KZN Housing Fund have been moved to this category, due to the previously mentioned compliance with an A-G finding and GRAP requirements. The increase in the 2015/16 Adjusted Appropriation relates to funding for the HDA, in terms of which the department has entered into a three-year agreement whereby the HDA undertakes assigned functions and programmes. The fluctuations over the 2016/17 MTEF relate to the HSDG cut in 2016/17 only, and the fact that there is no funding allocated for HDA in 2018/19, as mentioned previously.

Transfers and subsidies to: Households shows an increasing trend from 2012/13 to 2014/15. This was due to the increase in the HSDG, as the bulk of the housing programmes are budgeted for within this category. The Housing Disaster Relief grant is also catered for within this classification. The decrease in the 2015/16 Adjusted Appropriation relates to rectification of post-1994 housing programmes due to the fact that the department has reduced the allocations to these projects to slow down construction as a result of budgetary constraints. This was done to align to the National Minister's directive, where the rectification programmes should be phased out. The decrease in 2016/17 relates to the above-mentioned HSDG cut. The increase in 2017/18 and 2018/19 is in line with the fact that these years are not affected by the conditional grant budget cuts. As previously mentioned, the HSDG was reduced marginally in 2015/16 and 2016/17, partly due to the fiscal consolidation effects, as well as funds reprioritised from all provinces to the HDA.

Buildings and other fixed structures is mainly related to the Social and Economic Amenities programme. The increasing trend from 2012/13 to 2014/15 was as a result of the programme being put on hold due to a number of challenges which necessitated that investigations and forensic audits be conducted on the programme. It must, however, be noted that the challenges experienced were dealt with during 2013/14. The high expenditure in 2014/15 was in respect of the acquisition of Riverview Social Housing Development to be used for middle income housing through FLISP. In 2016/17, funding is allocated for the finalisation of the Social and Economic Amenities programme.

As previously mentioned, the department spent a portion of the HSDG on *Machinery and equipment* in 2012/13 to 2014/15 and provides for this over the 2016/17 MTEF, as there is a need to purchase furniture and equipment for new employees. This is in respect of new technical posts anticipated to be filled that will be funded from this grant.

5.5 Summary of infrastructure payments and estimates

Table 8.8 presents a summary of infrastructure payments and estimates by infrastructure category. Note that, in 2014/15 there was a movement of all funding for the KZN Housing Fund within Programme 4 to *Transfers and subsidies to: Departmental agencies and accounts*, which also affects infrastructure.

Table 8.8 : 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	-	-	-	-	-	-	-	-	-
Maintenance and repair: Current	-	-	-	-	-	-	-	-	-
Upgrades and additions: Capital	-	-	-	-	-	-	-	-	-
Refurbishment and rehabilitation: Capital	-	-	-	-	-	-	-	-	-
New infrastructure assets: Capital	1 009	6 799	67 455	12 500	12 500	12 500	31 454	-	-
Infrastructure transfers	115 000	40 384	57 467	148 400	148 741	148 741	85 792	90 172	90 172
Infrastructure transfers: Current	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital	115 000	40 384	57 467	148 400	148 741	148 741	85 792	90 172	90 172
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	17 684	19 151	20 000	-	21 390	21 390	21 285	22 301	23 542
Total	133 693	66 334	144 922	160 900	182 631	182 631	138 531	112 473	113 714
Capital infrastructure	116 009	47 183	124 922	160 900	161 241	161 241	117 246	90 172	90 172
Current infrastructure	17 684	19 151	20 000	-	21 390	21 390	21 285	22 301	23 542

The category *New infrastructure assets: Capital* relates to the Social and Economic Amenities programme. The asset constructed is owned by the department until handed over to the municipality. The increasing trend from 2012/13 to 2014/15 was as a result of the programme being put on hold due to a number of challenges which necessitated that investigations and forensic audits be conducted on the programme, as mentioned above. The high expenditure in 2014/15 was in respect of the acquisition of Riverview Social Housing Development to be used for middle income housing through FLISP. In 2016/17, funding is allocated for the finalisation of the Social and Economic Amenities programme. As mentioned above, due to the winding-up of the programme, there is no allocation in both 2017/18 and 2018/19.

Infrastructure transfers: Capital comprises transfers in respect of the CRU programme and operational costs of the accredited municipalities. The decrease from 2012/13 to 2013/14 relates to transfers made for the CRU programme during 2012/13 and no transfers were made in 2013/14 due to delays in the approval process of projects within the eThekweni Metro. In 2013/14, the department made transfers in respect of operational costs for accredited municipalities. The increase in 2015/16 relates to the CRU programme and operational costs for accredited municipalities. The decrease in 2016/17 relates to equitable share and conditional grant cuts and the flat trend in 2017/18 and 2018/19 is largely due to the anticipated winding up of the CRU programme in the eThekweni Metro.

The category *Infrastructure leases* relates to the operational leases for office accommodation leased by the department. The increasing trend over the seven-year period relates to inflationary increases, as well as the increase in district offices due to decentralisation. It is noted that this category was inadvertently omitted from the *EPRE* in prior years. This was corrected in the 2015/16 Adjusted Appropriation, and prior years were adjusted for compliance purposes. This explains why no amount is reflected in the 2015/16 Main Appropriation.

5.6 Summary of Public Private Partnerships – Nil

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

Table 8.9 presents a summary of departmental transfers to national public entities listed in terms of Schedule 3 of the PFMA.

Table 8.9 : Summary of departmental transfers to public entities

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Housing Development Agency (HAD)	-	-	-	-	18 000	18 000	18 000	14 000	-
Social Housing Regulatory (HRSA)	134 477	-	932	-	-	-	-	-	-
Total	134 477	-	932	-	18 000	18 000	18 000	14 000	-

The allocation of R18 million to the HDA in the 2015/16 Adjusted Appropriation is to cater for operational costs of the support work being undertaken by HDA in the province. The department has entered into a three-year agreement with this national public entity to undertake various assigned functions, hence there is no allocation in 2018/19.

The 2012/13 spending relates to transfers to SHRA for implementing the social housing programme. The reduction from 2013/14 onward is mainly due to the non-allocation to SHRA, as a result of the fact that the entity had not yet fully spent the allocation that was transferred to them since 2012/13. The amount in 2014/15 relates to costs incurred by SHRA after the return of unspent funds by the entity to the department. This expenditure is for costs incurred by the Strategic Programme Management (Booster) team appointed by SHRA, but which had never been paid.

5.8 Transfers to other entities

Table 8.10 presents a summary of departmental transfers to other entities. The department is funding the KZN Housing Fund which has been dis-established and is no longer a listed public entity in terms of Section 47(2) of the PFMA. These allocations were previously made from all categories within Programme 4 but, following an A-G finding in 2014/15, are now made from *Transfers and subsidies to: Departmental agencies and accounts*. The historical data prior to 2014/15 has been restated for comparative purposes.

Table 8.10 : Summary of departmental transfers to other entities

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
KZN Housing Fund	All sub-progs in Prog. 4	185 091	167 940	143 688	168 980	239 237	239 237	182 455	221 885	230 313
Total		185 091	167 940	143 688	168 980	239 237	239 237	182 455	221 885	230 313

The increase in the 2015/16 Adjusted Appropriation relates to municipal services and rates and taxes for housing properties, as well as funds in respect of a Cabinet agreement to provide funding towards the rehabilitation of R293 and Ex-own Affairs townships. This entity was also affected by the above-mentioned budget cuts, hence the decrease in 2016/17. As mentioned, cuts of R4.511 million, R4.618 million and R4.902 million were effected over the MTEF.

5.9 Transfers to local government

Tables 8.11 and 8.12 below illustrate departmental transfers to local government by category and by grant name, respectively. Details of these transfers are given in the *Annexure – Vote 8: Human Settlements*. Transfers to local government include funds in respect of motor vehicle licences. These funds will not be transferred to any municipality and, hence, the amounts are not reflected in Tables 8.11 and 8.12.

Table 8.11 : Summary of departmental transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Category A	95 000	21 787	46 165	118 228	122 416	122 416	59 000	60 000	60 000
Category B	20 000	18 597	22 153	30 172	26 325	26 325	26 792	30 172	30 172
Category C	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	115 000	40 384	68 318	148 400	148 741	148 741	85 792	90 172	90 172

Table 8.12 : Summary of departmental transfers to local government by grant name

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Accredited municipalities	3.2 Financial Intervention	-	33 421	57 460	48 400	48 741	48 741	26 792	30 172	30 172
CRU programme	3.2 Housing Prop. Main	115 000	6 963	-	100 000	100 000	100 000	59 000	60 000	60 000
Rates and taxes	3.4 Social & Rent Int.	-	-	10 858	-	-	-	-	-	-
Total		115 000	40 384	68 318	148 400	148 741	148 741	85 792	90 172	90 172

Transfers to municipalities relate to the CRU programme (Category A), rates and taxes (Categories A and B), as well as accredited municipalities (Categories A and B).

The CRU programme is geared toward providing a coherent approach to dealing with different forms of public residential accommodation. It enables the department to provide secure and stable rental tenure for lower income persons in good locations, and forms the basis for transition to the formal housing market. As previously explained, the department signed a three-year agreement with the eThekweni Metro for the CRU programme, ending in 2014/15. However, there was no allocation in 2014/15 due to the slow spending in the eThekweni Metro in respect of the funds transferred in 2012/13.

The department also provides transfers for municipal rates and taxes in respect of ex-own Affairs properties which are owned by the department.

The transfers in respect of accredited municipalities relate to operational costs.

5.10 Transfers and subsidies

Table 8.13 below provides a summary of transfers and subsidies per programme, as explained briefly below the table.

Note that HSDG amounts in Programme 3 do not correspond with Table 8.7 due to historical restatements for comparative purposes.

Table 8.13 : Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Administration	1 654	2 109	2 180	860	1 190	1 190	902	937	937
Provinces and municipalities	145	56	132	280	280	280	295	300	300
Motor vehicle licences	145	56	132	280	280	280	295	300	300
Departmental agencies and accounts	-	752	705	-	-	-	-	-	-
PSETA	-	752	705	-	-	-	-	-	-
Households	1 509	1 301	1 343	580	910	910	607	637	637
Social benefits and other transfers	1 509	1 301	1 343	580	910	910	607	637	637
2. Housing Needs, Research and Planning	45	-	7	-	-	-	-	-	-
Households	45	-	7	-	-	-	-	-	-
Social benefits	45	-	7	-	-	-	-	-	-
3. Housing Development	2 933 528	3 144 131	3 284 057	3 014 623	3 174 116	3 174 116	2 844 841	3 568 671	3 811 756
Provinces and municipalities	115 000	40 391	68 326	148 400	148 741	148 741	85 792	90 172	90 172
Operational costs for accredited municipalities	-	33 421	57 460	48 400	48 741	48 741	26 792	30 172	30 172
CRU programme	115 000	6 963	-	100 000	100 000	100 000	59 000	60 000	60 000
Claims against the state	-	7	8	-	-	-	-	-	-
Rates and taxes for Section 21 properties	-	-	10 858	-	-	-	-	-	-
Departmental agencies and accounts	134 477	-	932	-	18 000	18 000	18 000	14 000	-
SHRA	134 477	-	932	-	-	-	-	-	-
Housing Development Agency	-	-	-	-	18 000	18 000	18 000	14 000	-
Households	2 684 051	3 103 740	3 214 799	2 866 223	3 007 375	3 007 375	2 741 049	3 464 499	3 721 584
Social benefits	858	80	327	-	1 618	1 618	45	48	48
Human Settlements Development grant	2 683 193	3 103 660	3 214 472	2 866 223	3 005 757	3 005 757	2 741 004	3 464 451	3 721 536
4. Housing Assets Mgt, Property Management	185 091	167 940	143 688	168 980	239 237	239 237	182 455	221 885	230 313
Departmental agencies and accounts	185 091	167 940	143 688	168 980	239 237	239 237	182 455	221 885	230 313
KZN Housing Fund	185 091	167 940	143 688	168 980	239 237	239 237	182 455	221 885	230 313
Total	3 120 318	3 314 180	3 429 932	3 184 463	3 414 543	3 414 543	3 028 198	3 791 493	4 043 006

The various trends in each programme are as follows:

- *Provinces and municipalities* in Programme 1 relates to the payment of motor vehicle licence fees. The amounts against *Households* pertain to staff exit costs and bursaries paid to external students.
- Also in Programme 1, it should be noted that the department no longer transfers funds to the Public Service Sector Education and Training Authority (PSETA) in line with a National Treasury Circular of 10 July 2014, which indicated that national departments applied for the creation of a single transfer to PSETA through DPSA. The result of this is that departments do not have to transfer funds to PSETA, unless such transfers are meant for a different purpose.

- Spending against *Households* in Programme 2 in 2012/13 and 2014/15 relates to staff exist costs.
- *Provinces and municipalities* in Programme 3 relates to programmes funded from the HSDG but implemented at the municipal level such as the CRU programme, and operational costs for accredited municipalities. The department signed a three-year agreement with the eThekweni Metro for the CRU programme, ending in 2014/15, however, there was no allocation in 2014/15 due to the slow spending in the eThekweni Metro in respect of the funds transferred in 2012/13, as previously mentioned.
- Spending against *Departmental agencies and accounts* in Programme 3 pertains to the transfers to SHRA and HDA. The reduction to zero in the transfer to SHRA from 2014/15 onward is mainly due to the fact that the entity has not yet fully spent the allocation that was transferred to them since 2012/13. The allocation to the HDA was increased by R18 million in the 2015/16 Adjusted Appropriation to cater for operational costs of the support work being undertaken by HDA in the province. The department has entered into a three-year agreement with this national public entity to undertake various assigned functions and programmes.
- *Households* in Programme 3 relates mainly to the HSDG projects. As evidenced by the table above, the bulk of the department's funding is allocated within this category. The projects funded from the Housing Disaster Relief grant in 2012/13 are also included here. Also included in this category are costs relating to staff exits. As previously mentioned, the department will receive additional funding of R308.377 million in 2015/16 for the HSDG, being additional funding allocated by NDHS for projects. This additional amount will only be formalised in the Second Adjustments Estimate in March 2016, and hence is not included in the table.
- With regard to *Departmental agencies and accounts* in Programme 4, from 2014/15 onward, the department undertook the reclassification of allocations from various economic classifications within Programme 4 which relates to the department providing funding to the KZN Housing Fund for all activities relating to the management and maintenance of housing properties. The funding had previously been budgeted for under various economic classifications instead of *Departmental agencies and accounts*. This was in compliance with an A-G finding and GRAP requirements, whereby the activities of the fund must be paid *via* a transfer, and not form part of the Vote. Prior year information was adjusted accordingly. The marked decrease in 2013/14 relates to funding to the eThekweni Metro for the CRU programme, with the eThekweni Metro showing slow spending in respect of the funds transferred in 2012/13, and the department deciding to withhold further transfers until the spending improved. The decrease in 2014/15 related to the rectification of the pre-1994 housing stock programme (properties owned by the department) in Austerville and Shallcross. The pilot phase was delayed due to changes in specification of the project and some social issues. The increase in the 2015/16 Adjusted Appropriation relates to operational costs of the support work being undertaken by HDA in the province. The decrease in 2016/17 is as a result of the previously mentioned equitable share and conditional grant cuts. The budget cuts in respect of the equitable share amount to R4.511 million, R4.618 million and R4.902 million over the MTEF. There is a steady increase in 2017/18 and 2018/19 to cater for the maintenance of housing properties.

6. Programme description

The services rendered by this department are categorised under four programmes, which largely conforms to the uniform budget and programme structure for the Human Settlements sector.

The payments and budgeted estimates for each of these programmes are summarised below, details of which are presented in the *Annexure to Vote 8 – Human Settlements*.

6.1 Programme 1: Administration

The purpose of this programme is to identify and eliminate bottle-necks, as well as continuously improve the flow of financial, administrative and management information. The strategic objectives of this programme are to strengthen governance and service delivery.

The programme provides for only one sub-programme, namely Corporate Services, because the office of the MEC is budgeted for under Vote 14: Public Works.

Tables 8.14 and 8.15 reflect a summary of payments and estimates for the period 2012/13 to 2018/19.

The slight decrease in 2016/17 relates to the previously mentioned budget cuts implemented by National Treasury, as well as the cut in the HSDG only in 2016/17, hence the increase in 2017/18 and 2018/19. The budget cuts were implemented against *Compensation of employees* (R9.270 million, R11.659 million and R12.007 million over the MTEF) and *Goods and services* (R5.212 million, R4.146 million and R2.802 million) over the MTEF, as well as *Machinery and equipment* (R1 million) in 2016/17 only.

Table 8.14 : Summary of payments and estimates by sub-programme: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Corporate Services	151 366	163 986	182 847	193 378	195 128	195 128	190 054	200 045	213 584
Total	151 366	163 986	182 847	193 378	195 128	195 128	190 054	200 045	213 584

Table 8.15 : Summary of payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	138 463	153 932	173 522	189 376	190 179	190 179	187 155	195 990	208 529
Compensation of employees	76 102	90 922	101 270	117 774	114 463	114 463	117 659	122 640	129 167
Goods and services	62 361	63 006	72 251	71 602	75 716	75 716	69 496	73 350	79 362
Interest and rent on land	-	4	1	-	-	-	-	-	-
Transfers and subsidies to:	1 654	2 109	2 180	860	1 190	1 190	902	937	937
Provinces and municipalities	145	56	132	280	280	280	295	300	300
Departmental agencies and accounts	-	752	705	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 509	1 301	1 343	580	910	910	607	637	637
Payments for capital assets	11 231	7 883	6 446	3 142	3 742	3 742	1 997	3 118	4 118
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	10 896	7 661	6 446	3 142	3 742	3 742	1 997	3 118	4 118
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	335	222	-	-	-	-	-	-	-
Payments for financial assets	18	62	699	-	17	17	-	-	-
Total	151 366	163 986	182 847	193 378	195 128	195 128	190 054	200 045	213 584

The overall increase from 2012/13 to 2014/15 in respect of Corporate Services was due to inflationary increases. The minor increase in the 2015/16 Adjusted Appropriation is related to the above-budget 2015 wage agreement. The decrease in 2016/17 is in respect of the previously mentioned equitable share cuts, whereafter the sub-programme grows steadily to cater for wage agreements and inflationary adjustments.

Compensation of employees shows steady growth from 2012/13 to 2014/15. The decrease in the 2015/16 Adjusted Appropriation is due to delays in the filling of vacant budgeted posts such as Assistant Manager, General Manager and Deputy Manager: Human Resource Management, as well as two Deputy Managers: Risk Management and Deputy Manager: Rental Tribunal. The department is ensuring that cost-cutting measures are stringently implemented with regard to the organisational structure, as well as the freezing of non-OSD posts. The increase over the 2016/17 MTEF caters for the carry-through costs of the above-budget 2015 wage agreement and inflationary increases.

The increase in the 2015/16 Adjusted Appropriation against *Goods and services* relates to the decentralisation from regional to district offices. The department has acquired new district office buildings, as well as a building for the rental tribunal office. The increase also catered for the higher than budgeted property payments such as electricity, security and cleaning services. The decrease in 2016/17

relates to budget cuts against items such as administration fees, travel and subsistence, training and development, etc. The growth thereafter is in respect of inflation.

The fluctuating trend in respect of *Transfers and subsidies to: Provinces and municipalities* from 2012/13 to 2014/15 relates to the purchasing of new vehicles, as well as delays in receiving accounts from the Department of Transport in respect of motor vehicle licences.

The expenditure in 2013/14 and 2014/15 against *Transfers and subsidies to: Departmental agencies and accounts* relates to transfers to PSETA affiliation costs. The department was required to set aside 30 per cent of 1 per cent of the *Compensation of employees* budget for training, and to pay this over to the PSETA in terms of the Skills Development Act. However, in line with National Treasury Circular of 10 July 2014, national departments applied for the creation of a single transfer to PSETA through DPSA. The result of this is that departments do not have to transfer funds to PSETA from 2015/16 onward, unless such transfers are meant for a different purpose, hence there is no budget in this regard over the MTEF.

The fluctuating trend against *Transfers and subsidies to: Households* over the seven years relates to staff exit costs. Most of the excess staff that were on the department's pay-roll have taken voluntary severance packages in recent years. The increase in the 2015/16 Adjusted Appropriation was in respect of staff exit costs which were higher than anticipated. The increase over the 2016/17 MTEF makes provision for staff exit costs.

Machinery and equipment shows a fluctuating trend from 2012/13 to 2018/19. The allocation relates to the replacement of motor vehicles, as well as purchasing of new motor vehicles for districts as the department has decentralised its offices. The high expenditure in 2012/13 is in respect of costs associated with the decentralisation of district offices.

The spending against *Software and other intangible assets* relates to the purchase of various software packages in 2012/13 and 2013/14.

Payments for financial assets relates to the write-off of staff debts in terms of the departmental write-off policy from 2012/13 to 2014/15, as well as the 2015/16 Adjusted Appropriation.

6.2 Programme 2: Housing Needs, Research and Planning

The purpose of this programme is to develop tools to guide the department's investment decisions and to provide policy and support to the housing delivery process. In addition, the programme provides for the facilitation and integration of housing sector planning, education of stakeholders in housing sector planning, alignment of the housing budget with the current and future housing needs, and the capacitation of housing stakeholders for housing delivery through mentorship and training.

Programme 2 consists of four sub-programmes, in line with the uniform budget and programme structure of the Human Settlements sector, namely Administration, Policy, Planning and Research.

Tables 8.16 and 8.17 below illustrate payments and budgeted estimates from 2012/13 to 2018/19. The marginal decrease in 2016/17 relates to the previously mentioned budget cuts implemented by National Treasury, as well as the cut in the HSDG only in 2016/17, hence the increase in 2017/18 and 2018/19. The equitable share cuts were effected only against *Compensation of employees* (R1.110 million, R1.145 million and R1.448 million over the MTEF) and *Goods and services* (R350 000, R355 000 and R360 000 over the MTEF). It should be noted that all four sub-programmes were affected by the cuts.

Table 8.16 : Summary of payments and estimates by sub-programme: Housing Needs, Research and Planning

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Administration	1 353	1 374	338	1 205	516	516	410	422	431
2. Policy	3 603	3 695	3 539	3 580	4 305	4 305	4 246	4 511	4 703
3. Planning	3 386	3 124	3 400	4 285	3 693	3 693	3 717	3 892	4 055
4. Research	5 481	5 922	6 946	8 006	8 695	8 695	7 738	8 180	8 643
Total	13 823	14 115	14 223	17 076	17 209	17 209	16 111	17 005	17 832

Table 8.17 : Summary of payments and estimates by economic classification: Housing Needs, Research and Planning

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	13 772	14 038	14 209	17 026	17 159	17 159	16 111	17 005	17 832
Compensation of employees	10 486	11 496	11 165	12 905	13 073	13 073	12 986	13 822	14 461
Goods and services	3 286	2 542	3 044	4 121	4 086	4 086	3 125	3 183	3 371
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	45	-	7	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	45	-	7	-	-	-	-	-	-
Payments for capital assets	6	77	-	50	50	50	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	6	77	-	50	50	50	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	7	-	-	-	-	-	-
Total	13 823	14 115	14 223	17 076	17 209	17 209	16 111	17 005	17 832

There was a steady increase in the sub-programme: Administration from 2012/13 to 2013/14. The dip in 2014/15 was a result of the decision taken to fill the post of the General Manager: Planning and Development on a contractual basis using the OPSCAP programme in the HSDG, due to the fact that the responsibilities pertaining to this post relate directly to service delivery and the HSDG. The decrease in the 2015/16 Adjusted Appropriation relates to delays in the filling of the vacant Deputy Manager posts in the office of the General Manager, as well as associated savings under *Goods and services*. The slow growth over the MTEF is as a result of budget cuts and is mainly to cater for carry-through of various wage agreements.

There was an increase in the sub-programme: Policy from 2012/13 to 2013/14. The decrease in 2014/15 was due to the Senior Manager position that was vacated during the year and was to be filled using the administration portion of the HSDG under Programme 3. The increase in the 2015/16 Adjusted Appropriation relates to the filling of the critical post of Chief Architect. The decrease in 2016/17 relates to the above-mentioned budget cuts. The budget grows steadily in 2017/18 and 2018/19.

There was a decreasing trend in the sub-programme: Planning from 2012/13 to 2013/14. The decrease from 2012/13 to 2013/14 was due to a Deputy Manager position being funded from the administration portion of the HSDG in Programme 3. The decrease in the 2015/16 Adjusted Appropriation was against *Compensation of employees* as a result of a vacant Deputy Manager: Town Planning post which has been vacant since 2014/15. The budget grows steadily over the 2016/17 MTEF to cater for inflation.

There was a steady increase in the sub-programme: Research from 2012/13 to 2014/15. The budget grows steadily in 2015/16 and decreases in 2016/17 as a result of equitable share cuts. The budget grows thereafter, to cater for the implementation of capacity building programmes such as training of *Amakhosi* and housing consumer training.

With regard to *Compensation of employees*, provision has been made over the MTEF for the anticipated inflationary increases. The decrease in 2014/15 is as a result of the decision taken to fill the post of the General Manager: Planning and Development on a contractual basis utilising the OPSCAP programme in the HSDG, due to the fact that the responsibilities pertaining to this post relate directly to service delivery and the HSDG, as mentioned previously. The increase in the 2015/16 Adjusted Appropriation is in respect of the above-budget 2015 wage agreement. The decrease in 2016/17 relates to the above-mentioned budget cuts, whereafter the budget grows steadily.

With regard to *Goods and services*, the high amount in 2012/13 relates mainly to the Youth Summit on the housing function which was hosted during the year. This once-off funding accounts for the decrease in

2013/14. The decrease in the 2015/16 Adjusted Appropriation is due to the stringent implementation of cost-cutting measures in respect of travel and subsistence. The budget grows steadily over the 2016/17 MTEF to cater for the implementation of capacity building programmes for the training of *Amakhosi* and housing consumers.

The fluctuating trend against *Machinery and equipment* relates to cost-cutting and the fact that the department purchases machinery and equipment on a cyclical basis.

Service delivery measures – Programme 2: Housing Needs, Research and Planning

Table 8.18 below reflects the main service delivery measures pertaining to Programme 2.

Note that there are no current generic measures for this sector, but the department is largely following the sector measures from the previous year. It must also be noted that some of the outputs and performance indicators descriptions have been changed in line with the department's 2016/17 APP.

Table 8.18 : Service delivery measures – Programme 2 : Housing Needs, Research and Planning

Table 6.16 : Service delivery measures – Programme 2 : Housing Needs, Research and Planning						
Outputs		Performance indicators	Estimated performance	Medium-term targets		
			2015/16	2016/17	2017/18	2018/19
Planning						
1.1	Improved planning to achieve integrated settlement developments	• A multi-year development plan developed by October each year	1	1	1	1
		• No. of municipalities capacitated and supported with regard to human settlement development planning	40	25	25	25
		• No. of projects aligned with the Small Town Regeneration prog.	2	-	-	-
		• No. of municipalities capacitated on accreditation	7	7	7	7
		• No. of catalytic projects	2	3	-	-
		• No. of research projects approved	5	-	-	-
		• No. of research papers completed	5	4	5	5
		• No. of policy and/or guidelines approved	6	4	5	6

6.3 Programme 3: Housing Development

This programme is responsible for the implementation and monitoring of housing delivery within all districts including the eThekweni Metro, through various subsidy mechanisms in terms of national and provincial policies.

This programme has a number of projects at various stages of implementation within each municipality. It is also expected to achieve certain key strategic objectives of the department through the implementation of projects using various subsidy instruments. The subsidy instruments implemented by the department are: individual, project linked, institutional, consolidation, relocation, disaster management, social housing, rectification, social and economic facilities and rural housing stock.

Programme 3 consists of the Housing Disaster Relief grant (in 2012/13 only) and the bulk of the HSDG, the remainder of which falls under Programme 4.

Tables 8.19 and 8.20 illustrate a summary of payments and budgeted estimates from 2012/13 to 2018/19.

This programme has increased significantly from 2012/13 to 2014/15 due to increases in the HSDG. The department was allocated the Housing Disaster Relief grant in 2011/12 (of which a portion was rolled over to 2012/13) only. Note that the department will receive additional funding of R308.377 million in 2015/16 for the HSDG, being additional funding allocated by NDHS for projects. This additional amount will only be formalised in the Second Adjustments Estimate in March 2016, and hence is not included in the tables below. Note also that the HSDG is marginally reduced in 2015/16 and 2016/17, partly due to the fiscal consolidation effects that were implemented over the 2015/16 MTEF, the revision of conditional grants by National Treasury, as well as funds being reprioritised from all provinces to the HDA, as mentioned.

This programme is aligned to the departmental conditional grant business plan, which contains a list of all projects that are to be implemented. The noticeable decrease in 2016/17 relates to the previously mentioned budget cuts implemented by National Treasury, as well as the cut in the HSDG only in 2016/17, hence the increase in 2017/18 and 2018/19. The equitable share budget cuts were implemented against *Compensation of employees* (R2.257 million, R3.189 million and R4.660 million over the MTEF) and *Goods and services* (R250 000, R250 000 and R250 000 over the MTEF). It should be noted that all sub-programmes were affected by the cuts, apart from the Incremental Interventions sub-programme.

Table 8.19 : Summary of payments and estimates by sub-programme: Housing Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Administration	86 914	71 354	90 698	81 678	86 357	86 357	89 535	93 268	97 453
2. Financial Interventions	535 382	444 529	469 225	546 735	534 282	534 282	420 009	551 796	681 965
3. Incremental Interventions	864 574	1 104 695	1 089 267	1 452 364	1 165 127	1 165 127	1 501 585	1 672 394	1 961 492
4. Social and Rental Interventions	348 699	60 205	78 768	246 500	257 398	257 398	225 490	249 700	245 500
5. Rural Intervention	1 191 922	1 590 178	1 804 462	877 974	1 328 232	1 328 232	859 873	1 199 579	1 027 597
Total	3 027 491	3 270 961	3 532 420	3 205 251	3 371 396	3 371 396	3 096 492	3 766 737	4 014 007

Table 8.20 : Summary of payments and estimates by economic classification: Housing Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	92 728	119 691	175 187	177 386	183 901	183 901	219 354	197 247	201 492
Compensation of employees	78 881	99 630	127 331	132 571	145 917	145 917	153 695	159 848	166 868
Goods and services	13 847	19 953	47 856	44 815	37 984	37 984	65 659	37 399	34 624
Interest and rent on land	-	108	-	-	-	-	-	-	-
Transfers and subsidies to:	2 933 528	3 144 131	3 284 057	3 014 623	3 174 116	3 174 116	2 844 841	3 568 671	3 811 756
Provinces and municipalities	115 000	40 391	68 326	148 400	148 741	148 741	85 792	90 172	90 172
Departmental agencies and accounts	134 477	-	932	-	18 000	18 000	18 000	14 000	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 684 051	3 103 740	3 214 799	2 866 223	3 007 375	3 007 375	2 741 049	3 464 499	3 721 584
Payments for capital assets	1 235	7 088	73 119	13 242	13 111	13 111	32 297	819	759
Buildings and other fixed structures	1 009	6 799	67 455	12 500	12 500	12 500	31 454	-	-
Machinery and equipment	226	289	5 285	742	611	611	843	819	759
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	379	-	-	-	-	-	-
Payments for financial assets	-	51	57	-	268	268	-	-	-
Total	3 027 491	3 270 961	3 532 420	3 205 251	3 371 396	3 371 396	3 096 492	3 766 737	4 014 007

The high 2012/13 amount against the sub-programme: Administration is a result of equitable share spending incurred to supplement the administration portion of the HSDG due to spending pressures in the grant. The increase in 2014/15 was to cater for the post of Senior Manager: Strategic Housing Support which was identified as one of the critical posts to be filled within the programme. The increase in the 2015/16 Adjusted Appropriation was to cater for debts that were written-off relating to the *Amakhosi* Housing Programme. The sub-programme reflects a steady increase over the MTEF, due to provision made for inflationary increases, despite the budget cuts implemented against this sub-programme.

With regard to the Financial Interventions sub-programme, the high 2012/13 spending relates to the purchase of land for future housing projects mainly in the eThekweni Metro and Ilembe District, and to a lesser degree in 2013/14. This accounts for the decreasing trend from 2012/13 to 2013/14 against this sub-programme. The decrease in 2014/15 was due to provision made for the procurement of land, which did not occur because of a number of challenges that were encountered in various districts, such as delays in the finalisation of valuations, the funding for land acquisition was approved but the land owners are demanding more than the market value of the property, etc. The department is focusing mainly on the implementation of projects over the 2016/17 MTEF. The department has reduced the allocation of land acquisition due to budget cuts in 2016/17, accounting for the significant drop in that year.

The fluctuating trend in the Incremental Interventions sub-programme from 2012/13 to 2014/15 was mainly due to some projects reaching finalisation stage and other new projects being implemented within the HSDG. The decrease in the 2015/16 Adjusted Appropriation is due to the emergency housing assistance (OSS and Disaster Management) programme under the eThekwin Metro. There were delays in the eThekwin Metro's tender process for the appointment of service providers for material supply for fire and storm victims of Kennedy Road, Amaoti, Jadhu Place, Sim Place and Boxwood. There were also delays in implementing the military veterans' projects due to delays in the finalisation of the agreement. The increase over the MTEF mainly relates to the implementation of various projects, such as uMshwathi slum clearance and Vulindlela rural housing project, due to the increase in housing demand in KZN.

There is a fluctuating trend against the sub-programme: Social and Rental Interventions from 2012/13 to 2014/15. The increase in 2014/15 related to the Hampshire, Hilltop and Hamptons social housing projects which were inadequately budgeted for. In addition, Jika Joe CRU was increased in order to address the urgent need of service delivery in that area. These projects contribute to Outcome eight targets. The increase in the 2015/16 Adjusted Appropriation caters for the Westgate-Grange social housing project which was affected by labour related issues, as well as political issues, which have since been resolved. The decrease in 2016/17 relates to the above-mentioned budget cuts.

The increase in the sub-programme: Rural Intervention from 2012/13 to 2014/15 was due to the acceleration of rural housing projects. The increase in the 2015/16 Adjusted Appropriation relates to projects which moved faster than anticipated and are ahead of the development programme. The allocation fluctuates over the 2016/17 MTEF due to some projects reaching finalisation stage and other new projects being implemented in the HSDG, as well as the impact of the previously mentioned budget cuts.

The strong growth against *Compensation of employees* from 2012/13 onward relates mainly to various wage agreements. The sharp increase in the 2015/16 Adjusted Appropriation was to cater for the above-budget 2015 wage agreement. The growth over the MTEF relates to inflationary increases, as well as carry-through costs for various wage agreements. This growth is despite the above-mentioned budget cuts.

The increase against *Goods and services* from 2012/13 to 2014/15 was due to the Govan Mbeki Awards ceremony which was held during 2012/13, as well as increases in other operational items and also housing project launches and housing summits. The decrease in the 2015/16 Adjusted Appropriation is as a result of continuous implementation of cost-cutting measures, where housing project launches have been reduced and travel and subsistence costs have been curtailed by limiting the number of meetings attended by district managers. The decreasing trend over the 2016/17 MTEF relates to the ongoing implementation of cost-cutting measures, in line with fiscal consolidation, as well as the impact of the budget cuts, as mentioned above.

Interest and rent on land pertains to interest paid on overdue accounts in 2013/14. The department did not pay these accounts on time as illegal cession agreements were entered into by service providers implementing the Social and Economic Amenities programme, as previously explained.

The decrease against *Transfers and subsidies to: Provinces and municipalities* from 2012/13 to 2013/14 relates to transfers made for the CRU programme during 2012/13 and no transfers being made in 2013/14 due to delays in the approval process of projects within the eThekwin Metro. The increase in 2014/15 relates to the operational costs for accredited municipalities due to the increase in the performance by municipalities as evidenced by high spending in capital projects during the year. The increase in 2015/16 is mainly due to the provision made for the transfer of funds for the CRU to the eThekwin Metro. The decrease in 2016/17 relates to the above-mentioned equitable share and conditional grant cuts. The flat trend in 2017/18 and 2018/19 is largely due to the anticipated winding up of the CRU programme in the eThekwin Metro.

The allocation against *Transfers and subsidies to: Departmental agencies and accounts* in 2012/13 relates to transfers made to SHRA for the implementation of the social housing programme. The low allocation to the NHFC in 2014/15 was due to challenges that were experienced with the identified pilot projects which did not meet the policy requirements. The increase in the 2015/16 Adjusted Appropriation is mainly to cater for operational costs of the support work being undertaken by the HDA in the province. The

department has entered into a three-year agreement with this national public entity to undertake assigned functions and programmes.

Transfers and subsidies to: Households shows an increasing trend from 2012/13 to 2014/15. This is due to the increase in the HSDG as the bulk of the housing programmes are budgeted for within this category. The Housing Disaster Relief grant is also catered for within this category in 2012/13 only. The increase in the 2015/16 Adjusted Appropriation was due to the additional funding allocated back to the department, being funds returned by NHFC and Ithala for various housing projects such as Lakehaven Phase 2, Westgate-Grange, etc. The decrease in 2016/17 is in respect of the equitable share and conditional grant budget cuts, as mentioned previously. The increasing trend thereafter is in line with the increased allocation for the HSDG. As mentioned, the department will receive additional funding of R308.377 million in 2015/16 for the HSDG, being additional funding allocated by NDHS for projects. This additional amount will only be formalised in the Second Adjustments Estimate in March 2016, and hence is not included in the tables. Note also that the previously mentioned fiscal consolidation cuts in 2015/16 and 2016/17 have marginally reduced growth in this category.

Buildings and other fixed structures is mainly related to the Social and Economic Amenities programme. The fluctuating trend from 2012/13 to 2014/15 is as a result of the programme being put on hold due to a number of challenges which necessitated that investigations and forensic audits be conducted on the programme. It must, however, be noted that the challenges experienced in respect of the programme were dealt with in 2013/14. The peak in 2014/15 relates to the finalisation of some projects such as Stepmore Maguswana, Umziki and Task Valley. The department has terminated the contract of the contractor appointed and is in the process of appointing new contractors. In 2015/16, funding is allocated for the finalisation of the Social and Economic Amenities programme which forms part of the project in future.

The fluctuating *Machinery and equipment* trend over the seven-year period relates to the fact that the department purchases machinery and equipment on a cyclical basis, coupled with cost-cutting.

Service delivery measures – Programme 3: Housing Development

Table 8.21 below reflects the main service delivery measures pertaining to Programme 3.

Note that there are no current generic measures for this sector. However, the department is largely following the sector measures from the previous year. Some of the outputs and performance indicator descriptions have been changed in line with the department's 2016/17 APP.

Table 8.21 : Service delivery measures – Programme 3: Housing Development

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2015/16	2016/17	2017/18	2018/19	
1.1 Finance linked individual subsidy prog.	• No. of houses completed	350	400	420	450	
	• No. of serviced sites	2 000	2 000	2 000	2 000	
1.2 Informal settlements upgrade prog.	• No. of households connected to basic services (including PLS)	3 246	4 626	4 933	6 105	
	• No. of houses completed	5 277	4 626	4 583	5 755	
1.3 Integrated Residential Development prog.	• No. of new sites connected to basic water and sanitation services	3 469	2 974	2 662	2 537	
	• No. of houses completed	2 866	2 974	2 662	2 537	
1.4 Peoples' housing process	• No. of houses completed	2 520	2 355	2 450	3 632	
1.5 Disaster mgt rehabilitation (inclusive of OSS)	• No. of houses completed	2 985	1 654	642	480	
1.6 Rectification prog. (1994-2002)	• No. of units rectified	1 186	838	1 444	1 140	
1.7 Affordable social housing (Institutional subsidies)	• No. of units completed	-	680	515	597	
1.8 Community Residential Units	• No. of units upgraded	1 020	-	-	-	
	• No. of units completed	463	277	1 287	1 307	
1.9 Rural housing	• No. of houses completed	8 452	7 927	10 604	10 088	
1.10 Military Veterans' Housing prog.	• No. of houses completed	170	170	150	120	

Table 8.21 : Service delivery measures – Programme 3: Housing Development

Outputs		Performance indicators	Estimated performance	Medium-term targets		
			2015/16	2016/17	2017/18	2018/19
1.11	Job creation	• No. of work opportunities created through related progs	7 700	-	-	-
		• No. of targeted persons days of work	860 000	980 000	1 350 000	1 849 500
		• No. of targeted Full Time Equivalents	3 700	4 500	5 200	5 900
1.12	Access to land and densification	• No. of houses completed	513	273	1 069	1 841
1.13	All subsidy instruments	• No. of properties transferred	5 681	9 080	8 901	8 112
		• No. of beneficiaries approved	14 225	9 345	19 140	8 162
		• No. of serviced sites delivered per human settlements (housing) prog.	8 885	8 829	9 559	7 229
		• No. of new housing units completed (excluding rectification)	25 233	21 063	25 853	27 616
		• No. of additional restructuring zones declared by national Minister of Human Settlements	350	400	420	450
		• No. of HSDG business plan reviews undertaken to ensure that targets are realistic and in line with departmental properties and budgets	2 000	2 000	2 000	2 000
		• Three-year financial plan linked to HSDG business plan	3 246	4 626	4 933	6 105

6.4 Programme 4: Housing Asset Management, Property Management

This programme is responsible for the management of Ex-Natal Provincial Administration and Own Affairs stock, including residential properties, vacant land and a variety of other non-residential properties, all of which belong to the KZN Housing Fund. In terms of its mandate, all properties will, on a progressive basis, either be transferred to individual occupants in terms of the EEDBS, or be disposed of in the open market. Some of these properties will also be devolved to municipalities. In cases where a transfer is not possible, such stock will remain rental stock. The KZN Housing Fund is in the process of being dis-established and, once finalised, all assets and liabilities will be transferred to the Vote.

From 2014/15 onward, the department undertook the reclassification of allocations from various economic classifications within Programme 4 which relates to the department providing funding to the KZN Housing Fund for all activities relating to the management and maintenance of housing properties. The funding had previously been budgeted for under various economic classifications instead of *Transfers and subsidies to: Departmental agencies and accounts*. This is in compliance with an A-G finding and GRAP standards, whereby the fund activities must be paid *via* a transfer, and must not form part of the Vote.

Programme 4 consists of three sub-programmes, largely in line with the sector budget structure, namely Administration, Sale and Transfer of Housing Properties and Housing Properties Maintenance.

Tables 8.22 and 8.23 give a summary of payments and budgeted estimates pertaining to this programme. The overall MTEF allocation for this programme shows the effects of the implementation of the EEDBS policy, as explained in greater detail below. The noticeable decrease in 2016/17 relates to the previously mentioned budget cuts implemented by National Treasury, as well as the cut in the HSDG only in 2016/17, hence the increase in 2017/18 and 2018/19. The above-mentioned equitable share cuts amounting to R4.511 million, R4.618 million and R4.902 million over the 2016/17 MTEF were implemented against *Transfers and subsidies to: Departmental agencies and accounts*.

Table 8.22 : Summary of payments and estimates by sub-programme: Housing Asset Management, Property Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Administration	48 257	58 304	46 561	50 498	51 248	51 248	49 516	52 126	54 643
2. Sale and Transfer of Housing Properties	5 085	241	919	1 289	958	958	2 452	2 716	2 973
3. Housing Properties Maintenance	131 749	109 395	96 208	117 193	187 031	187 031	130 487	167 043	172 697
Total	185 091	167 940	143 688	168 980	239 237	239 237	182 455	221 885	230 313

Table 8.23 : Summary of payments and estimates by economic classification: Housing Asset Management, Property Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	185 091	167 940	143 688	168 980	239 237	239 237	182 455	221 885	230 313
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	185 091	167 940	143 688	168 980	239 237	239 237	182 455	221 885	230 313
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	185 091	167 940	143 688	168 980	239 237	239 237	182 455	221 885	230 313

The fluctuations in the sub-programme: Administration from 2012/13 to 2014/15 were due to voluntary severance packages paid to officials who left the public service. The increase in 2015/16 and over the 2016/17 MTEF is to cater for wage agreements and inflationary adjustments.

The high spending against the sub-programme: Sale and Transfer of Housing Properties in 2012/13 was a result of a transfer made to the Metro in respect of the EEDBS programme. The decrease in the 2015/16 Adjusted Appropriation is due to challenges being experienced by the municipalities in opening township registers. Some municipalities have challenges, whereby one house is allocated to more than one person. The department is engaging municipalities to assist in terms of providing professionals and establishing funding requirements. Allocations over the 2016/17 MTEF are a result of provisions made to fast-track the transfer of properties through the EEDBS programme.

There is a decreasing trend against the sub-programme: Housing Properties Maintenance from 2012/13 to 2014/15. Transfers were made to the Metro in respect of rectification of pre-1994 housing stock in 2012/13. The decrease in 2014/15 relates to the rectification of pre-1994 housing stock programme (properties owned by the department) in Austerville and Shallcross. The pilot phase was delayed due to changes in specification of the project and some social issues. The increase from the 2015/16 Main to Adjusted Appropriation is in respect of municipal services, as well as rates and taxes for housing properties which were inadequately budgeted for. There is a decrease in 2016/17 due to budget cuts, as mentioned. The steady increase thereafter is to cater for the maintenance of housing properties.

Service delivery measures – Programme 4: Housing Asset Management, Property Management

Table 8.24 reflects the main service delivery measures pertaining to Programme 4. Note that there are no current generic measures for this sector. However, the department is largely following the sector measures from the previous year. Some of the outputs and performance indicators descriptions have been changed in line with the department's 2016/17 APP.

Table 8.24 : Service delivery measures – Programme 4: Housing Asset Management, Property Management

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2015/16	2016/17	2017/18	2018/19
1. To provide secure tenure to communities	• No. of units maintained	1 500	1 500	1 500	1 500
	• No. of rectified and or upgraded pre-1994 units	1 087	1 205	1 198	1 168
	• No. of rental units transferred	1 359	2 559	2 951	3 231
	• No. of land parcels devolved to municipalities in terms of section 15 of the Housing Act, 1997	16	478	-	-

7. Other programme information

7.1 Personnel numbers and costs

Tables 8.25 and 8.26 below illustrate personnel numbers and estimates pertaining to the department over the seven-year period. The personnel numbers show a fluctuating trend from 2012/13 to 2014/15, mainly as a result of excess staff who took severance packages during these years. The increases in 2013/14, as well as from 2015/16 and over the MTEF relate to anticipated appointments in line with identified critical posts within the department.

Table 8.25 : 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	267	296	246	309	309	309	309
2. Housing Needs, Research and Planning	26	27	35	27	27	27	27
3. Housing Development	213	288	328	306	305	310	311
4. Housing Asset Management, Property Management	239	216	178	182	196	196	196
Total provincial personnel numbers	745	827	787	824	837	842	843
Total provincial personnel cost (R thousand)	165 469	202 048	239 766	273 453	284 340	296 310	310 496
Unit cost (R thousand)	222	244	305	332	340	352	368

Table 8.26 : 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)	745	827	787	824	824	824	837	842	843
Personnel cost (R thousands)	165 469	202 048	239 766	263 250	273 453	273 453	284 340	296 310	310 496
Human resources component									
Personnel numbers (head count)	61	66	73	79	79	79	81	81	81
Personnel cost (R thousands)	14 811	14 895	21 258	26 727	26 727	26 727	28 509	30 007	31 443
Head count as % of total for department	8.19	7.98	9	9.59	9.59	10	9.68	9.62	9.61
Personnel cost as % of total for department	8.95	7.37	9	10.15	9.77	10	10.03	10.13	10.13
Finance component									
Personnel numbers (head count)	107	127	138	164	164	164	164	164	164
Personnel cost (R thousands)	29 986	36 475	40 656	59 512	59 512	59 512	64 202	67 668	71 475
Head count as % of total for department	14.36	15.36	18	19.90	19.90	20	19.59	19.48	19.45
Personnel cost as % of total for department	18.12	18.05	17	22.61	21.76	22	22.58	22.84	23.02
Full time workers									
Personnel numbers (head count)	595	647	632	657	657	657	671	671	671
Personnel cost (R thousands)	122 513	144 655	191 791	193 922	204 125	193 922	210 764	215 049	196 408
Head count as % of total for department	79.87	78.23	80	79.73	79.73	80	80.17	79.69	79.60
Personnel cost as % of total for department	74.04	71.59	80	73.66	74.65	71	74.12	72.58	63.26
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)	150	180	155	167	167	167	166	171	172
Personnel cost (R thousands)	42 956	57 393	47 975	69 328	69 328	69 328	73 576	81 261	87 050
Head count as % of total for department	20.13	21.77	20	20.27	20.27	20	19.83	20.31	20.40
Personnel cost as % of total for department	25.96	28.41	20	26.34	25.35	25	25.88	27.42	28.04

The number of contract workers rises substantially from 2012/13 due to the appointment of staff, such as quantity surveyors, planners, and project managers with the technical skills required to oversee various aspects of housing projects. The reduction from 2014/15 is because these contract workers could not be appointed permanently due to shortage of funds within the equitable share allocation.

Note that the personnel cost decreases in 2014/15 due to the amendment to Programme 4 where funding was previously budgeted for under various economic classifications instead of *Transfers and subsidies to: Departmental agencies and accounts*. Although the funding has been moved accordingly, the staff are still held against the establishment of the department, hence no concomitant drop in staff numbers.

7.2 Training

Tables 8.27 and 8.28 give a summary of departmental spending and information on training for the period 2012/13 to 2014/15, estimated spending for 2015/16 and budgeted expenditure for the 2016/17 MTEF.

The amounts reflected relate mainly to project management, secretarial, financial management and computer training courses for staff.

The department is required by the Skills Development Act to budget at least 1 per cent of its salary expense for staff training. This requirement gives credence to government policy on human resource development. The department is largely abiding by this, exceeding the 1 per cent requirement in most years.

Table 8.27 : Payments on training by programme

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	416	418	1 016	2 721	1 986	1 986	1 397	1 682	3 123
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	-	-	-	-	-	-	-	-	-
Other	416	418	1 016	2 721	1 986	1 986	1 397	1 682	3 123
2. Housing Needs, Research and Planning	21	443	321	669	669	669	500	500	500
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	-	-	-	-	-	-	-	-	-
Other	21	443	321	669	669	669	500	500	500
3. Housing Development	-	-	265	-	676	676	175	186	106
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	-	-	-	-	-	-	-	-	-
Other	-	-	265	-	676	676	175	186	106
4. Housing Asset Management, Property Management	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	437	861	1 602	3 390	3 331	3 331	2 072	2 368	3 729

Table 8.28 illustrates the number of staff affected by the various training programmes and initiatives.

It also includes a gender breakdown, an indication of the types of training, as well as details of the number of bursaries and learnerships.

The allocation for general training, such as computer training, secretarial courses, etc. for the department is centralised under Programme 1. There is provision for capacity building in Programme 2. There is a steady increase in the allocation over the seven-year period from 2012/13 to 2018/19.

Table 8.28 : Information on training: Human Settlements

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	745	827	787	824	824	824	837	842	843
Number of personnel trained	167	229	557	500	442	442	600	600	600
of which									
Male	75	104	226	200	138	138	300	300	300
Female	92	125	331	300	304	304	300	300	300
Number of training opportunities	9	14	33	28	41	41	35	35	35
of which									
Tertiary	-	-	2	1	6	6	4	4	4
Workshops	1	3	5	5	5	5	5	5	5
Seminars	1	-	5	1	5	5	1	1	1
Other	7	11	21	21	25	25	25	25	25
Number of bursaries offered	13	-	9	9	25	25	16	16	16
Number of interns appointed	42	59	54	22	58	58	58	58	58
Number of learnerships appointed	6	-	-	10	-	-	10	10	10
Number of days spent on training	40	64	114	80	120	120	100	100	100

ANNEXURE – VOTE 8: HUMAN SETTLEMENTS

Table 8.A : Details of departmental receipts: Human Settlements

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	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	586	434	813	534	534	534	562	590	624
Sale of goods and services produced by department (excluding capital assets)	586	434	813	534	534	534	562	590	624
Sale by market establishments	219	214	192	192	192	225	248	265	288
Administrative fees	-	-	-	-	-	-	-	-	-
Other sales	367	220	621	342	342	309	314	325	336
<i>Of which</i>									
<i>Commission Insurance</i>	156	169	186	192	192	183	194	200	206
<i>Sale of tender documents</i>	90	31	427	150	150	113	120	125	130
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	16	4 142	573	18	18	2 181	16	17	18
Interest	16	4 142	573	18	18	2 181	16	17	18
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	1 494	19	49	500	500	500	520	546	578
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	1 494	19	49	500	500	500	520	546	578
Transactions in financial assets and liabilities	11 477	4 836	27 485	1 000	1 000	160 047	3 100	3 155	3 338
Total	13 573	9 431	28 920	2 052	2 052	163 262	4 198	4 308	4 557

Table 8.B : Payments and estimates by economic classification: Human Settlements

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	244 963	287 661	362 918	383 788	391 239	391 239	422 620	410 242	427 853
Compensation of employees	165 469	202 048	239 766	263 250	273 453	273 453	284 340	296 310	310 496
Salaries and wages	145 245	181 901	215 346	237 337	245 540	245 540	256 852	267 199	279 641
Social contributions	20 224	20 147	24 420	25 913	27 913	27 913	27 488	29 111	30 855
Goods and services	79 494	85 501	123 151	120 538	117 786	117 786	138 280	113 932	117 357
Administrative fees	5	438	653	556	803	803	430	545	549
Advertising	6 295	1 738	2 348	3 333	2 039	2 039	2 201	2 115	2 072
Assets less than capitalisation threshold	605	928	738	942	2 230	2 230	540	510	502
Audit cost: External	3 876	4 620	5 938	5 800	5 800	5 800	6 000	6 046	6 046
Bursaries: Employees	125	326	230	200	200	200	220	225	225
Catering: Departmental activities	1 052	1 701	5 217	1 130	3 368	3 368	1 568	1 619	1 783
Communication (G&S)	5 421	6 861	7 693	7 564	7 677	7 677	7 816	8 220	8 649
Computer services	6 122	9 158	9 681	11 587	9 768	9 768	12 162	13 447	14 875
Cons & prof serv: Business and advisory services	433	1 292	5 136	6 828	3 399	3 399	11 892	8 588	6 868
Cons & prof serv: Infrastructure and planning	175	686	1 560	-	1 259	1 259	1 847	1 600	1 000
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and technological services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	4 099	2 831	3 651	2 700	3 093	3 093	2 747	3 101	3 201
Contractors	468	396	3 023	13 444	7 412	7 412	17 299	1 236	1 236
Agency and support / outsourced services	193	79	99	462	357	357	102	105	105
Entertainment	33	4	-	67	34	34	-	-	-
Fleet services (incl. govt motor transport)	4 343	4 757	4 971	5 092	4 881	4 881	4 591	4 667	4 567
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	57	-	-	32	32	17	18	18
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	69	31	42	128	126	126	87	79	79
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	180	516	18	360	265	265	213	197	221
Inventory: Materials and supplies	57	432	343	79	92	92	81	81	81
Inventory: Medical supplies	421	-	16	14	16	16	9	7	7
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	98	-	-	-	-	-	-	-	-
Consumable supplies	89	69	479	347	446	446	136	123	117
Consumable: Stationery, printing and office supplies	1 388	1 290	1 560	1 599	1 459	1 459	1 343	1 260	1 260
Operating leases	19 514	21 317	21 912	21 391	24 103	24 103	23 062	24 195	25 596
Property payments	8 360	7 279	17 143	11 479	16 876	16 876	20 378	12 448	13 244
Transport provided: Departmental activity	121	500	3 402	150	302	302	126	134	134
Travel and subsistence	12 774	13 441	15 324	17 676	13 084	13 084	15 171	14 641	14 836
Training and development	437	861	1 602	3 390	3 331	3 331	2 072	2 368	3 729
Operating payments	941	1 795	2 990	1 575	2 540	2 540	1 786	1 713	1 713
Venues and facilities	1 772	1 982	4 545	2 545	2 093	2 093	4 272	4 527	4 527
Rental and hiring	28	116	2 837	100	701	701	112	117	117
Interest and rent on land	-	112	1	-	-	-	-	-	-
Interest	-	112	1	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	3 120 318	3 314 180	3 429 932	3 184 463	3 414 543	3 414 543	3 028 198	3 791 493	4 043 006
Provinces and municipalities	115 145	40 447	68 458	148 680	149 021	149 021	86 087	90 472	90 472
Provinces	145	63	140	280	280	280	295	300	300
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	145	63	140	280	280	280	295	300	300
Municipalities	115 000	40 384	68 318	148 400	148 741	148 741	85 792	90 172	90 172
Municipalities	115 000	40 384	68 318	148 400	148 741	148 741	85 792	90 172	90 172
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	319 568	168 692	145 325	168 980	257 237	257 237	200 455	235 885	230 313
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	319 568	168 692	145 325	168 980	257 237	257 237	200 455	235 885	230 313
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 685 605	3 105 041	3 216 149	2 866 803	3 008 285	3 008 285	2 741 656	3 465 136	3 722 221
Social benefits	903	131	334	-	1 618	1 618	45	48	48
Other transfers to households	2 684 702	3 104 910	3 215 815	2 866 803	3 006 667	3 006 667	2 741 611	3 465 088	3 722 173
Payments for capital assets	12 472	15 048	79 565	16 434	16 903	16 903	34 294	3 937	4 877
Buildings and other fixed structures	1 009	6 799	67 455	12 500	12 500	12 500	31 454	-	-
Buildings	-	-	-	-	-	-	31 454	-	-
Other fixed structures	1 009	6 799	67 455	12 500	12 500	12 500	-	-	-
Machinery and equipment	11 128	8 027	11 731	3 934	4 403	4 403	2 840	3 937	4 877
Transport equipment	9 250	4 362	7 713	1 000	-	1 000	500	1 050	1 550
Other machinery and equipment	1 878	3 665	4 018	2 934	4 403	3 403	2 340	2 887	3 327
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	335	222	379	-	-	-	-	-	-
Payments for financial assets	18	113	763	-	285	285	-	-	-
Total	3 377 771	3 617 002	3 873 178	3 584 685	3 822 970	3 822 970	3 485 112	4 205 672	4 475 736

Table 8.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	138 463	153 932	173 522	189 376	190 179	190 179	187 155	195 990	208 529
Compensation of employees	76 102	90 922	101 270	117 774	114 463	114 463	117 659	122 640	129 167
Salaries and wages	64 987	80 203	88 519	102 799	99 355	99 355	102 723	107 219	113 147
Social contributions	11 115	10 719	12 751	14 975	15 108	15 108	14 936	15 421	16 020
Goods and services	62 361	63 006	72 251	71 602	75 716	75 716	69 496	73 350	79 362
Administrative fees	5	232	256	366	479	479	80	184	186
Advertising	4 417	1 015	2 017	1 355	1 373	1 373	1 180	1 106	1 106
Assets less than capitalisation threshold	164	483	590	260	1 525	1 525	202	159	159
Audit cost: External	3 876	4 620	5 938	5 800	5 800	5 800	6 000	6 046	6 046
Bursaries: Employees	125	326	230	200	200	200	220	225	225
Catering: Departmental activities	437	181	261	300	439	439	293	281	281
Communication (G&S)	3 933	4 705	5 136	5 462	5 419	5 419	5 085	5 387	5 987
Computer services	5 439	8 406	8 487	10 680	8 884	8 884	11 064	12 405	14 133
Cons & prof serv: Business and advisory services	208	151	309	281	185	185	90	96	96
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific & technological services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	4 091	2 829	2 243	2 700	2 700	2 700	2 558	2 900	3 000
Contractors	454	58	692	204	302	302	220	232	232
Agency and support / outsourced services	190	79	84	462	357	357	102	105	105
Entertainment	-	2	-	30	30	30	-	-	-
Fleet services (incl. govt motor transport)	4 343	4 757	4 763	5 092	4 688	4 688	4 298	4 355	4 355
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	11	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	54	19	23	108	108	108	63	55	55
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	152	456	16	233	225	225	109	109	133
Inventory: Materials and supplies	47	29	48	74	89	89	76	76	76
Inventory: Medical supplies	421	-	16	2	4	4	2	1	1
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	73	62	213	96	133	133	106	92	92
Consumable: Stationery, printing and office supplies	1 232	1 176	1 268	1 343	1 233	1 233	1 174	1 087	1 087
Operating leases	19 222	20 816	21 216	21 014	22 440	22 440	22 452	23 566	24 967
Property payments	8 360	7 279	11 360	6 679	10 247	10 247	7 156	7 385	8 181
Transport provided: Departmental activity	116	-	-	-	1	1	-	-	-
Travel and subsistence	3 633	3 762	4 497	4 844	5 169	5 169	4 460	4 694	4 614
Training and development	416	418	1 016	2 721	1 986	1 986	1 397	1 682	3 123
Operating payments	316	1 046	1 540	856	1 506	1 506	949	972	972
Venues and facilities	634	80	29	440	190	190	160	150	150
Rental and hiring	3	8	3	-	4	4	-	-	-
Interest and rent on land	-	4	1	-	-	-	-	-	-
Interest	-	4	1	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 654	2 109	2 180	860	1 190	1 190	902	937	937
Provinces and municipalities	145	56	132	280	280	280	295	300	300
Provinces	145	56	132	280	280	280	295	300	300
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	145	56	132	280	280	280	295	300	300
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	752	705	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	752	705	-	-	-	-	-	-
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	1 509	1 301	1 343	580	910	910	607	637	637
Social benefits	-	51	-	-	-	-	-	-	-
Other transfers to households	1 509	1 250	1 343	580	910	910	607	637	637
Payments for capital assets	11 231	7 883	6 446	3 142	3 742	3 742	1 997	3 118	4 118
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	10 896	7 661	6 446	3 142	3 742	3 742	1 997	3 118	4 118
Transport equipment	9 250	4 362	3 161	1 000	-	1 000	500	1 050	1 550
Other machinery and equipment	1 646	3 299	3 285	2 142	3 742	2 742	1 497	2 068	2 568
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	335	222	-	-	-	-	-	-	-
Payments for financial assets	18	62	699	-	17	17	-	-	-
Total	151 366	163 986	182 847	193 378	195 128	195 128	190 054	200 045	213 584

Table 8.D : Payments and estimates by economic classification: Housing Needs, Research and Planning

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	13 772	14 038	14 209	17 026	17 159	17 159	16 111	17 005	17 832
Compensation of employees	10 486	11 496	11 165	12 905	13 073	13 073	12 986	13 822	14 461
Salaries and wages	9 130	10 053	9 784	11 386	11 467	11 467	11 372	12 071	12 789
Social contributions	1 356	1 443	1 381	1 519	1 606	1 606	1 614	1 751	1 672
Goods and services	3 286	2 542	3 044	4 121	4 086	4 086	3 125	3 183	3 371
Administrative fees	-	40	42	57	55	55	49	49	51
Advertising	194	6	5	181	-	-	43	43	-
Assets less than capitalisation threshold	28	-	1	120	75	75	88	92	92
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	206	550	974	311	1 710	1 710	480	493	657
Communication (G&S)	149	266	187	220	204	204	235	249	249
Computer services	27	-	79	-	19	19	-	-	-
Cons & prof serv: Business and advisory services	2	-	-	-	-	-	-	-	-
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific & technological services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	-	-	3	-	6	6	-	-	-
Agency and support / outsourced services	3	-	-	-	-	-	-	-	-
Entertainment	14	-	-	16	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	7	3	4	5	2	2	6	6	6
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	28	59	-	75	40	40	38	38	38
Inventory: Materials and supplies	3	1	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	4	-	-	6	6	3	4	4
Consumable: Stationery, printing and office supplies	42	23	47	69	71	71	59	60	60
Operating leases	84	128	90	55	87	87	104	104	104
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	2 410	959	1 208	2 212	1 071	1 071	1 495	1 520	1 585
Training and development	21	443	321	669	669	669	500	500	500
Operating payments	-	25	77	26	71	71	20	20	20
Venues and facilities	68	35	6	105	-	-	5	5	5
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	45	-	7	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
Households	45	-	7	-	-	-	-	-	-
Social benefits	45	-	7	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	6	77	-	50	50	50	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	6	77	-	50	50	50	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	6	77	-	50	50	50	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	7	-	-	-	-	-	-
Total	13 823	14 115	14 223	17 076	17 209	17 209	16 111	17 005	17 832

Table 8.E : Payments and estimates by economic classification: Housing 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	92 728	119 691	175 187	177 386	183 901	183 901	219 354	197 247	201 492
Compensation of employees	78 881	99 630	127 331	132 571	145 917	145 917	153 695	159 848	166 868
Salaries and wages	71 128	91 645	117 043	123 152	134 718	134 718	142 757	147 909	153 705
Social contributions	7 753	7 985	10 288	9 419	11 199	11 199	10 938	11 939	13 163
Goods and services	13 847	19 953	47 856	44 815	37 984	37 984	65 659	37 399	34 624
Administrative fees	-	166	355	133	269	269	301	312	312
Advertising	1 684	717	326	1 797	666	666	978	966	966
Assets less than capitalisation threshold	413	445	147	562	630	630	250	259	251
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	409	970	3 982	519	1 219	1 219	795	845	845
Communication (G&S)	1 339	1 890	2 370	1 882	2 054	2 054	2 496	2 584	2 413
Computer services	656	752	1 115	907	865	865	1 098	1 042	742
Cons & prof serv: Business and advisory services	223	1 141	4 827	6 547	3 214	3 214	11 802	8 492	6 772
Cons & prof serv: Infrastructure and planning	175	686	1 560	-	1 259	1 259	1 847	1 600	1 000
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific & technological services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	8	2	1 408	-	393	393	189	201	201
Contractors	14	338	2 328	13 240	7 104	7 104	17 079	1 004	1 004
Agency and support / outsourced services	-	-	15	-	-	-	-	-	-
Entertainment	19	2	-	21	4	4	-	-	-
Fleet services (incl. govt motor transport)	-	-	208	-	193	193	293	312	212
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	46	-	-	32	32	17	18	18
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	8	9	15	15	16	16	18	18	18
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	1	2	52	-	-	66	50	50
Inventory: Materials and supplies	7	402	295	5	3	3	5	5	5
Inventory: Medical supplies	-	-	-	12	12	12	7	6	6
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	98	-	-	-	-	-	-	-	-
Consumable supplies	16	3	266	251	307	307	27	27	21
Consumable: Stationery, printing and office supplies	114	91	245	187	155	155	110	113	113
Operating leases	208	373	606	322	1 576	1 576	506	525	525
Property payments	-	-	5 783	4 800	6 629	6 629	13 222	5 063	5 063
Transport provided: Departmental activity	5	500	3 402	150	301	301	126	134	134
Travel and subsistence	6 731	8 720	9 619	10 620	6 844	6 844	9 216	8 427	8 637
Training and development	-	-	265	-	676	676	175	186	106
Operating payments	625	724	1 373	693	963	963	817	721	721
Venues and facilities	1 070	1 867	4 510	2 000	1 903	1 903	4 107	4 372	4 372
Rental and hiring	25	108	2 834	100	697	697	112	117	117
Interest and rent on land	-	108	-	-	-	-	-	-	-
Interest	-	108	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	2 933 528	3 144 131	3 284 057	3 014 623	3 174 116	3 174 116	2 844 841	3 568 671	3 811 756
Provinces and municipalities	115 000	40 391	68 326	148 400	148 741	148 741	85 792	90 172	90 172
Provinces	-	7	8	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	7	8	-	-	-	-	-	-
Municipalities	115 000	40 384	68 318	148 400	148 741	148 741	85 792	90 172	90 172
Municipalities	115 000	40 384	68 318	148 400	148 741	148 741	85 792	90 172	90 172
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	134 477	-	932	-	18 000	18 000	18 000	14 000	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	134 477	-	932	-	18 000	18 000	18 000	14 000	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 684 051	3 103 740	3 214 799	2 866 223	3 007 375	3 007 375	2 741 049	3 464 499	3 721 584
Social benefits	858	80	327	-	1 618	1 618	45	48	48
Other transfers to households	2 683 193	3 103 660	3 214 472	2 866 223	3 005 757	3 005 757	2 741 004	3 464 451	3 721 536
Payments for capital assets	1 235	7 088	73 119	13 242	13 111	13 111	32 297	819	759
Buildings and other fixed structures	1 009	6 799	67 455	12 500	12 500	12 500	31 454	-	-
Buildings	-	-	-	-	-	-	31 454	-	-
Other fixed structures	1 009	6 799	67 455	12 500	12 500	12 500	-	-	-
Machinery and equipment	226	289	5 285	742	611	611	843	819	759
Transport equipment	-	-	4 552	-	-	-	-	-	-
Other machinery and equipment	226	289	733	742	611	611	843	819	759
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	379	-	-	-	-	-	-
Payments for financial assets	-	51	57	-	268	268	-	-	-
Total	3 027 491	3 270 961	3 532 420	3 205 251	3 371 396	3 371 396	3 096 492	3 766 737	4 014 007

Table 8.F : Payments and estimates by economic classification: Housing Asset Management, Property Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Salaries and wages	-	-	-	-	-	-	-	-	-
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Assets less than capitalisation threshold	-	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication (G&S)	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific & technological services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	-	-	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	-	-
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	-	-	-	-	-	-	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	185 091	167 940	143 688	168 980	239 237	239 237	182 455	221 885	230 313
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	185 091	167 940	143 688	168 980	239 237	239 237	182 455	221 885	230 313
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	185 091	167 940	143 688	168 980	239 237	239 237	182 455	221 885	230 313
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	185 091	167 940	143 688	168 980	239 237	239 237	182 455	221 885	230 313

Table 8.G : Payments and estimates by economic classification: Conditional grants

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	6 654	48 464	95 845	95 950	98 115	98 115	130 009	104 104	104 104
Compensation of employees	500	38 575	57 656	59 492	68 518	68 518	72 254	73 248	76 248
Salaries and wages	500	38 575	56 792	59 492	67 481	67 481	71 154	72 056	75 056
Social contributions	-	-	864	-	1 037	1 037	1 100	1 192	1 192
Goods and services	6 154	9 781	38 189	36 458	29 597	29 597	57 755	30 856	27 856
Administrative fees	-	75	240	-	136	136	162	172	172
Advertising	1 021	395	257	1 591	536	536	908	966	966
Assets less than capitalisation threshold	366	231	83	450	413	413	154	163	163
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	305	576	3 908	500	1 204	1 204	782	834	834
Communication (G&S)	25	131	540	250	430	430	753	796	596
Computer services	-	11	274	-	384	384	686	730	430
Cons & prof serv: Business and advisory services	223	1 138	4 827	6 547	3 214	3 214	11 802	8 492	6 772
Cons & prof serv: Infrastructure and planning	175	686	1 560	-	1 259	1 259	1 847	1 600	1 000
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific & technological services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	1	1 401	-	393	393	189	201	201
Contractors	3	264	2 295	13 240	7 104	7 104	17 079	1 004	1 004
Agency and support / outsourced services	-	-	15	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	-	208	-	193	193	293	312	212
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	45	-	-	32	32	17	18	18
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	1	1	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	149	292	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	98	-	-	-	-	-	-	-	-
Consumable supplies	-	-	216	250	250	250	-	-	-
Consumable: Stationery, printing and office supplies	-	25	82	-	-	-	-	-	-
Operating leases	-	1	129	-	1 109	1 109	47	50	50
Property payments	-	-	5 783	4 800	6 629	6 629	13 221	5 063	5 063
Transport provided: Departmental activity	5	220	3 402	150	301	301	126	134	134
Travel and subsistence	3 265	4 761	4 904	6 500	2 651	2 651	5 121	5 460	5 460
Training and development	-	-	265	-	676	676	175	186	106
Operating payments	39	50	163	80	83	83	174	186	186
Venues and facilities	604	966	4 510	2 000	1 903	1 903	4 107	4 372	4 372
Rental and hiring	25	55	2 834	100	697	697	112	117	117
Interest and rent on land	-	108	-	-	-	-	-	-	-
Interest	-	108	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	3 097 175	3 253 711	3 340 206	3 133 105	3 131 041	3 131 041	2 977 780	3 738 430	3 987 426
Provinces and municipalities	115 000	40 384	68 326	148 400	148 741	148 741	85 792	90 172	90 172
Provinces	-	-	8	-	-	-	-	-	-
Provincial Revenue Funds	-	-	8	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	115 000	40 384	68 318	148 400	148 741	148 741	85 792	90 172	90 172
Municipalities	115 000	40 384	68 318	148 400	148 741	148 741	85 792	90 172	90 172
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	271 311	109 636	98 059	118 482	155 989	155 989	150 939	183 759	175 670
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	271 311	109 636	98 059	118 482	155 989	155 989	150 939	183 759	175 670
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 710 864	3 103 691	3 173 821	2 866 223	2 826 311	2 826 311	2 741 049	3 464 499	3 721 584
Social benefits	34	31	12	-	1 527	1 527	45	48	48
Other transfers to households	2 710 830	3 103 660	3 173 809	2 866 223	2 824 784	2 824 784	2 741 004	3 464 451	3 721 536
Payments for capital assets	1 219	7 068	72 994	13 000	12 899	12 899	32 107	694	694
Buildings and other fixed structures	1 009	6 799	67 455	12 500	12 500	12 500	31 454	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	1 009	6 799	67 455	12 500	12 500	12 500	31 454	-	-
Machinery and equipment	210	269	5 160	500	399	399	653	694	694
Transport equipment	-	-	4 552	-	-	-	-	-	-
Other machinery and equipment	210	269	608	500	399	399	653	694	694
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	379	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	3 105 048	3 309 243	3 509 045	3 242 055	3 242 055	3 242 055	3 139 896	3 843 228	4 092 224

Table 8.H : Payments and estimates by economic classification: Human Settlements Development grant: Programme 3

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	6 654	48 464	95 845	89 370	91 535	91 535	114 815	104 104	104 104
Compensation of employees	500	38 575	57 656	59 492	68 518	68 518	72 254	73 248	76 248
Salaries and wages	500	38 575	56 792	59 492	67 481	67 481	71 154	72 066	75 056
Social contributions	-	-	864	-	1 037	1 037	1 100	1 192	1 192
Goods and services	6 154	9 781	38 189	29 878	23 017	23 017	42 561	30 856	27 856
Administrative fees	-	75	240	-	136	136	162	172	172
Advertising	1 021	395	257	1 591	536	536	908	966	966
Assets less than capitalisation threshold	366	231	83	450	413	413	154	163	163
Catering: Departmental activities	305	576	3 908	500	1 204	1 204	782	834	834
Communication (G&S)	25	131	540	250	430	430	753	796	596
Computer services	-	11	274	-	384	384	686	730	430
Cons & prof serv: Business and advisory services	223	1 138	4 827	6 547	3 214	3 214	11 802	8 492	6 772
Cons & prof serv: Infrastructure and planning	175	686	1 560	-	1 259	1 259	1 847	1 600	1 000
Cons & prof serv: Legal costs	-	1	1 401	-	393	393	189	201	201
Contractors	3	264	2 295	6 660	524	524	1 885	1 004	1 004
Agency and support / outsourced services	-	-	15	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	-	208	-	193	193	293	312	212
Inventory: Clothing material and accessories	-	45	-	-	32	32	17	18	18
Inventory: Food and food supplies	-	1	1	-	-	-	-	-	-
Inventory: Materials and supplies	-	149	292	-	-	-	-	-	-
Inventory: Other supplies	98	-	-	-	-	-	-	-	-
Consumable supplies	-	-	216	250	250	250	-	-	-
Consumable: Stationery, printing and office supplies	-	25	82	-	-	-	-	-	-
Operating leases	-	1	129	-	1 109	1 109	47	50	50
Property payments	-	-	5 783	4 800	6 629	6 629	13 221	5 063	5 063
Transport provided: Departmental activity	5	220	3 402	150	301	301	126	134	134
Travel and subsistence	3 265	4 761	4 904	6 500	2 651	2 651	5 121	5 460	5 460
Training and development	-	-	265	-	676	676	175	186	106
Operating payments	39	50	163	80	83	83	174	186	186
Venues and facilities	604	966	4 510	2 000	1 903	1 903	4 107	4 372	4 372
Rental and hiring	25	55	2 834	100	697	697	112	117	117
Interest and rent on land	-	108	-	-	-	-	-	-	-
Interest	-	108	-	-	-	-	-	-	-
Transfers and subsidies to	2 932 704	3 144 075	3 243 079	3 014 623	2 993 052	2 993 052	2 844 841	3 568 671	3 811 756
Provinces and municipalities	115 000	40 384	68 326	148 400	148 741	148 741	85 792	90 172	90 172
Provinces	-	-	8	-	-	-	-	-	-
Provincial Revenue Funds	-	-	8	-	-	-	-	-	-
Municipalities	115 000	40 384	68 318	148 400	148 741	148 741	85 792	90 172	90 172
Municipalities	115 000	40 384	68 318	148 400	148 741	148 741	85 792	90 172	90 172
Departmental agencies and accounts	134 477	-	932	-	18 000	18 000	18 000	14 000	-
Entities receiving funds	134 477	-	932	-	18 000	18 000	18 000	14 000	-
Households	2 683 227	3 103 691	3 173 821	2 866 223	2 826 311	2 826 311	2 741 049	3 464 499	3 721 584
Social benefits	34	31	12	-	1 527	1 527	45	48	48
Other transfers to households	2 683 193	3 103 660	3 173 809	2 866 223	2 824 784	2 824 784	2 741 004	3 464 451	3 721 536
Payments for capital assets	1 219	7 068	72 994	13 000	12 899	12 899	32 107	694	694
Buildings and other fixed structures	1 009	6 799	67 455	12 500	12 500	12 500	31 454	-	-
Other fixed structures	1 009	6 799	67 455	12 500	12 500	12 500	31 454	-	-
Machinery and equipment	210	269	5 160	500	399	399	653	694	694
Transport equipment	-	-	4 552	-	-	-	-	-	-
Other machinery and equipment	210	269	608	500	399	399	653	694	694
Software and other intangible assets	-	-	379	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 940 577	3 199 607	3 411 918	3 116 993	3 097 486	3 097 486	2 991 763	3 673 469	3 916 554

Table 8.I : Payments and estimates by economic classification: Housing Disaster Relief grant: Programme 3

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	27 637	-	-	-	-	-	-	-	-
Households	27 637	-	-	-	-	-	-	-	-
Other transfers to households	27 637	-	-	-	-	-	-	-	-
Total	27 637	-	-	-	-	-	-	-	-

Table 8.J : Payments and estimates by economic classification: EPWP Integrated Grant for Provinces: Programme 3

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	-	-	-	6 580	6 580	6 580	15 194	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	6 580	6 580	6 580	15 194	-	-
Contractors	-	-	-	6 580	6 580	6 580	15 194	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	6 580	6 580	6 580	15 194	-	-

Table 8.K : Payments and estimates by economic classification: Human Settlements Development grant: Programme 4

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	136 834	109 636	97 127	118 482	137 989	137 989	132 939	169 759	175 670
Departmental agencies and accounts	136 834	109 636	97 127	118 482	137 989	137 989	132 939	169 759	175 670
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	136 834	109 636	97 127	118 482	137 989	137 989	132 939	169 759	175 670
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	136 834	109 636	97 127	118 482	137 989	137 989	132 939	169 759	175 670

Table 8.L : Human Settlements - 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			
				Date: Start									Date: Finish		Forward estimates	
															2016/17	2017/18
R thousands																
Existing infrastructure assets																
Maintenance and repair: Current																
Upgrades and additions: Capital																
Refurbishment and rehabilitation: Capital																
New infrastructure assets: Capital																
<i>of which:</i>																
Social and Economic Amenities	Various	eThekweni	Parks, creche facilities, taxi ranks and community halls, etc.	01 April 2015	31 March 2017	HSDG	Programme 3	Packaged prog	-	-	-	31 454	-	-		
Infrastructure transfers																
<i>of which:</i>																
Infrastructure transfers: Current																
Infrastructure transfers: Capital																
CRU programme	Various	eThekweni	Hostels	01 April 2015	31 March 2019	HSDG	Programme 3	Packaged prog	-	-	-	65 000	60 000	60 000		
Accreditation of municipalities	Various	Various	Transfers to municipalities	Ongoing	Ongoing	HSDG	Programme 3	Packaged prog	-	-	-	26 792	30 772	30 772		
Infrastructure: Payments for financial assets																
Infrastructure: Leases																
Total																
Capital infrastructure												123 246	90 772	90 772		
Current infrastructure												123 246	90 772	-		

Table 8.M : Summary of transfers to local government

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	95 000	21 787	46 165	118 228	122 416	122 416	59 000	60 000	60 000
Total: Ugu Municipalities	-	-	-	7 086	1 806	1 806	3 378	7 086	7 086
B KZN211 Vulamehlo	-	-	-	-	-	-	-	-	-
B KZN212 Umdoni	-	-	-	-	-	-	-	-	-
B KZN213 Umzumbe	-	-	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	-	-	-	-	-	-	-	-	-
B KZN215 Ezingoleni	-	-	-	-	-	-	-	-	-
B KZN216 Hibiscus Coast	-	-	-	7 086	1 806	1 806	3 378	7 086	7 086
C DC21 Ugu District Municipality	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	3 495	10 188	8 715	17 201	17 201	10 389	8 715	8 715
B KZN221 uMshwathi	-	-	-	-	-	-	-	-	-
B KZN222 uMngeni	-	-	-	-	-	-	-	-	-
B KZN223 Mpofana	-	-	-	-	-	-	-	-	-
B KZN224 Impendle	-	-	-	-	-	-	-	-	-
B KZN225 Msunduzi	-	3 495	10 188	8 715	17 201	17 201	10 389	8 715	8 715
B KZN226 Mkhambathini	-	-	-	-	-	-	-	-	-
B KZN227 Richmond	-	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	865	654	3 696	729	729	1 681	3 696	3 696
B KZN232 Ennambithi/Ladysmith	-	865	654	3 696	729	729	1 681	3 696	3 696
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	-	1 485	3 029	4 750	2 188	2 188	4 077	4 750	4 750
B KZN252 Newcastle	-	1 485	3 029	4 750	2 188	2 188	4 077	4 750	4 750
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	20 000	7 779	2 294	1 047	1 317	1 317	2 154	1 047	1 047
B KZN281 Umfolozi	-	-	-	-	-	-	-	-	-
B KZN282 uMhlathuze	20 000	7 779	2 294	1 047	1 317	1 317	2 154	1 047	1 047
B KZN283 Ntambanana	-	-	-	-	-	-	-	-	-
B KZN284 uMlalazi	-	-	-	-	-	-	-	-	-
B KZN285 Mthonjaneni	-	-	-	-	-	-	-	-	-
B KZN286 Nkandla	-	-	-	-	-	-	-	-	-
C DC28 uThungulu District Municipality	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	-	4 973	5 988	4 878	3 084	3 084	5 113	4 878	4 878
B KZN291 Mandeni	-	-	-	-	-	-	-	-	-
B KZN292 KwaDukuza	-	4 973	5 988	4 878	3 084	3 084	5 113	4 878	4 878
B KZN293 Ndwedwe	-	-	-	-	-	-	-	-	-
B KZN294 Maphumulo	-	-	-	-	-	-	-	-	-
C DC29 Ilembe District Municipality	-	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	-	-	-	-	-	-	-	-	-
B KZN431 Ingwe	-	-	-	-	-	-	-	-	-
B KZN432 Kwa Sani	-	-	-	-	-	-	-	-	-
B KZN433 Greater Kokstad	-	-	-	-	-	-	-	-	-
B KZN434 Ubuhlebezwe	-	-	-	-	-	-	-	-	-
B KZN435 Umzimkulu	-	-	-	-	-	-	-	-	-
C DC43 Harry Gwala District Municipality	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	115 000	40 384	68 318	148 400	148 741	148 741	85 792	90 172	90 172

Table 8.N : Transfers to local government - Operational costs for accredited municipalities

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		14 824	35 307	18 228	22 416	22 416	-	-	-
Total: Ugu Municipalities	-	-	-	7 086	1 806	1 806	3 378	7 086	7 086
B KZN216 Hibiscus Coast				7 086	1 806	1 806	3 378	7 086	7 086
Total: uMgungundlovu Municipalities	-	3 495	10 188	8 715	17 201	17 201	10 389	8 715	8 715
B KZN225 Msunduzi		3 495	10 188	8 715	17 201	17 201	10 389	8 715	8 715
Total: Uthukela Municipalities	-	865	654	3 696	729	729	1 681	3 696	3 696
B KZN232 Emnambithi/Ladysmith		865	654	3 696	729	729	1 681	3 696	3 696
Total: Amajuba Municipalities	-	1 485	3 029	4 750	2 188	2 188	4 077	4 750	4 750
B KZN252 Newcastle		1 485	3 029	4 750	2 188	2 188	4 077	4 750	4 750
Total: uThungulu Municipalities	-	7 779	2 294	1 047	1 317	1 317	2 154	1 047	1 047
B KZN282 uMhlatuze		7 779	2 294	1 047	1 317	1 317	2 154	1 047	1 047
Total: Ilembe Municipalities	-	4 973	5 988	4 878	3 084	3 084	5 113	4 878	4 878
B KZN292 KwaDukuza		4 973	5 988	4 878	3 084	3 084	5 113	4 878	4 878
Total	-	33 421	57 460	48 400	48 741	48 741	26 792	30 172	30 172

Table 8.O : ransfers to local government - CRU Programme and Rates and taxes

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	95 000	6 963	10 858	100 000	100 000	100 000	59 000	60 000	60 000
Total: uThungulu Municipalities	20 000	-	-	-	-	-	-	-	-
B KZN282 uMhlatuze	20 000	-	-	-	-	-	-	-	-
Total	115 000	6 963	10 858	100 000	100 000	100 000	59 000	60 000	60 000

VOTE 9

Community Safety and Liaison

Operational budget	R 210 123 000
MEC remuneration	Nil
Total amount to be appropriated	R 210 123 000
Responsible MEC	MEC for Transport, Community Safety and Liaison ¹
Administering department	Community Safety and Liaison
Accounting officer	Head: Community Safety and Liaison

1. Overview

Vision

The department's vision is to see that: *The people of KwaZulu-Natal live in a safe and secure environment.*

Mission statement

The mission set for the department is: *To be the lead department in co-ordinating integrated, participatory community safety initiatives and promoting police accountability towards a crime free KwaZulu-Natal.*

Strategic objectives

Strategic policy direction: By focussing on its role of creating a secure environment in which all South Africans can live, the department seeks to align its operations and strategic position with the overall aim of government to achieve accountability and effective service delivery for all citizens of the province in the following areas: that all people in South Africa are and feel safe, and a long and healthy life for all is achieved.

The strategic objectives set by the department are to:

- Evaluate police service delivery and compliance with national policy standards and make recommendations for redress where required.
- Assess the effectiveness of visible policing in the province.
- Improve South African Police Service (SAPS) efficiency and effectiveness through independent service delivery evaluation and reward.
- Improve public confidence and trust in the police.
- Address service delivery complaints against the police to support the raising of service standards.
- Oversee the establishment and functioning of Community Policing Forums (CPFs) at all police stations in the province.
- Enhance the capacity of community police structures to improve co-operation between the police and the community.
- Promote community dialogue and participation in support of crime prevention initiatives and activities.
- Execute social crime prevention programmes at provincial and local level.

¹ The salary of the MEC for Transport, Community Safety and Liaison is budgeted for under Vote 12: Transport.

- Research and develop social crime prevention responses to community safety priorities.
- Consolidate the community safety network structure.
- Promote the establishment of a victim support network.
- Raise awareness of protective rights among vulnerable groups.
- Promote corporate governance and provide strategic project support.
- Implement the Volunteer Social Crime Prevention Programme (VSCPP).

Core functions

The provincial department is responsible for the following functions in line with the effective implementation of the Civilian Secretariat for Police Services Act, 2011:

- Promoting democratic accountability and transparency in the police service.
- Promoting good relations and establishing partnerships between the police and communities.
- Directing the SAPS toward effectively addressing provincial needs and priorities.
- Facilitating the development and co-ordination of social crime prevention initiatives.
- Promoting and supporting victim empowerment.

Legislative mandates

The principal legislative mandates governing the operations of the department are:

- The Constitution of the Republic of South Africa, 1996
- South African Police Service Act, 1995 and regulations
- National Crime Prevention Strategy, 1996 (Revised 1999)
- Firearms Control Act, 2000
- KwaZulu-Natal Commissions Act, 1999
- Domestic Violence Act, 1998
- Child Care Act, 1983
- Maintenance Act, 1998
- Criminal Procedure Act, 1977
- Public Finance Management Act, 1999, as amended, and the Treasury Regulations
- Public Service Act, 1994 and regulations
- Labour Relations Act, 1995
- Basic Conditions of Employment Act, 1997
- Employment Equity Act, 1998
- Skills Development Act, 1998
- Promotion of Equality and Prevention of Unfair Discrimination Act, 2000
- Promotion of Administrative Justice Act, 2000
- Promotion of Access to Information Act, 2000
- Preferential Procurement Policy Framework Act, 2001
- KwaZulu-Natal Provincial Supply Chain Management Policy Framework, 2006
- Electronic Communications and Transactions Act, 2002
- Regulation of Interception and Provision of Communication-Related Information Act, 2002

- State Information Technology Agency Act, 1999
- Second-Hand Goods Act, 2009
- National Youth Development Agency Act, 2008
- Criminal Law (Sexual Offences and Related Matters) Amendment Act, 2007
- Older Persons' Act, 2006
- Children's Act, 2005
- Child Justice Act, 2008
- Civilian Secretariat for Police Services Act, 2011

2. Review of the 2015/16 financial year

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

Decentralisation strategy

Phase one of the revised organisational structure, which is aligned to the department's decentralisation strategy and the Civilian Secretariat for Police Services Act, was initially planned to be completed by the end of 2013/14. However, due to delays in the job evaluation and recruitment processes, as well as staff turnover, most of the phase one posts were only filled in 2014/15. By the third quarter of 2015/16, there were still nine vacant phase one posts at various stages of the recruitment process. Although the department budgeted to commence with the filling of phases two and three posts in 2015/16, and aimed to increase its organisational structure in line with the approved organogram from 156 employees in 2014/15 to 219 in 2015/16, the MEC for Community Safety and Liaison requested that a review be undertaken in the fourth quarter, before the department proceeded with the roll-out of these two phases. As such, the department did not roll out the second and third phases of the decentralisation strategy during 2015/16, as anticipated.

This decision to temporarily place the roll-out of phases two and three on hold was also taken in view of the fact that, by the third quarter, only eight of the planned 13 district offices had been secured by the Department of Public Works (DOPW), and are operational, namely Amajuba, Ugu, Uthukela, Umzinyathi, eThekweni North, eThekweni West, Zululand and Ilembe. The Harry Gwala, uMgungundlovu, uThungulu and eThekweni South offices were not finalised by DOPW by year-end, while it was intended to purchase a park-home for the Umkhanyakude office in the fourth quarter. In the meantime, the department continued to function in those districts without offices, utilising existing staff from a head office base.

Communities-in-Dialogue Programme (CiDP)

The department continued to employ CiDP as an intervention tool in different forms of community conflicts such as school violence, taxi violence, tribal faction fights and political violence, through the Multi-Party Political Intervention Committee. The programme has proven to be an effective tool in addressing peace settlements between conflicting social groupings. In 2015/16, the department was actively involved in dialogues with farmers, and was an integral part of the inter-provincial CiDP between KZN and Gauteng, focussing on faction fights emanating from hostel residents who are originally from Nongoma, Nquthu and Hlabisa.

Societal Education to Build Safer Communities programme (Lwisana Nobugebengu)

In recent years, the department has built capacity in communities through a number of training courses, thereby enabling them to understand and respond to safety threats. These have included, among others, a programme for CPFs, school safety courses, as well as the training of traditional leaders in social crime prevention and human rights. In the past, the department collaborated with Further Education and Training institutions in different districts to provide specific training to communities. However, in 2015/16, the department shifted its training focus to the holistic capacitation of various community structures. The training therefore focussed on CPFs, Youth Desk executives and SAPS crime prevention officers, and targeted 184 police stations across all districts. The training largely focussed on the new legislation and work activities of CPFs.

Station evaluations

The department's civilian oversight mandate remained a central focus of its operations. Police station performance monitoring and evaluation was continued in 2015/16, in order to ensure that police stations throughout the province deliver a service that meets the need and expectations of communities. The evaluation process was done through the National Monitoring Tool, which is a tool that accommodates all components at a station, from front desk operations to the running of ablution facilities. The evaluations included the Domestic Violence Act (DVA) and Independent Police Investigative Directorate Act (IPID), compliance reports, as well as monitoring and evaluation reports on special projects commissioned by the Civilian Secretariat for Police. For instance, in the first six months of the year, 94 police stations were evaluated, and were also audited in terms of the DVA.

Establishment and maintenance of safety structures

The department's strategy of extending its crime fighting responsibility continued in 2015/16, using existing structures including street committees, Community Safety Forums (CSFs) and CPFs, as well as new structures, such as district ward safety committees. Furthermore, the department evaluated established community safety structures to determine their need for support to achieve their objectives, taking steps to address identified needs, evaluating the safety needs identified by safety structures, etc. During the period April to September 2015, a total of 76 activities were conducted across all districts, including launches of community safety structures, crime awareness campaigns, crime summits, school safety forums, CPF AGMs, among others.

KZN Community Crime Prevention Association (KZNCCPA)

KZN is the first province to regularise the activities of voluntary crime fighting organisations. In the past, these organisations, such as neighbourhood watch, street committees and other groupings, operated in isolation. The department drafted a constitution at provincial and district level for the implementation of the KZNCCPA in 2014/15. The KZNCCPA was accepted by SAPS. The department further entrenched this relationship in 2015/16 with training programmes which focussed on leadership and conflict resolution skills. Furthermore, an AGM was held to strategise on interventions by the KZNCCPA.

Building a United Front Against Crime

The constitutional imperative of promoting good relations between the police and the community has been interpreted by the department as an obligation to build a partnership to fight crime. Over the past five years, the department was involved in formulating the Building a United Front Against Crime programme. This is a catalyst which encompasses all departmental programmes and sub-programmes such as crime prevention initiatives. Various interventions and annual crime awareness campaigns were held in 2015/16, including the Impendle, eMatheni, uMshwathi and Mtubatuba Crime Awareness events. In addition, crime summits were held in various districts, such as Amajuba, Harry Gwala and Ilembe.

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.

During 2016/17, the department will continue to roll-out the Civilian Secretariat for Police Services Act and the decentralisation strategy, at the same time taking into consideration the freezing of all vacant non-critical posts, as mentioned below. The bulk of the department's budget over the 2016/17 MTEF is for community safety initiatives, including the VSCPP, maintenance of CSFs and CPFs, crime awareness campaigns (victim empowerment, drug abuse, etc.), police station evaluations, JCPS, stock theft, cross border conflicts, taxi violence, among others. Also in 2016/17, the department will focus on undertaking an election monitoring project, which is expanded on below.

Strengthening oversight over local government elections

The department will embark on an election monitoring project for the upcoming 2016 local government elections. The department first initiated this project in 2006 in order to promote peace and stability among communities during the voting period. The CiDP assisted in 2006 to diffuse tensions and conflict in various hotspots in the province. In order to strengthen its role of promoting peace and stability during the

2009 general elections, the department went further and formed a partnership with the Independent Electoral Commission (IEC) and private sector lawyers who volunteered to be accredited as election observers. The issue of monitoring and observing elections in KZN is critical because of the tendency for political intolerance, and hence the department will again undertake this project in the upcoming 2016 local government elections. The purpose of the project is two-fold, namely monitoring and observing. The department will deploy departmental officials who will assess any external factors (outside the voting stations) that may hinder the peacefulness and fairness of the elections, and will be responsible for intervening immediately. Further to the deployment of these departmental monitors, the department will deploy lawyers inside the voting stations to offer legal advice to any member of the public inside the voting station and electoral staff, as guided by the Electoral Act. It is noted that once-off additional funding of R5 million was allocated to the department to provide for this project.

Decentralisation strategy

As mentioned above, the MEC for Community Safety and Liaison requested that a review be undertaken in the fourth quarter of 2015/16, in order to evaluate the impact of implementing phase one of the department's revised organisational structure. As such, the department did not roll out the second and third phases during 2015/16, as anticipated. It is envisaged that the decentralisation strategy will continue to be rolled out in 2016/17, taking into consideration the impact that the freezing of all vacant non-critical posts will have on implementing the revised organisational structure, as mentioned below.

Station evaluations

Police station performance monitoring and evaluation will continue to be undertaken in 2016/17, in order to ensure the improvement of the service delivery of police stations in general, and areas of concern will be identified and communicated to the SAPS. This includes Monitoring and Evaluation reports on special projects commissioned by the Civilian Secretariat for Police and the monitoring of specialised units and the provincial SAPS headquarters.

Establishment and maintenance of safety structures

The department will continue to extend its crime fighting to provide a vehicle to mobilise communities against crime and to improve community policing in 2016/17. Furthermore, the department will continue to evaluate established community safety structures to determine their need for support to achieve their objectives, taking steps to address identified needs, evaluating the safety needs identified by safety structures, etc.

KZN Community Crime Prevention Association (KZNCCPA)

KZN was the first province to regularise the activities of voluntary crime fighting organisations, such as neighbourhood watch, street committees and other groupings, so that they no longer operate in isolation. The department drafted a constitution at provincial and district level for the implementation of the KZNCCPA in 2014/15. The department will look to further entrench its relationship with SAPS in 2016/17, to strengthen the regularisation and co-operation of such voluntary crime fighting organisations.

Volunteer Social Crime Prevention Project (VSCPP)

The VSCPP involves the recruitment of volunteers in order to establish a community engagement mechanism for law enforcement agencies, with the key objective being to drive social crime prevention and provide important on-the-job training for the employed candidates. In terms of this project, volunteers monitor crime hotspots such as taverns, ATMs and shopping malls. In 2016/17, the department will be able to enhance this programme further in terms of creating additional job opportunities, as a result of a significantly increased allocation in respect of the EPWP Social Sector Incentive Grant for Provinces. The increase in grant allocation from R1 million to R11.043 million will allow the department to increase the number of crime prevention volunteers recruited from 48 in 2015/16 to 380 in 2016/17.

Research

The department's Research unit strives to broaden knowledge of issues impacting on safety, and seeks to develop models of intervention that respond most effectively to the crime and safety concerns of the province. In 2016/17, the following areas will be targeted for research:

- Local government elections 2016: overcoming threats to a free and fair election.

- Promoting safer schools.
- The efficacy of the KZN Liquor Authority and the policing of alcohol based violence.
- Problems and solutions to violence at hostels.
- Organised crime review of KwaZulu-Natal.
- Analysis of crime trends and patterns.

4. Receipts and financing

4.1 Summary of receipts and financing

Table 9.1 shows the sources of funding of Vote 9 over the seven-year period 2012/13 to 2018/19. It also compares actual and budgeted receipts against actual and budgeted payments.

Table 9.1 : Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Equitable share	159 661	164 978	172 112	181 069	181 069	181 069	186 357	195 948	207 297
Conditional grants	1 673	5 369	2 580	1 000	1 000	1 000	11 043	-	-
Social Sector EPWP Incentive Grant for Provinces	1 673	5 369	2 580	1 000	1 000	1 000	11 043	-	-
Total receipts	161 334	170 347	174 692	182 069	182 069	182 069	197 400	195 948	207 297
Total payments	135 892	171 922	179 239	187 069	191 045	191 045	210 123	195 948	207 297
Surplus/(Deficit) before financing	25 442	(1 575)	(4 547)	(5 000)	(8 976)	(8 976)	(12 723)	-	-
Financing of which									
Provincial cash resources	-	5 500	5 000	5 000	8 976	8 976	12 723	-	-
Surplus/(Deficit) after financing	25 442	3 925	453	-	-	-	-	-	-

The department substantially under-spent its 2012/13 budget by R25.442 million. This was due to the non-filling of vacant posts pending the finalisation of the organisational structure at that time, cost-cutting, delays in the roll-out of the decentralisation strategy, and the discontinuation of the department's call-centre relating to the VSCPP. The centre was discontinued because the contract with the service provider came to an end, and was not renewed as the department intended to run the call centre in-house to reduce costs. Also in 2012/13, the department received the Social Sector EPWP Incentive Grant for Provinces of R1.673 million. This grant was under-spent by R881 000 due to the late finalisation of the list of new VSCPP recruits.

In 2013/14, the department received R5.369 million in respect of the Social Sector EPWP Incentive Grant for Provinces, of which it only spent R3.758 million, as explained below. The amount of R5.500 million against provincial cash resources in 2013/14 is made-up of additional funding of R1 million for Operation Sukuma Sakhe (OSS) initiatives, and R4.500 million paid to SAPS for visible policing over the festive season. The department under-spent its budget by R3.925 million in 2013/14 mainly due to under-spending as a result of the non-filling of posts emanating from delays in the implementation of the revised organisational structure, and there was under-spending on the Social Sector EPWP Incentive Grant for Provinces due to the late recruitment of volunteers.

In 2014/15, the department was allocated R2.580 million in respect of the Social Sector EPWP Incentive Grant for Provinces, which was fully spent by year-end. The provincial cash resources of R5 million was allocated to assist the department with the phased-in implementation of the revised organisational structure in terms of the decentralisation strategy. The department under-spent its budget by R453 000 in 2014/15, mainly because several vacant posts were filled from within the department, thus creating a vacancy elsewhere. This also meant that less office furniture and equipment had to be purchased than originally planned.

In the 2015/16 Main Appropriation, the department received a further allocation of R5 million from provincial cash resources to assist with the phased-in implementation of the revised organisational structure. In addition, an amount of R3.976 million was allocated in the Adjusted Appropriation to fund

various anti-xenophobia campaigns that were undertaken in response to the xenophobic attacks that took place in the province early in the year. The department also received R1 million in 2015/16 in respect of the Social Sector EPWP Incentive Grant for Provinces, which is anticipated to be fully spent by year-end.

In 2016/17, the provincial cash resources includes an amount of R7.723 million that was rolled over from 2012/13 to 2016/17, with Provincial Treasury approval, for the continued phasing-in of the revised organisational structure (with no additional funding beyond 2016/17, at this stage). The provincial cash resources also include a once-off R5 million to strengthen departmental oversight during the 2016 local government elections, as mentioned previously. The department receives a significantly increased allocation of R11.043 million in 2016/17 in respect of the Social Sector EPWP Incentive Grant for Provinces, as mentioned above. These allocations account for the reduction in budget from 2016/17 to 2017/18.

4.2 Departmental receipts collection

Table 9.2 shows the sources of own revenue collected by the department. Details of departmental receipts are presented in *Annexure – Vote 9: Community Safety and Liaison*.

Table 9.2 : Summary of departmental receipts collection

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	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	54	60	72	69	69	69	73	76	80
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transactions in financial assets and liabilities	21	19	4	23	23	23	24	25	27
Total	75	79	76	92	92	92	97	101	107

Sale of goods and services other than capital assets forms the bulk of the revenue collected by the department and is largely collected against commission received from insurance companies for the collection of monthly contributions. The department projects to fully collect its budget as shown in the 2015/16 Revised Estimate, mainly with regard to commission from insurances. This category is expected to grow consistently over the 2016/17 MTEF.

The department collects revenue against *Transactions in financial assets and liabilities* in respect of the recovery of staff debts, recovery of supplier over-payments and recovery of expenses related to breach of bursary contracts. Revenue from this category is difficult to predict, accounting for the fluctuations in the prior years and steady growth projected over the MTEF.

4.3 Donor funding – Nil

5. Payment summary

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

Further details are given in Section 6 below, as well as in the *Annexure – Vote 9: Community Safety and Liaison*.

5.1 Key assumptions

The following assumptions and factors were taken into account in finalising the budget allocations:

- 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.
- Where feasible, CPI projections were used to calculate inflation related items.
- 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:
 - 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.
 - Departments' equitable share funded *Goods and services* budgets were cut by 2 per cent.
 - Departments' and public entities' hosting of events budgets were cut over the MTEF.
 - 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.
 - 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 9.3 shows additional funding received by the department over the three MTEF periods: 2014/15, 2015/16 and 2016/17. 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.

Table 9.3 : 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	(1 767)	(1 558)	6 164	(1 637)	(1 732)
Compensation of employees roll-over from 2012/13 to 2016/17	-	-	7 723	-	-
Carry-through of previous wage agreements	333	642	742	779	824
Centralisation of communications budget under OTP	(2 100)	(2 200)	(2 301)	(2 416)	(2 556)
2015/16 MTEF period	-	-	-	-	-
2016/17 MTEF period	-	-	610	(4 337)	(4 605)
Above-budget 2015 wage agreement			1 583	1 695	1 819
LG election monitoring			5 000	-	-
Freezing all vacant non-OSD posts			(3 843)	(4 104)	(4 384)
2% Goods and services cut			(2 130)	(1 928)	(2 040)
Total	(1 767)	(1 558)	6 774	(5 974)	(6 337)

In the 2014/15 MTEF, the department received additional funding for the carry-through of previous wage agreements. The department's budget was decreased by R2.100 million, R2.200 million and R2.301 million in 2014/15, 2015/16 and 2016/17, respectively (with carry-through) for the centralisation of parts of the communications budget under the Office of the Premier (OTP). To provide certainty of funding for another year for the revised organisational structure in line with the decentralisation strategy, an amount of R7.723 million (being a portion of the under-spending in 2012/13) was rolled over from 2012/13 to 2016/17.

No additional funds were allocated in the 2015/16 MTEF, and the department undertook to continue funding the revised organisational structure on a phased-in basis by internal reprioritisation.

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 was 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 Department of Community Safety and Liaison is commented on in Section 5.3 below.

Offsetting these cuts to some extent is the fact that the department received additional funding for the carry-through of the above-budget 2015 wage agreement. In addition, the department received a once-off allocation in 2016/17 only to strengthen departmental oversight during the 2016 local government elections, as mentioned previously.

5.3 Summary by programme and economic classification

National Treasury, in consultation with the National Secretariat and the provincial Departments of Community Safety and Liaison, issued a directive on the new budget structure for the sector, which was implemented in 2015/16, and prior years' expenditure was restated accordingly.

Tables 9.4 and 9.5 provide a summary of payments and budgeted estimates by programme and economic classification, respectively, for the period 2012/13 to 2018/19. Overall, apart from a peak in 2016/17 due to once-off funding as explained previously, there is a generally steady increase in the department's budget over the seven-year period, in spite of the above-mentioned cuts effected over the MTEF. It is noted that the department effected these cuts entirely against Programme 2 where the bulk of the budget resides, with R3.843 million, R4.104 million and R4.384 million reduced from *Compensation of employees*, and R2.130 million, R1.928 million and R2.040 million reduced from *Goods and services*.

Table 9.4 : Summary of payments and estimates by programme: Community Safety and Liaison

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	32 265	35 238	45 849	49 381	59 582	59 582	68 896	70 589	74 683
2. Civilian Oversight	103 627	136 684	133 390	137 688	131 463	131 463	141 227	125 359	132 614
Total	135 892	171 922	179 239	187 069	191 045	191 045	210 123	195 948	207 297

Table 9.5 : Summary of payments and estimates by economic classification: Community Safety and Liaison

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	135 070	165 694	176 605	185 853	189 250	189 250	207 142	194 587	205 858
Compensation of employees	37 307	43 725	60 837	90 120	71 891	71 891	91 735	100 134	105 901
Goods and services	97 763	121 969	115 768	95 733	117 359	117 359	115 407	94 453	99 957
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	16	217	61	13	86	86	14	16	17
Provinces and municipalities	10	10	19	13	13	13	14	16	17
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	6	207	42	-	73	73	-	-	-
Payments for capital assets	794	5 988	2 560	1 203	1 703	1 703	2 967	1 345	1 422
Buildings and other fixed structures	-	312	-	-	500	500	-	-	-
Machinery and equipment	612	5 644	2 560	1 203	1 203	1 203	2 967	1 345	1 422
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	182	32	-	-	-	-	-	-	-
Payments for financial assets	12	23	13	-	6	6	-	-	-
Total	135 892	171 922	179 239	187 069	191 045	191 045	210 123	195 948	207 297

In respect of Programme 1, the low growth from 2012/13 to 2013/14 was due to under-expenditure resulting from delays in the filling of posts in terms of phase one of the revised organisational structure and hence delays in the roll-out of the decentralisation strategy which impacted on associated administrative costs. The programme shows reasonable growth from 2014/15 onward due to the filling of these phase one posts. The increase in the 2015/16 Adjusted Appropriation relates to the centralisation of operational costs of the department under the sub-programme: Corporate Services in Programme 1, such as computer services (including the roll-out of IT connectivity to the department's functional district offices), fleet services, security services, training and staff development, communication costs, etc. This centralisation of operational costs continues in the baseline, accounting for the steady growth over the MTEF. The prior year figures could not be restated in this regard, as the district offices were not functional at this stage. As mentioned, the MTEF cuts were effected against Programme 2 only, hence the growth over the MTEF in respect of Programme 1 is largely inflation related.

Programme 2 shows a fluctuating trend, largely as a result of delays in rolling out phases two and three of the decentralisation strategy, as well as several once-off allocations which distort the trends. The substantial increase in 2013/14 is largely due to the increased demand for crime awareness campaigns, and a once-off payment to SAPS for increased visible policing over the festive season (which accounts for the drop in 2014/15). The 2014/15 amount remains fairly high due to the implementation of the Civilian Secretariat for Police Services Act requiring additional research and understanding. The increase from 2014/15 to the 2015/16 Main Appropriation pertains to the anticipated roll-out of phases two and three of the revised organisational structure. The decrease from the 2015/16 Main to the Adjusted Appropriation is due to phases two and three not being implemented as planned. Also contributing to the decrease in the 2015/16 Adjusted Appropriation was the centralisation of the department's operational costs under Programme 1, as mentioned above. This decrease in the 2015/16 Adjusted Appropriation was offset to some extent by once-off funding for the anti-xenophobia campaigns undertaken by the department. As mentioned, the MTEF cuts were effected against this programme, accounting for the reduction visible from 2017/18 onward. The peak in 2016/17 can partly be ascribed to the significant increase in the Social Sector EPWP Incentive Grant for Provinces, with no carry-through at this stage, contributing to the drop from 2016/17 to 2017/18. Also contributing to the peak in 2016/17 was the once-off R5 million for strengthening departmental oversight during the 2016 local government elections, as well as the fact that the funding to assist with implementing the revised organisational structure comes to an end in 2016/17.

The trend over the seven years against *Compensation of employees* is generally steady. The growth from 2012/13 to 2014/15 was due to the filling of posts in terms of phase one of the revised organisational structure. The substantial increase from 2014/15 to the 2015/16 Main Appropriation was to cater for the roll-out of phases two and three of the revised organisational structure. The decrease in the Adjusted Appropriation pertains to the roll-out of these phases not commencing, pending the completion and review of phase one, as explained previously. These savings were moved to offset in-year pressures in respect of *Goods and services*. The decrease in the Adjusted Appropriation was also due to the non-filling of the HOD post for part of the year, as well as the fact that several vacant posts were filled at a later date than anticipated, and some of the vacant posts were filled from within the department, thus creating a vacancy elsewhere. It is noted that, despite cuts of R3.843 million, R4.104 million and R4.384 million being effected over the MTEF, *Compensation of employees* still shows some growth in the outer years to provide for posts that were filled toward the end of 2015/16, provision for carry-through of previous wage agreements, as well as inflationary growth. The department will review this category in-year, taking into consideration the freezing of all vacant non-critical posts, and the impact this will have on rolling out the decentralisation strategy. Any resultant savings will be moved to *Goods and services*.

The significant increase in *Goods and services* in 2013/14 was largely due to increased demand for crime awareness campaigns, and additional funding allocated for payment to SAPS for increased visible policing over the festive season. The high 2014/15 amount and the increase in the 2015/16 Adjusted Appropriation pertain to savings realised from the non-filling of posts being moved to this category to cater for in-year spending pressures including higher than budgeted leasing and operational costs (cleaning and security services, etc.) in respect of the district offices that have been secured, as well as to enable the department to conduct its various interventions and crime prevention programmes at the same level as 2014/15. Also contributing to the high Adjusted Appropriation was once-off funding for anti-xenophobia campaigns, as

mentioned above. The 2016/17 amount is high compared to 2017/18 because of the significant increase in the Social Sector EPWP Incentive Grant for Provinces in that year, as well as once-off funding of R5 million to strengthen departmental oversight during the 2016 local government elections. The category shows fairly low growth over the MTEF, exacerbated by the cuts of R2.130 million, R1.928 million and R2.040 million. However, as mentioned previously, this will be reviewed in-year by the department, and any savings identified against *Compensation of employees* will be moved to this category.

Transfers and subsidies to: Provinces and municipalities caters for the payment of motor vehicle licences, and shows a fairly steady trend.

Spending on *Transfers and subsidies to: Households* relates to staff exit costs. The fluctuations over the period pertain to the number of staff exits, which is difficult to accurately project. There is no budget against this category over the 2016/17 MTEF due to its unpredictable nature.

The amount of R312 000 against *Buildings and other fixed structures* in 2013/14 relates to the purchase of a park-home in the Ugu District as a temporary district office in line with the decentralisation strategy. As previously mentioned, this park-home is placed at the DOT regional office. Similarly, the amount of R500 000 in the 2015/16 Adjusted Appropriation relates to the purchase of a park-home as a temporary district office in the Umkhanyakude District.

The fluctuations against *Machinery and equipment* relate to the fact that the department purchases machinery and equipment on a cyclical basis. The high spending in 2013/14 and, to a lesser extent in 2014/15, is mainly the result of the purchase of vehicles and other capital purchases to furnish and equip the established district offices in line with the decentralisation strategy. Similarly, the high 2016/17 allocation is for capital purchases to furnish and equip the remaining district offices. The fluctuations over the seven-year period against this category result from its cyclical nature.

The amounts of R182 000 and R32 000 in 2012/13 and 2013/14, respectively, against *Software and other intangible assets* relate to the purchase and renewal of software licence fees for the Novell System and for computer software to facilitate the design of documents, booklets and other literature, respectively.

The amounts against *Payments for financial assets* relate to the write-off of staff debts.

5.4 Summary of conditional grant payments and estimates

Table 9.6 illustrates conditional grant payments and estimates for the period 2012/13 to 2018/19. Details are given in *Annexure – Vote 9: Community Safety and Liaison*. It should be noted that the historical figures set out in Table 9.6 reflect actual expenditure per grant, and should not be compared to those figures reflected in Table 9.1, which represents the actual receipts for the grant.

Table 9.6 : Summary of conditional grants payments and estimates by name

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
Social Sector EPWP Incentive Grant for Provinces	792	3 758	2 580	1 000	1 000	1 000	11 043	-	-
Total	792	3 758	2 580	1 000	1 000	1 000	11 043	-	-

The department receives the Social Sector EPWP Incentive Grant for Provinces from 2012/13 to 2016/17. The purpose of this grant is to create work opportunities for social crime prevention volunteers who are employed within the VSCPP. These funds are used for the payment of stipends of some of the VSCPP volunteers (the balance is paid from the equitable share). The stipends are allocated against the economic classification *Goods and services*.

The grant allocation is dependent on the evaluation by the national DOPW of targets achieved, and this largely accounts for the fluctuations in the prior years. Similarly, the significant increase in 2016/17 can be attributed to improved spending, as well as improved reporting in respect of this grant. The increase in allocation will enable the department to recruit 380 social crime prevention volunteers in 2016/17, a significant increase when compared to only 48 recruited in 2015/16. No grant allocation has been allocated to the department in 2017/18 or 2018/19, at this stage.

5.5 Summary of infrastructure payments and estimates

Table 9.7 below presents a summary of infrastructure payments and estimates by category for the vote, including both capital and current expenditure for the period 2012/13 to 2018/19. The department's infrastructure budget is placed solely against *New infrastructure assets: Capital*.

Table 9.7 : 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	-	-	-	-	-	-	-	-	-
Maintenance and repair: Current	-	-	-	-	-	-	-	-	-
Upgrades and additions: Capital	-	-	-	-	-	-	-	-	-
Refurbishment and rehabilitation: Capital	-	-	-	-	-	-	-	-	-
New infrastructure assets: Capital	-	312	-	-	500	500	-	-	-
Infrastructure transfers	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Current	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital	-	-	-	-	-	-	-	-	-
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	-	-	-	-	-	-	-	-	-
Total	-	312	-	-	500	500	-	-	-
Capital infrastructure	-	312	-	-	500	500	-	-	-
Current infrastructure	-	-	-	-	-	-	-	-	-

The 2013/14 amount of R312 000 against *New infrastructure assets: Capital* pertains to the purchase of a park-home in the Ugu District to serve as a temporary district office, situated at the DOT regional office. Similarly, the 2015/16 Adjusted Appropriation includes R500 000 for the purchase of a park-home for the Umkhanyakude office.

5.6 Summary of Public Private Partnerships – Nil

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

5.8 Transfers to other entities – Nil

5.9 Transfers to local government

The department makes no transfer payments to local government, although it does pay motor vehicle licence fees against this category, which are not a direct transfer to a municipality. Therefore, the table reflecting transfers to local government is excluded.

5.10 Transfers and subsidies

Table 9.8 below provides a summary of transfers and subsidies per programme.

Table 9.8 : 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	212	61	13	13	13	14	16	17
Provinces and municipalities	10	10	19	13	13	13	14	16	17
Motor vehicle licences	10	10	19	13	13	13	14	16	17
Households	6	202	42	-	-	-	-	-	-
Social benefits	6	202	42	-	-	-	-	-	-
2. Civilian Oversight	-	5	-	-	73	73	-	-	-
Households	-	5	-	-	73	73	-	-	-
Social benefits	-	5	-	-	73	73	-	-	-
Total	16	217	61	13	86	86	14	16	17

The amounts under Programme 1 against *Provinces and municipalities* relate to the payment of motor vehicle licences.

Households in both programmes pertains to the payment of staff exit costs, which are difficult to budget for, hence the fluctuating trend.

6. Programme description

The department, in line with the Safety and Liaison sector generic budget structure, in 2015/16 expanded the number of sub-programmes in Programme 2, and amended the sub-programme names accordingly. The payments and budgeted estimates for each programme are summarised in terms of economic classification, details of which are presented in the *Annexure – Vote 9: Community Safety and Liaison*.

6.1 Programme 1: Administration

This programme comprises five sub-programmes, namely Office of the HOD, Financial Management, Corporate Services, Legal and Security. Corporate Services includes internal monitoring and evaluation, as well as special projects and inter-governmental relations. The Ministry is shared with DOT, who bears the cost of the shared Ministry. The objective of Programme 1 is to provide essential administrative and management support, while the purpose is to provide strategic direction and support, administrative, financial, executive and legal support, and human resource services. This programme is in line with the sector specific Safety and Liaison programme structure.

Tables 9.9 and 9.10 give a summary of payments and estimates for the seven-year period up to 2018/19. The programme shows steady growth over the seven years, as explained below.

As mentioned previously, this programme was not affected by the cuts made over the MTEF in respect of departments' *Compensation of employees* and *Goods and services* budgets.

Table 9.9 : 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. Office of the HOD	6 050	5 264	7 407	9 689	5 622	5 622	5 519	5 898	6 240
2. Financial Management	7 576	8 084	9 697	10 376	10 694	10 694	9 861	10 507	11 116
3. Corporate Services	15 427	17 667	24 067	23 176	36 223	36 223	45 056	45 265	47 890
4. Legal	1 882	2 313	2 325	3 563	2 813	2 813	3 176	3 430	3 629
5. Security	1 330	1 910	2 353	2 577	4 230	4 230	5 284	5 489	5 808
Total	32 265	35 238	45 849	49 381	59 582	59 582	68 896	70 589	74 683

Table 9.10 : 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	31 623	34 329	44 455	48 901	58 602	58 602	66 890	70 042	74 107
Compensation of employees	17 217	17 729	24 822	30 943	30 797	30 797	32 771	35 340	37 391
Goods and services	14 406	16 600	19 633	17 958	27 805	27 805	34 119	34 702	36 716
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	16	212	61	13	13	13	14	16	17
Provinces and municipalities	10	10	19	13	13	13	14	16	17
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	6	202	42	-	-	-	-	-	-
Payments for capital assets	614	674	1 320	467	967	967	1 992	531	559
Buildings and other fixed structures	-	312	-	-	500	500	-	-	-
Machinery and equipment	432	330	1 320	467	467	467	1 992	531	559
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	182	32	-	-	-	-	-	-	-
Payments for financial assets	12	23	13	-	-	-	-	-	-
Total	32 265	35 238	45 849	49 381	59 582	59 582	68 896	70 589	74 683

The slight decrease in the sub-programme: Office of the HOD in 2013/14 was due to the non-filling of vacant posts, as well as cost-cutting, particularly on stationery and printing. The increase from 2014/15 to the 2015/16 Main Appropriation was due to the anticipated filling of these vacant posts. Many of these posts were filled at a later date than expected, contributing to the reduction in the Adjusted Appropriation. The reduction was also due to the department correcting some areas of the budget which were not fully aligned to the new budget structure introduced by the Safety and Liaison sector with effect from 2015/16. In this regard, funds were shifted from this sub-programme to Corporate Services and Security, to ensure the correct placement of the departmental Strategic Planning and Monitoring and Evaluation functions, as well as the Special Projects and Intergovernmental Relations units. The prior year figures could not be restated, as these units were newly established. The trend over the MTEF is largely inflation related.

The sub-programme: Financial Management reflects a fairly steady trend over the seven-year period. The 2015/16 Main and Adjusted Appropriation are marginally higher than the prior and ensuing years, mainly due to higher than anticipated audit fees. The budget over the 2016/17 MTEF is largely inflation related.

The sub-programme: Corporate Services shows reasonable growth in the prior years due to the filling of posts in line with the roll-out of phase one of the revised organisational structure. The increase in the 2015/16 Adjusted Appropriation relates to the centralisation of the department's operational costs under this sub-programme, such as computer services, fleet services, security services, training and staff development, communication costs, etc. The prior year figures could not be restated, as the district offices were not functional at this stage. The growth in the sub-programme can also be explained by the previously mentioned alignment to the new budget structure introduced by the sector, in terms of which funds were shifted from the sub-programme: Office of the HOD to Corporate Services and Security, to ensure the correct placement of the Strategic Planning and Monitoring and Evaluation functions, as well as the Special Projects and Intergovernmental Relations units, as mentioned previously. The low growth from 2016/17 to 2017/18 relates to the fact that the funding to assist with implementing the revised organisational structure comes to an end in 2016/17, and this has an impact on this sub-programme, hence the low growth to 2017/18.

The trend against the sub-programme: Legal is largely inflationary by nature. The slight reduction in the 2015/16 Adjusted Appropriation is due to the reprioritisation of savings related to delays in the filling of posts to other in-year-spending pressures, whereafter there is a steady growth over the MTEF.

The trend from 2012/13 to 2018/19 against the Security sub-programme is largely inflationary by nature. The growth in the 2015/16 Adjusted Appropriation can be explained by the previously mentioned alignment to the new budget structure, in terms of which funds were shifted from the sub-programme: Office of the HOD to Corporate Services and Security, to ensure the correct placement of the Strategic Planning and Monitoring and Evaluation functions, as well as the Special Projects and Intergovernmental Relations units. As mentioned, the prior year figures could not be restated.

The trend over the seven years against *Compensation of employees* is generally steady. The substantial increase in 2013/14 and 2014/15 was due to the filling of posts in terms of phase one of the revised organisational structure. The slight decrease from the 2015/16 Main to Adjusted Appropriation was also due to the non-filling of the HOD post for part of the year, as well as the fact that several vacant posts were filled at a later date than anticipated, and some of the vacant posts were filled from within the department, thus creating a vacancy elsewhere. The budget over the MTEF caters for posts filled toward the end of 2015/16, annual wage adjustments and inflationary increments.

Goods and services shows steady growth from 2012/13 to 2014/15. The increase of approximately R10 million from the 2015/16 Main to the Adjusted Appropriation relates to the shifting of funds from *Goods and services* in Programme 2 to the same category in Programme 1 to provide for operational costs that are now centralised under the sub-programme: Corporate Services in Programme 1, such as computer services, fleet services, security services, training and staff development, communication costs, etc. The prior year figures could not be restated, as the district offices were not functional at this stage. However, this centralisation accounts for the continued growth over the MTEF.

Transfers and subsidies to: Provinces and municipalities is for motor vehicle licences, and shows a fairly steady trend.

Spending on *Transfers and subsidies to: Households* relates to staff exit costs. The fluctuations over the seven-year period pertain to the number of staff exits, which is difficult to accurately project.

The amount of R312 000 against *Buildings and other fixed structures* in 2013/14 relates to the purchase of a park-home in the Ugu District as a temporary district office in line with the decentralisation strategy. Similarly, the amount of R500 000 in the 2015/16 Adjusted Appropriation relates to the purchase of a park-home as a temporary district office in the Umkhanyakude District.

The high spending against *Machinery and equipment* in 2014/15 is for capital purchases to furnish and equip the established district offices, and the purchase of departmental vehicles for head office. Similarly, the high 2016/17 allocation is for capital purchases to furnish and equip the remaining district offices. The fluctuations over the seven-year period against this category result from its cyclical nature.

The amounts of R182 000 and R32 000 in 2012/13 and 2013/14, respectively, against *Software and other intangible assets* relate to the purchase and renewal of software licence fees for the Novell System and for computer software to facilitate the design of documents, booklets and other literature, respectively.

The amounts against *Payments for financial assets* relate to the write-off of staff debts.

6.2 Programme 2: Civilian Oversight

Programme 2 is the main service delivery programme of the department, and comprises five sub-programmes, namely Policy and Research, Monitoring and Evaluation, Safety Promotion, Community Police Relations, and Programme Support.

The main purpose of this programme is to perform the function of oversight over the Office of the Provincial Commissioner and specialised units, as well as community police relations at a provincial level. In addition, it performs the function of safety information analysis and conceptualisation which has to be done at a provincial level. The major key performance indicators within this programme are the VSCPP, focused and integrated interventions and events, community training programmes, etc. Various crime awareness projects, including school safety, substance abuse, stock theft, etc., characterise these interventions and events. The training programme, which was initiated in 2013/14, is called the Societal Education to Build Safer Communities programme. The CiDP, the capacitation and establishment of CPFs, and street committees form the major part of interventions and partnerships with communities.

Tables 9.11 and 9.12 below illustrate the summary of payments and estimates relating to Programme 2 presented per sub-programme and economic classification.

It is noted that the department effected the MTEF cuts in respect of its *Compensation of employees* and *Goods and services* budgets entirely against the sub-programme: Safety Promotion within this programme (as explained below), with R3.843 million, R4.104 million and R4.384 million being reduced from *Compensation of employees*, and R2.130 million, R1.928 million and R2.040 million being reduced from *Goods and services*, specifically from *Agency and support/outsourced services*.

Table 9.11 : Summary of payments and estimates by sub-programme: Civilian Oversight

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. Policy and Research	935	1 294	3 867	3 298	3 700	3 700	3 969	4 068	4 304
2. Monitoring and Evaluation	8 863	8 505	8 817	21 924	13 548	13 548	16 169	17 706	18 733
3. Safety Promotion	30 557	31 338	34 605	32 100	69 545	69 545	76 388	61 832	65 402
4. Community Police Relations	61 698	93 921	85 296	78 534	28 086	28 086	17 174	12 385	13 103
5. Programme Support	1 574	1 626	805	1 832	16 584	16 584	27 527	29 368	31 072
Total	103 627	136 684	133 390	137 688	131 463	131 463	141 227	125 359	132 614

Table 9.12 : Summary of payments and estimates by economic classification: Civilian Oversight

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	103 447	131 365	132 150	136 952	130 648	130 648	140 252	124 545	131 751
Compensation of employees	20 090	25 996	36 015	59 177	41 094	41 094	58 964	64 794	68 510
Goods and services	83 357	105 369	96 135	77 775	89 554	89 554	81 288	59 751	63 241
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	5	-	-	73	73	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	5	-	-	73	73	-	-	-
Payments for capital assets	180	5 314	1 240	736	736	736	975	814	863
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	180	5 314	1 240	736	736	736	975	814	863
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	6	6	-	-	-
Total	103 627	136 684	133 390	137 688	131 463	131 463	141 227	125 359	132 614

The Policy and Research sub-programme shows a generally consistent trend over the seven-year period, in line with inflationary growth. The 2014/15 amount is high due to the implementation of the Civilian Secretariat for Police Services Act requiring additional research and understanding. The increase in the 2015/16 Adjusted Appropriation relates to the fact that several shifts were undertaken between sub-programmes within Programme 2 to correct areas of the budget which were not fully aligned to the new budget structure introduced by the Safety and Liaison sector. The bulk of the funds were shifted from the Community Police Relations sub-programme to the sub-programmes: Safety Promotion, Programme Support and Policy and Research, to ensure alignment in this regard. The budget over the 2016/17 MTEF is largely inflation related.

The sub-programme: Monitoring and Evaluation reflects a significant increase from 2014/15 to the 2015/16 Main Appropriation pertaining to the anticipated implementation of phases two and three of the revised organisational structure. The decrease from the 2015/16 Main to the Adjusted Appropriation is due to phases two and three not being implemented as planned. The resultant savings were moved to various other sub-programmes to cater for in-year spending pressures including higher than budgeted leasing and operational costs (cleaning and security services, etc.) in respect of the district offices that have been secured, as well as to enable the department to conduct its various interventions and crime prevention programmes at the same level as 2014/15. The trend over the 2016/17 MTEF is mainly inflation related.

The sub-programme: Safety Promotion reflects a significant increase in the 2015/16 Adjusted Appropriation as a result of funds being shifted between sub-programmes within Programme 2 to correct areas of the budget which were not fully aligned to the new budget structure introduced by the Safety and Liaison sector, as mentioned above. The funds were shifted from the Community Police Relations sub-programme to the sub-programmes: Safety Promotion, Programme Support and Policy and Research. The result is that, from the 2015/16 Adjusted Appropriation, the Safety Promotion sub-programme comprises the bulk of Programme 2's budget, and this trend is continued over the MTEF. This also explains why the department decided to effect the above-mentioned cuts entirely against the Safety Promotion sub-programme. Also contributing to the high Adjusted Appropriation was once-off funding for spending on the anti-xenophobia campaigns undertaken by the department. This sub-programme also houses the Social Sector EPWP Incentive Grant for Provinces from 2012/13 to 2016/17, with no carry-through at this stage. As mentioned previously, the department received a significant increase in grant allocation in 2016/17, contributing to the increase in 2016/17 and drop in 2017/18. Also contributing to the high 2016/17 allocation was the once-off funding of R5 million received in 2016/17 to strengthen departmental oversight during the 2016 local government elections.

The substantial increase in 2013/14 against the Community Police Relations sub-programme was largely due to the increased demand for crime awareness campaigns, and a once-off payment to SAPS for increased visible policing over the festive season (which account for the drop in 2014/15). Projects which fall under crime awareness include, among others, victim empowerment, drug abuse, resolving political conflicts, etc. There was also a significant increase in the department's capital expenditure compared to 2012/13 emanating from the purchase of vehicles in anticipation of the roll-out of the decentralisation strategy. The significant reduction in the 2015/16 Adjusted Appropriation relates to the above-mentioned shifts undertaken between sub-programmes within Programme 2 to correct areas of the budget, which were not fully aligned to the new budget structure introduced by the Safety and Liaison sector. Funds were shifted from this sub-programme to the sub-programmes: Safety Promotion, Programme Support and Policy and Research, continued over the MTEF, resulting in a significant reduction in the budget of this sub-programme, and an equivalent increase in Safety Promotion and Programme Support. Also contributing to the decrease in the 2015/16 Adjusted Appropriation was the above-mentioned centralisation of the operational costs of the department under the sub-programme: Corporate Services in Programme 1. The low growth from 2016/17 to 2017/18 relates to the fact that the funding to assist with implementing the revised organisational structure comes to an end in 2016/17, and this has an impact on this sub-programme, hence the low growth to 2017/18.

The trend over the seven-year period against the sub-programme: Programme Support fluctuates in line with progress made in setting up the office of the newly established Provincial Secretariat. The low 2014/15 amount is due to the vacant post of the Provincial Secretariat being filled later than anticipated. As mentioned, in the 2015/16 Adjusted Appropriation, several shifts were undertaken between sub-programmes within Programme 2 to correct areas of the budget, which were not fully aligned to the new budget structure introduced by the Safety and Liaison sector. The bulk of the funds were shifted from the Community Police Relations sub-programme to the sub-programmes: Policy and Research, Safety Promotion and Programme Support, accounting for the significant increase in this sub-programme continued over the MTEF.

The increase from 2014/15 to the 2015/16 Main Appropriation against *Compensation of employees* was to cater for the roll-out of phases two and three of the revised organisational structure. The decrease in the Adjusted Appropriation pertains to the roll-out of these phases not commencing, pending the completion and review of phase one, as explained previously. These savings were moved to offset in-year pressures in respect of *Goods and services*. It is noted that, despite cuts of R3.843 million, R4.104 million and R4.384 million being effected over the MTEF against this category, *Compensation of employees* still shows some growth in the outer years to provide for posts that were filled toward the end of 2015/16, provision for carry-through of previous wage agreements, as well as inflationary growth. The department will review this category in-year, taking into consideration the freezing of all vacant non-critical posts. Any resultant savings will be moved to *Goods and services*.

The significant increase in *Goods and services* in 2013/14 is largely due to increased demand for crime awareness campaigns, and additional funding allocated for payment to SAPS for increased visible policing over the festive season. The high 2014/15 amount and the increase in the 2015/16 Adjusted Appropriation pertain to savings realised from the non-filling of posts being moved to this category to cater for in-year spending pressures including higher than budgeted leasing and operational costs (cleaning and security services, etc.) in respect of the district offices that have been secured, as well as to enable the department to conduct its various interventions and crime prevention programmes at the same level as 2014/15. Also contributing to the high Adjusted Appropriation was once-off funding for the anti-xenophobia campaigns conducted by the department in response to the xenophobic attacks that took place in the province early in 2015/16. The 2016/17 amount is high compared to 2017/18 because of the significant increase in the Social Sector EPWP Incentive Grant for Provinces in that year, as well as once-off funding of R5 million to strengthen departmental oversight during the 2016 local government elections. It is noted that the category shows fairly low growth over the MTEF, exacerbated by the cuts of R2.130 million, R1.928 million and R2.040 million. However, as mentioned previously, this will be reviewed in-year by the department, taking into consideration the freezing of all vacant non-critical posts. Any savings identified against *Compensation of employees* will be moved to this category.

Transfers and subsidies to: Households pertains to staff exit costs, which are difficult to budget for.

The fluctuations against *Machinery and equipment* relate to the fact that the department purchases machinery and equipment on a cyclical basis. The high spending in 2013/14 and, to a lesser extent in 2014/15, is mainly the result of the purchase of vehicles in line with the decentralisation strategy.

Service delivery measures – Programme 2: Civilian Oversight

Table 9.13 illustrates the main service delivery information relating to Programme 2, which were aligned, as far as possible, to the generic service delivery measures of the sector in 2016/17.

Table 9.13 : Service delivery measures – Programme 2: Civilian Oversight

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2015/16	2016/17	2017/18	2018/19	
1. Monitor SAPS levels of service delivery in KZN	• No. of stations monitored	183	91	104	117	
	• No. of quarterly reports on the implementation of National Monitoring Tool (NMT)	4	4	4	4	
	• No. of Domestic Violence Act (DVA) compliance reports produced	4	52	55	58	
	• No. of specialised units monitored	8	12	14	16	
	• No. of service delivery complaints management reports processed	4	4	4	4	
	• No. of reports on implementation of Independent Police Investigative Directive (IPID) Act recommendations by SAPS	1	1	1	1	
2. Establish and maintain community safety partnerships	• No. of CSFs established	51	26	25	13	
	• No. of functional CPFs assessed	183	91	104	117	
	• No. of ward safety committee structures established	65	52	65	78	
	• No. of reports on initiatives to support provincial community safety structures	4	4	4	4	
	• No. of crime prevention programmes implemented	15	10	12	15	
3. Research into the policing needs of the province	• No. of consolidated provincial safety priorities research reports produced	2	1	1	1	
	• No. of research reports produced on special projects commissioned by the Civilian Secretariat for Police	2	1	1	1	
	• No. of reports on policing policies and directives reviewed	1	1	1	1	
	• No. of reports on monitoring tools and safety models reviewed	2	1	1	1	

7. Other programme information

7.1 Personnel numbers and cost

Tables 9.14 and 9.15 below reflect the personnel numbers and estimates pertaining to the department over the seven-year period.

In terms of the revised organisational structure, the department intends to increase its staff numbers from 156 (as per Table 9.15) in 2014/15 to 219 in 2016/17. However, as mentioned above, the MEC for Community Safety and Liaison requested that a review be undertaken in the fourth quarter of 2015/16, in order to evaluate the impact of implementing phase one of the department's revised organisational structure. As such, the department did not roll out the second and third phases during 2015/16, as anticipated. The tables below show that no vacant posts will be filled in 2016/17, at this stage, accounting for the personnel number of 171 reflected from the 2015/16 Adjusted Appropriation onward. This will be reviewed in-year by the department, however, taking into account the impact that the freezing of all vacant non-critical posts will have on implementing the revised organisational structure, in view of the need to further roll-out the decentralisation strategy.

As shown in Table 9.15, the department hires contract workers who are additional to the establishment. These contract personnel assist with the running of the VSCPP, are facilitators in the CPF programme, etc.

Table 9.14 : 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	64	61	71	80	80	80	80
2. Civilian Oversight	62	82	85	91	91	91	91
Total	126	143	156	171	171	171	171
Total provincial personnel cost (R thousand)	37 307	43 725	60 837	71 891	91 735	100 134	105 901
Unit cost (R thousand)	296	306	390	420	536	586	619

Table 9.15 : 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)	126	143	156	182	171	171	171	171	171
Personnel cost (R thousands)	37 307	43 725	60 837	90 120	71 891	71 891	91 735	100 134	105 901
Human resources component									
Personnel numbers (head count)	7	7	14	14	14	14	14	14	14
Personnel cost (R thousands)	1 878	2 678	5 136	5 894	5 894	5 894	6 329	6 794	7 188
Head count as % of total for department	5.56	4.90	8.97	7.69	8.19	8.19	8.19	8.19	8.19
Personnel cost as % of total for department	5.03	6.12	8.44	6.54	8.20	8.20	6.90	6.78	6.79
Finance component									
Personnel numbers (head count)	17	16	19	19	19	19	19	19	19
Personnel cost (R thousands)	5 131	4 883	6 138	6 992	6 992	6 992	7 569	8 153	8 580
Head count as % of total for department	13.49	11.19	12.18	10.44	11.11	11.11	11.11	11.11	11.11
Personnel cost as % of total for department	13.75	11.17	10.09	7.76	9.73	9.73	8.25	8.14	8.10
Full time workers									
Personnel numbers (head count)	90	119	122	148	137	137	137	137	137
Personnel cost (R thousands)	35 238	40 096	55 475	83 537	65 308	65 308	84 721	92 702	98 038
Head count as % of total for department	71.43	83.22	78.21	81.32	80.12	80.12	80.12	80.12	80.12
Personnel cost as % of total for department	94.45	91.70	91.19	92.70	90.84	90.84	92.35	92.58	92.58
Part-time workers									
Personnel numbers (head count)	-	-	-	-	-	-	-	-	-
Personnel cost (R thousands)	-	-	-	-	-	-	-	-	-
Head count as % of total for department	-	-	-	-	-	-	-	-	-
Personnel cost as % of total for department	-	-	-	-	-	-	-	-	-
Contract workers									
Personnel numbers (head count)	36	24	34	34	34	34	34	34	34
Personnel cost (R thousands)	2 069	3 629	5 362	6 583	6 583	6 583	7 014	7 432	7 863
Head count as % of total for department	28.57	16.78	21.79	18.68	19.88	19.88	19.88	19.88	19.88
Personnel cost as % of total for department	5.55	8.30	8.81	7.30	9.16	9.16	7.65	7.42	7.42

7.2 Training

Tables 9.16 and 9.17 below reflect the actual and estimated expenditure on training per programme for the period 2012/13 to 2018/19, as well as the number of people involved in training for the period. The amounts reflected pertain to capacitating and improving the skills of the staff. The department is required by the Skills Development Act to budget at least 1 per cent of its salary expense on staff training. This requirement gives credence to government policy on human resource development. The department is abiding by this, and in most instances is exceeding the required 1 per cent.

Table 9.16 illustrates the number of staff affected by the various training programmes and initiatives. It also includes a gender breakdown, an indication of the types of training, as well as details of the number of bursaries and learnerships.

Table 9.16 : 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	234	792	1 470	526	526	526	524	567	600
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	234	792	1 470	526	526	526	524	567	600
Other	-	-	-	-	-	-	-	-	-
2. Civilian Oversight	650	11 593	8 637	3 994	2 440	2 440	1 676	1 509	1 597
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	650	11 593	8 637	3 994	2 440	2 440	1 676	1 509	1 597
Other	-	-	-	-	-	-	-	-	-
Total	884	12 385	10 107	4 520	2 966	2 966	2 200	2 076	2 197

Table 9.17 : Information on training: Community Safety and Liaison

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	126	143	156	182	171	171	171	171	171
Number of personnel trained	40	118	125	96	77	77	101	106	111
<i>of which</i>									
Male	12	56	60	44	35	35	46	48	50
Female	28	62	65	52	42	42	55	58	61
Number of training opportunities	14	21	24	21	21	21	26	32	37
<i>of which</i>									
Tertiary	6	8	10	2	2	2	3	4	5
Workshops	7	12	13	3	3	3	4	6	8
Seminars	1	1	1	4	4	4	5	6	7
Other	-	-	-	12	12	12	14	16	17
Number of bursaries offered	6	8	12	4	4	4	6	8	10
Number of interns appointed	15	15	15	16	16	16	16	17	18
Number of learnerships appointed	-	-	-	-	-	-	-	-	-
Number of days spent on training	21	40	40	5	5	5	5	5	5

The increase in training spending against Programme 1 in 2014/15 relates to training required in respect of the roll-out of the Civilian Secretariat for Police Services Act, as well as the implementation of phase one of the revised organisational structure.

The substantial increase in training spending in respect of Programme 2 from 2012/13 to 2014/15 relates to the implementation of the Societal Education to Build Safer Communities programme. This project is an integral part of the department's partnership and relationship with the communities of KZN. The department, in the past, built community capacity to understand and respond to safety threats through a number of training courses. This has included, among others, the programme for CPFs, school safety courses, training of traditional leaders in social crime prevention and human rights, and life-skills programmes provided to young people. The department will continue to consolidate the various training modules and expand the training at a grass roots level. The reduction in the 2015/16 Adjusted Appropriation relates to the fact that phases two and three of the revised organisational structure were not rolled out as anticipated, impacting on the number of district office staff requiring training.

ANNEXURE – VOTE 9: COMMUNITY SAFETY AND LIAISON

Table 9.A : Details of departmental receipts: Community Safety and Liaison

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	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	54	60	72	69	69	69	73	76	80
Sale of goods and services produced by department (excluding capital assets)	54	60	72	69	69	69	73	76	80
Sales by market establishments	30	37	38	37	37	37	39	41	43
Administrative fees	-	-	-	-	-	-	-	-	-
Other sales	24	23	34	32	32	32	34	35	37
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	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	-	-	-	-	-	-	-	-	-
Transactions in financial assets and liabilities	21	19	4	23	23	23	24	25	27
Total	75	79	76	92	92	92	97	101	107

Table 9.B : Payments and estimates by economic classification: Community Safety and Liaison

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	135 070	165 694	176 605	185 853	189 250	189 250	207 142	194 587	205 858
Compensation of employees	37 307	43 725	60 837	90 120	71 891	71 891	91 735	100 134	105 901
Salaries and wages	31 378	39 391	54 259	80 531	63 533	63 575	82 027	89 709	94 870
Social contributions	5 929	4 334	6 578	9 589	8 358	8 316	9 708	10 425	11 031
Goods and services	97 763	121 969	115 768	95 733	117 359	117 359	115 407	94 453	99 957
Administrative fees	-	-	-	2	2	2	-	-	-
Advertising	9 194	4 515	1 780	926	872	872	300	300	317
Assets less than the capitalisation threshold	158	309	585	596	312	312	318	340	360
Audit cost: External	1 509	2 512	3 322	1 890	2 941	2 941	2 368	2 468	2 611
Bursaries: Employees	90	58	58	148	148	148	200	200	212
Catering: Departmental activities	4 682	8 565	7 889	1 698	6 264	6 266	5 514	3 605	3 814
Communication (G&S)	1 848	1 346	1 553	2 101	1 441	1 438	1 700	1 728	1 828
Computer services	558	1 469	1 120	4 866	3 807	3 807	4 574	4 602	4 869
Cons & prof serv: Business and advisory services	2 525	798	6 127	856	3 854	3 854	7 600	3 100	3 279
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	11	10	568	138	138	460	500	529
Contractors	7 401	9 027	6 151	1 409	4 307	4 363	2 000	2 000	2 116
Agency and support / outsourced services	8 058	13 393	7 015	7 088	11 277	11 277	5 741	6 136	6 518
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	1 618	1 718	1 774	2 043	2 149	2 149	2 600	2 629	2 781
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	1 000	1 000	1 058
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	29	35	30	139	95	97	45	46	49
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	342	277	-	4	4	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medias inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	921	767	1 268	1 000	1 285	1 286	-	-	-
Consumable: Stationery, printing and office supplies	1 249	2 284	2 022	2 781	1 510	1 680	1 478	1 348	1 426
Operating leases	4 065	4 785	6 970	14 149	8 377	8 416	11 600	11 800	12 484
Property payments	1 054	467	1 224	4 636	1 885	1 892	3 100	3 116	3 297
Transport provided: Departmental activity	4 700	9 013	5 891	2 600	4 964	4 964	1 500	1 400	1 481
Travel and subsistence	6 851	11 023	13 567	8 318	16 490	16 444	11 424	9 363	9 906
Training and development	884	12 385	10 107	4 520	2 966	2 966	2 200	2 076	2 197
Operating payments	29 162	25 037	28 392	31 000	33 539	33 354	43 211	32 168	34 034
Venues and facilities	11 207	12 110	8 636	2 399	8 732	8 689	6 474	4 528	4 791
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	16	217	61	13	86	86	14	16	17
Provinces and municipalities	10	10	19	13	13	13	14	16	17
Provinces	10	10	19	13	13	13	14	16	17
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	10	10	19	13	13	13	14	16	17
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	-	-	-	-	-	-	-	-	-
Households	6	207	42	-	73	73	-	-	-
Social benefits	6	199	42	-	73	73	-	-	-
Other transfers to households	-	8	-	-	-	-	-	-	-
Payments for capital assets	794	5 988	2 560	1 203	1 703	1 703	2 967	1 345	1 422
Buildings and other fixed structures	-	312	-	-	500	500	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	312	-	-	500	500	-	-	-
Machinery and equipment	612	5 644	2 560	1 203	1 203	1 203	2 967	1 345	1 422
Transport equipment	-	3 883	664	-	-	-	1 500	-	-
Other machinery and equipment	612	1 761	1 896	1 203	1 203	1 203	1 467	1 345	1 422
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	182	32	-	-	-	-	-	-	-
Payments for financial assets	12	23	13	-	6	6	-	-	-
Total	135 892	171 922	179 239	187 069	191 045	191 045	210 123	195 948	207 297

Table 9.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	31 623	34 329	44 455	48 901	58 602	58 602	66 890	70 042	74 107
Compensation of employees	17 217	17 729	24 822	30 943	30 797	30 797	32 771	35 340	37 391
Salaries and wages	13 206	15 702	21 842	27 981	27 414	27 414	29 494	31 805	33 650
Social contributions	4 011	2 027	2 980	2 962	3 383	3 383	3 277	3 535	3 741
Goods and services	14 406	16 600	19 633	17 958	27 805	27 805	34 119	34 702	36 716
Administrative fees	-	-	-	2	2	2	-	-	-
Advertising	3 774	606	251	598	593	593	300	300	317
Assets less than the capitalisation threshold	77	74	128	176	112	112	168	190	201
Audit cost: External	1 509	2 512	3 322	1 890	2 941	2 941	2 368	2 468	2 611
Bursaries: Employees	90	58	57	148	148	148	200	200	212
Catering: Departmental activities	152	208	228	88	164	164	368	369	391
Communication (G&S)	816	1 088	1 553	1 043	1 416	1 416	1 700	1 728	1 828
Computer services	558	1 442	1 008	866	3 807	3 807	4 574	4 602	4 869
Cons & prof serv: Business and advisory services	267	798	387	56	456	456	-	-	-
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	11	10	568	138	138	460	500	529
Contractors	160	203	30	9	7	7	200	200	212
Agency and support / outsourced services	134	526	710	288	2 398	2 398	3 388	3 469	3 671
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	449	733	1 675	1 043	2 149	2 149	2 600	2 629	2 781
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	13	21	12	84	34	36	29	30	32
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	91	20	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medias inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	23	197	177	-	2	3	-	-	-
Consumable: Stationery, printing and office supplies	581	978	770	2 241	1 148	1 148	930	940	994
Operating leases	4 062	4 756	5 465	5 852	8 247	8 252	11 600	11 800	12 484
Property payments	889	425	993	1 236	1 023	1 023	3 100	3 116	3 297
Transport provided: Departmental activity	-	109	13	-	-	-	-	-	-
Travel and subsistence	456	836	1 164	924	1 974	1 966	1 300	1 308	1 384
Training and development	234	792	1 470	526	919	919	500	515	545
Operating payments	24	17	57	-	-	-	-	-	-
Venues and facilities	138	119	133	320	127	127	334	338	358
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	16	212	61	13	13	13	14	16	17
Provinces and municipalities	10	10	19	13	13	13	14	16	17
Provinces	10	10	19	13	13	13	14	16	17
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	10	10	19	13	13	13	14	16	17
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	-	-	-	-	-	-	-	-	-
Households	6	202	42	-	-	-	-	-	-
Social benefits	6	194	42	-	-	-	-	-	-
Other transfers to households	-	8	-	-	-	-	-	-	-
Payments for capital assets	614	674	1 320	467	967	967	1 992	531	559
Buildings and other fixed structures	-	312	-	-	500	500	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	312	-	-	500	500	-	-	-
Machinery and equipment	432	330	1 320	467	467	467	1 992	531	559
Transport equipment	-	-	664	-	-	-	1 500	-	-
Other machinery and equipment	432	330	656	467	467	467	492	531	559
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	182	32	-	-	-	-	-	-	-
Payments for financial assets	12	23	13	-	-	-	-	-	-
Total	32 265	35 238	45 849	49 381	59 582	59 582	68 896	70 589	74 683

Table 9.D : Payments and estimates by economic classification: Civilian Oversight

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	103 447	131 365	132 150	136 952	130 648	130 648	140 252	124 545	131 751
Compensation of employees	20 090	25 996	36 015	59 177	41 094	41 094	58 964	64 794	68 510
Salaries and wages	18 172	23 689	32 417	52 550	36 119	36 161	52 533	57 904	61 220
Social contributions	1 918	2 307	3 598	6 627	4 975	4 933	6 431	6 890	7 290
Goods and services	83 357	105 369	96 135	77 775	89 554	89 554	81 288	59 751	63 241
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	5 420	3 909	1 529	328	279	279	-	-	-
Assets less than the capitalisation threshold	81	235	457	420	200	200	150	150	159
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	1	-	-	-	-	-	-
Catering: Departmental activities	4 530	8 357	7 661	1 610	6 100	6 102	5 146	3 236	3 423
Communication (G&S)	1 032	258	-	1 058	25	22	-	-	-
Computer services	-	27	112	4 000	-	-	-	-	-
Cons & prof serv: Business and advisory services	2 258	-	5 740	800	3 398	3 398	7 600	3 100	3 279
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	7 241	8 824	6 121	1 400	4 300	4 356	1 800	1 800	1 904
Agency and support / outsourced services	7 924	12 867	6 305	6 800	8 879	8 879	2 353	2 667	2 847
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	1 169	985	99	1 000	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	1 000	1 000	1 058
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	16	14	18	55	61	61	16	16	17
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	251	257	-	4	4	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medgas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	898	570	1 091	1 000	1 283	1 283	-	-	-
Consumable: Stationery, printing and office supplies	668	1 306	1 252	540	362	532	548	408	432
Operating leases	3	29	1 505	8 297	130	164	-	-	-
Property payments	165	42	231	3 400	862	869	-	-	-
Transport provided: Departmental activity	4 700	8 904	5 878	2 600	4 964	4 964	1 500	1 400	1 481
Travel and subsistence	6 395	10 187	12 403	7 394	14 516	14 478	10 124	8 055	8 522
Training and development	650	11 593	8 637	3 994	2 047	2 047	1 700	1 561	1 652
Operating payments	29 138	25 020	28 335	31 000	33 539	33 354	43 211	32 168	34 034
Venues and facilities	11 069	11 991	8 503	2 079	8 605	8 562	6 140	4 190	4 433
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	5	-	-	73	73	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving 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	-	5	-	-	73	73	-	-	-
Social benefits	-	5	-	-	73	73	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	180	5 314	1 240	736	736	736	975	814	863
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	180	5 314	1 240	736	736	736	975	814	863
Transport equipment	-	3 883	-	-	-	-	-	-	-
Other machinery and equipment	180	1 431	1 240	736	736	736	975	814	863
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	6	6	-	-	-
Total	103 627	136 684	133 390	137 688	131 463	131 463	141 227	125 359	132 614

Table 9.E : Payments and estimates by economic classification: Social Sector EPWP Incentive Grant for Provinces (Prog. 2: Civilian Oversight)

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
Current payments	792	3 758	2 580	1 000	1 000	1 000	11 043	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Salaries and wages	-	-	-	-	-	-	-	-	-
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	792	3 758	2 580	1 000	1 000	1 000	11 043	-	-
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Assets less than the capitalisation threshold	-	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication (G&S)	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons and prof serv: Business and advisory services	-	-	-	-	-	-	-	-	-
Cons and prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons and prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons and prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons and prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	-	-	-	-
Agency and support/outourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Material and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	-	-
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	792	3 758	2 580	1 000	1 000	1 000	11 043	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	792	3 758	2 580	1 000	1 000	1 000	11 043	-	-

VOTE 10

Sport and Recreation

Operational budget	R 426 479 000
MEC remuneration	Nil
Total amount to be appropriated	R 426 479 000
Responsible MEC	MEC for Arts, Culture, Sport and Recreation ¹
Administering department	Sport and Recreation ²
Accounting officer	Head: Sport and Recreation

1. Overview

Vision

The department's vision is: *An active and winning province through sport and recreation.*

Mission statement

The department's mission is: *To transform the sport and recreation environment through integrated, sustainable mass participation, development and high performance programmes at all levels by ensuring equitable access and alignment to government outcomes so as to improve the quality of life of all the citizens of KwaZulu-Natal.*

Strategic goals

The strategic goals of the department are to promote and contribute to:

- The health and well-being of the citizens of KZN.
- Improved performance through talent optimisation, development and high performance programmes.
- Good governance and accountability in sport and recreation.
- Transformation of the sport and recreation sector through the creation of equal access and opportunities for all.
- Maximising access to sport, recreation and physical education in every school in KZN.
- Social cohesion and national identity through participation in sport and recreation.

Strategic objectives

Strategic policy direction: The department is responsible for the promotion and development of sport and recreation in KZN. The department has set the following strategic objectives to achieve this:

- *Administration:* To provide strategic administrative support to enable effective and efficient service delivery to internal and external stakeholders.
- *Management:* To provide strategic managerial direction and good governance through co-ordinated stakeholder consultations.
- *Sport and Recreation Infrastructure Planning and Development (Facilities):* To deliver sport and recreation facilities in communities and schools.

¹ The salary of the MEC for Sport and Recreation is budgeted for under Vote 15: Arts and Culture.

² It should be noted that, in previous years, Vote 10: Sport and Recreation was referred to as Vote 16.

- *Community Sport Promotion and Development (Stakeholder Management)*: To deliver sport development and high performance programmes through affiliated provincial sport federations and other entities.
- *Club Development*: To promote mass participation and talent optimisation through support for clubs and sport academies.
- *Sport and Recreation Strategic Projects (Special Projects)*: To promote the local economy and social cohesion by hosting/supporting major and mass-based sport events.
- *Organised Recreation Services (Recreation)*: To promote active and healthy lifestyles through participation in organised active recreation events.
- *Community Recreation (Siyadlala)*: To promote active and healthy lifestyles through mass participation programmes implemented in community activity hubs and clubs.
- *School Sport*: To provide an integrated and sustainable school sport and recreation programme in schools.

Core functions

Among others, the core functions of the department are to:

- Create a revitalised and transformed sport and recreation sector with improved corporate governance and accountability.
- Address poverty by delivering key departmental services at ward levels through the war-room intervention programme.
- Develop and implement a model for increasing funding for sport and recreation.
- Promote social cohesion across society by ensuring that there are adequate facilities for the majority of the population.
- Regulate partnerships with municipalities for the development and maintenance of sport and recreation facilities.
- Establish protocols to govern the relationships with the KZN Sport Confederation, district and local confederations and local ward committees.
- Promote active and healthy lifestyles through integrated and sustainable mass-based programmes from local to provincial levels.
- Improve the health and well-being of the nation by providing mass participation opportunities through active recreation.
- Use sport as a means to inspire and unite people by providing an avenue for physical and social transformation.
- Promote active and healthy lifestyles through integrated sustainable mass-based programmes from local to provincial levels.
- Develop elite athletes by providing them with opportunities to excel at international competitions.
- Develop and implement a talent identification toolkit that is inclusive of all participants in sport (athletes, coaches, administrators and technical officials).

Legislative and other mandates

Sport and recreation in South Africa are characterised and governed by the following main legislation:

- Constitution of the Republic of South Africa (Act No. 108 of 1996)
- National Sport and Recreation Act (Act No. 110 of 1998)
- National Sport and Recreation Amendment Act (Act No. 18 of 2007)

- Safety at Sport and Recreational Events Act (Act No. 2 of 2010)
- South African Boxing Act (Act No. 11 of 2001)
- Revised White Paper on Sport and Recreation, 2010
- Public Finance Management Act (Act No. 1 of 1999, as amended) and Treasury Regulations
- Annual Division of Revenue Act
- Public Service Act (Act No. 103 of 1994) and Public Service Regulations, 2001
- Labour Relations Act (Act No. 66 of 1995)
- KZN Provincial Supply Chain Management Policy Framework (2006)
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000)
- Promotion of Access to Information Act (Act No. 2 of 2000)
- Promotion of Administrative Justice Act (Act No. 3 of 2000)
- Promotion of Equality and Prevention of Unfair Discrimination Act (Act No. 4 of 2000)
- Protected Disclosures Act (Act No. 26 of 2000)
- Broad-Based Black Economic Empowerment Act (Act No. 53 of 2003)
- Public Service Co-ordinating Bargaining Council Resolutions
- Basic Conditions of Employment Act (Act No. 75 of 1997)
- Bidding and Hosting of International Sport and Recreational Events Regulations, 2010
- The South African Institute for Drug-Free Sport Act, 1997 (Act No. 10 of 1997)
- Employment Equity Act (Act No. 55 of 1998)
- Skills Development Act (Act No. 97 of 1998)
- Skills Development Levies Act (Act No. 9 of 1999)

The following bills have not yet been enacted:

- Fitness Industry Bill, 2013
- The South African Combat Sport Bill, 2013

2. Review of the 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 providing a brief discussion on challenges and new developments.

School sport

The department, in collaboration with the Department of Education (DOE), delivered the school sport programme. This programme aims to identify talent from an early age and maximise access to sport and recreation in every school in the province. The department supplied 525 schools with sport equipment. As part of the Top Schools programme, the department hosted elimination tournaments in 12 districts during July 2015, with 10 044 learners participating. Qualifying schools progressed to the Provincial Top Schools Tournament which was held in Durban over two weekends in August and September 2015. A team of 595 learners from winning schools progressed to the National Top Schools Tournament in Pretoria which was held in December 2015. The province achieved second place, with a total of 102 medals. The participating sporting codes that formed part of the tournament were football, netball, swimming, athletics, chess, gymnastics, hockey, rugby, etc. Six schools were identified to be sport focused schools and these schools were supported with specialised equipment. The department constructed 11 combination courts and outdoor gyms. The department engaged municipalities through Municipal Members of the Executive Council (MuniMEC) to maximise the utilisation of 15 per cent of the Municipal Infrastructure Grant (MIG) for the construction and maintenance of sport and recreation facilities.

Outdoor gyms

As planned, the department constructed 11 outdoor gyms in prioritised wards to promote active recreation and address the dangers of moral degeneration.

High performance sport system

A total of 190 talented and elite athletes selected from sport federations were provided with scientific support at the PRIME Human Performance Institute (hereafter referred to as PRIME). The department entered into partnership with PRIME to promote transformation in sport talent optimisation. Four academies were supported throughout the year to provide support and training to talented athletes, while 70 elite athletes were supported with conditioning, injury rehabilitation, medical, nutritional and psychological support at PRIME. The department continued to adopt the Long Term Athlete Development (LTAD) programme as proposed by the South African Sports Confederation and Olympic Committee (SASCOC), a sport development framework that is based on human growth and development. The department provided 24 study bursaries in areas such as Sport Management to talented elite athletes to promote talent retention in the province.

Infrastructure development

The department completed the construction of 35 sport and recreation facilities, such as basic sports fields, combination courts, outdoor gyms and kick-about sport fields by year-end. The department supported municipalities with sport field maintenance equipment, as well as the subsidisation of salaries for 11 caretakers, in addition to the 22 caretakers appointed in 2014/15 to manage and maintain sport fields constructed by the department within municipalities.

Mass Participation Programme (MPP)

The department promoted mass participation within communities and schools through selected sport and recreation activities as part of promotion of the healthy lifestyle strategy. The community mass participation programme (Siyadlala) was implemented through 117 activity hubs, with nearly 400 individual clubs receiving equipment and attire. The programme promoted aerobics, walking, jogging, self-defence, fitness classes, tournaments, festivals and code specific training to communities where the hubs were established. The club development programme, which promotes and supports the establishment of community clubs in six prioritised codes of support, benefited 459 clubs. The school sport programme encouraged mass participation, with the structuring of local cluster leagues and the supply of basic equipment to 525 schools to promote intra-school activity.

Annual youth camp

The department hosted its fourth youth camp programme. Preparatory camps were held in districts prior to the provincial camp being held at Umlalazi in October 2015. A total of 277 youth participated. The youth camp aims to nurture the spirit of social cohesion and nation building, as well as providing the youth with life skills and values to help them develop into proud and patriotic citizens.

3. Outlook for the 2016/17 financial year

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

In 2016/17, the department will continue to promote sport and recreation through the provision of various programmes and construction of sport and recreation facilities. The department plans to construct two basic sport and recreation facilities, 11 outdoor gyms and 11 kick-about sport facilities. In addition, the department is targeting to provide 400 clubs with equipment and attire.

School sport

The department will appoint 163 circuit co-ordinators on contract to support the delivery of the School Sport programme. Training will be provided to 800 educators and volunteers in coaching, technical officiating and team management. The establishment of sport focus schools will be supported in each district to support the nurturing and development of talented athletes identified through the school sport

league programme. A total of 13 500 learners are targeted to participate in tournaments and leagues from a district to national level.

Healthy lifestyles

The department will continue to promote active healthy lifestyles among public servants through the work and play programme which culminates in the inter-departmental games, with a target of over 5 000 participants. The department will strengthen support to sport clubs focusing on senior citizens through hosting the Golden Wednesday Leagues. The department will continue to implement the Siyadlala mass participation programme through the establishment of 120 activity hubs at ward level. The department will construct 11 outdoor gyms (fitness parks) in 2016/17. The outdoor gyms will be accompanied by aerobic classes and other activities.

High performance sport system

In partnership with PRIME, the department will continue to promote transformation in sport through the implementation of talent optimisation, high performance programmes, scientific and medical support to identified talented athletes. The department will offer the programme to 115 athletes representing 18 codes of sport and will provide high performance screening, testing and training, dietary and medical care. The programme is expected to enhance the level of performance of talented athletes, players and teams, and to empower coaches.

Infrastructure development

In 2016/17, the department will invest R61 million in 71 sport and recreation facilities in schools and communities in the province. The department will maintain sport facilities through the appointment of 11 additional caretakers in 2016/17. The department will continue to engage municipalities through the MuniMEC to maximise the utilisation of 15 per cent of the MIG for the construction and maintenance of sport and recreation facilities.

Commonwealth games

The Commonwealth Games is a unique, world class, multi-sports event held once every four years. The City of Durban won the bid to host the 2022 Commonwealth Games. This is part of a strategic intention to build the profile of the city, as a world-class sports destination and to generate significant economic benefits. In 2016/17, the Local Organising Committee will be finalised and the planning of the event will commence. The committee consists of SASCOC, the National Department of Sport and Recreation and local government, among others.

Sports development centre

The construction of the sports development centre was delayed due to challenges experienced by the eThekweni Metro in respect of the original site, which was Hoy Park. The sports development centre will now be constructed at Kings Park Sporting Precinct in Durban. This centre will house sport psychologists, nutritionists, etc. In 2015/16, an amount of R20 million was suspended to 2016/17 (R10 million) and 2017/18 (R10 million) relating to the construction of the sports development centre, in line with the agreement between the department and the eThekweni Metro.

4. Receipts and financing

4.1 Summary of receipts and financing

Table 10.1 below shows the sources of funding for Vote 10 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, and national conditional grant allocations in respect of the Mass Participation and Sport Development (MPSD) grant, the EPWP Integrated Grant for Provinces and the Social Sector EPWP Incentive Grant for Provinces.

Table 10.1 : 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	288 766	317 962	338 988	331 696	332 191	332 191	317 460	332 850	351 873
Conditional grants	91 548	84 760	95 595	92 693	92 693	92 693	99 019	95 778	101 143
<i>Mass Participation and Sport Development grant</i>	90 548	79 883	85 435	89 191	89 191	89 191	90 785	95 778	101 143
<i>EPWP Integrated Grant for Provinces</i>	1 000	550	2 102	2 000	2 000	2 000	2 000	-	-
<i>Social Sector EPWP Incentive Grant for Provinces</i>	-	4 327	8 058	1 502	1 502	1 502	6 234	-	-
Total receipts	380 314	402 722	434 583	424 389	424 884	424 884	416 479	428 628	453 016
Total payments	367 751	414 968	451 245	454 389	437 827	437 827	426 479	438 628	453 016
Surplus/(Deficit) before financing	12 563	(12 246)	(16 662)	(30 000)	(12 943)	(12 943)	(10 000)	(10 000)	-
Financing									
<i>of which</i>									
Provincial roll-overs	-	-	759	-	940	940	-	-	-
Provincial cash resources	6 875	13 275	19 975	30 000	12 003	12 003	10 000	10 000	-
Surplus/(Deficit) after financing	19 438	1 029	4 072	-	-	-	-	-	-

In 2012/13, an amount of R5.700 million was suspended from Provincial Treasury's Strategic Cabinet Initiatives Fund. This was for the hosting of the Soccerex, held in the province in October 2012. This event focused on growing football's legacy in Africa and brought together over 1 000 senior decision makers in the football fraternity to share their expertise. The department was also allocated R1.175 million for the 2012 wage agreement. The under-spending of R19.438 million was due to the department not transferring funds to municipalities because of challenges experienced by municipalities with regard to the construction of sport facilities, non-filling of budgeted vacant posts, and delays in the construction of the Harry Gwala district offices due to the Department of Public Works (DOPW) not finding a suitable service provider. Furthermore, DOPW delayed submitting invoices for payments relating to the construction of the Ugu district office.

The department received additional funds amounting to R13.275 million in 2013/14. Of this, R1 million was allocated for spending on OSS initiatives and R12.275 million in respect of war-room packages. The under-expenditure of R1.029 million was due to the department withholding transfers to the uMgungundlovu Academy of Sport (UAS) as a result of their lack of financial control and non-submission of the required documents, such as the close-out report.

In 2014/15, the department received a roll-over of R1.013 million for the reimbursement of funds to Provincial Treasury for payments made to the service providers of UAS. Of this R1.013 million, R254 000 was moved to Vote 6: Provincial Treasury, as Treasury had paid specific service providers during the reconciliation process relating to the amounts owed to the UAS service providers. In addition, the department received provincial cash resources of R19.975 million in respect of war-room packages in line with the resolution taken by Cabinet. The department under-spent by R4.072 million in 2014/15, mainly as a result of non-submission of invoices by service providers in respect of sport equipment purchased. Furthermore, payments in respect of travel and subsistence were not made due to late submission of claims by officials.

In 2015/16, the department was allocated R9.391 million with carry-through over the 2015/16 MTEF. These funds were suspended from the Department of Economic Development, Tourism and Environmental Affairs (DEDTEA) in respect of the Pietermaritzburg Bike City, and this is included in the department's equitable share, and prior year figures were adjusted for comparative purposes. Furthermore, the department was allocated R30 million in the 2015/16 Main Appropriation from provincial cash resources in respect of the construction of a sports development centre in Durban. The construction of the sports development centre was moved to 2015/16 due to challenges experienced by the eThekweni Metro in respect of the original site, which was Hoy Park. Although, the department received a roll-over of R1.435 million from 2014/15 against the MPSD grant, National Treasury implemented Section 22(4) of the Division of Revenue Act and removed R495 000 from the MPSD grant. This amount relates to funds that were unspent in 2014/15. However, Provincial Treasury allocated back to the department an amount of R495 000 from provincial cash resources to ensure that this grant is not compromised because of the reduction. This amount was therefore treated as equitable share to be spent on activities related to the grant. Hence, the roll-over totals the reduced amount of R940 000. An amount of R20 million was again suspended from 2015/16 relating to the sports development centre, with R10 million each being allocated

in 2016/17 and 2017/18 as a result of an agreement between the department and the eThekweni Metro. The new site of the sports development centre is Kings Park Sporting Precinct in Durban, as mentioned above. In addition, the department received R2.003 million for the above-budget 2015 wage agreement. The department is projecting to fully spend its 2015/16 budget as at the end of the third quarter.

In 2016/17, the department is allocated additional funding for the above-budget 2015 wage agreement. In addition, the department has been allocated funds in respect of the EPWP Integrated Grant for Provinces and Social Sector EPWP Incentive Grant for Provinces. However, there are no allocations in respect of both grants in the outer years of the MTEF, at this stage.

4.2 Departmental receipts collection

Table 10.2 below provides details of the revenue collection by this department from 2012/13 to 2018/19. Details of departmental receipts are presented in *Annexure – Vote 10: Sport and Recreation*.

Table 10.2 : 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	38	241	170	80	80	206	85	89	94
Transfers received	-	-	-	-	-	280	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	371	384	124	190	190	239	200	210	222
Transactions in financial assets and liabilities	103	112	105	30	30	30	32	33	35
Total	512	737	399	300	300	755	317	332	351

The department collects revenue against *Sale of goods and services other than capital assets*, which comprises parking fees, commission earned on PERSAL deductions, and fees from the sale of tender documents. The high revenue collection in 2013/14 and 2014/15 relates to higher than anticipated fees in respect of the sale of tender documents. The 2015/16 Revised Estimate reflects an amount higher than the Main Appropriation, which is also due to higher income received from the sale of tender documents. The revenue projections over the MTEF are based on bids anticipated to be advertised.

The 2015/16 Revised Estimate reflects an amount of R280 000 against *Transfers received*. This is in respect of sponsorships received from various companies for awards given to winners at the 2015 KZN Sport Awards, which was not budgeted for.

Sale of capital assets relates to income from the sale of redundant motor vehicles and office equipment. The department is conservative against this category as its revenue is derived through auction sales, which are not always predictable. The department anticipates over-collecting against this category in 2015/16, largely from the sale of its redundant motor vehicles.

Revenue collected from *Transactions in financial assets and liabilities* is mainly in respect of the recovery of staff debts. The fluctuations can be ascribed to the difficulty in projecting revenue collections against this category accurately due to its uncertain nature.

4.3 Donor funding – Nil

5. Payment summary

This section summarises the key assumptions, additional allocations, payments and budgeted estimates for the vote in terms of programmes and economic classification.

Details of the economic classification per programme are presented in *Annexure – Vote 10: Sport and Recreation*.

5.1 Key assumptions

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

- All inflation related increases are based on CPI projections.
- Provision was made for 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:
 - 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.
 - Departments' equitable share funded *Goods and services* budgets were cut by 2 per cent.
 - Department' and public entities' hosting of events budgets were cut over the MTEF.
 - 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.
 - 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 10.3 shows additional funding received by the department over the three MTEF periods: 2014/15, 2015/16 and 2016/17. Note that the table reflects only the provincial additional allocations, and excludes additional allocations in respect of conditional grants.

The purpose of such a table is two-fold. Firstly, it shows the additional funding allocated to the department in the past and current MTEF periods. Secondly, it indicates the policies and purposes for which the additional funding was allocated. The carry-through allocations for the 2014/15, 2015/16 and 2016/17 MTEF periods (i.e. for the financial year 2018/19) are based on the incremental percentage used in the 2016/17 MTEF.

Table 10.3 : 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	50 506	1 103	1 256	1 319	1 395
War-room intervention programme	19 975	-	-	-	-
Carry-through of previous wage agreements	701	1 353	1 563	1 641	1 736
Sports development centre	30 000	-	-	-	-
uMgungundlovu Academy of Sport	1 000	1 000	1 000	1 050	1 111
Centralisation of communications budget under OTP	(820)	(850)	(889)	(933)	(988)
Centralisation of external bursaries budget under OTP	(350)	(400)	(418)	(439)	(464)
2015/16 MTEF period		37 683	8 037	8 438	8 927
Pmb Bike City shifted from DEDTEA		9 391	9 832	10 323	10 922
Joint Ministry funds moved to DAC		(2 108)	(2 213)	(2 324)	(2 459)
Sports development centre funds from 14/15		30 000	-	-	-
Decentralisation of bursaries budget		400	418	439	464
2016/17 MTEF period			(21 857)	(23 932)	(36 182)
Above-budget 2015 wage agreement			2 196	2 354	2 531
Suspension of Sports development centre funds from 15/16			10 000	10 000	-
Freezing all vacant non-OSD posts			(31 413)	(33 548)	(35 830)
2% Goods and services cut			(2 640)	(2 738)	(2 883)
Total	50 506	38 786	(12 564)	(14 175)	(25 859)

In the 2014/15 MTEF, the department was allocated funding toward the war-room packages, in line with a resolution taken by Cabinet, as well as carry-through funding of previous wage agreements. In addition, the department was allocated once-off additional funding for the sports development centre and in respect of UAS, with carry-through over the 2014/15 MTEF. Furthermore, funds were suspended from the department in respect of the centralisation of parts of the communications budget, as well as the centralisation of parts of the external bursaries budget under the Office of the Premier (OTP).

In the 2015/16 MTEF, the department received funding from DEDTEA in respect of the Pietermaritzburg Bike City, as mentioned previously. In addition, funds were suspended to the Department of Arts and Culture (DAC), being the balance of the ministry funds that remained with the department after the two ministries were joined in 2009. This transfer was to ease the administrative burden of having this budget split across two departments. Funds in respect of the construction of the sports development centre were suspended from 2014/15 to 2015/16 due to challenges experienced by the eThekweni Metro with regard to the location of the sports development centre, as previously mentioned. Furthermore, funds which were previously centralised under OTP in respect of parts of the external bursaries budget were decentralised back to the department.

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 was 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 the department's equitable share funded *Goods and services* budget was cut by 2 per cent over the MTEF. The impact of these cuts on the Department Sport and Recreation is commented on in Section 5.3 below.

Offsetting these cuts to some extent, is the fact that the department received additional funding for the carry-through of the above-budget 2015 wage agreement over the 2016/17 MTEF. In addition, the department's allocation in respect of the construction of the sports development centre was reduced by R20 million in 2015/16, with R10 million being allocated in both 2016/17 and 2017/18, as mentioned previously.

5.3 Summary of programme and economic classification

The budget and programme structure of the department is aligned with the uniform budget and programme structure pertaining to Sport and Recreation prescribed by the Sport, Arts and Culture sector.

Tables 10.4 and 10.5 below provide a summary of the vote's payments and budgeted estimates over the seven-year period, by programme and economic classification, respectively.

In total, the department's budget was reduced by R34.053 million, R36.286 million and R38.718 million over the MTEF, mainly against *Compensation of employees*, *Goods and services*, *Transfers and subsidies to: Departmental agencies and accounts*, *Transfers and subsidies to: Non-profit institutions* and *Software and other intangible assets*. This is due to the reduction in *Compensation of employees* as a result of freezing all vacant non-OSD posts, as well as the 2 per cent reduction against the department's *Goods and services* budget over the MTEF which were proportionally effected across both programmes.

Table 10.4 : Summary of payments and estimates by programme: Sport and Recreation

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	72 066	80 712	91 589	97 625	87 371	87 371	83 462	87 228	91 160
2. Sport and Recreation	295 685	334 256	359 656	356 764	350 456	350 456	343 017	351 400	361 856
Total	367 751	414 968	451 245	454 389	437 827	437 827	426 479	438 628	453 016

Table 10.5 : Summary of payments and estimates by economic classification: Sport and Recreation

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	304 931	321 610	318 060	323 926	327 034	327 024	314 373	324 096	344 014
Compensation of employees	96 494	104 815	107 222	136 076	115 580	116 236	114 192	116 133	124 911
Goods and services	208 437	216 795	210 838	187 850	211 454	210 788	200 181	207 963	219 103
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	41 781	58 508	89 205	88 508	71 838	71 848	58 997	60 268	54 047
Provinces and municipalities	18 610	21 482	22 223	41 672	21 672	21 672	12 023	11 674	1 676
Departmental agencies and accounts	102	98	315	410	274	274	296	301	324
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	22 560	35 911	65 144	45 126	48 576	48 576	46 078	47 693	51 447
Households	509	1 017	1 523	1 300	1 316	1 326	600	600	600
Payments for capital assets	21 039	34 850	43 980	41 955	38 955	38 955	53 109	54 264	54 955
Buildings and other fixed structures	15 078	29 001	40 175	36 314	33 314	33 314	47 609	48 480	49 137
Machinery and equipment	5 510	5 499	3 195	5 219	5 219	5 219	5 150	4 934	5 398
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	451	350	610	422	422	422	350	850	420
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	367 751	414 968	451 245	454 389	437 827	437 827	426 479	438 628	453 016

The increase in Programme 1: Administration from 2013/14 to 2015/16 is due to carry-through costs in respect of various wage agreements and the filling of the HOD post in 2013. The decrease in the 2015/16 Adjusted Appropriation relates to the reprioritisation of funds from *Compensation of employees* in Programme 1 to *Goods and services* in Programme 2. The decrease was also due to non-filling of budgeted vacant posts as a result of delays in the matching and placement of posts. The decrease over the MTEF compared to the 2015/16 Main Appropriation relates to the reduction as a result of freezing all vacant non-OSD posts, and the 2 per cent reduction in the *Goods and services* budget over the MTEF.

The spending against Programme 2: Sport and Recreation from 2012/13 to 2014/15 includes additional funding received from Provincial Treasury's Strategic Cabinet Initiatives Fund in respect of hosting of the Soccerex, as well as carry-through wage agreements. The department also received additional funding for the match between Bafana Bafana and Botswana, held at the Moses Mabhida Stadium in Durban in 2013. In addition, the department received funds in respect of OSS initiatives and war-room packages, as previously mentioned. The decrease in the 2015/16 Adjusted Appropriation is attributed to the suspension of R20 million in respect of the construction of the sports development centre, with R10 million being allocated in both 2016/17 and 2017/18. The decrease was mitigated to some extent by an increase as a result of a roll-over from 2014/15 against the MPSD grant for the purchase of sport equipment, such as attire and kits, as well as travel and subsistence claims. In addition, funds were reprioritised from Programme 1 under *Compensation of employees* to *Goods and services* for various major events and programmes, of which some were under-budgeted for and some were not budgeted for, such as SALGA Games, Beach Soccer, Sport Awards and the Provincial Women's Symposium. In addition, the increase was for the district, provincial and national schools athletics championships which were implemented in preparation for the Olympic Games. The decrease over the MTEF compared to the 2015/16 Main Appropriation is attributed to the reduction of *Compensation of employees* as a result of freezing all vacant non-OSD posts, as well as the 2 per cent reduction against the department's *Goods and services* equitable share budget over the MTEF. Offsetting the decrease to some extent is the increase as a result of funds suspended from 2015/16 in respect of the construction of the sports development centre and additional funding for the above-budget 2015 wage agreement.

Compensation of employees increases over the seven-year period, with the exception of 2016/17 which is lower than the 2015/16 Revised Estimate. The increase from 2012/13 to the 2015/16 Main Appropriation is largely due to the payment of volunteer stipends which are paid for by the MPSD grant, Social Sector EPWP Incentive Grant for Provinces, as well as equitable share. As a result of the directive from NDOSR to minimise the use of volunteers, and to rather train teachers to perform the tasks of the volunteers, such as coaching, the department entered into contracts with volunteers, where the end date was 30 October

2015. The decrease in the 2015/16 Adjusted Appropriation is due to the reprioritisation of funds to *Goods and services* and *Transfers and subsidies to: Non-profit institutions* due to non-filling of budgeted vacant posts as a result of delays in the matching and placement of posts. The decrease over the 2016/17 MTEF compared to the 2015/16 Main Appropriation is attributed to the reduction of *Compensation of employees* as a result of freezing all vacant non-OSD posts, as well as the decrease in volunteers appointed from 2015/16 onward. The department will review the MTEF allocation in-year, and reprioritise funds to *Compensation of employees* if necessary to ensure that all filled posts are fully funded. In addition, the Social Sector EPWP Incentive Grant for Provinces has not been allocated in the outer years, at this stage. Offsetting the decrease is the increase over the MTEF due to additional funds for the carry-through costs of the above-budget 2015 wage agreement.

Spending against *Goods and services* fluctuates from 2012/13 to 2015/16. The 2013/14 spending includes the reprioritisation of funds from *Compensation of employees* and *Buildings and other fixed structures* for the appointment of contract employees to assist various units within the department with various matters, such as SCM procedures. In addition, the department received additional funding in 2013/14 in respect of carry-through funds for the hosting of Soccerex, as well as the match between Bafana Bafana and Botswana, as mentioned previously. Also, funds were allocated for the war-room packages, as well as OSS initiatives. The increase in the 2015/16 Adjusted Appropriation is due to the reprioritisation of funds from *Compensation of employees* and *Transfers and subsidies to: Departmental agencies and accounts* for various major events and programmes, of which some were under-budgeted for and some were not budgeted for, such as SALGA Games, Beach Soccer, Sport Awards and Provincial Women's Symposium. In addition, the increase was for the district, provincial and national schools' athletics championships which were implemented in preparation for the Olympic Games, as well as the higher than anticipated lease payments for district offices. The increase over the MTEF is attributed to inflationary increments. The increase was offset slightly by the 2 per cent reduction of the *Goods and services* equitable share funding across both programmes.

Transfers and subsidies to: Provinces and municipalities relates to the construction of new sport and recreation facilities, such as sport fields, with municipalities as implementing agents. The increase in the 2015/16 Main Appropriation is due to the suspension of R30 million from 2014/15 to 2015/16 in respect of the construction of the sports development centre. Similarly, the decrease in the 2015/16 Adjusted Appropriation is attributed to the suspension of R20 million in respect of the sports development centre, with R10 million being allocated in both 2016/17 and 2017/18, and this accounts for the drop in 2018/19. The decrease over the MTEF is also due to the department's decision to undertake the construction of sport fields directly to fast-track construction and improve service delivery.

Transfers and subsidies to: Departmental agencies and accounts relates to payments to the Tourism and Hospitality, Education and Training Authority (THETA) in respect of the skills development levy, as well as the payment of television licences for the department. The decrease in 2013/14 compared to 2012/13 is due to staff exits which resulted in a lower levy paid. The decrease in the 2015/16 Adjusted Appropriation can be attributed to the review of the legislation governing the funding of SETAs, in terms of which the department is no longer obligated to make payments toward PSETA. In addition, the department over-budgeted for television licences. These funds were reprioritised to *Goods and services*, as mentioned above. The department effected budget cuts against this category over the MTEF. The growth over the MTEF is due to inflationary increments.

Transfers and subsidies to: Non-profit institutions caters for transfers to sporting federations and other sporting bodies to assist with the promotion and development of sport and recreation. The increase in 2013/14 is due to the re-classification of spending from *Goods and services* to this category. The department incorrectly allocated spending in respect of assistance to provincial sport academies and federations against *Goods and services*. The substantial increase in 2014/15 is attributed to additional funding received for hosting of the 20th AIMS congress, Duzi Canoe Marathon and the suspension of Pietermaritzburg Bike City funding from DEDTEA. The increase in the 2015/16 Adjusted Appropriation is due to the reprioritisation of funds from *Compensation of employees* for the increase in transfers to various organisations, such as KZN Aquatics Association and KZN Cricket Union. The department

effected budget cuts against this category over the MTEF. The allocation over the MTEF caters for the continuous transfers to sporting federations and sporting bodies.

Transfers and subsidies to: Households caters for staff exit costs, which are difficult to budget for, as well as external bursary payments. The MTEF allocations relate to external bursary payments.

Spending in 2013/14 against *Buildings and other fixed structures* includes the completion of the Ugu district office, as well as additional funding received for war-room packages, which was used for the construction of outdoor gyms and kick-about fields. The high spending in 2014/15 was due to the completion of the Harry Gwala district office, whereas it was anticipated to be completed in 2015/16. This explains the decrease in the 2015/16 Adjusted Appropriation. These savings were reprioritised to *Goods and services*, as mentioned above. The MTEF allocation includes funds moved from *Transfers and subsidies to: Provinces and municipalities* for the construction of sport fields by the department in order to fast-track construction, as previously mentioned.

Spending against *Machinery and equipment* fluctuates over the seven-year period due to purchases being largely cyclical in nature. The 2013/14 spending includes the purchase of an access control system for the department as instructed by the A-G. The decrease in 2014/15 was due to challenges experienced by the department with regard to occupation of the newly leased Dundee district office. The allocation over the MTEF includes the purchase of office equipment and furniture for staff, as well as replacement of old office equipment and furniture.

The decrease in 2013/14 against *Software and other intangible assets* is due to delays in the hand-over of the Ugu district office as a result of the exclusion of the perimeter brick fence. These delays resulted in the department delaying the purchase of computer software required by the new district office. The increase in 2014/15 is attributed to the purchase of computer software for the Harry Gwala district office. The department effected budget cuts against this category over the MTEF. The allocation over the MTEF is for the maintenance of the department's computer software. The peak in 2017/18 is due to the renewal and installation of computer software for the department, such as Foresight, Symantec and VMware.

5.4 Summary of conditional grant payments and estimates

Tables 10.6 and 10.7 summarise payments and estimates in respect of the MPSD grant, the EPWP Integrated Grant for Provinces and the Social Sector EPWP Incentive Grant for Provinces, as explained below. Note that the historical figures set out in Table 10.6 below reflect actual expenditure, and should not be compared to those reflected in Table 10.1, which represent the actual receipts per grant. Further details are given in *Annexure – Vote 10: Sport and Recreation*.

Spending against the MPSD grant fluctuates from 2012/13 to 2014/15. The decrease in spending in 2013/14 is mainly ascribed to the directive from NDOSR to minimise the use of volunteers, and to rather train teachers to implement the tasks of volunteers. The increase in the 2015/16 Adjusted Appropriation is due to a roll-over received from 2014/15 in respect of the purchase of sport equipment, such as sport attire and kits, as well as travel and subsistence claims in respect of travels undertaken by the department's officials. The allocation against the MPSD grant increases over the MTEF.

The EPWP Integrated Grant for Provinces in 2012/13 provided for the payment of volunteers employed, such as hub co-ordinators, while spending from 2013/14 was in respect of maintenance of sport facilities constructed by the department. The municipalities employ maintenance staff to maintain the sport facilities. The Social Sector Incentive Grant for Provinces is for the employment of volunteers as contract workers. No funds have been allocated in respect of both these grants in the outer years, at this stage.

Table 10.6 : Summary of conditional grants payments and estimates by name

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
Mass Participation and Sport Development grant	90 548	79 883	83 505	89 191	90 131	90 131	90 785	95 778	101 143
EPWP Integrated Grant for Provinces	1 000	550	2 102	2 000	2 000	2 000	2 000	-	-
Social Sector EPWP Incentive Grant for Provinces	-	4 327	8 058	1 502	1 502	1 502	6 234	-	-
Total	91 548	84 760	93 665	92 693	93 633	93 633	99 019	95 778	101 143

Table 10.7 : Summary of conditional grants payments and estimates by economic classification

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	91 548	79 518	84 434	79 652	82 992	82 992	92 072	90 540	95 591
Compensation of employees	15 394	16 417	21 256	14 544	11 759	11 759	14 898	9 264	9 908
Goods and services	76 154	63 101	63 178	65 108	71 233	71 233	77 174	81 276	85 683
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	5 242	9 231	13 041	10 641	10 641	6 947	5 238	5 552
Provinces and municipalities	-	550	2 102	2 000	2 000	2 000	2 000	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	4 692	7 129	11 041	8 641	8 641	4 947	5 238	5 552
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	91 548	84 760	93 665	92 693	93 633	93 633	99 019	95 778	101 143

Spending against *Compensation of employees* fluctuates over the seven years. The increase in 2014/15 is ascribed to the increase in the Social Sector EPWP Incentive Grant for Provinces. The decrease in the 2015/16 Main Appropriation is due to the decrease in allocation in respect of the Social Sector EPWP Incentive Grant for Provinces. The further decrease in the 2015/16 Adjusted Appropriation is attributed to the reprioritisation of funds to *Goods and services* within the MPSD conditional grant. The increase in 2016/17 compared to the outer years is due to the allocation of the Social Sector Incentive EPWP Grant for Provinces. No funds have been allocated in respect of both these grants in the outer years, at this stage.

Spending against *Goods and services* relates to the implementation of the school sport programme which involves the purchase of sport attire, kits, as well as hosting of sport tournaments such as the Provincial Top Schools Tournament. The high spending in 2012/13 is due to the reprioritisation of funds from the employment of volunteers to the revival of school sport. The increase in the 2015/16 Adjusted Appropriation is due to the reprioritisation of funds from *Compensation of employees* and *Transfers and subsidies to: Non-profit institutions* within the MPSD grant for the district, provincial and national schools athletics championships implemented in preparation for the Olympic Games, which were not budgeted for. The increase over the 2016/17 MTEF is due to inflationary increments.

Allocations against *Transfers and subsidies to: Provinces and municipalities* relate to transfers to municipalities for the maintenance of sport fields constructed by the department, as previously mentioned. The department utilises the EPWP Integrated Grant for Provinces for transfers to municipalities for the maintenance of sport facilities constructed by the department. The department has not allocated any funds in the outer years due to the non-allocation against the EPWP Integrated Grant for Provinces, at this stage.

Transfers and subsidies to: Non-profit institutions relates to transfers to sporting federations and other sporting bodies to assist with the promotion and development of sport and recreation. The increase in the 2015/16 Main Appropriation is due to the conditional grant framework prescribing that the department should contribute to the construction of the National Training Centre located in the Free State (Bloemfontein) which will serve all national teams and the department transferred an amount of R4.013 million in this regard. The centre provides accommodation required for training of national teams. The decrease in the 2015/16 Adjusted Appropriation is due to the department shifting funds to *Goods and services* to undertake the duties of sport federations directly due to non-compliance of the confederations in submitting the necessary documents for transfers to be effected.

5.5 Summary of infrastructure payments and estimates

Table 10.8 below illustrates infrastructure spending over the seven-year period. The infrastructure budget of the department fluctuates over the seven-year period, as explained below.

Table 10.8 : Summary of provincial 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	157	-	-	-	-	-	-	-	-
Maintenance and repair: Current	157	-	-	-	-	-	-	-	-
Upgrades and additions: Capital	-	-	-	-	-	-	-	-	-
Refurbishment and rehabilitation: Capital	-	-	-	-	-	-	-	-	-
New infrastructure assets: Capital	15 078	29 001	40 175	36 314	33 314	33 314	47 609	48 480	49 137
Infrastructure transfers	18 600	21 465	22 200	41 650	21 650	21 650	12 000	11 650	1 650
Infrastructure transfers: Current	4 950	3 300	3 300	1 650	1 650	1 650	2 000	1 650	1 650
Infrastructure transfers: Capital	13 650	18 165	18 900	40 000	20 000	20 000	10 000	10 000	-
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	-	-	-	-	-	-	-	-	-
Total	33 835	50 466	62 375	77 964	54 964	54 964	59 609	60 130	50 787
Capital infrastructure	28 728	47 166	59 075	76 314	53 314	53 314	57 609	58 480	49 137
Current infrastructure	5 107	3 300	3 300	1 650	1 650	1 650	2 000	1 650	1 650

Maintenance and repairs: Current caters for repairs to office buildings and sporting facilities by the department. Spending in 2012/13 relates to the maintenance of the Maphumulo sport field. The department did not undertake any maintenance from 2013/14 onward due to the department reprioritising funds to *Infrastructure transfers: Capital*, for the construction of sport fields. Although the department has not budgeted for any maintenance and repairs to be undertaken by the department directly over the 2016/17 MTEF, in-year adjustments will be made should the need arise.

Spending in 2013/14 against *New infrastructure assets: Capital* includes the completion of the Ugu district office and the war-room packages, as previously mentioned. The increase in 2014/15 includes carry-through funds for the war-room packages, as well as the completion of the Harry Gwala district office, which was anticipated to be completed in 2015/16. This explains the decrease in the 2015/16 Adjusted Appropriation. These savings were reprioritised to *Goods and services*, as mentioned above. The MTEF allocation includes funds moved from *Transfers and subsidies to: Provinces and municipalities* for the construction of sport fields by the department in order to fast-track construction, as previously mentioned.

Spending against *Infrastructure transfers: Current* relates to the maintenance grants that are paid to municipalities for the upkeep of sport facilities constructed by the department. The department allocates the EPWP Integrated Grant for Provinces for the maintenance of sport fields. The decrease in the outer years is attributed to the non-allocation of the EPWP Integrated Grant for Provinces, at this stage.

Infrastructure transfers: Capital relates to capital projects undertaken by the municipalities, such as the construction of sport and recreational facilities. The increase in the 2015/16 Main Appropriation is due to the suspension of R30 million from 2014/15 to 2015/16 in respect of the construction of the sports development centre. The decrease in the 2015/16 Adjusted Appropriation is attributed to the suspension of R20 million for the construction of the sports development centre, with R10 million each being allocated in 2016/17 and 2017/18. The decrease over the MTEF is due to the department's decision to undertake the construction of sport fields directly to fast-track construction and improve service delivery. The department has not allocated funds in the outer year for the construction of new sport facilities due to the department's decision to undertake the construction of sport fields directly to fast-track construction and improve service delivery.

5.6 Summary of Public Private Partnerships – Nil

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

5.8 Transfers to other entities

Table 10.9 below indicates the transfer payments that the department makes to sporting organisations for the promotion and development of sport and recreation in the province. Note that these transfer payments fall under *Transfers and subsidies to: Non-profit institutions*.

The department allocates funds to sporting organisations only once they have met all requirements for the transfer to be effected. The department receives business plans from these organisations and, based on these plans, funds are allocated for transfer payments.

Table 10.9 : Summary of departmental transfers to other entities

R thousand	Sub-programme	Audited outcome			Main	Adjusted	Revised	Medium-term Estimate		
		2012/13	2013/14	2014/15	Appropriation	Appropriation	Estimate	2016/17	2017/18	2018/19
						2015/16				
AmaZulu Trust	2.2 Sport	-	-	-	-	750	750	750	750	750
Comrades Marathon (AIMS Congress)	2.2 Sport	-	-	1 190	-	-	-	-	-	-
Council for Scientific Industrial Research (CSIR)	2.2 Sport	500	-	-	-	-	-	-	-	-
Cycling SA	2.2 Sport	3 600	8 700	12 600	9 391	9 391	9 391	9 832	10 323	10 839
Gandhi Development Trust	2.2 Sport	-	-	300	-	-	-	-	-	-
KZN Academy of Sport	2.2 Sport	900	2 200	-	4 460	2 500	2 500	4 947	5 238	5 552
KZN Amateur Boxing Association	2.2 Sport	325	-	-	400	500	-	-	-	-
KZN Aquatics Association	2.2 Sport	575	2 087	2 989	2 500	3 000	3 000	3 000	3 000	3 000
KZN Athletics Association	2.2 Sport	900	5 628	8 435	3 500	6 224	7 282	5 850	5 850	5 850
KZN Baseball	2.2 Sport	175	200	350	300	240	240	300	312	339
KZN Basketball	2.2 Sport	-	-	-	200	-	-	-	-	271
KZN Billiards and Snooker	2.2 Sport	-	50	75	80	100	100	-	-	-
KZN Canoe Union	2.2 Sport	225	4 562	150	160	200	200	1 000	1 040	1 131
KZN Chess Union	2.2 Sport	-	120	250	250	300	-	-	-	-
KZN Cricket Union (Coastal)	2.2 Sport	1 450	300	3 000	2 700	3 000	3 000	2 750	2 750	2 750
KZN Cycling	2.2 Sport	1 850	217	300	100	300	-	-	120	291
KZN Darts	2.2 Sport	-	-	49	55	55	55	-	-	-
KZN Disability Sport (KZNDISSA)	2.2 Sport	410	1 770	3 762	2 500	1 500	1 500	2 500	2 040	2 117
KZN Fly-fishing	2.2 Sport	20	50	75	75	-	-	-	60	100
KZN Golf Union	2.2 Sport	100	160	300	300	300	300	400	416	452
KZN Gymnastics	2.2 Sport	325	508	555	500	600	600	600	624	678
KZN Handball	2.2 Sport	75	151	-	-	-	-	-	-	-
KZN Hockey (Coastal and Midlands)	2.2 Sport	300	330	350	350	350	250	300	312	339
KZN Inland Cricket	2.2 Sport	175	378	-	-	-	-	-	-	-
KZN Lifesaving	2.2 Sport	-	-	80	-	-	140	390	390	432
KZN Netball	2.2 Sport	140	-	-	-	-	-	-	396	597
KZN Olympic Style Boxing	2.2 Sport	-	369	400	-	-	500	800	832	905
KZN Rowing	2.2 Sport	-	100	-	120	-	120	-	-	-
KZN Rugby Union	2.2 Sport	3 475	314	3 000	3 000	3 600	3 600	3 100	3 100	3 100
KZN Sailing	2.2 Sport	-	120	800	300	200	-	400	416	452
KZN Softball	2.2 Sport	75	95	300	300	300	-	-	144	270
KZN Sports Council	2.2 Sport	900	-	-	-	-	-	-	-	-
KZN Surf Riders Association	2.2 Sport	150	200	200	-	200	200	300	312	339
KZN Triathlon	2.2 Sport	-	140	-	200	-	-	-	-	-
KZN Volleyball	2.2 Sport	-	400	750	700	700	500	500	520	566
Marine Lifesaving	2.2 Sport	-	-	-	50	-	-	-	-	-
Natal Canoe Club (Duzi Canoe Marathon)	2.2 Sport	1 050	-	7 710	1 800	1 886	1 886	-	-	-
Natal Deep Sea Angling	2.2 Sport	40	-	100	75	-	-	-	-	-
National Training Centre	2.2 Sport	-	-	-	4 014	4 013	4 014	-	-	-
Netball SA	2.2 Sport	-	-	2 500	-	2 700	2 700	2 100	2 000	2 000
Phoenix Community Centre	2.2 Sport	-	-	1 000	-	-	-	-	-	-
Prime Human Performance Institute	2.2 Sport	-	-	4 246	-	2 399	2 668	-	-	-
SA World Transplant	2.2 Sport	2 500	-	-	-	-	-	-	-	-
SAFA - KZN	2.2 Sport	770	600	869	1 778	600	750	2 600	2 704	2 939
Sail Africa	2.2 Sport	-	-	-	300	300	300	500	520	565
SASCOC	2.2 Sport	-	1 196	7 129	-	-	-	-	-	-
uMgungundlovu Academy of Sport	2.2 Sport	-	3 221	-	-	-	-	-	-	-
Age-in-Action	2.4 Recreation	220	280	120	286	286	180	175	193	212
Children Rights Centre	2.4 Recreation	150	160	120	184	184	180	150	165	175
Clare Estate Senior Citizens	2.4 Recreation	-	30	45	-	-	60	-	-	-
Coastal Horse Care Unit	2.4 Recreation	-	50	380	71	71	500	300	300	350
Dare to Dream	2.4 Recreation	150	190	110	194	194	110	100	110	120
Harness Racing Association	2.4 Recreation	215	210	-	235	235	-	-	-	-
Higher Ground (Therapeutic Recreation)	2.4 Recreation	44	-	-	76	76	-	-	-	-
KZN Indigenous Games Association	2.4 Recreation	200	225	150	265	265	210	175	190	210
KZN Lovelife	2.4 Recreation	150	-	-	173	173	-	-	-	-
KZN Rural Horse Riding Association	2.4 Recreation	180	250	130	224	224	-	170	187	205
KZN Sport Confederation	2.4 Recreation	-	-	-	2 568	168	168	-	-	-
LHC Foundation Trust (I-Care)	2.4 Recreation	50	60	93	92	92	122	150	160	170
Lifesaving South Africa (Water Safety)	2.4 Recreation	70	80	-	116	116	-	-	-	-
Roseland's Trust (Butterfly Project)	2.4 Recreation	56	95	80	92	92	110	-	-	-
SA Thola Association	2.4 Recreation	70	75	-	92	92	-	-	-	-
TAFTA	2.4 Recreation	-	-	67	-	-	120	80	-	-
Verulam Day and Frail Care Centre	2.4 Recreation	-	40	35	-	-	60	-	-	-
Various other organisations	Various	-	-	-	-	100	90	1 859	2 219	3 381
Total		22 560	35 911	65 144	45 126	48 576	48 576	46 078	47 693	51 447

The increase in 2013/14 is due to the re-classification of spending from *Goods and services* to this category. The department inadvertently allocated spending in respect of assistance to provincial sport academies and confederations against *Goods and services*. The substantial increase in 2014/15 is attributed to additional funding received for hosting of the 20th AIMS congress, Duzi Canoe Marathon and the suspension of Pietermaritzburg Bike City funding from DEDTEA. The increase in the 2015/16 Adjusted Appropriation is due to the reprioritisation of funds from *Compensation of employees* for the

increase in transfers to various organisations, such as the KZN Aquatics Association and KZN Cricket Union. The MTEF allocations cater for continuous transfers to sporting federation and sporting bodies.

5.9 Transfers to local government

Tables 10.10 and 10.11 indicate transfers made to local government by category and by grant name. Details per municipality are reflected in *Annexure – Vote 10: Sport and Recreation*.

The transfers made against the three categories cater for transfer payments to the Metro, local and district municipalities as implementing agents for the construction of sport and recreation facilities. It should be noted that transfers to local government include funds in respect of motor vehicle licences. These funds will not be transferred to any municipality and, hence, the amounts are not reflected in Tables 10.10 and 10.11.

Table 10.10 : 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	525	-	-	30 000	10 000	10 000	10 000	10 000	-
Category B	16 500	21 465	22 200	11 650	11 650	11 650	-	-	-
Category C	1 575	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	2 000	1 650	1 650
Total	18 600	21 465	22 200	41 650	21 650	21 650	12 000	11 650	1 650

Table 10.11 : Summary of departmental transfers to local government by grant name

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Maintenance grant	2.2 Sport	4 950	3 300	3 300	1 650	1 650	1 650	2 000	1 650	1 650
Infrastructure	2.2 Sport	13 650	18 165	18 900	40 000	20 000	20 000	10 000	10 000	-
Total		18 600	21 465	22 200	41 650	21 650	21 650	12 000	11 650	1 650

Category A relates to transfers made to the eThekweni Metro. The 2012/13 allocation relates to the construction of the KwaMashu sport field. The substantial allocation in the 2015/16 Main Appropriation relates to once-off funding for the construction of the sports development centre in Durban. The decrease in the 2015/16 Adjusted Appropriation is attributed to the suspension of R20 million to 2016/17 and 2017/18, with R10 million being allocated in each year.

Category B relates to transfers to municipalities for the construction and maintenance of sport facilities. The department has not allocated funds over the MTEF for the construction of new sport facilities due to the department's decision to undertake the construction of sport fields directly to fast-track construction and improve service delivery.

Category C catered for transfers to the Amajuba District Municipality for the construction of the Phelindaba sport field in 2012/13.

Maintenance grant caters for transfers to municipalities for the upkeep of sport facilities constructed by the department. The department allocates both equitable share and portion of the the EPWP Integrated Grant for Provinces for the maintenance of sport fields. The decrease in the outer years is attributed to the non-allocation of the EPWP Integrated Grant for Provinces in 2017/18 and 2018/19, at this stage. From 2016/17 onward, funding is reflected against *Unallocated*. The department will allocate the funds to the respective municipalities once SLAs between the department and municipalities have been finalised.

Infrastructure relates to funds transferred to municipalities for the construction of sport facilities. The increase in the 2015/16 Main Appropriation is due to the suspension of R30 million from 2014/15 to 2015/16 for the sports development centre. The decrease in the 2015/16 Adjusted Appropriation is attributed to the suspension of R20 million for the sports development centre, with R10 million each being allocated in 2016/17 and 2017/18. The decrease over the MTEF is due to the decision to undertake the construction of sport fields directly to fast-track construction and improve service delivery.

5.10 Transfers and subsidies

Table 10.12 below is a summary of spending on *Transfers and subsidies* by programme and main category. The table reflects a fluctuating trend from 2012/13 to 2018/19 for the category as a whole.

Table 10.12 : 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	156	356	420	432	300	310	319	325	350
Provinces and municipalities	10	17	23	22	22	22	23	24	26
Motor vehicle licences	10	17	23	22	22	22	23	24	26
Departmental agencies and accounts	102	98	315	410	274	274	296	301	324
Skills development levy - THETA	101	96	314	405	273	273	291	296	319
SABC - TV licences	1	2	1	5	1	1	5	5	5
Households	44	241	82	-	4	14	-	-	-
Other transfers to households	44	241	82	-	4	14	-	-	-
2. Sport and Recreation	41 625	58 152	88 785	88 076	71 538	71 538	58 678	59 943	53 697
Provinces and municipalities	18 600	21 465	22 200	41 650	21 650	21 650	12 000	11 650	1 650
Sport facilities	18 600	21 465	22 200	41 650	21 650	21 650	12 000	11 650	1 650
Non-profit institutions	22 560	35 911	65 144	45 126	48 576	48 576	46 078	47 693	51 447
Sport federations	22 560	35 911	65 144	45 126	48 576	48 576	46 078	47 693	51 447
Households	465	776	1 441	1 300	1 312	1 312	600	600	600
Other transfers to households	87	74	39	-	12	12	-	-	-
External bursaries	378	702	1 402	1 300	1 300	1 300	600	600	600
Total	41 781	58 508	89 205	88 508	71 838	71 848	58 997	60 268	54 047

Transfers and subsidies under Programme 1 increases over the seven-year period.

- *Provinces and municipalities* relates to funding for motor vehicle licences. The low spending in 2012/13 is due to the department not renewing all its motor vehicle licences, as some of the department's vehicles were sold. There is a steady increase over the 2016/17 MTEF.
- *Departmental agencies and accounts* is in respect of the skills development levy and the payment of television licences for the department. The decrease in 2013/14 compared to 2012/13 is due to staff exits which resulted in a lower levy paid. The decrease in the 2015/16 Adjusted Appropriation can be attributed to the review of the legislation governing the funding of SETAs, in terms of which the department is no longer obligated to make payments toward PSETA. In addition, the department over-budgeted for television licences. These funds were reprioritised to *Goods and services*, as mentioned above. The growth over the MTEF is due to inflationary increments.
- *Households* caters for staff exit costs, which are difficult to budget for.

Transfers and subsidies under Programme 2 also fluctuates over the seven-year period, as follows:

- *Provinces and municipalities* relates to the construction of new sport and recreation facilities such as combination courts, with municipalities as implementing agents. The increase in the 2015/16 Main Appropriation is due to the suspension of R30 million from 2014/15 to 2015/16 in respect of the construction of the sports development centre. The decrease in the 2015/16 Adjusted Appropriation is attributed to the suspension of R20 million for the sports development centre, with R10 million being allocated in both 2016/17 and 2017/18. The decrease over the MTEF is due to the department's decision to undertake the construction of sport fields directly to fast-track construction and improve service delivery.
- The increase in 2013/14 against *Non-profit institutions* is due to the re-classification of spending from *Goods and services* to this category. The department inadvertently allocated spending in respect of assistance to provincial sport academies and federations against *Goods and services*. The substantial increase in 2014/15 is attributed to additional funding received for hosting of the 20th AIMS congress, Duzi Canoe Marathon and the suspension of Pietermaritzburg Bike City funding from DEDTEA. The increase in the 2015/16 Adjusted Appropriation is due to the reprioritisation of funds from *Compensation of employees* for the increase in transfers to various organisations, such as the KZN Aquatics Association and KZN Cricket Union. The allocation over the MTEF caters for the continuous transfers to sporting federations and sporting bodies.

- *Households* caters for staff exit costs, as well as external bursaries. The allocation over the 2016/17 MTEF relates to external bursary payments.

6. Programme description

The services rendered by this department are categorised under two programmes, namely Programme 1: Administration and Programme 2: Sport and Recreation. The programmes are aligned to the uniform budget and programme structure for Sport and Recreation as prescribed by the Sport, Arts and Culture sector. The expenditure and budgeted estimates for each of these programmes are also summarised in terms of economic classification, details of which are presented in *Annexure – Vote 10: Sport and Recreation*.

6.1 Programme 1: Administration

The purpose of Programme 1 is to provide overall management of the department. The programme's aim includes management of the department through the office of the HOD and the provision of financial management, human resource services, administration services, and security and communication services which are included under the sub-programme Corporate Services. The programme is aligned to the uniform budget and programme structure for Sport and Recreation prescribed by the Sport, Arts and Culture sector. Tables 10.13 and 10.14 below summarise payments and estimates relating to this programme, for the financial years 2012/13 to 2018/19.

The programme's budget was decreased by R15.542 million, R16.740 million and R18.019 million over the MTEF, mainly against *Compensation of employees*, *Goods and services*, *Transfers and subsidies to: Departmental agencies and accounts* and *Software and other intangible assets*. This is due to the reduction in *Compensation of employees* as a result of freezing all vacant non-OSD posts, as well as the 2 per cent reduction against the department's *Goods and services* budget over the MTEF which were proportionally effected across both programmes.

Table 10.13 : 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. Corporate Services	72 066	80 712	91 589	97 625	87 371	87 371	83 462	87 228	91 160
Total	72 066	80 712	91 589	97 625	87 371	87 371	83 462	87 228	91 160

Table 10.14 : 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	63 883	66 490	74 103	87 052	79 930	79 920	77 643	81 119	84 992
Compensation of employees	23 568	25 317	30 043	43 882	33 115	33 105	35 883	38 555	41 465
Goods and services	40 315	41 173	44 060	43 170	46 815	46 815	41 760	42 564	43 527
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	156	356	420	432	300	310	319	325	350
Provinces and municipalities	10	17	23	22	22	22	23	24	26
Departmental agencies and accounts	102	98	315	410	274	274	296	301	324
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	44	241	82	-	4	14	-	-	-
Payments for capital assets	8 027	13 866	17 066	10 141	7 141	7 141	5 500	5 784	5 818
Buildings and other fixed structures	2 066	8 017	13 261	4 500	1 500	1 500	-	-	-
Machinery and equipment	5 510	5 499	3 195	5 219	5 219	5 219	5 150	4 934	5 398
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	451	350	610	422	422	422	350	850	420
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	72 066	80 712	91 589	97 625	87 371	87 371	83 462	87 228	91 160

The increase against the sub-programme: Corporate Services from 2013/14 to 2015/16 is due to carry-through costs in respect of various wage agreements and the filling of the HOD post in 2013. The decrease in the 2015/16 Adjusted Appropriation is attributed to the reprioritisation of funds under *Compensation of employees* to Programme 2 under *Goods and services* due to non-filling of budgeted vacant posts as a result of delays in the matching and placement of posts. The decrease over the 2016/17 MTEF compared to the 2015/16 Main Appropriation is attributed to the reduction of *Compensation of employees* as a result of freezing all vacant non-OSD posts, as well as the 2 per cent reduction against the department's *Goods and services* equitable share budget over the MTEF. Offsetting the decrease to some extent is additional funding over the MTEF for the carry-through costs of the above-budget 2015 wage agreement.

Spending against *Compensation of employees* in 2012/13 includes carry-through costs of various wage agreements and filling of critical posts, as well as the appointment of the HOD. The decrease in the 2015/16 Adjusted Appropriation is due to the non-filling of budgeted vacant posts, as mentioned above. These funds were reprioritised to *Goods and services* within Programme 1 and to Programme 2. The decrease over the MTEF is due to the freezing of all vacant non-OSD posts. Offsetting the decrease to some extent are additional funds for the carry-through costs of the above-budget 2015 wage agreement.

Goods and services caters for the operational costs of running head office, as well as the district offices. The increase in the 2015/16 Adjusted Appropriation is due to reprioritisation of funds from *Compensation of employees*, *Transfers and subsidies to: Departmental agencies and accounts* and *Buildings and other fixed structures*. The increase catered for the higher than anticipated lease payments in respect of district offices. The decrease over the MTEF compared to the 2015/16 Main Appropriation is due to the 2 per cent reduction against the *Goods and services* equitable share budget over the MTEF, as mentioned above.

Transfers and subsidies to: Provinces and municipalities relates to funding for motor vehicle licences. The low spending in 2012/13 is due to the department having fewer vehicles compared to ensuing years. There is a steady increase over the 2016/17 MTEF.

Transfers and subsidies to: Departmental agencies and accounts relates to payments to THETA in respect of the skills development levy, as well as payment of television licences for the department. The decrease in 2013/14 compared to 2012/13 is due to staff exits which resulted in a lower levy paid. The decrease in the 2015/16 Adjusted Appropriation can be attributed to the review of the legislation governing the funding of SETAs, in terms of which the department is no longer obligated to make payments toward PSETA. In addition, the department over-budgeted for television licences. These funds were reprioritised to *Goods and services*, as mentioned above. The department effected budget cuts against this category, as mentioned above. The growth over the MTEF is due to inflationary increments.

Transfers and subsidies to: Households caters for staff exit costs, which are difficult to predict.

Buildings and other fixed structures caters for the establishment of the department's district offices. The increase in spending in 2013/14 is due to the completion of the Ugu district office. The high spending in 2014/15 is due to the completion of the Harry Gwala district office, whereas it was anticipated to be completed in 2015/16. This explains the decrease in the 2015/16 Adjusted Appropriation. These savings were reprioritised to *Goods and services*, as mentioned above. The department will not be constructing any district offices over the MTEF due to the lack of sites, hence no funds are allocated over the MTEF.

Machinery and equipment in 2013/14 included the purchase of an access control system for the department, as instructed by the A-G. The decrease in 2014/15 was due to challenges with regard to occupation of the newly leased Dundee district office. The increase over the MTEF includes the replacement as well as the purchase of office equipment and furniture for newly appointed staff.

The decrease in 2013/14 against *Software and other intangible assets* is due to delays in the hand-over of the Ugu district office as a result of the exclusion of the perimeter brick fence. These delays resulted in the department delaying the purchase of computer software required by the new district office. The increase in 2014/15 is attributed to the purchase of computer software for the Harry Gwala district office. The department effected budget cuts against this category, as mentioned above. The MTEF allocation is for the maintenance of computer software. The peak in 2017/18 is due to the renewal and installation of computer software for the department, such as Foresight, Symantec and VMware.

6.2 Programme 2: Sport and Recreation

The purpose of this programme is to promote, develop, administer and fund sport in KZN. It also ensures advancement of participation in sport and recreation, talent identification and the promotion of performance excellence. The programme conforms to the uniform budget structure for the sector.

The four sub-programmes under this programme have the following purposes:

- **Management:** Management of development, transformation, empowerment and high performance through the delivery of sustainable sport and recreation programmes.
- **Sport:** Implementation of sustainable provincial sport programmes through talent optimisation, high performance and the staging of development games and championships.
- **Recreation:** Implementation of recreational programmes to promote an active lifestyle.
- **School Sport:** Focus on mass participation sport among learners, with emphasis on previously disadvantaged urban and rural schools.

Tables 10.15 and 10.16 below reflect a summary of payments and estimates relating to this programme for the financial years 2012/13 to 2018/19.

The programme's budget was decreased by R18.511 million, R19.546 million and R20.694 million over the MTEF, mainly against *Compensation of employees*, *Goods and services*, *Transfers and subsidies to: Non-profit institutions* and *Software and other intangible assets*. This is due to the reduction in *Compensation of employees* as a result of freezing all vacant non-OSD posts, as well as the 2 per cent reduction against the department's *Goods and services* budget over the MTEF which were proportionally effected across all sub-programmes.

Table 10.15 : Summary of payments and estimates by sub-programme: Sport and Recreation

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Management	47 277	78 633	48 499	62 560	66 268	66 268	79 062	84 296	90 733
2. Sport	152 024	161 281	202 611	183 451	174 819	174 819	173 558	178 837	177 926
3. Recreation	42 475	40 464	74 486	63 830	60 206	60 206	47 514	43 010	45 295
4. School Sport	53 909	53 878	34 060	46 923	49 163	49 163	42 883	45 257	47 902
Total	295 685	334 256	359 656	356 764	350 456	350 456	343 017	351 400	361 856

Table 10.16 : Summary of payments and estimates by economic classification: Sport and Recreation

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	241 048	255 120	243 957	236 874	247 104	247 104	236 730	242 977	259 022
Compensation of employees	72 926	79 498	77 179	92 194	82 465	83 131	78 309	77 578	83 446
Goods and services	168 122	175 622	166 778	144 680	164 639	163 973	158 421	165 399	175 576
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	41 625	58 152	88 785	88 076	71 538	71 538	58 678	59 943	53 697
Provinces and municipalities	18 600	21 465	22 200	41 650	21 650	21 650	12 000	11 650	1 650
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	22 560	35 911	65 144	45 126	48 576	48 576	46 078	47 693	51 447
Households	465	776	1 441	1 300	1 312	1 312	600	600	600
Payments for capital assets	13 012	20 984	26 914	31 814	31 814	31 814	47 609	48 480	49 137
Buildings and other fixed structures	13 012	20 984	26 914	31 814	31 814	31 814	47 609	48 480	49 137
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	295 685	334 256	359 656	356 764	350 456	350 456	343 017	351 400	361 856

Spending against Programme 2 increases from 2011/12 to 2014/15. The decrease in the 2015/16 Adjusted Appropriation is attributed to the suspension of R20 million, as detailed below. The department's allocation over the MTEF includes additional funding for the carry-through costs of the above-budget 2015 wage agreement, as well as allocations in respect of both the EPWP Integrated Grant for Provinces and Social Sector EPWP Incentive Grant for Provinces. There is no allocation at this stage against the EPWP Integrated Grant for Provinces and Social Sector EPWP Incentive Grant for Provinces in the outer years, at this stage.

The increase in 2013/14 against the sub-programme: Management was due to once-off additional funding for OSS initiatives, to be used at the MEC's discretion, as well as part of once-off additional funding for war-room packages. The decrease in 2014/15 is due to funds reprioritised to Programme 1 under *Goods and services* for the setting up of the Ugu and Umzinyathi district offices. The slight increase in the 2015/16 Adjusted Appropriation is mainly attributed to additional funding received in respect of the 2015 wage agreement. The increase over the MTEF includes additional funding for the above-budget wage agreement, with carry-through over the MTEF.

The spending against the sub-programme: Sport in 2013/14 includes carry-through funding for Soccerex, hosting of the match between Bafana Bafana and Botswana, as well as war-room packages. The increase in 2014/15 is due to various additional funding received for events, such as the U19 International Football Tournament, 20th AIMS congress, Duzi Canoe Marathon, etc. Furthermore, funds were reprioritised from the sub-programme: Recreation for hosting of the JZ Chess Open event in December 2014. The decrease in the 2015/16 Adjusted Appropriation is due to the suspension of R20 million for the construction of the sports development centre, with R10 million being re-allocated in both 2016/17 and 2017/18.

Spending in 2012/13 against the sub-programme: Recreation includes funds reprioritised from Programme 1 and the Management sub-programme in Programme 2 to cater for the department's participation in various sporting events, such as the National Indigenous Games. The decrease in 2013/14 is due to a lower allocation of the Siyadlala Mass Participation Programme element of the MPSD grant, in line with the conditional grant framework. The increase in 2014/15 is due to a portion of the carry-through funding in respect of the war-room packages, as well as the Social Sector EPWP Incentive Grant for Provinces. The high allocation in 2015/16 compared to the outer years is due to the allocation of the Social Sector Incentive Grant for Provinces. No allocation has been made in respect of this grant in the outer years, at this stage.

The School Sport sub-programme comprises mainly the MPSD grant funding. The decrease in 2014/15 is due to the movement of funds from the sub-programme: School Sport to the sub-programme: Sport to conform to the uniform budget structure for the sector. The increase over the 2016/17 MTEF is due to inflationary increments.

Spending against *Compensation of employees* fluctuates over the seven-year period. The increase from 2012/13 to the 2015/16 Main Appropriation was largely due to the payment of volunteer stipends from the MPSD grant, Social Sector EPWP Incentive Grant for Provinces, as well as equitable share. The decrease in the 2015/16 Adjusted Appropriation is due to the department reprioritising funds to *Goods and services* due to the non-filling of budgeted vacant posts. The decrease over the MTEF is due to the freezing of all vacant non-OSD posts, as well as the decrease in volunteers appointed from 2015/16 onward. The department will review the MTEF allocation in-year and reprioritise funds to *Compensation of employees* if necessary to ensure that all filled posts are fully funded. Offsetting the decrease to some extent is additional funding over the MTEF for the carry-through costs of the above-budget 2015 wage agreement.

Goods and services caters for provincial sporting events which the department hosts. The 2013/14 spending includes the reprioritisation of funds from *Compensation of employees* and *Buildings and other fixed structures* for the appointment of contract employees to assist various units within the department with matters such as SCM procedures, as well as the payment of the MEC's subsistence and travel allowance. In addition, the department received additional funding in 2013/14 in respect of carry-through funds for the hosting of Soccerex, as well as the match between Bafana Bafana and Botswana, as mentioned previously. Also, funds were allocated for the war-room packages, as well as OSS initiatives. The increase in the 2015/16 Adjusted Appropriation is due to the reprioritisation of funds from

Programme 1 against *Compensation of employees* for various major events and programmes, of which some were under-budgeted for and some were not budgeted for, such as SALGA Games, Beach Soccer, Sport Awards and Provincial Women's Symposium. In addition, the increase was for the district, provincial and national schools' athletics championships which were implemented in preparation for the Olympic Games. The increase in the outer years is due to inflationary increments. The increase was offset by the 2 per cent reduction against the department's *Goods and services* equitable share budget over the MTEF, as mentioned above.

The allocation against *Transfers and subsidies to: Provinces and municipalities* relates to the construction of new sport and recreation facilities such as combination courts, with municipalities as implementing agents. The increase in the 2015/16 Main Appropriation is due to the suspension of R30 million from 2014/15 to 2015/16 in respect of the construction of the sports development centre. Similarly, the decrease in the 2015/16 Adjusted Appropriation is attributed to the suspension of R20 million for the sports development centre, with R10 million being allocated in 2016/17 and 2017/18, respectively. The decrease over the MTEF is due to the department's decision to undertake the construction of sport fields directly, as mentioned above. The department has not allocated funds over the MTEF for the construction of new sport facilities due to non-finalisation of SLAs between the department and municipalities, at this stage. The department will make in-year adjustments once these have been finalised.

Transfers and subsidies to: Non-profit institutions caters for payments made to sporting federations and other sporting bodies to assist with the promotion and development of sport and recreation. The increase in 2013/14 was due to the re-classification of spending from *Goods and services* to this category. The department inadvertently allocated spending in respect of assistance to provincial sport academies and confederations against *Goods and services*. The substantial increase in 2014/15 is attributed to additional funding received for hosting of the 20th AIMS congress, Duzi Canoe Marathon and the suspension of Pietermaritzburg Bike City funding from DEDTEA. The increase in the 2015/16 Adjusted Appropriation is due to the reprioritisation of funds from *Compensation of employees* for the increase in transfers to various organisations, such as the KZN Aquatics Association and KZN Cricket Union. The allocation over the MTEF caters for continuous transfers to various sporting federations and sporting bodies.

Transfers and subsidies to: Households caters for leave gratuities, which are difficult to budget for due to their uncertainty, as well as external bursaries. The allocation over the 2016/17 MTEF relates to external bursary payments.

Buildings and other fixed structures caters for the construction of sport facilities by the department directly. The increase from 2012/13 to 2013/14 can be attributed to the number of construction projects that the department undertook directly. Spending in 2013/14 includes additional funding for war-room packages, as mentioned previously, these funds were used for the construction of outdoor gyms and kick-about fields. The MTEF allocation includes funds reprioritised from *Transfers and subsidies to: Provinces and municipalities* for the construction of sport fields by the department in order to fast-track construction.

Service delivery measures – Programme 2: Sport and Recreation

Table 10.17 illustrates the main service delivery measures relevant to Programme 2 from 2015/16 to 2018/19. The department incorporated the sector measures in the department's 2016/17 APP, and these are reflected below.

Table 10.17 : Service delivery measures – Programme 2: Sport and Recreation

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2015/16	2016/17	2017/18	2018/19
1. Sport					
1.1 Community Sport Promotion and Development					
1.1.1 To invest in social capital by strengthening the capacity of provincial institutions to promote the transformation and development of sport	<ul style="list-style-type: none"> No. of athletes supported to major events No. of mass participation sport events inclusive of social cohesion prog. hosted 	1 250 13	1 300 12	1 350 12	1 400 12

Table 10.17 : Service delivery measures – Programme 2: Sport and Recreation

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2015/16	2016/17	2017/18	2018/19	
1.1.2 To invest in talent optimisation and high/elite sport performance through elite athlete development progs with sport federations and high performance institutes	• No. of participants in mass participation sport events	7 000	9 000	10 000	11 000	
	• No. of people trained	2 000	2 100	2 200	2 300	
	• No. of sport federations/entities receiving financial support	27	24	24	26	
	• No. of elite athletes receiving ongoing medical, scientific and technological support	70	80	90	100	
1.2 Sport and Recreation Infrastructure Planning and Development (Facilities)						
1.2.1 To build/renovate/upgrade community/school sport and recreation facilities	• No. of sport and recreation facilities constructed	2	2	2	2	
	• No. of kick-about sport facilities constructed	11	11	13	13	
	• No. of combination courts constructed in schools/communities	11	11	13	13	
1.2.2 To use and maintain sport and recreation facilities	• No. of outdoor gym parks built	11	11	11	11	
1.3 Club Development						
1.3.1 To investigate in social capital by transforming the sport and recreation landscape through implementation of club development prog	• No. of clubs provided with equipment/attire	459	369	379	389	
	• No. of local leagues supported to foster club development	New	36	37	38	
	• No. of people trained as part of the club development prog.	550	260	280	300	
1.3.2 To create a long-term participant development through the academy system	• No. of sport academies supported	4	8	9	10	
	• No. of athletes supported through sport academies	120	400	450	500	
1.4 Strategic Projects						
1.4.1 Sport development, transformation and social cohesion	• No. of equity progs. supported and implemented at district level	11	11	11	11	
	• No. of clubs/organisations benefitting from community outreach progs.	400	425	450	475	
2. Recreation						
2.1 Organised Recreation						
2.1.1 To enhance the health of communities through promotion of active and healthy lifestyles	• No. of recreation entities/agencies supported through transfer of funds	12	5	6	6	
	• No. of sustainable active recreation events/festivals organised and implemented	60	62	64	64	
	• No. of people actively participating in organised active recreation events	31 000	50 000	55 000	60 000	
	• No. of people trained as recreation leaders	863	850	900	950	
2.2 Community Recreation (Siyadlala)						
2.2.1 To enhance the health of communities through promotion of active and healthy lifestyles	• No. of clubs/hubs provided with equipment/attire	395	120	120	120	
	• No. of youth attending youth camps	300	250	300	300	
	• No. of sport and recreation organised and implemented	130	220	220	220	
	• No. of people actively participating in organised active recreation events	40 000	75 000	150 000	150 000	
	• No. of people trained	300	285	300	315	
3. School Sport						
3.1 To improve primary and secondary education through implementation of an integrated school sport prog.	• No. of schools provided with equipment/attire	525	525	550	575	
	• No. of learners participating in the school sport tournaments at district level	5 100	3 000	5 300	3 000	
3.2 To eradicate poverty through job creation/skill development	• No. of educators trained to deliver the school sport prog.	1 200	400	425	450	

7. Other programme information

7.1 Personnel numbers and costs

Tables 10.18 and 10.19 illustrate the personnel numbers and estimates pertaining to the department.

The total personnel numbers decrease from 31 March 2013 to 31 March 2015 and over the MTEF mainly as a result of resignations, as well as the decrease in volunteers employed as a result of NDOSR's directive to minimise the use of volunteers by training teachers which is reflected in Table 10.18 below. In addition, the decrease over the MTEF is due to the freezing of all vacant non-OSD posts.

Full time workers remain constant from 2016/17 onward indicating that the department will not be filling any OSD posts over the MTEF, although this will be reviewed in in-year. If necessary, further reprioritisation will be undertaken to ensure that all filled posts are funded.

Table 10.18 : 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	69	76	90	105	87	87	87
2. Sport and Recreation	1 517	1 417	1 259	1 312	628	343	343
of which							
Volunteers	1 409	1 286	1 131	1 118	438	153	153
Total	1 586	1 493	1 349	1 417	715	430	430
Total provincial personnel cost (R thousand)	96 494	104 815	107 222	116 236	114 192	116 133	124 911
Unit cost (R thousand)	61	70	79	82	160	270	290

Table 10.19 : 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)	1 586	1 493	1 349	1 318	1 417	1 417	715	430	430
Personnel cost (R thousands)	96 494	104 815	107 222	136 076	115 580	116 236	114 192	116 133	124 911
Human resources component									
Personnel numbers (head count)	18	16	12	17	18	18	14	14	14
Personnel cost (R thousands)	7 320	8 020	8 193	11 315	7 326	7 326	7 729	8 252	8 821
Head count as % of total for department	1.13	1.07	0.89	1.29	1.27	1.27	1.96	3.26	3.26
Personnel cost as % of total for department	7.59	7.65	7.64	8.32	6.34	6.30	6.77	7.11	7.06
Finance component									
Personnel numbers (head count)	22	18	24	26	33	33	28	28	28
Personnel cost (R thousands)	6 035	6 359	7 202	12 454	8 957	8 957	10 390	11 165	12 001
Head count as % of total for department	1.39	1.21	1.78	1.97	2.33	2.33	3.92	6.51	6.51
Personnel cost as % of total for department	6.25	6.07	6.72	9.15	7.75	7.71	9.10	9.61	9.61
Full time workers									
Personnel numbers (head count)	177	170	194	241	285	285	253	253	253
Personnel cost (R thousands)	60 423	70 813	75 391	103 739	91 370	92 026	103 376	111 251	119 707
Head count as % of total for department	11.16	11.39	14.38	18.29	20.11	20.11	35.38	58.84	58.84
Personnel cost as % of total for department	62.62	67.56	70.31	76.24	79.05	79.17	90.53	95.80	95.83
Part-time workers									
Personnel numbers (head count)	-	-	-	-	-	-	-	-	-
Personnel cost (R thousands)	-	-	-	-	-	-	-	-	-
Head count as % of total for department	-	-	-	-	-	-	-	-	-
Personnel cost as % of total for department	-	-	-	-	-	-	-	-	-
Contract workers									
Personnel numbers (head count)	1 409	1 323	1 155	1 077	1 132	1 132	462	177	177
Personnel cost (R thousands)	36 071	34 002	31 831	32 337	24 210	24 210	10 816	4 882	5 204
Head count as % of total for department	88.84	88.61	85.62	81.71	79.89	79.89	64.62	41.16	41.16
Personnel cost as % of total for department	37.38	32.44	29.69	23.76	20.95	20.83	9.47	4.20	4.17

7.2 Training

Tables 10.20 and 10.21 reflect departmental payments on training per programme over the seven-year period for the administrative staff, as well as volunteer/contract employees and external role players, such as educators and coaching personnel.

The department has budgeted 1 per cent of its salary expense for staff training as per the requirement of the Skills Development Levies Act.

The expenditure against Programme 2 under *Other* relates to training provided to the hub co-ordinators in respect of the various clusters in the MPSD conditional grant. The substantial spending in 2012/13 is due to NDOSR's directive to train teachers as implementers of the programme, as previously mentioned. The increase over the 2016/17 MTEF relates to the training that will be conducted to capacitate educators to being coaches, as well as the department's employees.

Table 10.20 : Payments on training by programme

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
1. Administration	1 712	1 170	772	1 940	1 940	1 942	1 697	1 750	1 914
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	157	117	131	150	150	152	150	150	150
Other	1 555	1 053	641	1 790	1 790	1 790	1 547	1 600	1 764
2. Sport and Recreation	1 730	2 109	5 861	5 103	5 103	2 892	7 205	8 602	9 229
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	378	702	1 402	1 300	1 300	1 300	600	600	600
Other	1 352	1 407	4 459	3 803	3 803	1 592	6 605	8 002	8 629
Total	3 442	3 279	6 633	7 043	7 043	4 834	8 902	10 352	11 143

Table 10.21 illustrates the number of staff, volunteers/contract employees and external role players that are affected by the various training programmes and initiatives. It also includes a gender breakdown, an indication of the types of training, as well as details of the number of bursaries and learnerships.

Table 10.21 : Information on training: Sport and Recreation

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
Number of staff	1 586	1 493	1 349	1 318	1 417	1 417	715	430	430
Number of personnel trained	119	134	166	139	139	139	150	150	150
of which									
Male	44	54	52	66	66	66	60	60	60
Female	75	80	114	73	73	73	90	90	90
Number of training opportunities	35	19	17	4	4	4	4	4	4
of which									
Tertiary	4	-	-	4	4	4	4	4	4
Workshops	9	8	6	-	-	-	-	-	-
Seminars	7	4	5	-	-	-	-	-	-
Other	15	7	6	-	-	-	-	-	-
Number of bursaries offered	6	68	78	88	88	88	35	35	35
Number of interns appointed	15	23	26	10	14	14	14	14	14
Number of learnerships appointed	-	1	1	1	1	1	-	-	-
Number of days spent on training	136	38	69	78	78	78	60	60	60

ANNEXURE – VOTE 10: SPORT AND RECREATION

Table 10.A : Details of departmental receipts: Sport and Recreation

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	38	241	170	80	80	206	85	89	94
Sale of goods and services produced by department (excluding capital assets)	38	241	170	80	80	206	85	89	94
Sales by market establishments	-	-	19	-	-	-	-	-	-
Other sales	38	241	151	80	80	206	85	89	94
Administrative fees	-	200	107	32	32	119	34	36	38
Other sales	38	41	44	48	48	46	51	53	56
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	-	-	-	-	-	-	-	-	-
Transfers received from:	-	-	-	-	-	280	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	280	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	371	384	124	190	190	239	200	210	222
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	371	384	124	190	190	239	200	210	222
Transactions in financial assets and liabilities	103	112	105	30	30	30	32	33	35
Total	512	737	399	300	300	755	317	332	351

Table 10.B : Payments and estimates by economic classification: Sport and Recreation

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	304 931	321 610	318 060	323 926	327 034	327 024	314 373	324 096	344 014
Compensation of employees	96 494	104 815	107 222	136 076	115 580	116 236	114 192	116 133	124 911
Salaries and wages	87 999	95 679	97 985	108 861	92 466	92 998	91 353	92 906	99 929
Social contributions	8 495	9 136	9 237	27 215	23 114	23 238	22 839	23 227	24 982
Goods and services	208 437	216 795	210 838	187 850	211 454	210 788	200 181	207 963	219 103
Administrative fees	35	39	8	68	1	1	3	3	3
Advertising	2 809	1 245	2 828	1 909	1 909	2 222	3 397	3 527	3 653
Assets less than the capitalisation threshold	327	603	254	920	920	920	730	679	688
Audit cost: External	2 378	2 172	2 884	2 540	3 363	3 363	2 800	2 901	3 046
Bursaries: Employees	157	117	131	150	150	152	150	150	150
Catering: Departmental activities	8 835	10 962	12 540	18 972	16 822	13 866	20 451	21 268	22 975
Communication (G&S)	2 654	3 568	3 456	3 845	3 595	3 595	4 857	4 884	4 926
Computer services	5 553	4 558	5 922	5 150	6 362	6 362	7 197	7 289	7 317
Cons & prof serv: Business and advisory services	5 270	6 594	6 794	8 473	8 389	8 344	8 008	8 291	8 835
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	513	302	914	742	742	340	399	430	449
Contractors	1 749	2 242	3 988	2 954	3 713	3 966	5 256	5 574	6 264
Agency and support / outsourced services	4 231	5 347	5 039	1 051	4 313	4 263	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	1 621	2 436	1 861	2 729	2 729	2 462	2 400	2 400	2 400
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	35 021	37 226	31 914	35 182	35 473	34 989	39 899	41 042	43 113
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Meddas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	622	641	-	-	-
Consumable supplies	1 171	70	599	86	590	765	82	83	92
Consumable: Stationery, printing and office supplies	3 148	3 331	3 532	3 561	2 959	3 145	3 609	3 668	3 864
Operating leases	5 898	6 376	6 450	4 000	7 369	8 503	6 902	6 901	6 920
Property payments	3 166	3 830	4 550	6 407	6 907	6 907	5 271	6 070	6 275
Transport provided: Departmental activity	19 073	14 866	16 866	16 709	12 005	15 916	22 424	23 335	24 526
Travel and subsistence	9 865	10 997	7 646	11 497	8 919	7 715	10 699	10 890	11 668
Training and development	2 907	2 460	5 100	5 593	5 593	3 382	8 151	9 602	10 393
Operating payments	2 931	1 711	2 682	1 519	4 782	4 918	3 804	3 359	3 648
Venues and facilities	89 125	95 743	84 880	53 793	73 227	74 051	43 692	45 617	47 898
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	41 781	58 508	89 205	88 508	71 838	71 848	58 997	60 268	54 047
Provinces and municipalities	18 610	21 482	22 223	41 672	21 672	21 672	12 023	11 674	1 676
Provinces	10	17	23	22	22	22	23	24	26
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	10	17	23	22	22	22	23	24	26
Municipalities	18 600	21 465	22 200	41 650	21 650	21 650	12 000	11 650	1 650
Municipalities	18 600	21 465	22 200	41 650	21 650	21 650	12 000	11 650	1 650
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	102	98	315	410	274	274	296	301	324
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	102	98	315	410	274	274	296	301	324
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	22 560	35 911	65 144	45 126	48 576	48 576	46 078	47 693	51 447
Households	509	1 017	1 523	1 300	1 316	1 326	600	600	600
Social benefits	131	315	121	-	16	26	-	-	-
Other transfers to households	378	702	1 402	1 300	1 300	1 300	600	600	600
Payments for capital assets	21 039	34 850	43 980	41 955	38 955	38 955	53 109	54 264	54 955
Buildings and other fixed structures	15 078	29 001	40 175	36 314	33 314	33 314	47 609	48 480	49 137
Buildings	2 066	8 017	13 261	4 500	1 500	1 500	-	-	-
Other fixed structures	13 012	20 984	26 914	31 814	31 814	31 814	47 609	48 480	49 137
Machinery and equipment	5 510	5 499	3 195	5 219	5 219	5 219	5 150	4 934	5 398
Transport equipment	2 650	3 404	1 876	2 318	2 318	2 318	2 300	2 350	2 538
Other machinery and equipment	2 860	2 095	1 319	2 901	2 901	2 901	2 850	2 584	2 860
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	451	350	610	422	422	422	350	850	420
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	367 751	414 968	451 245	454 389	437 827	437 827	426 479	438 628	453 016

Table 10.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	63 883	66 490	74 103	87 052	79 930	79 920	77 643	81 119	84 992
Compensation of employees	23 568	25 317	30 043	43 882	33 115	33 105	35 883	38 555	41 465
Salaries and wages	20 622	22 193	26 749	35 106	26 493	26 493	28 706	30 844	33 172
Social contributions	2 946	3 124	3 294	8 776	6 622	6 612	7 177	7 711	8 293
Goods and services	40 315	41 173	44 060	43 170	46 815	46 815	41 760	42 564	43 527
Administrative fees	35	39	8	68	1	1	3	3	3
Advertising	2 273	930	2 485	1 839	1 839	1 839	1 771	1 791	1 806
Assets less than the capitalisation threshold	327	603	254	920	920	920	470	479	488
Audit cost: External	2 072	2 172	2 884	2 540	3 363	3 363	2 800	2 901	3 046
Bursaries: Employees	157	117	131	150	150	152	150	150	150
Catering: Departmental activities	300	177	1 044	455	455	455	80	85	90
Communication (G&S)	2 494	3 378	3 273	3 378	3 378	3 378	3 867	3 882	3 924
Computer services	5 550	4 513	5 922	5 150	6 362	6 362	7 197	7 289	7 317
Cons & prof serv: Business and advisory services	2 851	2 383	4 185	2 889	2 689	2 272	1 590	1 568	1 598
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	513	302	914	742	742	340	399	430	449
Contractors	191	754	556	50	289	289	58	68	66
Agency and support / outsourced services	1 985	982	1 789	1 051	1 051	1 001	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	1 621	2 436	1 861	2 729	2 729	2 462	2 400	2 400	2 400
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	40	48	186	189	50	53	56
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	1 171	20	525	86	86	149	82	83	92
Consumable: Stationery, printing and office supplies	2 019	2 459	2 783	2 312	2 174	2 108	2 208	2 192	2 257
Operating leases	5 898	6 376	6 450	4 000	7 369	8 503	6 902	6 901	6 920
Property payments	3 143	3 830	4 550	6 407	6 907	6 907	5 271	6 070	6 275
Transport provided: Departmental activity	364	442	250	177	177	236	150	159	159
Travel and subsistence	3 443	4 942	2 266	4 268	2 619	2 560	2 855	2 936	3 135
Training and development	1 555	1 053	641	1 790	1 790	1 790	1 547	1 600	1 764
Operating payments	1 326	519	439	141	599	666	1 340	943	956
Venues and facilities	1 027	2 746	810	1 980	940	873	570	581	576
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	156	356	420	432	300	310	319	325	350
Provinces and municipalities	10	17	23	22	22	22	23	24	26
Provinces	10	17	23	22	22	22	23	24	26
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	10	17	23	22	22	22	23	24	26
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	102	98	315	410	274	274	296	301	324
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	102	98	315	410	274	274	296	301	324
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	44	241	82	-	4	14	-	-	-
Social benefits	44	241	82	-	4	14	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	8 027	13 866	17 066	10 141	7 141	7 141	5 500	5 784	5 818
Buildings and other fixed structures	2 066	8 017	13 261	4 500	1 500	1 500	-	-	-
Buildings	2 066	8 017	13 261	4 500	1 500	1 500	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	5 510	5 499	3 195	5 219	5 219	5 219	5 150	4 934	5 398
Transport equipment	2 650	3 404	1 876	2 318	2 318	2 318	2 300	2 350	2 538
Other machinery and equipment	2 860	2 095	1 319	2 901	2 901	2 901	2 850	2 584	2 860
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	451	350	610	422	422	422	350	850	420
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	72 066	80 712	91 589	97 625	87 371	87 371	83 462	87 228	91 160

Estimates of Provincial Revenue and Expenditure

Table 10.D : Payments and estimates by economic classification: Sport and Recreation

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	241 048	255 120	243 957	236 874	247 104	247 104	236 730	242 977	259 022
Compensation of employees	72 926	79 498	77 179	92 194	82 465	83 131	78 309	77 578	83 446
Salaries and wages	67 377	73 486	71 236	73 755	65 973	66 505	62 647	62 062	66 757
Social contributions	5 549	6 012	5 943	18 439	16 492	16 626	15 662	15 516	16 689
Goods and services	168 122	175 622	166 778	144 680	164 639	163 973	158 421	165 399	175 576
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	536	315	343	70	70	383	1 626	1 736	1 847
Assets less than the capitalisation threshold	-	-	-	-	-	-	260	200	200
Audit cost: External	306	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	8 535	10 785	11 496	18 517	16 367	13 411	20 371	21 183	22 885
Communication (G&S)	160	190	183	467	217	217	990	1 002	1 002
Computer services	3	45	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	2 419	4 211	2 609	5 584	5 700	6 072	6 418	6 723	7 237
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	1 558	1 488	3 432	2 904	3 424	3 677	5 198	5 506	6 198
Agency and support / outsourced services	2 246	4 365	3 250	-	3 262	3 262	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	35 021	37 226	31 874	35 134	35 287	34 800	39 849	40 989	43 057
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	622	641	-	-	-
Consumable supplies	-	50	74	-	504	616	-	-	-
Consumable: Stationery, printing and office supplies	1 129	872	749	1 249	785	1 037	1 401	1 476	1 607
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	23	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	18 709	14 424	16 616	16 532	11 828	15 680	22 274	23 176	24 367
Travel and subsistence	6 422	6 055	5 380	7 229	6 300	5 155	7 844	7 954	8 533
Training and development	1 352	1 407	4 459	3 803	3 803	1 592	6 604	8 002	8 629
Operating payments	1 605	1 192	2 243	1 378	4 183	4 252	2 464	2 416	2 692
Venues and facilities	88 098	92 997	84 070	51 813	72 287	73 178	43 122	45 036	47 322
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	41 625	58 152	88 785	88 076	71 538	71 538	58 678	59 943	53 697
Provinces and municipalities	18 600	21 465	22 200	41 650	21 650	21 650	12 000	11 650	1 650
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	18 600	21 465	22 200	41 650	21 650	21 650	12 000	11 650	1 650
Municipalities	18 600	21 465	22 200	41 650	21 650	21 650	12 000	11 650	1 650
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	22 560	35 911	65 144	45 126	48 576	48 576	46 078	47 693	51 447
Households	465	776	1 441	1 300	1 312	1 312	600	600	600
Social benefits	87	74	39	-	12	12	-	-	-
Other transfers to households	378	702	1 402	1 300	1 300	1 300	600	600	600
Payments for capital assets	13 012	20 984	26 914	31 814	31 814	31 814	47 609	48 480	49 137
Buildings and other fixed structures	13 012	20 984	26 914	31 814	31 814	31 814	47 609	48 480	49 137
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	13 012	20 984	26 914	31 814	31 814	31 814	47 609	48 480	49 137
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	295 685	334 256	359 656	356 764	350 456	350 456	343 017	351 400	361 856

Table 10.E : Payments and estimates by economic classification: Conditional grants

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	91 548	79 518	84 434	79 652	82 992	82 992	92 072	90 540	95 591
Compensation of employees	15 394	16 417	21 256	14 544	11 759	11 759	14 898	9 264	9 908
Salaries and wages	15 164	15 726	20 340	11 191	9 408	9 408	11 918	7 411	7 926
Social contributions	230	691	916	3 353	2 351	2 351	2 980	1 853	1 982
Goods and services	76 154	63 101	63 178	65 108	71 233	71 233	77 174	81 276	85 683
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	61	274	22	70	70	70	1 081	1 159	1 237
Assets less than capitalisation threshold	-	-	-	-	-	-	260	200	200
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	4 203	5 069	5 451	9 196	9 196	9 196	8 861	9 135	10 261
Communication (G&S)	12	-	-	-	-	-	50	55	55
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	114	199	451	158	158	158	2 180	2 388	2 488
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	595	976	1 155	1 273	1 299	1 299	2 968	3 146	3 703
Agency & support/outourced services	378	561	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Material and supplies	16 997	18 181	20 201	23 207	23 207	23 207	25 705	26 095	27 363
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	36	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	230	211	178	600	600	600	847	880	969
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	10 795	6 096	8 000	5 332	6 432	6 432	8 479	8 598	8 961
Travel and subsistence	1 080	298	198	1 617	1 617	1 617	789	851	878
Training and development	703	1 082	2 046	1 640	1 640	1 640	6 120	7 758	8 224
Operating payments	506	409	114	172	172	172	941	989	993
Venues and facilities	40 480	29 745	25 326	21 843	26 842	26 842	18 893	20 022	20 351
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	-	5 242	9 231	13 041	10 641	10 641	6 947	5 238	5 552
Provinces and municipalities	-	550	2 102	2 000	2 000	2 000	2 000	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	550	2 102	2 000	2 000	2 000	2 000	-	-
Municipalities	-	550	2 102	2 000	2 000	2 000	2 000	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	4 692	7 129	11 041	8 641	8 641	4 947	5 238	5 552
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	91 548	84 760	93 665	92 693	93 633	93 633	99 019	95 778	101 143

Table 10.F : Payments and estimates by economic classification: Mass Participation and Sport Development grant (Prog 2: Sport and Recreation)

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	90 548	75 191	76 376	78 150	81 490	81 490	85 838	90 540	95 591
Compensation of employees	14 394	12 090	13 198	13 042	10 257	10 257	8 664	9 264	9 908
Salaries and wages	14 184	11 486	12 445	9 989	8 206	8 206	6 931	7 411	7 926
Social contributions	210	604	753	3 053	2 051	2 051	1 733	1 853	1 982
Goods and services	76 154	63 101	63 178	65 108	71 233	71 233	77 174	81 276	85 683
Advertising	61	274	22	70	70	70	1 081	1 159	1 237
Assets less than the capitalisation threshold	-	-	-	-	-	-	260	200	200
Catering: Departmental activities	4 203	5 069	5 451	9 196	9 196	9 196	8 861	9 135	10 261
Communication (G&S)	12	-	-	-	-	-	50	55	55
Cons & prof serv: Business and advisory services	114	199	451	158	158	158	2 180	2 388	2 488
Contractors	595	976	1 155	1 273	1 299	1 299	2 968	3 146	3 703
Agency & support/outourced services	378	561	-	-	-	-	-	-	-
Inventory: Material and supplies	16 997	18 181	20 201	23 207	23 207	23 207	25 705	26 095	27 363
Consumable supplies	-	-	36	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	230	211	178	600	600	600	847	880	969
Transport provided: Departmental activity	10 795	6 096	8 000	5 332	6 432	6 432	8 479	8 598	8 961
Travel and subsistence	1 080	298	198	1 617	1 617	1 617	789	851	878
Training and development	703	1 082	2 046	1 640	1 640	1 640	6 120	7 758	8 224
Operating payments	506	409	114	172	172	172	941	989	993
Venues and facilities	40 480	29 745	25 326	21 843	26 842	26 842	18 893	20 022	20 351
Transfers and subsidies to	-	4 692	7 129	11 041	8 641	8 641	4 947	5 238	5 552
Non-profit institutions	-	4 692	7 129	11 041	8 641	8 641	4 947	5 238	5 552
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	90 548	79 883	83 505	89 191	90 131	90 131	90 785	95 778	101 143

Table 10.G : Payments and estimates by economic classification: EPWP Integrated Grant for Provinces (Prog 2: Sport and Recreation)

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	1 000	-	-	-	-	-	-	-	-
Compensation of employees	1 000	-	-	-	-	-	-	-	-
Salaries and wages	980	-	-	-	-	-	-	-	-
Social contributions	20	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	-	550	2 102	2 000	2 000	2 000	2 000	-	-
Provinces and municipalities	-	550	2 102	2 000	2 000	2 000	2 000	-	-
Municipalities	-	550	2 102	2 000	2 000	2 000	2 000	-	-
Municipalities	-	550	2 102	2 000	2 000	2 000	2 000	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 000	550	2 102	2 000	2 000	2 000	2 000	-	-

Table 10.H : Payments and estimates by economic classification: EPWP Incentive Grant for the Social Sector

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	-	4 327	8 058	1 502	1 502	1 502	6 234	-	-
Compensation of employees	-	4 327	8 058	1 502	1 502	1 502	6 234	-	-
Salaries and wages	-	4 240	7 895	1 202	1 202	1 202	4 987	-	-
Social contributions	-	87	163	300	300	300	1 247	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	4 327	8 058	1 502	1 502	1 502	6 234	-	-

Table 10.1 : Sport and Recreation - 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)	Total project cost	Expenditure to date from previous years	Total available		MTEF Forward estimates	
				Date: Start	Date: Finish						2016/17	2017/18	2017/18	2018/19
R thousands														
Existing infrastructure assets														
Maintenance and repair: Current									-	-	-	-	-	-
Upgrades and additions: Capital									-	-	-	-	-	-
Refurbishment and rehabilitation: Capital									-	-	-	-	-	-
New infrastructure assets: Capital									38 013	148 099	47 609	48 480	49 137	
of which:														
Sport and Recreation	Construction	eThekweni	Combination courts	01 April 2016	31 March 2018	Equitable share	Programme 2	Individual proj	3 850	91 981	3 850	5 000	5 200	
Sport and Recreation	Construction	eThekweni	Sport fields	01 April 2016	31 March 2018	Equitable share	Programme 2	Individual proj	24 000	32 783	33 000	32 183	32 092	
Sport and Recreation	Construction	eThekweni	Kickabouts	01 April 2016	31 March 2018	Equitable share	Programme 2	Individual proj	1 650	7 558	1 650	1 650	1 650	
Sport and Recreation	Construction	eThekweni	Outdoor Gyms	01 April 2016	31 March 2018	Equitable share	Programme 2	Individual proj	8 513	-	9 109	9 637	10 195	
Infrastructure transfers									10 000	184 112	12 000	11 650	1 650	
of which:														
Sport and Recreation	Various	eThekweni	Maintenance grants	01 April 2016	31 March 2018	Equitable share and conditional	Programme 2	Individual proj	1 650	16 500	2 000	1 650	1 650	
Sport and Recreation	Construction	eThekweni	Sport Facilities	01 April 2016	31 March 2018	Equitable share	Programme 2	Individual proj	10 000	184 112	10 000	10 000	-	
Infrastructure: Payments for financial assets									-	-	-	-	-	
Infrastructure: Leases									-	-	-	-	-	
Total									48 013	332 211	59 609	60 130	50 787	
Capital Infrastructure									48 013	332 211	57 609	58 480	49 137	
Current Infrastructure									1 650	16 500	2 000	1 650	1 650	

Table 10.J : Summary of transfers to local government

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	525	-	-	30 000	10 000	10 000	10 000	10 000	-
Total: Ugu Municipalities	1 125	3 225	3 600	150	150	150	-	-	-
B KZN211 Vulamehlo	150	-	-	-	-	-	-	-	-
B KZN212 Umdoni	150	150	-	-	-	-	-	-	-
B KZN213 Umzumbhe	150	525	1 725	150	150	150	-	-	-
B KZN214 uMuziwabantu	-	150	150	-	-	-	-	-	-
B KZN215 Ezinqoleni	525	1 725	150	-	-	-	-	-	-
B KZN216 Hibiscus Coast	150	675	1 575	-	-	-	-	-	-
C DC21 Ugu District Municipality	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	2 550	1 875	300	150	150	150	-	-	-
B KZN221 uMshwathi	-	-	-	-	-	-	-	-	-
B KZN222 uMngeni	-	-	-	-	-	-	-	-	-
B KZN223 Mpopana	150	150	-	-	-	-	-	-	-
B KZN224 Impendle	150	-	-	-	-	-	-	-	-
B KZN225 Msunduzi	2 100	1 725	150	-	-	-	-	-	-
B KZN226 Mkhambathini	150	-	-	-	-	-	-	-	-
B KZN227 Richmond	-	-	150	150	150	150	-	-	-
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	975	1 350	675	-	-	-	-	-	-
B KZN232 Emnambithi/Ladysmith	150	-	-	-	-	-	-	-	-
B KZN233 Indaka	-	-	-	-	-	-	-	-	-
B KZN234 Umtshezi	525	1 200	675	-	-	-	-	-	-
B KZN235 Okhahlamba	150	150	-	-	-	-	-	-	-
B KZN236 Imbabazane	150	-	-	-	-	-	-	-	-
C DC23 Uthukela District Municipality	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	3 015	1 500	675	10 000	10 000	10 000	-	-	-
B KZN241 Endumeni	150	150	-	10 000	10 000	10 000	-	-	-
B KZN242 Nquthu	1 515	1 200	525	-	-	-	-	-	-
B KZN244 Msinga	1 200	150	150	-	-	-	-	-	-
B KZN245 Umvoti	150	-	-	-	-	-	-	-	-
C DC24 Umzinyathi District Municipality	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	2 250	1 050	2 925	300	300	300	-	-	-
B KZN252 Newcastle	525	525	1 200	150	150	150	-	-	-
B KZN253 eMadlangeni	150	525	1 725	150	150	150	-	-	-
B KZN254 Dannhauser	-	-	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	1 575	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	675	2 175	2 850	150	150	150	-	-	-
B KZN261 eDumbe	-	-	150	150	150	150	-	-	-
B KZN262 uPhongolo	525	1 200	675	-	-	-	-	-	-
B KZN263 Abaqulusi	-	675	1 725	-	-	-	-	-	-
B KZN265 Nongoma	-	150	150	-	-	-	-	-	-
B KZN266 Ulundi	150	150	150	-	-	-	-	-	-
C DC26 Zululand District Municipality	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	2 220	4 545	3 975	-	-	-	-	-	-
B KZN271 Umhlabyalingana	150	525	1 575	-	-	-	-	-	-
B KZN272 Jozini	675	1 725	150	-	-	-	-	-	-
B KZN273 The Big 5 False Bay	150	-	-	-	-	-	-	-	-
B KZN274 Hlabisa	675	1 200	675	-	-	-	-	-	-
B KZN275 Mtubatuba	570	1 095	1 575	-	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	2 025	2 775	3 450	300	300	300	-	-	-
B KZN281 Umfolozi	675	1 725	-	-	-	-	-	-	-
B KZN282 uMhlatuze	-	-	-	-	-	-	-	-	-
B KZN283 Ntambanana	150	525	1 725	150	150	150	-	-	-
B KZN284 uMlalazi	-	525	1 725	150	150	150	-	-	-
B KZN285 Mthonjaneni	-	-	-	-	-	-	-	-	-
B KZN286 Nkandla	1 200	-	-	-	-	-	-	-	-
C DC28 uThungulu District Municipality	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	1 545	1 350	2 775	150	150	150	-	-	-
B KZN291 Mandeni	150	-	150	150	150	150	-	-	-
B KZN292 KwaDukuza	150	-	-	-	-	-	-	-	-
B KZN293 Ndwedwe	570	150	-	-	-	-	-	-	-
B KZN294 Maphumulo	675	1 200	2 625	-	-	-	-	-	-
C DC29 Ilembe District Municipality	-	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	1 695	1 620	975	450	450	450	-	-	-
B KZN431 Ingwe	675	1 050	675	150	150	150	-	-	-
B KZN432 Kwa Sani	150	-	150	150	150	150	-	-	-
B KZN433 Greater Kokstad	150	-	150	150	150	150	-	-	-
B KZN434 Ubuhlebezwe	570	570	-	-	-	-	-	-	-
B KZN435 Umzimkhulu	150	-	-	-	-	-	-	-	-
C DC43 Harry Gwala District Municipality	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	2 000	1 650	1 650
Total	18 600	21 465	22 200	41 650	21 650	21 650	12 000	11 650	1 650

Table 10.K : Transfers to local government - Infrastructure

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	525	-	-	30 000	10 000	10 000	10 000	10 000	-
Total: Ugu Municipalities	525	2 625	3 150	-	-	-	-	-	-
B KZN213 Umzumbe	-	525	1 575	-	-	-	-	-	-
B KZN215 Ezingoleni	525	1 575	-	-	-	-	-	-	-
B KZN216 Hibiscus Coast	-	525	1 575	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	2 100	1 575	-	-	-	-	-	-	-
B KZN225 Msunduzi	2 100	1 575	-	-	-	-	-	-	-
Total: Uthukela Municipalities	525	1 050	525	-	-	-	-	-	-
B KZN234 Umtshezi	525	1 050	525	-	-	-	-	-	-
Total: Umzinyathi Municipalities	2 415	1 050	525	10 000	10 000	10 000	-	-	-
B KZN241 Endumeni	-	-	-	10 000	10 000	10 000	-	-	-
B KZN242 Nquthu	1 365	1 050	525	-	-	-	-	-	-
B KZN244 Msinga	1 050	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	2 100	1 050	2 625	-	-	-	-	-	-
B KZN252 Newcastle	525	525	1 050	-	-	-	-	-	-
B KZN253 eMadlangeni	-	525	1 575	-	-	-	-	-	-
C DC25 Amajuba District Municipality	1 575	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	525	1 575	2 100	-	-	-	-	-	-
B KZN262 uPhongolo	525	1 050	525	-	-	-	-	-	-
B KZN263 Abaqulusi	-	525	1 575	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	1 470	4 095	3 675	-	-	-	-	-	-
B KZN271 Umhlabuyalingana	-	525	1 575	-	-	-	-	-	-
B KZN272 Jozini	525	1 575	-	-	-	-	-	-	-
B KZN274 Hlabisa	525	1 050	525	-	-	-	-	-	-
B KZN275 Mtubatuba	420	945	1 575	-	-	-	-	-	-
Total: uThungulu Municipalities	1 575	2 625	3 150	-	-	-	-	-	-
B KZN281 Umfolozi	525	1 575	-	-	-	-	-	-	-
B KZN283 Ntambanana	-	525	1 575	-	-	-	-	-	-
B KZN284 uMlalazi	-	525	1 575	-	-	-	-	-	-
B KZN286 Nkandla	1 050	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	945	1 050	2 625	-	-	-	-	-	-
B KZN293 Ndwedwe	420	-	-	-	-	-	-	-	-
B KZN294 Maphumulo	525	1 050	2 625	-	-	-	-	-	-
Total: Harry Gwala Municipalities	945	1 470	525	-	-	-	-	-	-
B KZN431 Ingwe	525	1 050	525	-	-	-	-	-	-
B KZN434 Ubuhlebezwe	420	420	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	13 650	18 165	18 900	40 000	20 000	20 000	10 000	10 000	-

Table 10.L : Transfers to local government - Maintenance Grants

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
Total: Ugu Municipalities	600	600	450	150	150	150	-	-	-
B KZN211 Vulamehlo	150	-	-	-	-	-	-	-	-
B KZN212 Umdoni	150	150	-	-	-	-	-	-	-
B KZN213 Umzumbi	150	-	150	150	150	150	-	-	-
B KZN214 uMuziwabantu	-	150	150	-	-	-	-	-	-
B KZN215 Ezinqoleni	-	150	150	-	-	-	-	-	-
B KZN216 Hibiscus Coast	150	150	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	450	300	300	150	150	150	-	-	-
B KZN223 Mpofana	150	150	-	-	-	-	-	-	-
B KZN224 Impendle	150	-	-	-	-	-	-	-	-
B KZN225 Msunduzi	-	150	150	-	-	-	-	-	-
B KZN226 Mkhambathini	150	-	-	-	-	-	-	-	-
B KZN227 Richmond	-	-	150	150	150	150	-	-	-
Total: Uthukela Municipalities	450	300	150	-	-	-	-	-	-
B KZN232 Emnambithi/Ladysmith	150	-	-	-	-	-	-	-	-
B KZN234 Umtshezi	-	150	150	-	-	-	-	-	-
B KZN235 Okhahlamba	150	150	-	-	-	-	-	-	-
B KZN236 Imbabazane	150	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	600	450	150	-	-	-	-	-	-
B KZN241 Endumeni	150	150	-	-	-	-	-	-	-
B KZN242 Nquthu	150	150	-	-	-	-	-	-	-
B KZN244 Msinga	150	150	150	-	-	-	-	-	-
B KZN245 Umvoti	150	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	150	-	300	300	300	300	-	-	-
B KZN252 Newcastle	-	-	150	150	150	150	-	-	-
B KZN253 eMadlangeni	150	-	150	150	150	150	-	-	-
Total: Zululand Municipalities	150	600	750	150	150	150	-	-	-
B KZN261 eDumbe	-	-	150	150	150	150	-	-	-
B KZN262 uPhongolo	-	150	150	-	-	-	-	-	-
B KZN263 Abaqulusi	-	150	150	-	-	-	-	-	-
B KZN265 Nongoma	-	150	150	-	-	-	-	-	-
B KZN266 Ulundi	150	150	150	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	750	450	300	-	-	-	-	-	-
B KZN271 Umhlabyalingana	150	-	-	-	-	-	-	-	-
B KZN272 Jozini	150	150	150	-	-	-	-	-	-
B KZN273 The Big 5 False Bay	150	-	-	-	-	-	-	-	-
B KZN274 Hlabisa	150	150	150	-	-	-	-	-	-
B KZN275 Mtubatuba	150	150	-	-	-	-	-	-	-
Total: uThungulu Municipalities	450	150	300	300	300	300	-	-	-
B KZN281 Umfolozi	150	150	-	-	-	-	-	-	-
B KZN283 Ntambanana	150	-	150	150	150	150	-	-	-
B KZN284 uMlalazi	-	-	150	150	150	150	-	-	-
B KZN286 Nkandla	150	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	600	300	150	150	150	150	-	-	-
B KZN291 Mandeni	150	-	150	150	150	150	-	-	-
B KZN292 KwaDukuza	150	-	-	-	-	-	-	-	-
B KZN293 Ndwedwe	150	150	-	-	-	-	-	-	-
B KZN294 Maphumulo	150	150	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	750	150	450	450	450	450	-	-	-
B KZN431 Ingwe	150	-	150	150	150	150	-	-	-
B KZN432 Kwa Sani	150	-	150	150	150	150	-	-	-
B KZN433 Greater Kokstad	150	-	150	150	150	150	-	-	-
B KZN434 Ubuhlebezwe	150	150	-	-	-	-	-	-	-
B KZN435 Umzimkhulu	150	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	2 000	1 650	1 650
Total	4 950	3 300	3 300	1 650	1 650	1 650	2 000	1 650	1 650

VOTE 11

Co-operative Governance and Traditional Affairs

Operational budget	R 1 544 101 423
MEC remuneration	R 1 821 577 ¹
Total amount to be appropriated	R 1 545 923 000
Responsible MEC	MEC for Co-operative Governance and Traditional Affairs
Administering department	Co-operative Governance and Traditional Affairs
Accounting officer	Head: Co-operative Governance and Traditional Affairs

1. Overview

Vision

The vision of the Department of Co-operative Governance and Traditional Affairs (COGTA) is: *People centred sustainable co-operative governance*.

Mission statement

The department's mission statement is: *"The department will co-ordinate and foster co-operation among governance institutions and build capacity to accelerate delivery of high quality services to communities"*.

Strategic objectives

The department has five main *strategic policy directions*, namely five key priorities of government including the creation of sustainable livelihood, skills development, healthy communities, rural development, and the fight against corruption; KZN provincial government integrated programme of action; national outcome relating to a responsive, accountable, effective and efficient local government system; and the mandate ranging from the co-ordination of organs of state to ensure maximum impact of co-operative governance to clarifying the role of the private sector and of state-owned enterprises in the new dispensation.

The strategic goals of the department are as follows:

- *Improved co-operative governance*. The strategic objective supporting this goal is:
 - Improved functionality of Inter-Governmental Relations (IGR).
- *Strengthened governance*. The strategic objectives supporting this goal are:
 - Improved administrative management.
 - Strengthened accountability of governance institutions.
 - Improved decision making through citizen participation.
- *Increased economic opportunities*. The strategic objectives supporting this goal are:
 - Strengthened sectoral development.
 - Improved government led job creation programmes.
 - Improved decision making through citizen participation.
- *Strengthened delivery of basic services*. The strategic objective supporting this goal is:
 - Improved co-ordination of service delivery.

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

- *Improved spatial equity.* The strategic objective supporting this goal is:
 - Improved spatial hierarchy of services.
- *Enhanced response to climate change.* The strategic objectives supporting this goal are:
 - Increased adaptation to climate change impacts.
 - Improved disaster management.

Core functions

The mandate of the department is as follows:

- To co-ordinate all organs of state to ensure maximum impact.
- Interventionist approach.
- Improved internal and external co-operation and outcomes based IGR structures.
- Ensure single window of co-ordination and regulation of national, provincial and local government.

In essence, the department's mandate at the centre of integrated development has the following functions:

- Co-ordination, both vertically and horizontally, and doing away with the silo approach across the province.
- The key area of focus is planning. The department is repositioned as a critical ally of the Planning Commission to align planning across the three spheres of government, by strengthening Integrated Development Plans (IDPs).
- Ensuring the alignment of priorities of both national and provincial departments implemented in a local space in the municipal IDPs.
- Ensure that IDP encapsulates the provincial priorities and budget in a co-ordinated manner.
- Enhance the IGR framework support integration (IGR framework to be reviewed and strengthened).
- Ensure seamless service delivery in a co-ordinated manner supported by emerging legislated processes.
- Put development planning at the centre stage.
- Put people at the centre of development.

The department will continue to support and ensure that there is alignment between the national, provincial, as well as local government priorities. Working together with different stakeholders in the province and countrywide, the department is committed to contributing toward realisation and achievement of government's priorities as spelt out in the MTSF.

Legislative mandate

The legislative mandate of COGTA is presented below.

Constitutional mandate

The mandates of COGTA are embodied in the following sections of the Constitution, 1996:

- Section 139 provides for provincial intervention in local government. This intervention in municipalities includes the issuing of directives and managing interventions by the Provincial Executive Council, in accordance with the provisions of section 139(1)(b) and (c).
- Section 154 determines that provincial governments must provide support and capacity-building to municipalities by legislative and other means, to assist municipalities to manage their own affairs, to exercise their powers and to perform their functions.
- Section 155(5) and (6) determines the types of municipalities in KZN, and establishes municipalities in KZN, whereafter the municipalities, by legislative and other measures, must be monitored and supported, in addition to which the department must promote the development of local government capacity, to enable municipalities to perform their functions and manage their own affairs.

- Section 155(7) stipulates that provincial governments have legislative and executive authority to see to the effective performance by municipalities of their functions in respect of matters listed in Schedules 4 and 5, by regulating the exercise by municipalities of their executive authority referred to in section 156(1).

Specific legislation for the department

- Municipal Systems Act (Act No. 32 of 2000)
- Municipal Structures Act (Act No. 117 of 1998)
- Municipal Financial Management Act (Act No. 53 of 2003)
- Municipal Property Rates Act (Act No. 6 of 2004)
- Local Government Demarcation Act (Act No. 6 of 2004)
- Local Government Municipal Electoral Act (Act No. 27 of 2000)
- Traditional Leadership and Governance Framework Act (Act No. 41 of 2003)
- Disaster Management Act (Act No. 57 of 2002)
- Spatial Planning and Land Use Management Act (Act No. 16 of 2013)
- Infrastructure Development Act (Act No. 23 of 2014)
- Municipal Fiscal Powers and Functions Act (Act No. 12 of 2007)
- Remuneration of Public Office Bearers Act (Act No. 20 of 1998)
- KwaZulu-Natal Planning and Development Act (Act No. 6 of 2008)
- KwaZulu-Natal Pounds Act (Act No. 3 of 2006)
- KwaZulu-Natal Cemeteries and Crematoria Act (Act No. 32 of 2000)
- KwaZulu-Natal Determination of Types of Municipalities Act (Act No. 7 of 2000)
- KwaZulu-Natal Traditional Leadership and Governance Act (Act No. 5 of 2005)
- Fire Brigade Services Act (Act No. 99 of 1987)
- Public Service Act (Proclamation No. 103 of 1994)
- Employment Equity Act (Act No. 55 of 1998)
- Labour Relations Act (Act No. 66 of 1995)

General legislation for departments dealing with local government and traditional affairs

- Public Finance Management Act (Act No. 1 of 1999, as amended) and Treasury Regulations
- KZN Provincial Supply Chain Management (SCM) Policy Framework (2006)
- Public Service Regulations
- Annual Division of Revenue Act

Specific legislation applicable to municipalities

In addition to the above, there are particular pieces of legislation which apply specifically to municipalities and relate to the department's oversight, co-operation, co-ordination and alignment functions:

- Development Facilitation Act (Act No. 67 of 1995)
- Water Services Act (Act No. 108 of 1997)
- Communal Land Rights Act (Act No. 11 of 2004)

2. Review of the 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 providing a brief discussion on challenges and new developments.

Local governance

The department was able to keep its commitment to providing effective support to local government institutions to strengthen governance, promote sound financial management, enhance public participation and improve capacity of municipalities to accelerate service delivery. In doing so, the department achieved the following:

- Assessed, supported and monitored ten districts on the functionality of the IGR forums.
- Supported municipalities to be compliant with Municipal Structures Act (MSA) regulations through conducting regional workshops.
- Conducted assessments of all 61 municipalities to determine public sector expenditure, public capital expenditure and municipal expenditure on capital infrastructure in accordance with the municipal IDP and PGDS.
- Reviewed unauthorised, irregular, fruitless and wasteful registers, and conducted VAT training and workshops for municipalities.
- Supported all local municipalities to develop their ward-based plans that are aligned with their IDPs.
- Capacitated municipalities in line with the identified Back To Basics programme and rolled out the gender policy.
- Assessed all municipalities on their compliance with the reporting mechanism and resolved issues identified through the Back To Basics programme.
- Operation Clean Audit – The department has ongoing programmes to support municipalities to improve their audit outcomes. The department continued to support municipalities in terms of:
 - Providing hands-on support to assist municipalities that received disclaimers and qualifications to move to an improved audit outcome.
 - Monitoring implementation of the audit action plans, assisting municipalities to address audit queries in respect of reported non-compliance and unauthorised, irregular, fruitless and wasteful expenditure.
 - Supporting municipalities with reviewing the year-end processes, submitting their annual financial statements timeously and completing their audit readiness processes.
 - Providing guidance, advice and support at audit committee meetings, which resulted in a significant improvement in the effectiveness of audit committees.
 - Supporting municipalities that reported unauthorised, irregular, fruitless and wasteful expenditure in the prior year in monitoring and reporting such expenditure. In this regard, a database relating to such expenditure was maintained in respect of matters reported.
- Bi-annual CFO forum – The department convened a provincial CFO forum which met bi-annually. The department held two CFO forums during the year to share information, as well as to capacitate the municipal CFOs and deputy CFOs in different financial management areas, audit issues and how to address any financial challenges in their municipalities. Among the issues discussed were VAT management, Municipal Infrastructure Grant (MIG) management, the standardisation of tariff study, financial misconduct regulations, 2014/15 audit issues, local government elections and demarcations impact on key processes, as well as the Back To Basics programme.

Development and planning

Accelerated sustainable development can be achieved through effective integrated planning, local economic development and implementation of schemes and provision of basic services. As such, the department achieved the following:

- Assessed municipal Spatial Development Frameworks (SDFs) for all municipalities and monitored the implementation of the densification framework and the development of a suite of plans (the different levels of planning within a municipality).
- Mapped 100 per cent of disaster incidents received and compiled a geo-spatial analysis report.

- Capacitated 51 local municipalities on the Spatial Planning and Land Use Management Act (SPLUMA) requirements and undertook the mapping of the Human Development Index (HDI).
- Developed a support programme for all the District Development Agencies (DDAs) and developed a support programme to support informal economy initiatives for all districts in line with the needs assessment.
- Monitored the implementation of the infrastructure programme and developed support plans for non-functional Community Services Centres (CSCs).
- Rolled out an action plan to all stakeholders on the Provincial Steering Committee (PSC) for the Community Work Programme (CWP).
- Created work opportunities through various COGTA funded projects, such as CWP, Food for Waste and CSC programmes.
- Established water and energy infrastructure development co-ordinating forums and collected data from 60 municipalities to assess municipal performance against service delivery benchmarks.
- Conducted training on climate change and trained districts to draft climate change response strategies.
- Prepared a draft Provincial Development and Investment Framework and implemented District Shared Services for ten districts.
- Facilitated the drafting of ten Traditional Settlement Master Plans (TSMPs).
- Drought relief interventions – In view of the persisting drought in the province, Cabinet resolved that all Water Service Authorities (WSAs) should convene weekly meetings within their areas of jurisdiction, in order to monitor the drought situation. The department, with the Department of Water and Sanitation (DWS) facilitated the establishment of Joint Operating Committees (JOCs) in all areas affected by the drought. The following intervention measures were put in place:
 - Implementation of water restrictions across the province.
 - Repairs and upgrades to water schemes such as repair of leaks on the operational schemes, installed pressure reduction valves in existing schemes and installation of water restrictors in the existing schemes, etc.
 - Drilling boreholes – All districts have explored underground water sources and boreholes were sited, drilled and equipped, among others. DWS drilled and repaired boreholes in the Uthukela, Zululand, Umkhanyakude, Ilembe and Harry Gwala district municipalities.
 - Installation of static water tanks – DWS contracted the Umgeni and uMhlathuze water boards to supply and deliver static water tanks to the Ugu, Umkhanyakude, Ilembe and Harry Gwala district municipalities.
 - Procurement of water tankers – DWS procured 45 water tanks and delivered to Ugu, Uthukela, Umkhanyakude, uThungulu, Ilembe and Harry Gwala district municipalities.

A joint operation task team was established and regular meetings with districts and provincial political leadership were held for both updates and joint communication about the drought situation. The department activated the internal Project Management Unit (PMU) support to augment the capacity of the Provincial Disaster Management Centre (PDMC) to deal with technical issues with regard to packaging and managing some of the interventions requiring specific technical skills.

The department received R33 million in the 2015/16 Adjustments Estimate to resuscitate the dysfunctional water supply in the Umkhanyakude district municipality, as the district is under administration in terms of Section 139(1)(b) of the Constitution of South Africa, 1996. The expenditure as at 28 January 2016 totalled R14.812 million, and covered the assessment of infrastructure, refurbishment of water and sanitation infrastructure, drilling of boreholes and supply and installation of static tanks.

- Electrification project – This project is part of the Massification programme. The department received an additional R130.924 million in the 2015/16 Adjustments Estimate in respect of various electrification projects in municipalities, as directed by Cabinet. The department convened a meeting

with the affected municipalities on 22 January 2016, and the conditions of the grant were explained and discussed. Also, individual project steering committees were set up with programmes for future meetings. In addition, technical support is being provided by the department in the form of two electrical engineers. At the time of compiling this report, an amount of R111 million was transferred to various municipalities for the implementation of the projects. The balance of R19.924 million was allocated to *Goods and services* for electrification projects that are currently being undertaken by the department's PMU in local municipalities due to capacity challenges in these municipalities.

- Local government voter registration – The department was allocated an additional R25 million in the 2015/16 Adjustments Estimate for voter education, demarcation roadshows and voter registration campaigns in respect of the 2016 local government elections. At the time of compiling this report, an amount of R5 million was committed on social ills and information on voter registration campaigns.

Traditional institutional management

Good governance is critical for traditional institutions to provide effective support to the communities. As a result, the department:

- Supported the Portfolio Committee with conducting public hearings and analysing public comments on the bill on traditional leadership.
- Installed five and recognised 23 *Amakhosi*.
- Finalised all dispute claims lodged for mediation.
- Enrolled 20 *Amakhosi* in the University of KwaZulu-Natal (UKZN) Advanced Leadership Programme.
- Supported cultural platforms, such as Umkhosi Womhlanga, Ubumbano lwamaDunge and Umkhosi weLembe to ensure that cultures are preserved and celebrated in the traditional communities.
- Conducted skills audit of *Amakhosi* from all Local Houses.
- Supported the participation of *Amakhosi* in the 58 municipal councils and conducted workshops on the co-operation and partnership protocol.
- The department was allocated R11.076 million in the 2015/16 Adjustments Estimate to cater for the unbudgeted stipends (at R1 300 per month) paid to the additional 954 *Izinduna* that were previously not paid as they were not serving as Traditional Council (TC) members. The stipends are being paid to the *Izinduna* on a monthly basis.

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.

In 2016/17, the department will continue to co-ordinate support, promote good governance and enhance financial management in municipalities, as well as provide support and build the capacity of traditional institutions. The department will enhance municipal administration and governance, and a draft framework of the local government bill will be prepared and municipalities will be supported in revising draft standard bylaws. The department will also support the installation and recognition of *Amakhosi* in the province. Also, 2016 marks the year of holding the local government elections, and the focus of the department will thus be to support the smooth running of the process, while continuing to provide planned support as follows:

Local governance

Local government will continue to co-ordinate the support, promote good governance and enhance financial management in municipalities. The main focus for 2016/17 will be on:

- IGR structures, oversight structures, rapid response teams and audit committees to be functional for improving the functionality of IGR.
- Compliance of municipalities with local government legislation and policies to strengthen the institutional capacity of municipalities.

- Monitoring of municipalities' expenditure, revenue management and debt collection for improving financial viability and management in local government.
- Operation Clean Audit in addressing all issues highlighted in the audit outcomes for strengthening accountability of local government.
- The fight against fraud, corruption and maladministration to eradicate the incidences of fraud within the municipalities through strengthening disciplinary action and creating awareness in municipalities.
- Ensuring community report back by the councillors and the functionality of ward committees to promote community engagement through consultation, communication and feedback in the municipalities.
- Alignment of ward based plans to the IDP and the development of a ward-level database to strengthen ward-based planning.
- Conducting capacity building interventions and the roll-out of the gender policy framework to capacitate municipalities.
- Monitoring the implementation of Back To Basics programme and the Performance Management System for integrated and sustainable support to municipalities.
- Local government elections – The department is entrusted with the mandate of monitoring and supporting the local government elections. As part of monitoring and supporting the local government elections, the department has established the following structures:
 - The Provincial Local Government Election Steering Committee (PLGES) – The purpose of the committee is to monitor, support, guide and oversee the election process.
 - The Provincial Infrastructure Task Team – The purpose of the task team will be to evaluate the status of water, sanitation and electricity services available on site at all voting stations and ensure that all voting stations are adequately equipped with these basic services, thereby ensuring that the elections are run smoothly.
 - The post-election plan – This will deal with various matters, including the exit strategy for councillors who will not be re-elected, councillor orientation and empowerment programme, comprehensive training programme for new councillors, communication strategy to roll-out voter awareness campaigns and rapid response teams to monitor and resolve service delivery protests.

Development and planning

The National Development Plan (NDP) stipulates that, in order for the country to support the long term economic objectives and development goals, South Africa needs to focus on investing in basic services, such as electricity, water, sanitation, telecommunications and public transport. The main focus of this programme for 2016/17 will be on:

- Alignment of municipal SDFs and monitoring of the densification framework.
- Producing a suite of plans and LUM schemes and systems for a well-integrated spatial planning system.
- Mapping of climate related incidents data and municipal schemes in the province to enhance the province's response to climate change.
- Implementation of SPLUMA, formalisation of towns and monitoring the processing of development application to improve spatial hierarchy of services.
- Creating job opportunities through the CWP, EPWP, Food for Waste and CSC programmes to improve job creation.
- Continuing to roll-out the Small Town Rehabilitation and Corridor Development programmes to improve economic opportunities.
- Supporting DDAs and agri-hubs/fresh produce markets to drive Local Economic Development (LED) and investment in each district.

- Service delivery programmes on electricity, water and sanitation, indigent policies and assessing municipalities against service delivery benchmarks to support the municipalities with improvement in the production and supply of basic services.
- Establishing provincial fire brigade services and disaster management support to capacitate municipalities on disaster relief management.
- Implementing District Shared Services to build capacity of critical skills for resilient local municipalities.
- Development of TSMPs to improve rural planning and development.
- Drought relief interventions – The department will continue to engage various role-players that can make a meaningful contribution in ensuring that the plight of the people in KZN is attended to. The department received R150 million for 2016/17 only for drought relief interventions across the provinces. The funds will be used for drilling boreholes, the purchase of mobile packaged plants, water tankers for firefighting and off-channel raw water storage.

Traditional institutional management

Traditional institutional governance remains central in supporting and building the capacity of traditional institutions. The main focus of this programme for 2016/17 will be on:

- Installation and recognition of seven *Amakhosi* to enhance traditional institutional governance.
- Resolving emerging disputes and profiling of *Izizwe* (tribes) on customary law as a way of promoting a cultural and customary way of life.
- Monitoring the participation of traditional leaders in municipal councils to support municipalities in implementing Section 81 of the MSA, 1998.
- Supporting local houses on the establishment of partnerships in traditional communities to enable development.
- The department will continue to pay stipends of R1 300 per month in 2016/17 to the additional 954 *Izinduna* that were previously not paid as they were not serving as TC members.

4. Receipts and financing

4.1 Summary of receipts

Table 11.1 below indicates the sources of funding for Vote 11 for the 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, and a national conditional grant allocation in respect of the EPWP Integrated Grant for Provinces. The grant was allocated for the first time in 2014/15, and has continued to 2016/17. The department uses the grant allocation for its Food for Waste programme in communities, where the most needy community members collect domestic waste from households and in public places, and are compensated.

Table 11.1 : Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Equitable share	1 208 003	1 228 982	1 457 802	1 361 524	1 361 524	1 361 524	1 542 256	1 461 452	1 546 475
Conditional grants	-	-	3 471	4 119	4 119	4 119	3 667	-	-
EPWP Integrated Grant for Provinces	-	-	3 471	4 119	4 119	4 119	3 667	-	-
Total receipts	1 208 003	1 228 982	1 461 273	1 365 643	1 365 643	1 365 643	1 545 923	1 461 452	1 546 475
Total payments	1 314 550	1 242 496	1 482 587	1 368 043	1 581 163	1 581 163	1 545 923	1 461 452	1 546 475
Surplus/(Deficit) before financing	(106 547)	(13 514)	(21 314)	(2 400)	(215 520)	(215 520)	-	-	-
Financing									
of which									
Provincial roll-overs	29 024	-	3 472	-	-	-	-	-	-
Provincial cash resources	79 100	17 360	40 650	2 400	215 520	215 520	-	-	-
Surplus/(Deficit) after financing	1 577	3 846	22 808	-	-	-	-	-	-

Table 11.1 shows that there is generally steady growth in the department's budget over the period under review. This is despite the substantial MTEF budget cuts of R48.650 million, R51.959 million and R55.492 million in *Compensation of employees*, and R11.732 million, R12.197 million and R12.410 million against *Goods and services* in respect of the 2 per cent, which are explained under Sections 5.2 and 5.3 below.

In 2012/13, the department received a roll-over of R29.024 million from 2011/12 for various departmental projects, such as the construction of Traditional Administration Centres (TACs) and *Imizi Yesizwe*, the installation of water purification plants, the payment of computer servers, etc. In addition, provincial cash resources of R79.100 million were allocated for various projects such as councillor training on municipal structures and management throughout the province, the formalisation of 13 towns for improved service delivery, among others.

The department under-spent in 2012/13 by R1.577 million, largely due to office furniture and equipment not purchased as a result of non-filling of vacant posts and unprocessed leave gratuities.

In 2013/14, the department was allocated provincial cash resources of R17.360 million in respect of various projects including the Nelson Mandela Marathon, the second BRICS Urbanisation Forum and the third Friendship Cities and Local Government Co-operation Forum, among others.

The additional funding was offset by the suspension of funds in 2013/14 and allocated back to the department in 2014/15, for transfer to the public entity Agri-business Development Agency (ADA) to implement the Uthukela *Amakhosi* programme and the Msinga Asisukume Co-operative due to capacity constraints in municipalities. In addition, funds were suspended in respect of the centralisation of parts of the communications budget under the Office of the Premier (OTP), and carried through over the MTEF.

The department ended 2013/14 with an under-expenditure of R3.846 million relating to non-completion of the PDMC at Mkondeni because the structural integrity of the existing structure was not in accordance with the drawings that were provided by the department. An amount of R3.472 million was rolled over to 2014/15 for the completion of the centre, and the balance of R374 000 was surrendered to the Provincial Revenue Fund, because the funds were not committed.

In 2014/15, the department was allocated funds relating to the EPWP Integrated Grant for Provinces for the first time, as previously explained. Also in 2014/15, the department received the above-mentioned roll-over of R3.472 million from 2013/14 for the completion of the PDMC. In addition, the department was allocated additional funds in respect of the 2014 Nelson Mandela Marathon event, the implementation of electrification projects in various municipalities and the development of rural areas.

The amount in 2014/15 against provincial cash resources includes additional funds for the construction and rehabilitation of various CSCs, and the re-allocation of funds to be transferred to ADA for the implementation of the Uthukela *Amakhosi* programme and the Msinga Asisukume Co-operative, as mentioned above.

In 2015/16, the department was allocated funds relating to the external bursaries budget that were centralised in the 2014/15 MTEF under OTP. This was decentralised back to all departments from which the budget was previously moved. The carry-through (R2.400 million) of the uMsekeli Municipal Support Services pensioners' medical aid obligation continued in 2015/16. However, the funding is added to the equitable share allocation in 2016/17 and, hence, it does not appear against provincial cash resources from 2016/17 onward.

In the 2015/16 Adjusted Appropriation, the department was allocated once-off provincial cash resources of R213.120 million in respect of:

- Electrification projects in various municipalities (as directed by Cabinet).
- Water provision for the Umkhanyakude district municipality.
- Various campaigns (voter education, demarcation roadshows and voter registration) in respect of the 2016 local government elections.

- Payment of stipends (at R1 300 per month) to the additional 954 *Izinduna* that were previously not paid as they were not serving as TC members.
- Implementation of the Mtubatuba Urban Regeneration Plan to address various infrastructure and urban regeneration challenges affecting the Central Business District (CBD).
- Campaigns against xenophobia attacks in the province.
- Sponsorship toward the Women in Leadership Dialogue.
- Above-budget 2015 wage agreement from the provincial fiscus.
- Rehabilitation of CSCs.

The department is projecting a balanced budget at the end of 2015/16.

Over the 2016/17 MTEF, the department was allocated additional funds in respect of the carry-through costs of the above-budget 2015 wage agreement. However, this increase was substantially mitigated by the budget cuts against *Compensation of employees* and *Goods and services*. Despite these cuts, the department's budget shows an increasing trend over the 2016/17 MTEF, mainly due to the carry-through costs of the above-budget 2015 wage agreement, an additional amount of R150 million in 2016/17 only for drought relief interventions, as well as inflationary increments.

4.2 Departmental receipts collection

Table 11.2 below reflects departmental receipts for the period 2012/13 to 2018/19. Details of these receipts are presented in *Annexure – Vote 11: Co-operative Governance and Traditional Affairs*.

Table 11.2 : Summary of departmental receipts collection

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	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	1 293	1 338	1 663	1 509	1 509	1 509	1 617	1 726	1 843
Transfers received	-	-	-	-	-	1 125	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	1 549	27	32	42	42	42	45	48	51
Sale of capital assets	-	2 863	2 643	1 200	1 200	2 267	1 200	1 260	1 323
Transactions in financial assets and liabilities	4 736	3 242	19 133	902	902	8 864	967	1 033	1 103
Total	7 578	7 470	23 471	3 653	3 653	13 807	3 829	4 067	4 320

The department collects revenue against *Sale of goods and services other than capital assets*, which comprises of commission received from monthly PERSAL deductions, such as insurance and garnishees, the sale of maps and publications, parking fees and rental for officials occupying state houses. A steady increase is reflected from 2012/13 to 2014/15. The drop in revenue collection in 2015/16 can be attributed to the lower expected collection in respect of sale of tender documents. Growth over the 2016/17 MTEF is based on inflationary increments.

Transfers received reflects an amount of R1.125 million in the 2015/16 Revised Estimate, which was due to donations from various companies in respect of the Woman in Leadership Dialogue, held at the ICC in September 2015. These funds were be allocated back to the department for spending in 2015/16.

Revenue collection against *Interest, dividends and rent on land* relates to interest received on staff debts. The substantial revenue collected in 2012/13 was due to interest received on prepayments made to IDT for the construction of the *Imizi Yesizwe*, as well as the construction of TACs in rural areas. Thereafter, an increasing trend is reflected throughout the period as a result of inflationary increments.

Sale of capital assets relates to the sale of redundant assets such as motor vehicles and old office equipment. The high collection realised in 2013/14 was in respect of the sale of redundant motor vehicles. The department managed to auction a number of its redundant motor vehicle and office equipment in 2014/15, realising revenue collection of R2.643 million. The higher than anticipated revenue collected in

2015/16 Revised Estimate resulted from the good performance on sale of redundant motor vehicles. It is difficult to accurately project revenue from this source, considering the factors involved in the auction process, such as, *inter alia*, the residual value, remaining useful life, condition and demand for an asset as well as number of assets declared to be auctioned, hence, the conservative budgeting over the MTEF.

Transactions in financial assets and liabilities includes revenue collected in relation to monies recovered from staff debts and refunds relating to previous years' expenditure. In 2012/13, the significant revenue collection related to funds returned to the department by the Ezingoleni and Umzumbe Municipalities, in respect of failed projects in 2010/11. In 2013/14, a significant amount of revenue collected was due to refunds from the Umdoni Municipality, which amounted to R1.111 million, as a result of breached provisions of the Memorandum of Agreement (MOA) and the Business Plan entered into with the department. Revenue collected in 2014/15 was largely a result of funds being recalled from uMgungundlovu District Municipality due to challenges faced by the municipality with the implementation of the Material Recovery and Composting facility project. The 2015/16 Revised Estimate reflects an amount of R8.864 million, largely due to funds returned from the Mtubatuba Municipality in respect of under-spending against the Corridor Development programme, which was transferred to the municipality in 2008/09 and 2009/10. The fluctuating trend over the period under review is due to the uncertain nature of this category. A steady increase in revenue collection is expected over the MTEF.

4.3 Donor funding

Table 11.3 reflects donor funding payments by the department for the period 2012/13 to 2018/19.

Table 11.3 : 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	-	827	1 353	1 316	1 316	1 753	-	-	-
Development Bank of SA	-	452	-	-	-	-	-	-	-
Dept. of Prov. and Local Govt	-	375	1 353	1 316	1 316	763	-	-	-
LGSETA	-	-	-	-	-	990	-	-	-
Total	-	827	1 353	1 316	1 316	1 753	-	-	-

The amount in 2013/14 against the Development Bank of South Africa (DBSA) was the final expenditure in respect of the funding received in 2008/09 for building municipal capacity. This was used for capacity building initiatives for ward committees' training in community development, management, project management and other appropriate disciplines in respect of the Community Development Workers (CDWs).

The amount against the Department of Provincial and Local Government (DPLG) was originally received in 2004 for various projects (such as audits, municipal infrastructure, etc.) within municipalities. As the projects were completed, the balance of R2.491 million remained, and a decision was taken at the end of 2012/13 to consolidate all the balances into one account and to use the funding for councillors' training in municipalities. The department spent R375 000 in 2013/14 and R1.353 million in 2014/15, on training. The balance of R763 000 will be spent in 2015/16. The reduction in the 2015/16 Revised Estimate was due to the department spending more than it anticipated in 2014/15.

The department also received funds of R990 000 in June 2015 from the Local Government Sector Education and Training Authority (LGSETA) for fire fighting training, in respect of the fire and rescue operational learnership and the disaster risk management skill programme. This was not included in the 2015/16 Main or Adjusted Appropriation, as it was not anticipated at the time.

No donor funding is anticipated over the MTEF, hence there are no allocations indicated, at this stage.

5. Payment summary

Section 5 reflects payments and budgeted estimates in terms of programmes and economic classification. Further details are given in Section 6, as well as in *Annexure – Vote 11: Co-operative Governance and Traditional Affairs*.

5.1 Key assumptions

The following assumptions and factors were taken into account in finalising the budget allocations:

- All inflation related increases are based on CPI projections.
- 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:
 - 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.
 - Departments' equitable share funded *Goods and services* budgets were cut by 2 per cent.
 - Departments' and public entities' hosting of events budgets were cut over the MTEF.
 - 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.
 - 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 11.4 below shows additional funding received by the department over the three MTEF periods: 2014/15, 2015/16 and 2016/17. 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.

Table 11.4 : 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	39 632	4 662	5 626	5 907	6 250
Suspension of trf to ADA for Uthukela <i>Amakhosi</i> prog and Msinga Co-op	18 850	-	-	-	-
Community Service Centres - Bulwer and rehab. of 3 others	19 400	-	-	-	-
Carry-through of previous wage agreements	3 582	6 917	7 992	8 392	8 878
Centralisation of communications budget under OTP	(1 000)	(1 000)	(1 053)	(1 106)	(1 170)
Centralisation of external bursaries budget under OTP	(1 200)	(1 255)	(1 313)	(1 379)	(1 459)
2015/16 MTEF period		1 255	1 313	1 379	1 459
Decentralisation of bursaries budget		1 255	1 313	1 379	1 459
2016/17 MTEF period			105 336	(47 314)	(49 799)
Above-budget 2015 wage agreement			15 718	16 842	18 103
Drought relief interventions - boreholes, mobile packaged plants, water tankers, etc			150 000	-	-
Freezing all vacant non-OSD posts			(48 650)	(51 959)	(55 492)
2% <i>Goods and services</i> cut			(11 732)	(12 197)	(12 410)
Total	39 632	5 917	112 275	(40 028)	(42 090)

In the 2014/15 MTEF, the department received R18.850 million, being funds suspended in 2013/14 and allocated back in 2014/15, for transfer to ADA, as previously explained. Also, in the 2014/15 MTEF, additional funding was allocated for the construction and rehabilitation of CSCs, as well as for the carry-through costs of previous wage agreements, which increased significantly from 2015/16 onward. Also in

the 2014/15 MTEF, funds were suspended from the department in respect of the centralisation of parts of the communications budget and external bursaries budget under OTP.

In the 2015/16 MTEF, the department received additional funding relating to the decentralisation of the bursaries budget from OTP, as explained previously.

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 was 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 COGTA is commented on in Section 5.3 below.

These cuts were offset slightly by the additional funds allocated over the 2016/17 MTEF for the carry-through costs of the above-budget 2015 wage agreement. In addition, the department received a once-off allocation of R150 million in 2016/17 only in respect of drought relief interventions in the province, and the funding provides for:

- The drilling and equipping of 100 boreholes across the province.
- Procuring and installing mobile packaged plants to support critical areas for each of the 14 WSAs.
- Procuring water tankers to support firefighting in the province.
- Procuring and installing raw water mass storage facilities to augment the water source for each of the 14 WSAs.

5.3 Summary by programme and economic classification

The services rendered by the department are categorised under four programmes, which are aligned to the uniform budget and programme structure of the Co-operative Governance and Traditional Affairs sector.

Tables 11.5 and 11.6 provide a summary of the vote's payments and budgeted estimates over the seven-year period, by programme and economic classification, respectively.

It should be noted that, in 2014/15, the department was instructed by the A-G to reclassify and move all expenditure and budget relating to the traditional levies and trust account from the various economic categories to *Transfers and subsidies to: Non-profit institutions* within Programme 4. However, National Treasury raised a concern in this regard, (which was supported by Provincial Treasury), and the department was requested to reverse the budget and expenditure that was initially moved from the various categories to *Transfers and subsidies to: Non-profit institutions*, due to the financial implications this will have on the provincial fiscus, as well as the department's budget in future, specifically with regard to *Compensation of employees*. National Treasury bases its calculations on the actual spending incurred by provinces on *Compensation of employees* when determining the amount to be allocated to provinces for the above-budget wage agreement. As such, if the *Compensation of employees* expenditure is moved to *Transfers and subsidies to: Non-profit institutions*, this will not be included in National Treasury's calculations, which means that the province will not receive adequate funding for the above-budget wage agreement. Accordingly, the department moved the expenditure and budget back to *Compensation of employees* in the audited 2014/15 AFS, while expenditure relating to *Goods and services*, *Transfers and subsidies to: Households*, *Machinery and equipment* and *Software and other intangible assets* were reflected against *Transfers and subsidies to: Non-profit institutions*. As the department has yet to receive clarity on how to deal with the matter from National Treasury, and because of the uncertainty regarding this issue, prior years' spending, the 2015/16 and the MTEF budgets could not be re-stated. As such, Provincial Treasury requested the department to also revert the expenditure of R83.121 million in 2014/15 back to the various categories for this budget process, in order to not distort the trend. It is noted that this classification issue is still under review by A-G and Provincial Treasury.

Table 11.5 : Summary of payments and estimates by programme: Co-operative Governance and Traditional Affairs

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Administration	311 497	318 880	331 891	352 394	379 998	385 624	367 321	374 160	390 788
2. Local Governance	182 089	222 739	217 377	225 160	263 678	263 244	249 953	273 964	308 847
3. Development and Planning	614 226	430 891	699 251	534 598	670 520	666 608	643 650	515 618	534 569
4. Traditional Institutional Management	206 738	269 986	234 068	255 891	266 967	265 687	284 999	297 710	312 271
Total	1 314 550	1 242 496	1 482 587	1 368 043	1 581 163	1 581 163	1 545 923	1 461 452	1 546 475

Table 11.6 : Summary of provincial payments and estimates by economic classification: Co-operative Governance and Traditional Affairs

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	799 663	931 321	992 678	1 182 013	1 238 714	1 228 109	1 403 000	1 336 181	1 406 423
Compensation of employees	411 741	523 274	557 676	637 229	630 118	615 631	674 446	738 550	798 330
Goods and services	387 922	408 047	435 002	544 784	608 596	612 478	728 554	597 631	608 093
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	456 986	246 873	421 838	87 969	240 524	250 479	47 497	49 358	52 115
Provinces and municipalities	444 587	232 228	353 291	61 856	181 006	184 506	33 021	35 999	36 689
Departmental agencies and accounts	1 000	1 278	20 231	-	-	6 150	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	558	-	33 254	12 100	45 100	45 100	-	-	-
Non-profit institutions	100	-	-	-	-	-	-	-	-
Households	10 741	13 367	15 062	14 013	14 418	14 723	14 476	13 359	15 426
Payments for capital assets	57 757	64 276	68 026	98 061	101 925	102 575	95 426	75 913	87 937
Buildings and other fixed structures	24 225	39 069	41 689	78 231	76 601	76 601	76 596	61 674	71 450
Machinery and equipment	29 188	21 104	24 906	17 130	22 720	23 278	16 518	14 039	16 212
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	4 344	4 103	1 431	2 700	2 604	2 696	2 312	200	275
Payments for financial assets	144	26	45	-	-	-	-	-	-
Total	1 314 550	1 242 496	1 482 587	1 368 043	1 581 163	1 581 163	1 545 923	1 461 452	1 546 475

The expenditure and budget trends reflect steady growth over the period. The slightly high amounts in 2012/13, 2014/15 and in the 2015/16 Adjusted Appropriation can be attributed to various once-off allocations, as explained below. Also, the below inflationary growth over the 2016/17 MTEF is mainly ascribed to the previously mentioned MTEF budget cuts of R48.650 million, R51.959 million and R55.492 million against *Compensation of employees* and R11.732 million, R12.197 million and R12.410 million against *Goods and services*, against all programmes. The department's allocation was not cut in terms of the events budget, as indicated. The budget cuts against *Goods and services* were effected against the items *Consultants and professional services: Business and advisory services, Computer services, and Communications (G&S)*.

Programme 1: Administration reflects steady growth over the period under review. The growth from 2013/14 relates to the improvement of the department's ICT systems, and the maintenance and upgrading of various departmental buildings. Also, additional once-off funding was allocated for the Nelson Mandela Marathon. The growth in the 2015/16 Adjusted Appropriation was in respect of reprioritisation from Programme 3, to cater for ICT projects, including the Microsoft Migration and the Electronic Content Management (ECM) to improve ICT in the department, and various campaigns in respect of the 2016 local government elections. Furthermore, additional once-off funding was allocated in respect of campaigns against xenophobia in the province and the Women in Leadership Dialogue. The further increase in the 2015/16 Revised Estimate resulted from the higher than budgeted expenditure on the ICT projects, and outreach programmes held, including voter education and road shows, Back To Basics, water and drought awareness campaigns. The increase over the MTEF is mainly in respect of the improvement of ICT systems, property payments, vehicle maintenance, the 2016 local government elections, carry-through of the above-budget 2015 wage agreement, as well as inflationary increments. Although there is a steady increase over the MTEF, this growth was slightly mitigated by the budget cuts mentioned earlier.

Programme 2: Local Governance shows an increase in 2013/14 due to reprioritisation from Programme 3 to cater for the shortfall in the appointment of an additional 127 CDWs to ensure ward functionality in terms of Operation Sukuma Sakhe (OSS), as well as the deployment of additional skilled professionals

and administrators in municipalities that provided municipal governance and administration hands-on support, among others. Some of these projects were once-off, hence the decrease in 2014/15. The increase in the 2015/16 Adjusted Appropriation mainly relates to once-off additional funding allocated for various campaigns in respect of the 2016 local government elections, and the above-budget 2015 wage agreement. In addition, the department reprioritised funds from Programme 3, to top-up the additional funds allocated in respect of the above-budget 2015 wage agreement as the additional funding allocated was not enough to cater for the increase, and the purchase of replacement computer equipment, and furniture for new appointees. Some of these are once-off, resulting in the reduction in 2016/17. The slight decrease in the 2015/16 Revised Estimate can be attributed to non-filling of vacant posts due to the moratorium on the filling of posts. The growth over the MTEF mainly provides for the carry-through costs of the above-budget 2015 wage agreement, the skills audit programme, implementation of the monitoring and evaluation database system at various municipalities, among others. The growth over the MTEF was affected by the previously mentioned budget cuts.

The high amount in 2012/13 against Programme 3: Development and Planning relates to the roll-over for the construction of three TACs by IDT, and the installation of water purification plants. In addition, the department undertook the improvement of disaster management centres' capabilities, the formalisation of 13 towns and some Massification projects. These were once-off, hence the substantial reduction in 2013/14. Also, the decrease in 2013/14 was ascribed to funds reprioritised to Programmes 1, 2 and 4 for various projects, as indicated in each programme. The reprioritisation resulted from the fact that the department budgeted for various projects under the Corridor Development, Massification, Small Town Rehabilitation and LED programmes in *Goods and services* during the budget process, to be shifted to *Transfers and subsidies to: Provinces and municipalities* in-year, after an annual departmental exercise indicated that the municipalities have the necessary capacity to deliver on the particular projects themselves. However, as a result of slow spending by these municipalities in 2012/13 and 2013/14, the department did not transfer the funds as anticipated. The increase in 2014/15 was in respect of electrification projects and the development of rural areas. These were once-off projects, accounting for the decrease in 2015/16. The substantial increase in the 2015/16 Adjusted Appropriation mainly relates to additional funds allocated for electrification projects, as directed by Cabinet, the provision of water for the Umkhanyakude District Municipality, and the implementation of the Mtubatuba Urban Regeneration Plan, among others. The decrease in the 2015/16 Revised Estimate can be attributed to delays in the filling of vacant posts due to the moratorium on the filling of posts. However, this was slightly offset by the higher than budgeted expenditure in hosting OSS within the north sub-district of eThekweni for 17 wards, and drought awareness and water conservation campaigns held. The high 2016/17 amount is in respect of a once-off additional allocation for drought relief interventions. Also, the 2016/17 budget includes funding in respect of the EPWP Integrated Grant for Provinces, which is used for the Food for Waste programme. This grant is allocated annually and is based on previous year's performance, and there is no allocation in the two outer years of the MTEF, at this stage. The reduction from 2017/18 onward, in comparison to the 2015/16 Main Appropriation, is also attributed to the previously mentioned budget cuts.

With regard to Programme 4: Traditional Institutional Management, the low 2012/13 amount mainly relates to funds reprioritised due to the slow start in the construction of *Imizi Yesizwe* as a result of longer than anticipated consultation with the *Amakhosi* with regard to the approval of plans and designs, such as changing tiled roofing to thatch, among others. The increase in the 2013/14 amount can be attributed to funds reprioritised from Programme 3 to cater for the increase in the salaries of *Amakhosi*, as per the President's proclamation, the increase in stipends paid to *Izinduna* and the TC secretaries, as well as the sitting allowance for the TC members, among others. The high 2013/14 amount compared to 2014/15 and 2015/16 was due to funds reprioritised from this programme in these years to Programmes 1, 2 and 3 to cater for spending pressures. The increase in the 2015/16 Adjusted Appropriation was in respect of additional funds to cater for the unbudgeted stipends (at R1 300 per month) paid to the additional 954 *Izinduna* that were previously not paid as they were not serving as TC members. The decrease in the 2015/16 Revised Estimate can be attributed to delays in the filling of vacant posts due to the moratorium on the filling of critical posts. The growth over the 2016/17 MTEF is mainly to cater for the above-budget 2015 wage agreement, the 2016 local government elections, construction of *Imizi Yesizwe* and the

payment of carry-through stipends to the additional 954 *Izinduna*. This growth was slightly offset by the budget cuts mentioned previously.

Compensation of employees reflects a substantial increase from 2013/14 onward, due to the above-budget wage agreements, the filling of vacant posts, as well as the appointment of CDWs. The decrease in the 2015/16 Adjusted Appropriation and the Revised Estimate was due to slower than anticipated filling of vacant posts, and the moratorium on the filling of vacant posts. These funds were moved to other categories to cater for spending pressures, as explained in each category below. Despite the previously mentioned budget cuts, this category shows growth over the MTEF mainly to cater for the above-budget 2015 wage agreement, as well as inflationary increases. The department made provision for the filling of some critical posts over the MTEF, and the *Compensation of employees*' budget will be reviewed in-year.

Goods and services reflects a fluctuating trend over the period. The growth in 2013/14 and 2014/15 was due to the implementation of projects such as audit and financial support to municipalities, councillor training on municipal structures and management, among others. The substantial increase in the 2015/16 Adjusted Appropriation was in respect of ICT projects, various campaigns relating to the 2016 local government elections, the development of the Mtubatuba Municipality CBD, the implementation of electrification projects by the department's PMU on behalf of the Imbabazane and the Umtshezi local municipalities due to capacity challenges in these municipalities, campaigns against xenophobia, the payment of stipends to the additional 954 *Izinduna*, among others. The further increase in the 2015/16 Revised Estimate was due to the higher than budgeted expenditure on hosting OSS, as well as drought awareness and water conservation campaigns held. This will be offset from savings realised under *Compensation of employees* as a result of the non-filling of posts. The increase was offset by the post Adjustments Estimate shifts undertaken to *Transfers and subsidies to: Provinces and municipalities* in respect of the Disaster Management programme to the uMlalazi municipality and *Transfers and subsidies to: Departmental agencies and accounts* for the implementation of the Amakhosi Rural Economic Development programme by ADA. As mentioned earlier, the department budgets for various projects under *Goods and services* during the budget process and then shifts the funds to *Transfers and subsidies to: Provinces and municipalities* during the Adjustments Estimate. This has resulted in the high amounts in the 2015/16 Main Appropriation and over the 2016/17 MTEF against this category, and low amounts against *Transfers and subsidies to: Provinces and municipalities* over the same period. The high 2016/17 amount is in respect of a once-off additional allocation for drought relief interventions. This category houses the EPWP Integrated Grant for Provinces, as previously explained. Despite the budget cuts specifically against *Consultants and professional services: Business and advisory services, Computer services, and Communications (G&S)*, this category reflects positive growth over the MTEF.

Transfers and subsidies to: Provinces and municipalities fluctuates over the period under review, which is mainly attributed to the spending patterns of municipalities. The low amount in 2013/14 relates to funds reprioritised due to slow spending by municipalities to offset spending pressures in other categories. The increase in 2014/15 was ascribed to once-off additional funding for electrification and rural development projects, as explained earlier. The low 2015/16 Main Appropriation can be ascribed to funds in respect of various programmes being allocated to *Goods and services*. The funds were shifted during the 2015/16 Adjusted Appropriation for projects that will be undertaken by various municipalities, hence the increase. The increase was also attributed to once-off additional funding allocated for electrification projects and the implementation of the Mtubatuba Urban Regeneration Plan, among others. The further increase in the 2015/16 Revised Estimate relates to the post Adjustments Estimate shift in respect of the Disaster Management programmes, as indicated above. The amounts over the MTEF are in respect of the Massification programme and Development Planning and Shared Services. As previously explained, the budget for the various projects is budgeted for under *Goods and services* over the MTEF.

The amount reflected against *Transfers and subsidies to: Departmental agencies and accounts* in 2012/13 relates to transfers to the KZN Tourism Authority (TKZN) for the erection of tourism signage. The amounts in 2013/14 and 2014/15 relate to the Public Service Sector Education and Training Authority (PSETA) levies. In line with National Treasury Circular of 10 July 2014, national departments applied for the creation of a single transfer to PSETA through the DPSA. This resulted in departments not having to transfer funds to PSETA from 2015/16 onward, unless such transfers are meant for a different purpose,

hence there is no budget in this regard in 2015/16 and over the MTEF. The bulk of the 2014/15 amount relates to once-off funding transferred to ADA for the implementation of the Uthukela *Amakhosi* programme and the Msinga Asisukume Co-operative, as explained. Also, the amount in the 2015/16 Revised Estimate relates to once-off funding transferred to ADA for the implementation of the *Amakhosi* Rural Economic Development programme.

With regard to *Transfers and subsidies to: Public corporations and private enterprises*, the once-off amount in 2012/13 relates to a donation to the South African Planning Institute (SAPI) in respect of the Planning Africa Conference (PAC) which promotes information sharing and/or continuous professional development in the planning arena. Also in 2012/13, the KZN Top Business Portfolio received a once-off amount for the update of promotional DVDs to showcase successful growth in the province. The once-off amounts in 2014/15 and the 2015/16 Main Appropriation relate to the transfer to the uMhlathuze water board for expenditure relating to the 2014 general elections, where the water board was tasked to assist the department with providing voting stations with infrastructure, such as sanitation and water, as well as the provision of portable water delivery services to district municipalities, respectively. The increase in the 2015/16 Adjusted Appropriation was in respect of a once-off allocation for water provision for the Umkhanyakude District Municipality, as explained previously.

The once-off amount against *Transfers and subsidies to: Non-profit institutions* in 2012/13 was in respect of a donation to the Sakhisizwe Organisation (which undertakes the co-ordination, managing and organising of various traditional music in various forms and crafts) for the heritage month celebration.

Transfers and subsidies to: Households fluctuates over the period due to the payment of voluntary severance packages, staff exit costs, which are not predictable, as well as bursaries to students. The high 2013/14 amount was in respect of the expansion of the external bursary programme offered by the department in areas such as civil and electrical engineering, town planning, municipal finance, general accounting, etc., as well as higher than anticipated staff exit costs. The high 2014/15 amount was in respect of the higher than anticipated costs relating to the external bursaries, which were not adequately catered for. The slight increase in the 2015/16 Adjusted Appropriation and a further increase in the Revised Estimate relates to the higher than budgeted staff exit costs. The fluctuations over the MTEF are due to the unpredictable nature of the category and, thus, will be reviewed in future MTEFs.

The expenditure against *Buildings and other fixed structures* relates to the construction and rehabilitation of TSCs, TACs and *Imizi Yesizwe*. The substantial increase in 2013/14 was mainly for the completion of the Mkondeni PDMC and the construction of additional CSCs. The increase in 2014/15 was ascribed to the additional funding for the development of rural areas, which was undertaken by the department on behalf of municipalities. These projects continued in 2015/16 and over the MTEF, hence the substantial increase in these periods. The slight decrease in the 2015/16 Adjusted Appropriation resulted from delays with regard to the construction of various TACs due to land claim disputes by the communities for the Amahlubi and Amatimotolo lands that were to be used for the construction of the TACs. This was slightly offset by once-off additional funding for the rehabilitation of CSCs. The allocations over the MTEF are in line with project plans (construction and rehabilitation of CSCs and *Imizi Yesizwe*) and the allocations will be reviewed in future MTEFs, as projects are being completed.

Machinery and equipment fluctuates due to the filling of vacant posts and the related costs of the purchase and replacement of office furniture, computer equipment and vehicles. The high 2012/13 amount relates to the purchase of tools of trade for CDWs, payment for computer servers and equipment. Some of these purchases were once-off and, hence, the decrease in 2013/14. The increase in 2014/15 relates to funds reprioritised for the once-off purchase of furniture and computer equipment for new appointees and TSCs, as well as the replacement of computer equipment in terms of the department's IT policy, accounting for the decrease in 2015/16. The increase in the 2015/16 Adjusted Appropriation is attributed to the payment of invoices from 2014/15 relating to motor vehicles, as well as the purchase of new and replacement laptops, desktops, and furniture for new appointees. The further increase in the 2015/16 Revised Estimate is in respect of computer equipment for *Amakhosi* attending the leadership programme at UKZN. The decrease over the MTEF, especially in 2017/18, can be ascribed to no major purchases, such as vehicles and computer servers, being anticipated at this stage. This will be reviewed in future MTEFs.

The amounts against *Software and other intangible assets* are in respect of the purchase of the Pastel Evolution software for the traditional levies and trust account in TCs. The fluctuating trend is due to the nature of the project in the various TCs. This project is anticipated to be completed in 2016/17, hence the decreased allocations in 2017/18 and 2018/19.

The amounts against *Payments for financial assets* relate to the write-off of irrecoverable staff debts.

5.4 Summary of conditional grant payments and estimates

Table 11.7 provides a summary of the conditional grant payments and budgeted estimates over the seven-year period, by grant name. Detailed information on the conditional grant is given in the *Annexure – Vote 11: Co-operative Governance and Traditional Affairs*.

Table 11.7 : Summary of conditional grants payments and estimates by name

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
EPWP Integrated Grant for Provinces	-	-	3 471	4 119	4 119	4 119	3 667	-	-
Total	-	-	3 471	4 119	4 119	4 119	3 667	-	-

The department received the EPWP Integrated Grant for Provinces for the first time in 2014/15 as reflected in Table 11.7, which has continued to 2016/17. This grant is allocated annually and is based on the previous year's performance, and hence no funds are allocated in the two outer years of the 2016/17 MTEF, at this stage. The funds are allocated against *Goods and services* and are utilised for the creation of EPWP job opportunities through the Food for Waste programme, which involves the most needy community members, who collect domestic waste from households and in public areas, and are compensated, accordingly.

5.5 Summary of infrastructure payments and estimates

Table 11.8 below summarises the infrastructure expenditure and estimates relating to the department. With regard to the infrastructure expenditure and budget, this category reflects healthy growth, although fluctuating, over the period under review.

Table 11.8 : 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	5 955	13 560	4 683	11 431	21 274	21 274	21 596	22 674	23 450
Maintenance and repair: Current	-	-	-	-	-	-	-	-	-
Upgrades and additions: Capital	-	-	18	-	-	-	-	-	-
Refurbishment and rehabilitation: Capital	5 955	13 560	4 665	11 431	21 274	21 274	21 596	22 674	23 450
New infrastructure assets: Capital	18 270	25 509	37 006	66 800	55 327	55 327	55 000	39 000	48 000
Infrastructure transfers	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Current	-	-	-	-	-	-	-	-	-
Infrastructure: Capital	-	-	-	-	-	-	-	-	-
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	-	-	-	-	-	-	-	-	-
Total	24 225	39 069	41 689	78 231	76 601	76 601	76 596	61 674	71 450
Capital infrastructure	24 225	39 069	41 689	78 231	76 601	76 601	76 596	61 674	71 450
Current infrastructure	-	-	-	-	-	-	-	-	-

The once-off amount of R18 000 in 2014/15 against *Upgrades and additions: Capital* relates to a payment to IDT for an outstanding management fee.

Refurbishment and rehabilitation: Capital reflects the refurbishment and renovation of existing TACs, TSCs, CSCs and MPCCs. The department reprioritised funds away from this category in 2012/13 due to slow progress in respect of the refurbishment of existing TACs and TSCs to offset spending pressures, such as recruitment and selection, maintenance and repairs of various departmental buildings, etc., in other categories. The increase in 2013/14 was for the rehabilitation of TSCs, which was higher than anticipated. The substantial reduction in 2014/15 was attributed to slow progress in renovating CSCs. The substantial

increase in the 2015/16 Main Appropriation was to cater for the rehabilitation of these centres, hence the further increase in the Adjusted Appropriation, and over the MTEF.

New infrastructure assets: Capital reflects the provision for the construction of TACs, TSCs, CSCs and houses for *Amakhosi*. The increase in 2013/14 and 2014/15 was attributed to the construction of the PDMC at Mkondeni, the construction of CSCs in various municipalities and houses for *Amakhosi*, as well as once-off funding in 2014/15 for the development of rural areas that the department undertook on behalf of municipalities. The substantial increase from 2015/16 onward was for the increase in the need to construct more CSCs and houses for *Amakhosi*. The reduction in the 2015/16 Adjusted Appropriation was due to slow progress with the construction of TACs as a result of delays caused by land claim disputes, as explained. The declining allocations over the MTEF are in line with project plans for the construction of these centres and houses for *Amakhosi*.

Further details of the department's infrastructure payments and estimates are presented in *Annexure – Vote 11: Co-operative Governance and Traditional Affairs*.

5.6 Summary of Public Private Partnerships – Nil

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

Table 11.9 below summarises the transfer payments to public entities that are listed in terms of Schedule 3 of the PFMA. It should be noted that these public entities do not fall under the auspices of the department. The department is merely using them as implementing agents.

Table 11.9 : Summary of departmental transfers to public entities

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Agri-business Development Agency (ADA)	-	-	18 850	-	-	6 150	-	-	-
KwaZulu-Natal Tourism Authority (TKZN)	1 000	-	-	-	-	-	-	-	-
Total	1 000	-	18 850	-	-	6 150	-	-	-

The once-off amount reflected in 2012/13 relates to a transfer to TKZN for the erection of tourism signage in municipalities, as mentioned.

The transfer to ADA in 2014/15 is for the implementation of the Uthukela *Amakhosi* programme and the Msinga Asisukume Co-operative, as previously discussed. The department indicated that, due to capacity constraints in the municipalities, it appointed ADA to implement these projects. According to the department, this project was successfully implemented by the entity and, as such, undertook post Adjustments Estimate shift in the 2015/16 Revised Estimate for the entity to pilot the *Amakhosi* Rural Economic Development programme in other districts. The department has indicated that it will reprioritise its budget in 2016/17 to complete the project.

5.8 Transfers to other entities

Table 11.10 reflects a summary of transfers to other entities.

Table 11.10 : Summary of departmental transfers to other entities

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
KZN Top Bus. Portfolio	2.1: Municipal Adm.	158	-	-	-	-	-	-	-	-
SAPI	3.1: Spatial Planning	400	-	254	-	-	-	-	-	-
uMhlathuze water board	3.4: Municipal Infra.	-	-	33 000	12 100	12 100	12 100	-	-	-
Umgeni water board	3.4: Municipal Infra.	-	-	-	-	33 000	33 000	-	-	-
Sakhisizwe Organisation	4.1: Trad. Institutional Adm.	100	-	-	-	-	-	-	-	-
Total		658	-	33 254	12 100	45 100	45 100	-	-	-

The department made once-off donations in 2012/13 to the KZN Top Business Portfolio with regard to the update of promotional DVDs to showcase successful growth in the province, and to the Sakhisizwe Organisation for the heritage month celebration.

The once-off 2012/13 and 2014/15 amounts against SAPI relate to the PAC, as explained previously.

The once-off amounts in 2014/15 and 2015/16 against uMhlathuze water board were in respect of the 2014 general elections, where the water board was tasked to assist the department with providing voting stations with infrastructure such as sanitation and water, as well as the provision of portable water delivery services to district municipalities, respectively.

The once-off amount in 2015/16 against Umgeni water board was in respect of water provision for the Umkhanyakude district municipality for vehicle repairs, pump repairs, repairs to broken borehole shafts, borehole connections, relocation of bulk water, among others. The department is using Umgeni water board as the implementing agent because of the skills, expertise and equipment that the institution possesses. It should be noted that the district municipality is under administration in terms of Section 139(1)(b) of the Constitution of South Africa, 1996.

5.9 Transfers to local government

Table 11.11 details the transfers to local government, summarised according to categories A, B and C. Table 11.12 provides the departmental transfers to local government by grant name. Detailed information on the departmental transfers to local government by transfer/grant type, category and municipality is given in *Annexure – Vote 11: Co-operative Governance and Traditional Affairs*.

Transfers to local government include funds in respect of motor vehicle licences. These funds will not be transferred to any municipality and, hence, the amounts are not reflected in Tables 11.11 and 11.12.

Table 11.11 : Summary of departmental transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Category A	-	4 000	1 000	-	-	-	-	-	-
Category B	244 481	154 997	304 916	57 456	172 956	176 456	28 016	30 584	30 648
Category C	199 963	73 077	47 145	4 200	7 850	7 850	4 800	5 200	5 800
Unallocated	-	-	-	-	-	-	-	-	-
Total	444 444	232 074	353 061	61 656	180 806	184 306	32 816	35 784	36 448

Table 11.12 : Summary of departmental transfers to local government by grant name

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Pounds Act	2.1: Mun. Admin.	1 000	-	1 000	-	-	-	-	-	-
Public Part. Citizen Satisf. Survey	2.3: Public Participation	2 260	1 500	-	-	-	-	-	-	-
Municipal Excellence awards	2.5: Mun. Perf. Mon., Rep. & Eval.	3 000	2 000	5 000	-	-	-	-	-	-
Schemes Support progs	3.1: Spatial Planning	-	-	2 705	-	-	-	-	-	-
Corridor Development prog	3.3: LED	111 300	82 843	92 101	-	-	-	-	-	-
Small Town Rehabilitation prog	3.3: LED	125 545	77 654	109 800	-	-	-	-	-	-
Construction of TSCs and CSCs	3.3: LED	-	-	5 000	7 500	7 500	7 500	-	-	-
Operational Support for TSCs	3.3: LED	1 600	250	5 250	-	3 000	3 000	-	-	-
Massification prog (incl. elec. projects)	3.4: Mun. Infra.	145 800	54 827	119 455	49 956	160 956	160 956	28 016	30 584	30 648
Disaster Management	3.5: Disaster Mgt.	17 740	8 000	7 000	-	6 500	10 000	-	-	-
Community participation in IDPs	3.6: IDP Co-ordination	2 000	2 000	-	-	-	-	-	-	-
Dev. Planning and Shared Serv	3.6: IDP Co-ordination	2 000	2 000	4 750	4 200	2 850	2 850	4 800	5 200	5 800
Sustainable Living Exhibition	3.6: IDP Co-ordination	-	1 000	1 000	-	-	-	-	-	-
Various	Various	32 199	-	-	-	-	-	-	-	-
Total		444 444	232 074	353 061	61 656	180 806	184 306	32 816	35 784	36 448

The amounts against transfers to local government fluctuate over the period under review, and cater mainly for projects under the Corridor Development, Massification and the Small Town Rehabilitation programmes. The low 2013/14 amount was due to slow spending by municipalities with regard to various projects. The increase in 2014/15 includes once-off funding for electrification projects and the development of rural areas, as previously explained. The low amount in the 2015/16 Main Appropriation and over the MTEF is due to the department budgeting for these projects against *Goods and services* and then shifting them to *Transfers and subsidies to: Provinces and municipalities* in the Adjustments

Estimate, as mentioned. The shift undertaken resulted in the high 2015/16 Adjusted Appropriation. The increase in the 2015/16 Adjusted Appropriation can also be attributed to once-off additional funding for electrification projects in various municipalities, as directed by Cabinet. The further increase in the 2015/16 Revised Estimate relates to the post Adjustments Estimate shift in respect of the Disaster Management programme, as indicated earlier. The amounts over the MTEF are in respect of the Massification programme and Development Planning and Shared Services. As previously explained, various projects have been budgeted for under *Goods and services* over the MTEF.

5.10 Transfers and subsidies

Table 11.13 gives a summary of transfers and subsidies expenditure and estimates at an item level for each programme of the department. Details are provided in the paragraphs after the table below.

Table 11.13 : Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Administration	8 839	11 853	13 796	12 649	12 721	12 927	12 916	12 394	13 949
Provinces and municipalities	143	154	230	200	200	200	205	215	241
Motor vehicle licences	143	154	230	200	200	200	205	215	241
Departmental agencies and accounts	-	1 278	1 381	-	-	-	-	-	-
PSETA	-	1 278	1 381	-	-	-	-	-	-
Households	8 696	10 421	12 185	12 449	12 521	12 727	12 711	12 179	13 708
Staff exit costs	4 748	3 212	4 061	2 884	2 899	3 105	2 668	2 634	2 636
Bursaries and claims against the State	3 948	7 209	8 124	9 565	9 622	9 622	10 043	9 545	11 072
2. Local Governance	15 401	4 307	6 698	464	334	339	479	480	518
Provinces and municipalities	14 160	3 500	6 000	-	-	-	-	-	-
Pounds Act	1 000	-	1 000	-	-	-	-	-	-
Public Participation Citizen Satisfaction survey	2 260	1 500	-	-	-	-	-	-	-
Municipal Excellence awards	3 000	2 000	5 000	-	-	-	-	-	-
Various	7 900	-	-	-	-	-	-	-	-
Public corporations and private enterprises	158	-	-	-	-	-	-	-	-
KZN Top Business Portfolio	158	-	-	-	-	-	-	-	-
Households	1 083	807	698	464	334	339	479	480	518
Staff exit costs	1 072	807	698	464	334	339	479	480	518
Other transfers to households	11	-	-	-	-	-	-	-	-
3. Development and Planning	431 707	229 425	399 286	73 756	226 107	235 826	33 302	35 784	36 448
Provinces and municipalities	430 284	228 574	347 061	61 656	180 806	184 306	32 816	35 784	36 448
Small Town Rehabilitation	125 545	77 654	109 800	-	-	-	-	-	-
Corridor Development	111 300	82 843	92 101	-	-	-	-	-	-
Massification prog (incl. elec. projects)	145 800	54 827	119 455	49 956	160 956	160 956	28 016	30 584	30 648
Operational Support for TSCs	1 600	250	5 250	-	3 000	3 000	-	-	-
Construction of TSCs and CSCs	-	-	5 000	7 500	7 500	7 500	-	-	-
Development Planning and Shared Services	2 000	2 000	4 750	4 200	2 850	2 850	4 800	5 200	5 800
Disaster Management	17 740	8 000	7 000	-	6 500	10 000	-	-	-
Community participation in IDPs	2 000	2 000	-	-	-	-	-	-	-
Schemes Support programme	-	-	2 705	-	-	-	-	-	-
Sustainable Living Exhibition	-	1 000	1 000	-	-	-	-	-	-
Various	24 299	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1 000	-	18 850	-	-	6 150	-	-	-
ADA	-	-	18 850	-	-	6 150	-	-	-
TKZN	1 000	-	-	-	-	-	-	-	-
Public corporations and private enterprises	400	-	33 254	12 100	45 100	45 100	-	-	-
SAPI	400	-	254	-	-	-	-	-	-
uMhlathuze water board	-	-	33 000	12 100	12 100	12 100	-	-	-
Umgenti water board	-	-	-	-	33 000	33 000	-	-	-
Households	23	851	121	-	201	270	486	-	-
Staff exit costs	23	851	121	-	201	270	486	-	-
4. Traditional Institutional Management	1 039	1 288	2 058	1 100	1 362	1 387	800	700	1 200
Non-profit institutions	100	-	-	-	-	-	-	-	-
Sakhisizwe Organisation	100	-	-	-	-	-	-	-	-
Households	939	1 288	2 058	1 100	1 362	1 387	800	700	1 200
Staff exit costs	939	1 288	1 819	1 100	1 362	1 387	800	700	1 200
Other transfers to households	-	-	239	-	-	-	-	-	-
Total	456 986	246 873	421 838	87 969	240 524	250 479	47 497	49 358	52 115

Transfers and subsidies fluctuates over the period due to various projects undertaken at different times. The low spending in 2013/14 can be ascribed to funds reprioritised due to slow spending by municipalities to other areas of spending pressures. The increase in 2014/15 relates to once-off additional funds for electrification projects and the Small Town Rehabilitation programme, as previously explained.

The low 2015/16 Main Appropriation and the reduction over the MTEF is due to the department budgeting for various projects under *Goods and services*, as previously indicated. The high 2015/16 Adjusted Appropriation is due to shifts undertaken, as well as once-off additional funding allocated for electrification projects. The paragraphs below provide more detail per category:

- The amounts against *Households* in all four programmes cater for the payment of leave gratuities, early retirement, as well as severance packages. The increase in the 2015/16 Revised Estimate was due to higher than budgeted payment of staff exit costs. Programme 1 also reflects the uMsekeli Municipal Support Services pensioners' medical aid obligation, as well as bursaries to students not employed by the department. This category is difficult to forecast, accounting for the fluctuations over the period under review. *Transfers and subsidies* under Programme 1 fluctuates over the seven years, largely due to the nature of the transfers:
 - *Provinces and municipalities* relates to the payment of motor vehicle licences.
 - *Departmental agencies and accounts* caters for the payment to PSETA. As previously explained, in line with the National Treasury Circular of 10 July 2014, departments do not have to transfer funds to PSETA, unless such transfers are meant for a different purpose, hence there is no budget in this regard in 2015/16 and over the MTEF.
- *Transfers and subsidies* under Programme 2 fluctuates over the seven-year period due to the following:
 - *Provinces and municipalities* is in respect of various municipal projects such as the support to Umzimkhulu, implementation of the Pound Act, municipal governance, etc., which were once-off.
 - *Public corporations and private enterprises* is in respect of a donation to the KZN Top Business Portfolio for the update of promotional DVDs to showcase successful growth in the province.
- *Transfers and subsidies* under Programme 3 shows significant fluctuations due to the following:
 - *Provinces and municipalities* represents municipal projects such as the Corridor Development, Massification and the Small Town Rehabilitation programmes, etc. The low 2013/14 amount was due to slow spending by the municipalities with regard to various projects. The increase in 2014/15 includes once-off funding for electrification projects and the development of rural areas, as previously explained. The low amount in the 2015/16 Main Appropriation and the reduction over the MTEF is due to the department budgeting for these projects against *Goods and services* and then shifting them to *Transfers and subsidies to: Provinces and municipalities* in the Adjustments Estimate, accounting for the high amount in the 2015/16 Adjusted Appropriation. Also, the increase in the 2015/16 Adjusted Appropriation can be attributed to once-off additional funding allocated in respect of electrification projects in various municipalities, as directed by Cabinet. The further increase in the 2015/16 Revised Estimate relates to the post Adjustments Estimate shift in respect of the Disaster Management programme, as indicated above. The amounts over the MTEF are in respect of the Massification programme and Development Planning and Shared Services.
 - *Departmental agencies and accounts* relates to a transfer to TKZN for the erection of tourism signage in 2012/13. The amount against ADA in 2014/15 relates to the implementation of the Uthukela *Amakhosi* programme and the Msinga Asisukume Co-operative. The amount in the 2015/16 Revised Estimate relates to a post Adjustments Estimate shift to ADA for the implementation of the *Amakhosi* Rural Economic Development programme, which is now being piloted in other districts.
 - *Public corporations and private enterprises* relates to a once-off donation to SAPI in respect of the PAC in 2012/13 and 2014/15. As explained, the funds against uMhlathuze in 2014/15 and 2015/16 were in respect of the bucket eradication programme, as well as the provision of water tankers in the uMhlathuze area. The amount in the 2015/16 Adjusted Appropriation against Umgeni water board was in respect of a once-off allocation for water provision in the Umkhanyakude District Municipality, as explained previously.
- *Transfers and subsidies* under Programme 4 is in respect of *Non-profit institutions* and relates to a once-off donation to the Sakhisizwe Organisation for the heritage month celebration.

6. Programme description

The services rendered by the department are categorised under four programmes. As mentioned earlier, the department's budget and programme structures for the 2016/17 MTEF comply with the uniform budget and programme structure for the sector. The payments and estimates for each programme are summarised in terms of economic classification. Details are given in the *Annexure – Vote 11: Co-operative Governance and Traditional Affairs*.

6.1 Programme 1: Administration

This programme is dedicated to all supporting services within the department, the Office of the Ministry and all special projects. The programme consists of two sub-programmes, namely: Office of the MEC and Corporate Services.

Tables 11.14 and 11.15 below illustrate a summary of payments and estimates for the financial years 2012/13 to 2018/19 relating to Programme 1. As shown in the tables, the expenditure and budget against Programme 1 reflect a generally increasing trend over the seven-year period under review, despite the previously mentioned budget cuts of R19.631 million, R21.222 million and R24.940 million over the MTEF against *Compensation of employees* and R3 million, R3.465 million and R4.678 million over the MTEF against *Goods and services* against all sub-programmes. The reduction from *Goods and services* was specifically from *Consultants and professional services: Business and advisory services, Computer services, and Communications (G&S)*. The impact of the budget cuts on *Goods and services* will be monitored in-year, and reprioritisation will be undertaken should the need arise.

Table 11.14 : Summary of payments and estimates by sub-programme: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Office of the MEC	18 001	19 888	20 090	25 769	22 243	20 629	23 534	25 085	27 035
2. Corporate Services	293 496	298 992	311 801	326 625	357 755	364 995	343 787	349 075	363 753
Total	311 497	318 880	331 891	352 394	379 998	385 624	367 321	374 160	390 788

Table 11.15 : Summary of payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	280 275	291 652	300 157	329 540	352 547	357 966	342 399	354 729	369 139
Compensation of employees	124 758	141 556	151 237	170 144	165 323	161 997	181 992	197 982	208 601
Goods and services	155 517	150 096	148 920	159 396	187 224	195 969	160 407	156 747	160 538
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	8 839	11 853	13 796	12 649	12 721	12 927	12 916	12 394	13 949
Provinces and municipalities	143	154	230	200	200	200	205	215	241
Departmental agencies and accounts	-	1 278	1 381	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	8 696	10 421	12 185	12 449	12 521	12 727	12 711	12 179	13 708
Payments for capital assets	22 351	15 365	17 914	10 205	14 730	14 731	12 006	7 037	7 700
Buildings and other fixed structures	-	-	-	-	1 870	1 870	4 000	-	-
Machinery and equipment	18 007	11 415	16 483	7 705	10 456	10 457	6 006	7 037	7 700
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	4 344	3 950	1 431	2 500	2 404	2 404	2 000	-	-
Payments for financial assets	32	10	24	-	-	-	-	-	-
Total	311 497	318 880	331 891	352 394	379 998	385 624	367 321	374 160	390 788

The sub-programme: Office of the MEC reflects an increasing trend over the period under review. The slight decrease in the 2015/16 Adjusted Appropriation and the further decrease in the Revised Estimate can be attributed to funds reprioritised due to the slower than anticipated filling of critical posts. The decrease in 2016/17 and 2017/18 compared to the 2015/16 Main Appropriation is mainly ascribed to the previously mentioned budget cuts.

The sub-programme: Corporate Services reflects an increasing trend over the period under review. The increase in 2013/14 can be ascribed to the improvement of the ICT system in the department, and the maintenance and upgrading of various departmental buildings, among others. Also, once-off funding was allocated from the Strategic Cabinet Initiatives Fund relating to the Nelson Mandela Marathon. The increase in 2014/15 relates to once-off additional funding for the improvement of the ICT system, installation of *Amakhosi*, 2012/13 Municipal Excellence awards, the marketing costs for the 20 years of democracy billboard campaign across the province, audit fees, etc. The increase in the 2015/16 Adjusted Appropriation is mainly attributed to ICT projects, including the Microsoft Migration and ECM to improve ICT in the department, various campaigns in respect of the 2016 local government elections, campaigns against xenophobia in the province, and the Women in Leadership Dialogue, as explained. The further increase in the Revised Estimate relates to the higher than budgeted ICT projects. Despite the budget cuts, this sub-programme shows a healthy growth over the 2016/17 MTEF to cater for the improvement in the department's ICT system, as well as inflationary increments.

Compensation of employees shows an increasing trend from 2013/14 onward mainly due to the above-budget annual salary increases, as well as filling of posts. The decrease in the 2015/16 Adjusted Appropriation, and the further decrease in the Revised Estimate, was due to non-filling of posts, as explained. The increase over the MTEF is to cater for annual salary increases, as well as provision being made for the filling of some critical vacant posts in line with the previously mentioned MTEF budget cuts.

Goods and services fluctuates over the period under review. The high 2012/13 amount was in respect of recruitment and selection costs, vehicle maintenance, computer services and training costs, and maintenance and repairs of various departmental buildings. Most of these items were once-off, resulting in a decrease in 2013/14. The department undertook reprioritisation in 2013/14 for various projects, such as the improvement in the department's ICT system, maintenance and repairs of departmental buildings, etc., as well as the Nelson Mandela Marathon, as previously explained. Some of these items were once-off, accounting for the decrease in 2014/15. The increase in the 2015/16 Adjusted Appropriation relates to reprioritisation to cater for the improvement of the department's ICT system, and various campaigns relating to the 2016 local government elections, as indicated above. In addition, once-off additional funding was allocated for campaigns against xenophobia and the Women in Leadership Dialogue, and these account for the decrease in 2016/17. The further increase in the 2015/16 Revised Estimate relates to the higher than budgeted expenditure for the improvement of the ICT system. The growth over the MTEF in comparison to the 2015/16 Main Appropriation is ascribed to the improvement in the department's ICT system, property payments, vehicle maintenance, as well as inflationary increases. The slight dip in 2017/18 is due to the anticipation that the ICT projects will be completed in that year, as well as the *Goods and services* budget cut over the MTEF. The growth over the MTEF was slightly mitigated by the budget cuts mentioned earlier.

Transfers and subsidies to: Provinces and municipalities relates to the payment of motor vehicle licences.

Transfers and subsidies to: Departmental agencies and accounts caters for the payment to PSETA, as explained previously. This was not paid prior to 2013/14, as it was introduced late in 2013/14. There are no allocations in 2015/16 and over the MTEF, as the payment to PSETA is now undertaken by national departments through DPSA, as explained previously.

The increase from 2013/14 against *Transfers and subsidies to: Households* was due to funds reprioritised to cater for leave gratuities, early retirement and severance packages, the expansion of the external bursary programme, as well as higher than anticipated staff exit costs. The slight increase in the 2015/16 Adjusted Appropriation and Revised Estimate relates to higher than anticipated staff exit costs. The MTEF allocations mainly cater for external bursaries, as well as the uMsekeli Municipal Support Services pensioners' medical aid obligation.

The once-off amounts against *Buildings and other fixed structures* in the 2015/16 Adjusted Appropriation, the Revised Estimate and 2016/17 are in respect of the purchase of park homes for office accommodation in the Ixopo area to accommodate the additional staff appointed for the department's Traditional Affairs unit, and the additional CDWs appointed.

Machinery and equipment fluctuates over the period under review. The high 2012/13 amount was mainly due to payments for computer servers ordered in 2011/12 but not delivered before year-end, and the purchase of computer equipment that was under-budgeted for. These allocations were once-off, accounting for the decrease in 2013/14. The increase in 2014/15 relates to the payment of official vehicles ordered in 2013/14 but only delivered and paid for in 2014/15, the purchase of replacement vehicles, office furniture and computer equipment for new appointees, and the replacement of computer equipment in line with the ICT policy. These were once-off and, thus, account for the decrease in 2015/16. The increase in the 2015/16 Adjusted Appropriation was to cater for the payment of invoices from 2014/15 relating to motor vehicles that were ordered in 2014/15, but only delivered and paid for in 2015/16. The declining allocations over the MTEF are linked to the filling of critical posts, and replacement of vehicles and computer equipment that are obsolete.

Spending against *Software and other intangible assets* was in respect of the purchase of computer software packages (system hosting servers, Blackberry Enterprise Services software, etc.). The amounts in 2012/13 and 2013/14 relate to the purchase of the Adobe Creative Suite 6 Design and Web Premium Software for the Development Information Services (DIS) unit to create and maintain a comprehensive, accessible and user-friendly GIS database and website. This ensures a distribution mechanism (via the GIS website, web-portal and web-services) of spatially representative information available through the various line function projects, as well as that of municipalities and provincial departments such as the Office of the Premier's war on poverty programme in partnership with the Provincial Nerve Centre. The amounts from 2012/13 onward also include the purchase of the Pastel Evolution software for the traditional levies and trust account in TCs. This project is anticipated to be completed in 2016/17, and hence there are no allocations from 2017/18 onward.

The amounts from 2012/13 to 2014/15 against *Payments for financial assets* relate to the write-off of irrecoverable staff debts.

6.2 Programme 2: Local Governance

The purpose of the programme is to co-ordinate, support, promote and enhance governance, administration and public participation in local government.

This programme conforms to the uniform budget and programme structure for the Co-operative Governance and Traditional Affairs sector.

The programme consists of five sub-programmes in line with the sector specific budget format, namely: Municipal Administration, Municipal Finance, Public Participation, Capacity Development and Municipal Performance Monitoring, Reporting and Evaluation.

Tables 11.16 and 11.17 below illustrate a summary of payments and estimates for 2012/13 to 2018/19 relating to Programme 2. This programme shows a fluctuating trend over the period under review, as explained below. The below inflationary growth over the MTEF can be attributed to the previously mentioned budget cuts of R5.850 million, R6.858 million and R3.566 million over the MTEF against *Compensation of employees*, and R1.500 million, R1.500 million and R500 000 against *Goods and services* against all sub-programmes. The reduction from *Goods and services* was specifically from *Consultants and professional services: Business and advisory services, Computer services, and Communications (G&S)*. The impact of the budget cuts on *Goods and services* will be monitored in-year, and reprioritisation will be undertaken should the need arise.

Table 11.16 : Summary of payments and estimates by sub-programme: Local Governance

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Municipal Administration	28 551	30 823	35 522	34 353	68 785	68 785	43 281	50 130	62 224
2. Municipal Finance	22 771	36 444	32 772	28 817	29 516	29 516	32 017	30 488	37 879
3. Public Participation	114 785	139 870	127 668	138 089	143 653	143 653	144 868	161 888	175 417
4. Capacity Development	4 422	4 544	5 525	8 139	8 139	7 705	12 950	13 749	14 859
5. Municipal Perf. Monitoring, Reporting and Evaluation	11 560	11 058	15 890	15 762	13 585	13 585	16 837	17 709	18 468
Total	182 089	222 739	217 377	225 160	263 678	263 244	249 953	273 964	308 847

Table 11.17 : Summary of payments and estimates by economic classification: Local Governance

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	165 391	217 138	210 231	223 844	260 752	260 313	248 091	273 389	307 847
Compensation of employees	111 694	148 830	161 148	173 803	186 801	183 371	201 802	231 071	258 038
Goods and services	53 697	68 308	49 083	50 041	73 951	76 942	46 289	42 318	49 809
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	15 401	4 307	6 698	464	334	339	479	480	518
Provinces and municipalities	14 160	3 500	6 000	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	158	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 083	807	698	464	334	339	479	480	518
Payments for capital assets	1 240	1 282	448	852	2 592	2 592	1 383	95	482
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 240	1 282	448	852	2 592	2 592	1 383	95	482
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	57	12	-	-	-	-	-	-	-
Total	182 089	222 739	217 377	225 160	263 678	263 244	249 953	273 964	308 847

The sub-programme: Municipal Administration reflects an increasing trend over the period under review. The increase in 2014/15 relates to funds reprioritised mainly to cater for officials who were upgraded from levels 9 to 10 and 11 to 12 and received backpay in line with DPSA requirements. This was once-off and, hence the decrease in the 2015/16 Main Appropriation. The substantial increase in the 2015/16 Adjusted Appropriation was mainly in respect of the once-off additional allocation to cater for voter educator, demarcation roadshows and voter registration campaigns in respect of the 2016 local government elections, and the above-budget 2015 wage agreement, as detailed previously. As these were once-off, they account for the decrease in 2016/17. The growth over the MTEF mainly caters for inflationary increases, and annual salary increases.

The sub-programme: Municipal Finance reflects a fluctuating trend. The increase in 2013/14 was in respect of the provision for the Operation Clean Audit and special intervention projects, such as financial interventions in affected municipalities, etc., which were once-off, accounting for the dip in 2014/15. The 2014/15 amount included a once-off allocation for officials who were upgraded from levels 9 to 10 and 11 to 12 and received backpay in line with DPSA requirements, accounting for the decrease in the 2015/16 Main Appropriation. The slight increase in the 2015/16 Adjusted Appropriation relates to reprioritisation to cater for the above-budget 2015 wage agreement. The growth over the MTEF caters for municipal projects (such as Operation Clean Audit and financial interventions in affected municipalities) that will be undertaken, the carry-through of the above-budget 2015 wage agreement, as well as inflationary increments. The reduction in 2017/18 is attributed to the above-mentioned budget cuts against *Compensation of employees* and *Goods and services*.

The sub-programme: Public Participation fluctuates over the period. The increase in 2013/14 was mainly due to funds reprioritised from Programme 3 to cater for the salaries, cell phone contracts, laptops, travel and subsistence and furniture, etc., of the 127 CDWs in that year, in order to improve their work and reporting, and for the deployment of additional skilled professionals and administrators in municipalities. Some of this expenditure was once-off, accounting for the decrease in 2014/15. The amount in the 2015/16 Main Appropriation included provision for support to OSS in addressing service delivery needs of the communities, particularly communities in remote and rural areas, as well as the carry-through costs of the CDWs. The increase in the 2015/16 Adjusted Appropriation was in respect of the above-budget 2015 wage agreement, with carry-through over the 2016/17 MTEF.

The functions of the sub-programme: Capacity Development are to ensure the development and implementation of a comprehensive capacity building strategy for municipalities. The high 2015/16 amount can be attributed to capacitation of new council members and municipal officials, to bring them in line with the requirements of their posts and functions, after the 2014 general elections. This continues

over the MTEF in preparation for the 2016 local government elections. Also, the amounts over the MTEF cater for the Capacity Building Skills Audit project in municipalities, aimed at determining where there is a need for training in areas such as financial and project management. The slight reduction in the 2015/16 Revised Estimate is mainly due to the non-filling of posts, as explained.

The sub-programme: Municipal Performance Monitoring, Reporting and Evaluation relates to strategic planning support to municipalities, with a focus on development planning, capacity building and the review and development of IDPs. The growth in 2014/15 can be attributed to funds reprioritised relating to the Municipal Excellence awards. The slight decrease in the 2015/16 Adjusted Appropriation relates to the lower than anticipated payment of staff exit costs and non-filling of posts. The allocations over the MTEF are to support municipalities to improve standards of service delivery and governance through the improvement of the performance management system in municipalities, as well as inflationary increments.

Compensation of employees reflects an increasing trend over the period under review due to annual salary adjustments, as well as the employment of additional CDWs to undertake community development work in all districts from 2012/13 onward. The increase in 2014/15 was mainly to cater for officials who were upgraded from levels 9 to 10 and 11 to 12 and received backpay in line with DPSA requirements, the filling of critical posts, as well as for additional CDWs who joined the medical aid scheme. The increase in the 2015/16 Adjusted Appropriation was due to reprioritised funds from Programme 3, as well as additional funds allocated to cater for the above-budget 2015 wage agreement. The decrease in the 2015/16 Revised Estimate is due to the non-filling of posts. Despite the budget cuts, this category shows an increase over the MTEF to cater for annual salary increases, as well as provision made to fill some critical vacant posts.

Spending against *Goods and services* was high in 2012/13 relating to various once-off projects such as the Public Participation Citizen Satisfaction survey, municipal governance, deployment of skilled professionals, etc. The further growth in 2013/14 relates to funds reprioritised in respect of cell phone contracts, laptops, travel and subsistence and furniture, etc., for the appointed CDWs, and for the deployment of additional skilled professionals and administrators in municipalities. Some of this expenditure was once-off, resulting in the decrease in 2014/15. The substantial increase in the 2015/16 Adjusted Appropriation was to cater for campaigns in respect of the 2016 local government elections, as detailed previously. This also accounts for the increase in the 2015/16 Revised Estimate. The additional funding in the Adjusted Appropriation was once-off, accounting for the decrease over the MTEF. Also, the decrease over the MTEF in comparison to the 2015/16 Main Appropriation was due to the above-mentioned budget cuts.

The spending against *Transfers and subsidies to: Provinces and municipalities* in 2012/13 was in respect of the Public Participation Citizen Satisfaction survey in various municipalities, and the implementation of the Pound Act, municipal data cleansing, accredited councillor training, etc., which were mainly once-off, and accounted for the decrease in 2013/14. The 2013/14 amount relates to the 2011/12 Municipal Excellence awards. The amount in 2014/15 was for the 2012/13 Municipal Excellence awards, as well as for the Nongoma animal pound. There are no allocations against this category from 2015/16 onward as most of the projects undertaken were once-off, and are based on requests from municipalities.

The amount against *Transfers and subsidies to: Public corporations and private enterprises* in 2012/13 was a donation to the KZN Top Business Portfolio with regard to the update of promotional DVDs to showcase successful growth in the province.

The amounts against *Transfers and subsidies to: Households* are mainly in respect of staff exit costs, which are not predictable, hence the fluctuations.

The fluctuation against *Machinery and equipment* is linked to the filling of vacant posts and the related purchase of office and computer equipment. The slight increase in 2013/14 was to cater for the purchase of furniture and equipment for new appointees, as well as the replacement of computers in line with the department's IT policy. The increase in the 2015/16 Adjusted Appropriation was to cater for the purchase of replacement computer equipment, as well as furniture for new appointees. The MTEF allocations are linked to the filling of critical posts, as well as the replacement of vehicles and computer equipment.

The amounts from 2012/13 to 2014/15 against *Payments for financial assets* relate to the write-off of irrecoverable staff debts.

Service delivery measures – Programme 2: Local Governance

Table 11.18 illustrates the main service delivery measures pertaining to Programme 2. The performance target “New” in the 2015/16 Estimated performance illustrates that the indicator did not exist in 2015/16, and that it is a new indicator from 2016/17 onward.

As a result of re-demarcation of municipalities, the number of municipalities are decreasing, and as such, the decrease in some targets over the MTEF. The targets indicated as “n/a” means that the target is completed, and the department is in the process of reviewing them.

Table 11.18 : Service delivery measures – Programme 2: Local Governance

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2015/16	2016/17	2017/18	2018/19	
2.1	Municipal Governance and Administration					
2.1.1	Strengthening oversight and functionality of IGR structures	No. of IGR structures functional in accordance with IGR framework	10	10	10	10
		No. of municipalities with functional oversight structures	61	61	54	54
2.1.2	Enforcement of legislation and policy in local govt	No. of municipalities complying with local govt legislation	61	61	54	54
		No. of municipalities complying with local govt policies	61	61	54	54
		No. of municipalities supported to complying with MSA regulations	61	61	54	54
		No. of progs to support the establishment of municipalities in preparation of 2016 local govt elections	1	1	n/a	n/a
		No. of municipalities with functional rapid response teams in line with the strategy	New	61	54	54
2.2	Municipal Finance					
2.2.1	Co-ordinate and lead Integrated Provincial Service Delivery Plan utilising the IDP as the single window of co-ordination	% of public sector expenditure spent in accordance to municipal IDP	60%	60%	65%	70%
		% of public sector capital expenditure within KZN spent in accordance with PGDS identified/aligned projects	50%	55%	60%	65%
2.2.2	Implement progs to support financial viability and management in local govt and traditional institutions (billing, over-spending and under-spending)	% of municipal expenditure on capital infrastructure (new constructions, maintenance and operation)	61 with 25%	61 with 26%	54 with 27%	54 with 28%
		% of municipal expenditure on capital infrastructure spent (new constructions, maintenance and operation)	61 with 100%	61 with 100%	54 with 100%	54 with 100%
		No. of municipalities supported to improve revenue management and debt collection	11 on revenue mgt and 18 on debt mgt	11 on revenue mgt and 18 on debt mgt	20 on revenue mgt and 20 on debt mgt	26 on revenue mgt and 26 on debt mgt
		No. of municipalities guided to comply with MPRA by target date	51	54	54	54
		No. of reports submitted on state of municipal finance in terms of section 131 of the MFMA	1	1	1	1
		No. of reports submitted on compliance with MPRA in terms of section 81 of the MPRA	1	1	1	1
2.2.3	Support municipalities to achieve unqualified audits	No. of municipalities with clean audits	61	54	54	54
		No. of municipalities with functional audit committees	61	54	54	54
		No. of municipalities monitored on implementation of Audit Response Plan based on 2014/15 audit outcomes monitored	61	54	54	54
2.2.4	Implement integrity management progs in dept and municipalities	No. of municipalities supported with compilation of fraud risk registers	16	n/a	n/a	n/a
		No. of local govt anti-fraud and corruption strategies developed	1	n/a	n/a	n/a
		Report on functional provincial anti-corruption technical working groups developed	1	1	1	1
		No. of reports on fraud, corruption and mal-administration cases reported and investigated	4	4	4	4

Table 11.18 : Service delivery measures – Programme 2: Local Governance

Outputs		Performance indicators	Estimated performance	Medium-term targets		
			2015/16	2016/17	2017/18	2018/19
2.3	Public Participation					
2.3.1	Improve consultation, communication and feedback in municipalities and traditional councils	<ul style="list-style-type: none">Report on the no. of community report back meetings convened by councillors in each wardNo. of municipalities with functional ward committees as per Municipal Structures/Systems Acts	51	4	4	4
2.3.2	Strengthen functionality of ward committees	<ul style="list-style-type: none">No. of ward committees supported on implementation of ward operational plans	828	828	828	828
2.3.3	Strengthen ward based planning	<ul style="list-style-type: none">No. of municipalities with ward-based plans aligned to IDP	51	51	51	51
2.3.4	Early warning systems – service delivery protests	<ul style="list-style-type: none">No. of municipalities supported on the development of ward level database with community concerns and remedial actions produced	51	51	51	51
2.4	Capacity Building					
2.4.1	Implement a provincial capacity building strategy for local govt and traditional institutions (include progs within dept, as well as sector depts)	<ul style="list-style-type: none">No. of municipalities capacitated in line with provincial capacity building strategyNo. of capacity building interventions conducted in municipalitiesNo. of municipalities supported to roll-out gender policy framework	61	54	54	54
			1	1	1	1
			61	54	54	54
2.5	Municipal Performance, Monitoring, Reporting and Evaluation					
2.5.1	Implement a single mechanism to measure and report on performance of municipalities	<ul style="list-style-type: none">No. of municipalities complying with single reporting mechanismNo. of electronic dashboards developedNo. of municipal support plans implemented in line with the key aspects identified in the 5 pillars of the Back To Basics approachNo. of validated district profiles prepared% of COGTA issues resolved% of sector issues facilitated	61	55	55	55
			10	10	10	10
			61	61	54	54
			4	11	n/a	n/a
			100%	100%	100%	100%
			100%	100%	100%	100%
2.5.2	Monitoring, evaluation and reporting	<ul style="list-style-type: none">No. of municipalities supported to institutionalise performance management systemNo. of municipal performance reports compiled as per requirements of Section 47 of MSANo. of municipalities evaluated on administrative performance	61	55	55	55
			1	1	1	1
			61	55	55	55

6.3 Programme 3: Development and Planning

The purpose of this programme is to promote informed integrated planning and development in the province. This programme conforms to the uniform budget and programme structure for the Co-operative Governance and Traditional Affairs sector.

This programme consists of six sub-programmes in the 2016/17 MTEF, in line with the sector specific budget format, namely: Spatial Planning, Land Use Management, Local Economic Development, Municipal Infrastructure, Disaster Management and IDP Co-ordination.

Tables 11.19 and 11.20 below illustrate a summary of payments and estimates for 2012/13 to 2018/19 relating to Programme 3.

Table 11.19 : Summary of payments and estimates by sub-programme: Development and Planning

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. Spatial Planning	22 625	33 519	38 163	37 418	35 052	34 508	48 250	48 741	52 484
2. Land Use Management	14 855	17 353	17 697	23 483	19 276	18 594	19 271	21 130	22 156
3. Local Economic Development	311 689	221 473	337 806	228 385	209 104	207 299	230 033	249 305	244 107
4. Municipal Infrastructure	163 238	76 071	196 151	116 772	286 077	285 281	85 884	89 787	111 157
5. Disaster Management	83 315	64 530	88 860	107 993	106 791	106 791	241 044	86 603	83 075
6. IDP Co-ordination	18 504	17 945	20 574	20 547	14 220	14 135	19 168	20 052	21 590
Total	614 226	430 891	699 251	534 598	670 520	666 608	643 650	515 618	534 569

Table 11.20 : Summary of payments and estimates by economic classification: Development and Planning

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	159 896	183 689	254 237	381 941	364 980	350 847	538 491	420 053	430 626
Compensation of employees	57 960	94 545	101 964	127 543	114 922	110 670	114 595	123 632	131 857
Goods and services	101 936	89 144	152 273	254 398	250 058	240 177	423 896	296 421	298 769
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	431 707	229 425	399 286	73 756	226 107	235 826	33 302	35 784	36 448
Provinces and municipalities	430 284	228 574	347 061	61 656	180 806	184 306	32 816	35 784	36 448
Departmental agencies and accounts	1 000	-	18 850	-	-	6 150	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	400	-	33 254	12 100	45 100	45 100	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	23	851	121	-	201	270	486	-	-
Payments for capital assets	22 616	17 774	45 728	78 901	79 433	79 935	71 857	59 781	67 495
Buildings and other fixed structures	15 230	12 899	39 342	71 231	71 731	71 731	64 596	52 674	60 450
Machinery and equipment	7 386	4 722	6 386	7 470	7 502	8 004	7 061	6 907	6 770
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	153	-	200	200	200	200	200	275
Payments for financial assets	7	3	-	-	-	-	-	-	-
Total	614 226	430 891	699 251	534 598	670 520	666 608	643 650	515 618	534 569

This programme reflects a fluctuating trend over the seven-year period, and the reduction over the MTEF in comparison to the 2015/16 Adjusted Appropriation relates to the previously mentioned budget cuts of R15.805 million, R17.065 million and R18.390 million over the MTEF against *Compensation of employees* and R7.232 million in each year of the MTEF against *Goods and services* affecting all sub-programmes. The reduction from *Goods and services* was specifically from *Consultants and professional services: Business and advisory services, Computer services, and Communications (G&S)*. The impact of the budget cuts on *Goods and services* will be monitored in-year, and reprioritisation will be undertaken should the need arise.

The upward trend in the sub-programme: Spatial Planning from 2013/14 onward was in respect of the filling of vacant posts, catering for the Schemes Support (housing schemes in support of home-ownership) and Spatial Development Framework Support in municipalities. The increase in 2014/15 can be ascribed to funds reprioritised for the supply, delivery and installation of lightning conductors for vulnerable communities in the province, which was once-off, and account for the decrease in the 2015/16 Main Appropriation. The decrease in the 2015/16 Adjusted Appropriation and the Revised Estimate is ascribed to the slower than anticipated filling of posts and the moratorium on the filling of vacant posts. The substantial increase over the MTEF is in line with spending on various municipal projects, such as the Municipal Property Register updates (including cadastral layer and ownership) and Web-based Cadastral Data Viewer maintenance and deployment to municipalities. The increase resulted from reprioritisation from other sub-programmes.

The sub-programme: Land Use Management reflects an increasing trend over the period under review. The increase in 2013/14 was to provide for the filling of posts in line with the moratorium on the filling of non-critical posts, and for projects such as the Town Settlement Formalisation Support, etc. The increase in the 2015/16 Main Appropriation relates to the filling of critical vacant posts. The decrease in the 2015/16 Adjusted Appropriation and the Revised Estimate was due to the slower than anticipated filling of posts and the moratorium on the filling of vacant posts. The decrease over the MTEF in comparison to the 2015/16 Main Appropriation is due to the above-mentioned budget cuts against *Compensation of employees* and *Goods and services*, as well as reprioritisation to the sub-programme: Spatial Planning, as explained above.

The sub-programme: Local Economic Development fluctuates over the period under review. The high 2012/13 amount was due to the roll-over for the construction of three TACs by IDT, resulting from the longer than anticipated local labour negotiations with *Amakhosi*. The department shifted funds from Programme 4 to this sub-programme in respect of rural connectivity projects such as the TACs, MPCCs, etc., hence the decrease in 2013/14. Once-off additional funding was allocated to this sub-programme in

2014/15 in respect of the organisation of the 2014 Nelson Mandela Marathon, as well as for the Small Town Rehabilitation programme relating to rural development, as previously discussed. This accounts for the substantial decrease in the 2015/16 Main Appropriation. The further decrease in the 2015/16 Adjusted Appropriation and the Revised Estimate was due to the slower than anticipated filling of posts and the moratorium on the filling of vacant posts. The increase over the MTEF is mainly due to inflation related increases. The decrease in 2018/19 in comparison to 2017/18 relates to reprioritisation to the sub-programme: Spatial Planning, as explained above.

The high 2012/13 amount against the sub-programme: Municipal Infrastructure relates to the roll-over for the installation of water purification plants in various municipalities. Also, once-off additional funds were received for the Massification programme, hence the substantial decrease in 2013/14. The decrease in 2013/14 was also due to funds not transferred to the municipalities due to their slow spending. The increase in 2014/15 relates to various electrification projects, which were part of the Premier's 100-day commitments, as previously discussed, resulting in the decrease in the 2015/16 Main Appropriation. The high 2015/16 Adjusted Appropriation included once-off additional funding allocated for various electrification projects, as directed by Cabinet, and a transfer to Umgeni Water in respect of water provision for the Umkhanyakude district municipality, as discussed. This accounts for the decrease over the MTEF. The slight decrease in the 2015/16 Revised Estimate is due to the non-filling of posts. The decrease over the MTEF compared to the 2015/16 Main Appropriation is attributed to the above-mentioned budget cuts against *Compensation of employees* and *Goods and services*, as well as reprioritisation undertaken, as discussed. The MTEF allocations cater for the Operation and Maintenance programme of existing and new municipal infrastructure, the Massification programme, the Energy Master Plan, and emergency water supply and electrification.

The sub-programme: Disaster Management fluctuates over the period under review. The high 2012/13 amount relates to the roll-out of community capacity building and awareness campaigns relating to the Disaster Management programme, as well as once-off spending on improving the Disaster Management Centres' capabilities, which explains the decrease in 2013/14. The increase in 2014/15 was in respect of the roll-over from 2013/14 for the completion of the PDMC, and funds reprioritised for electrification projects in various local municipalities. The increase in the 2015/16 Main Appropriation was to cater for the establishment of fully operational Disaster Management Centres in all districts. The slight drop in the 2015/16 Adjusted Appropriation was due to the slower than anticipated filling of posts and the moratorium on the filling of vacant posts. The high 2016/17 amount is in respect of a once-off additional allocation for drought relief interventions. The declining growth from 2017/18 onward in comparison to 2015/16 is in line with the Disaster Management Centres' needs, as well as the previously mentioned budget cut against *Compensation of employees* and *Goods and services*.

The sub-programme: IDP Co-ordination reflects a fluctuating trend over the period under review and caters for shared services projects in municipalities (which are dependent on the number of municipalities needing the services at a particular time). The high 2012/13 amount can be attributed to projects, such as Community Participation in IDPs, Development Planning and Shared Services and Shared Service Support undertaken. The reduction in 2013/14 relates to funds reprioritised to other programmes due to slow spending by municipalities. The increase in 2014/15 was due to the appointment of professional planners, who support municipalities with the preparation of credible IDPs and spatial development frameworks. In addition, they guide spatial development within municipalities to assist with the various projects (Community Participation in IDPs, Development Planning and Shared Services and Shared Service Support) undertaken. The decrease in the 2015/16 Adjusted Appropriation is attributed to funds reprioritised to other areas of spending pressures due to slower than anticipated filling of critical vacant posts. The slight decrease in 2016/17 and 2017/18 in comparison to the 2015/16 Main Appropriation is attributed to reprioritisation to the sub-programme: Spatial Planning, as explained above.

The substantial increase in *Compensation of employees* over the period can be attributed to the above-budget wage increases, as well as the filling of vacant posts. The decrease in the 2015/16 Adjusted Appropriation and the Revised Estimate was due to the moratorium on the filling of vacant posts, as well as slower than anticipated filling of critical posts. The decrease in 2016/17 and 2017/18 compared to the 2015/16 Main Appropriation is attributed to the budget cuts. The MTEF allocations cater for the carry-

through of the above-budget 2015 wage agreement, with provision made for the filling of some critical vacant posts.

The high 2012/13 amount against *Goods and services* relates to the roll-out of community capacity building and awareness campaigns relating to disaster management, as well as once-off spending on improving the Disaster Management Centres' capabilities, which explains the decrease in 2013/14. The substantial increase in 2014/15 can be ascribed to the higher than budget costs for the implementation of the Operation and Maintenance programme, Water and Energy Forum, Universal Water Access Plan, the Nelson Mandela Marathon, LED capacity building and the establishment of DDAs. These projects continued in 2015/16, as well as over the MTEF, hence the substantial increase in these periods. Also, the department budgeted for projects such as the Corridor Development, Massification and the Small Town Rehabilitation programmes against this category, as previously explained. These will be shifted to *Transfers and subsidies to: Provinces and municipalities* in-year after an annual exercise indicated that the municipalities had the necessary capacity to deliver on the particular projects themselves. The department is also undertaking some of the projects on behalf of municipalities that have capacity challenges. This has resulted in high amounts against this category and low amounts against *Transfers and subsidies to: Provinces and municipalities* over the MTEF. The reduction in the 2015/16 Adjusted Appropriation resulted from reprioritisation to other programmes due to funds not shifted to the various municipalities as a result of slow spending and the submission of incomplete supporting documents. Also, funds were shifted to *Transfers and subsidies to: Provinces and municipalities* to be transferred to municipalities. However, the reduction was partly offset by once-off additional funds allocated for various electrification projects that are being undertaken by the department's PMU on behalf of municipalities who have capacity challenges. The decrease in the 2015/16 Revised Estimate was due to a post Adjustments Estimate shift undertaken for the implementation of the *Amakhosi* Rural Economic Development programme by ADA, and the Disaster Management programme in the uMlalazi Municipality. The high 2016/17 amount is in respect of once-off additional funds of R150 million for drought relief interventions. The below inflationary growth from 2017/18 is due to the previously mentioned budget cuts.

With regard to *Transfers and subsidies to: Provinces and municipalities*, the high amount in 2012/13 relates to projects in respect of the Corridor Development and Small Town Rehabilitation programmes, as well as once-off projects such as the district growth and development summit, etc. Also, additional funding was allocated for the Massification programme, for the provision of electricity, water and sanitation in various municipalities. As explained above, the low 2013/14 amount was due to the department not transferring funds as anticipated, as a result of slow spending by various municipalities. The department reprioritised the funds to offset spending pressures in other categories. The increase in 2014/15 relates to once-off additional funds in respect of electrification projects, as well as the Small Town Rehabilitation programme, which is aimed at developing rural areas. The increase in the 2015/16 Adjusted Appropriation relates to funds shifted from *Goods and services*, as discussed, and once-off additional funding allocated for various electrification projects, as directed by Cabinet. The increase in the 2015/16 Revised Estimate relates to a post Adjustments Estimate shift undertaken in respect of the Disaster Management programme to be transferred to the uMlalazi Municipality. As explained above, the decrease over the MTEF is due to the department budgeting for projects relating to the Corridor Development, Massification and Small Town Rehabilitation programmes under *Goods and services*. The funds will be moved in the Adjustments Estimate when municipalities have been identified and have proven that they are able to spend the funds. The MTEF allocations include some projects identified with regard to the Massification programme, and the Development Planning and Shared Services.

The 2012/13 amount against *Transfers and subsidies to: Departmental agencies and accounts* relates to a transfer to TKZN for the erection of tourism signage, as explained previously. The 2014/15 amount relates to a transfer to ADA for the implementation of the Uthukela *Amakhosi* programme and the Msinga Asisukume Co-operative. The increase in the 2015/16 Revised Estimate relates to a post Adjustments Estimate shift undertaken to ADA for the implementation of the *Amakhosi* Rural Economic Development programme. As a result of the successful implementation of the Uthukela *Amakhosi* programme by ADA, this project is being piloted in other districts.

The amount against *Transfers and subsidies to: Public corporations and private enterprises* in 2012/13 relates to a donation to SAPI in respect of the PAC. The 2014/15 and 2015/16 Main Appropriation amounts comprise of transfers to the uMhlathuze water board for the provision of portable water delivery services to district municipalities and for the expenditure incurred relating to the 2014 general elections, respectively. The increase in the 2015/16 Adjusted Appropriation was in respect of a transfer to Umgeni water board for water provision in the Umkhanyakude district municipality, as discussed. These projects are once-off, hence there is no further allocation over the 2016/17 MTEF.

Transfers and subsidies to: Households caters mainly for staff exit costs, which fluctuate over the period due to the difficulty in forecasting accurately for this category as a result of its uncertain nature.

Buildings and other fixed structures makes provision for the construction of TACs, TSCs and CSCs. This category fluctuates over the seven-year period due to challenges experienced with the construction of these centres. This led to the department appointing IDT to assist with the construction of these centres. The 2012/13 amount included a roll-over from 2011/12 for the construction of TACs that were not completed before year-end due to longer than anticipated local labour negotiations with *Amakhosi*. The department also shifted funds to this category in this regard. This accounts for the low 2013/14 expenditure. Also contributing to the low expenditure in 2013/14, were delays in the completion of the PDMC in Mkondeni, as previously explained. The substantial increase in 2014/15 can be ascribed to the reprioritisation from *Goods and services* for the construction of additional TACs, as well as additional funds allocated in 2014/15 only, for the construction and rehabilitation of CSCs. The further increase in 2014/15 was attributed to once-off additional funds allocated for the Small Town Rehabilitation programme that the department will undertake on behalf of municipalities. The substantial increase in 2015/16 was to cater for the completion of the PDMC, construction and rehabilitation of additional TACs, and CSCs. The slight increase in the 2015/16 Adjusted Appropriation relates to funds returned by Nquthu Municipality being allocated to this category for the rehabilitation of CSCs, as mentioned. The declining growth over the MTEF is in line with the department's project plans, as more houses are built for *Amakhosi*, and the various centres are constructed, thus the decrease in the number of houses and the centres required by *Amakhosi* and various municipalities, respectively. Also, the MTEF allocations provide for the implementation of a provincial communication system for the PDMC.

The fluctuations against *Machinery and equipment* from 2012/13 onward are linked to the filling of vacant posts and the related purchase of office and computer equipment. The high 2012/13 amount was mainly due to the installation of lightning conductors at disaster management centres, as well as the purchase of office furniture and computer equipment for new appointees, resulting in the decrease in 2013/14. The increase in 2014/15 relates to the supply, delivery and installation of lightning conductors for vulnerable communities in the province. The slight increase in the 2015/16 Adjusted Appropriation and the Revised Estimate was for the purchase of computer equipment for new appointees. The declining MTEF allocations are linked to the filling of critical posts and the related purchase of office and computer equipment, as well as the purchase of new and replacement vehicles.

The amounts in 2013/14, 2015/16 and over the MTEF against *Software and other intangible assets* are in respect of the Adobe Creative Suite 6 Design and Web Premium software for the DIS unit to create and maintain a comprehensive, accessible and user-friendly GIS database and website.

The amounts from 2012/13 to 2013/14 against *Payments for financial assets* relate to the write-off of irrecoverable staff debts.

Service delivery measures – Programme 3: Development and Planning

Table 11.21 below gives the main service delivery measures pertaining to Programme 3. The performance target “New” in the 2015/16 Estimated performance shows that the indicator did not exist in 2015/16, and that it is a new indicator from 2016/17 onward.

As a result of re-demarcation of municipalities, the number of municipalities are decreasing, and as such, the decrease in some targets over the MTEF. The targets indicated as “n/a” means that the target is completed, and the department is in the process of reviewing them.

Table 11.21 : Service delivery measures – Programme 3: Development and Planning

Outputs	Performance indicators	Estimated performance				Medium-term targets			
		2015/16	2016/17	2017/18	2018/19	2015/16	2016/17	2017/18	2018/19
3.1 Spatial Planning									
3.1.1	Support municipalities to improve spatial location of services (govt, social and basic) in line with provincial spatial planning guidelines/ frameworks & regulatory framework	No. of municipal SDFs aligned with provincial spatial planning guidelines	61	61	54	54			
		No. of municipalities monitored on implementation of densification framework	5	5	5	5			
		Increase in population density within designated development areas	4.12 Households/ha	4.28 Households/ha	4.45 Households/ha	4.62 Households/ha			
3.1.2	Implementation of SPLUMA and PDA	% of total provincial geographical area with LUM schemes and systems	50%	65%	80%	95%			
		No. of municipalities supported to produce a suite of plans	6	6	6	6			
3.2 Development Information Services									
3.2.1	Disaster monitoring (GIS to plot early warning and effectiveness, response, impact, frequency of disasters)	Share of events with early warning systems, where affected parties received prior warning	100%	100%	100%	100%			
		% of climate related incidents data mapped	New	100%	100%	100%			
3.2.2	Implementation of SPLUMA and PDA	% of adopted municipal schemes in the province mapped	100%	100%	100%	100%			
3.2.3	Implement programmes to support financial viability and management in local government and traditional intuitions (billing, over-spending and under-spending)	No. of municipalities supported with MPRA implementation	45	45	45	45			
3.3 Land Use Management									
3.3.1	Improve the response time for processing of development applications	% of development applications that meet time norms for processing	70%	73%	76%	80%			
3.3.2	Implementation of SPLUMA and PDA	No. of municipalities supported with implementation of SPLUMA	51	51	44	44			
		No. of municipalities supported with formalisation of towns	12	12	13	15			
3.3.3	Support municipalities to improve spatial location of services (govt, social and basic) in line with provincial spatial planning guidelines/frameworks & regulatory framework	Spatial distribution of HDI at provincial scale	0.58	0.60	0.62	0.65			
3.3.4	Implementation of SPLUMA and PDA	% of received survey requests attended to	100%	100%	100%	100%			
		% of received boundary description requests attended to	100%	100%	100%	100%			
		No. of Izigodi mapped	New	228	232	240			
3.4 Local Economic Development									
3.4.1	Co-ordination of public and private stakeholders to drive economic potential in each district	No. of district agencies supported to effectively drive LED	10	10	10	10			
		No. of districts/metro supported with informal economy initiatives	11	11	11	11			
3.4.2	Create employment opportunities through Corridor Development and Small Town Rehabilitation	No. of nodal development plans/strategies developed to promote growth of new/small towns	2	3	3	4			
		No. of municipalities with agri-hubs/fresh produce market facilities aligned to schools and institutional markets	2	3	2	2			
		No. of Corridor Development plans developed	1	1	1	1			
		No. of municipalities supported to implement LED projects in line with municipal LED strategies	10 districts	10 districts	10 districts	10 districts			
		No. of municipalities monitored to reduce cost of doing business through red tape intervention	10 districts & metro	10 districts & metro	10 districts & metro	10 districts & metro			
		No. of Corridor Development plans developed	1	1	1	1			
3.4.3	Revive and activate support of traditional institutions to promote socio-economic prog	No. of TCs supported with development initiatives	3	6	10	15			
3.4.4	Co-ordination of interfaith to promote social cohesion and nation building	No. of dialogues held to support social cohesion and nation building	3	4	6	8			

Table 11.21 : Service delivery measures – Programme 3: Development and Planning

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2015/16	2016/17	2017/18	2018/19	
3.4.5	Support establishment of CSCs in key nodes aligned to provincial framework	<ul style="list-style-type: none"> No. of CSCs infrastructure progs implemented No. of Grade 1 CSCs supported for effective functionality No. of Grade 2 CSCs supported for effective functionality 	1 25 20	1 26 25	1 28 30	1 30 35
3.4.6	Create employment opportunities through Corridor Development and Small Town Rehabilitation	<ul style="list-style-type: none"> No. of work opportunities created through CWP in municipalities No. of employment opportunities created through EPWP inclusive of all sectors (FFW, Corridor, Small Town, CSC construction) 	31 500 1 500	34 500 2 000	34 500 2 500	34 500 3 000
3.5 Municipal Infrastructure						
3.5.1	Co-ordinate service delivery utilising IGR fora	<ul style="list-style-type: none"> No. of functional co-ordinating structures for infrastructure development and service delivery No. of municipalities assessed against service delivery benchmarks No. of municipalities supported with service delivery programmes No. of municipalities supported to implement indigent policies 	8 60 38 31	8 60 38 31	8 60 38 31	8 60 38 31
3.5.2	Co-ordinate with Dept of Water and Sanitation (DWS) for roll-out of 75 litres of water per person per day	<ul style="list-style-type: none"> No. of reports on cubic metres per capita per year available No. of reports on water service systems in balance (supply and demand balance) No. of reports on households with access to 75 litres of water per person per day No. of municipalities supported in increasing % of yard water connections No. of municipalities supported in provision of basic level of sanitation services 	2 2 2 13 13	2 2 2 13 13	2 2 2 13 13	2 2 2 13 13
3.5.3	Support municipalities with improvement in the production and supply of energy	<ul style="list-style-type: none"> No. of municipalities supported in increasing percentage of households with a source of electrical supply 	10	15	20	26
3.6 Disaster Management						
3.6.1	Climate change factored into planning and development processes (disaster sector plans with budgeted progs)	<ul style="list-style-type: none"> No. of districts and metro supported with Disaster Risk Management Planning No. of districts and metro monitored on the implementation of Disaster Risk Management Plan 	New 10 districts & metro	10 districts & metro 10 districts & metro	10 districts & metro 10 districts & metro	10 districts & metro 10 districts & metro
	Policy frameworks, plans and strategies to reduce risks	<ul style="list-style-type: none"> No. of Disaster Risk Management public awareness campaigns conducted No. of municipalities supported with Disaster Risk Management capacity building initiatives 	New 10 districts & metro	2 10 districts & metro	2 10 districts & metro	2 10 districts & metro
3.6.2	Early warning systems	<ul style="list-style-type: none"> Regular forecast of anticipated impacts of climate change and response plan 	100%	100%	100%	100%
3.6.3	Co-ordinate interventions and support through disaster management institutional structures	<ul style="list-style-type: none"> No. of functional municipal DMCs Average time taken to respond to disaster events 	10 districts & metro 72 hours	10 districts & metro 72 hours	10 districts & metro 72 hours	10 districts & metro 72 hours
3.6.4	Improve preparedness through capacity building progs	<ul style="list-style-type: none"> Provincial fire brigade services established by target date 	10 districts & metro	10 districts & metro	10 districts & metro	10 districts & metro
3.7 IDP Co-ordination						
3.7.1	Implement an Integrated Provincial Development and Investment (IPDI) framework (based on MTEF of provincial and national depts and municipal IDPs)	<ul style="list-style-type: none"> No. of IPDI frameworks implemented No. of municipalities supported with development of legally compliant IDP 	1 framework developed 61	1 framework developed 54	1 framework implemented 54	1 framework implemented 54
3.7.2	Co-ordinate service delivery through the Joint Provincial Forum	<ul style="list-style-type: none"> No. of joint provincial service delivery forums supported 	1	1	1	1
3.7.3	Build the capacity of district municipalities to build resilient local municipalities	<ul style="list-style-type: none"> No. of districts shared services implemented 	10	10	10	10
3.7.4	Implementation of SPLUMA and PDA	<ul style="list-style-type: none"> No. of TSMPs developed 	8	5	n/a	n/a

6.4 Programme 4: Traditional Institutional Management

The purpose of this programme is to support and enhance the capacity of traditional councils. This programme conforms to the uniform budget and programme structure for the Co-operative Governance and Traditional Affairs sector.

The programme consists of four sub-programmes in the 2016/17 MTEF, in line with the sector specific budget format, namely: Traditional Institutional Administration, Traditional Resource Administration, Rural Development Facilitation and Traditional Land Administration.

Tables 11.22 and 11.23 below illustrate a summary of payments and estimates for 2012/13 to 2018/19 relating to Programme 4.

Table 11.22 : Summary of payments and estimates by sub-programme: Traditional Institutional Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Traditional Institutional Administration	106 726	128 985	118 297	138 890	154 367	154 868	160 676	171 365	170 748
2. Traditional Resource Administration	66 502	106 600	80 558	79 797	75 119	73 338	83 386	85 184	95 377
3. Rural Development Facilitation	17 418	15 880	18 195	18 616	18 738	18 738	19 426	20 818	23 945
4. Traditional Land Administration	16 092	18 521	17 018	18 588	18 743	18 743	21 511	20 343	22 201
Total	206 738	269 986	234 068	255 891	266 967	265 687	284 999	297 710	312 271

Table 11.23 : Summary of payments and estimates by economic classification: Traditional Institutional Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	194 101	238 842	228 053	246 688	260 435	258 983	274 019	288 010	298 811
Compensation of employees	117 329	138 343	143 327	165 739	163 072	159 593	176 057	185 865	199 834
Goods and services	76 772	100 499	84 726	80 949	97 363	99 390	97 962	102 145	98 977
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	1 039	1 288	2 058	1 100	1 362	1 387	800	700	1 200
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	100	-	-	-	-	-	-	-	-
Households	939	1 288	2 058	1 100	1 362	1 387	800	700	1 200
Payments for capital assets	11 550	29 855	3 936	8 103	5 170	5 317	10 180	9 000	12 260
Buildings and other fixed structures	8 995	26 170	2 347	7 000	3 000	3 000	8 000	9 000	11 000
Machinery and equipment	2 555	3 685	1 589	1 103	2 170	2 225	2 068	-	1 260
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	92	112	-	-
Payments for financial assets	48	1	21	-	-	-	-	-	-
Total	206 738	269 986	234 068	255 891	266 967	265 687	284 999	297 710	312 271

Programme 4 fluctuates over the period under review mainly due to the once-off support to various municipalities at different times. The below inflationary increase over the MTEF is due to the budget cuts of R7.364 million, R6.814 million and R8.596 million over the MTEF against *Compensation of employees*, affecting all sub-programmes. This programme was not affected by the 2 per cent *Goods and services* budget cuts.

The increase in 2013/14 against the sub-programme: Traditional Institutional Administration was mainly due to the sitting allowances of TC members, the establishment of a Commission on Disputes, a seminar on Umzimkhulu, an increase in the salaries of *Amakhosi*, TC secretaries and stipends to *Izinduna*, etc. The reduction in 2014/15 was due to shifts undertaken to Programme 1 within the same economic categories to align the functions of the department to ensure the proper management of the financial matters pertaining to the traditional institutions, of which the purpose of the funds remain unchanged, as well as funds reprioritised due to non-filling of non-critical vacant posts, as previously discussed. The increase in the 2015/16 Adjusted Appropriation was due to additional once-off funding allocated for the payment of

additional 954 *Izinduna*. The slight increase in the 2015/16 Revised Estimate is attributed to higher than budgeted staff exit costs. The increase over the MTEF is for the same reason, as the department undertook internal reprioritisation to provide for the stipends, as well as inflationary increments. The growth is slightly mitigated by the above-mentioned budget cuts in respect of *Compensation of employees*.

The sub-programme: Traditional Resource Administration fluctuates over the period under review. The substantial increase in 2013/14 was due to funds reprioritised from Programme 3 for the payment of backdated acting allowances and the re-grading of staff from levels 9 to 10 and 11 to 12. These were once-off, and account for the decrease from 2014/15 onward. Also, the decrease in 2014/15 can be attributed to decreases (stringent controls on kilometres travelled) in travel and subsistence claims, savings associated with non-filling of non-critical vacant posts, and the implementation of financial controls, and the resultant savings were reprioritised to other programmes. The decrease in the 2015/16 Adjusted Appropriation, and the further decrease in the Revised Estimate, can be attributed to reprioritisation to other sub-programmes due to slower than anticipated filling of posts and the moratorium on the filling of vacant posts. The increase over the MTEF mainly relates to inflationary increments, and is slightly mitigated by the above-mentioned budget cuts against *Compensation of employees*.

The decrease in 2013/14 against the sub-programme: Rural Development Facilitation was due to reprioritisation as a result of slower than anticipated filling of posts to other areas of spending pressures. The increase in 2014/15 resulted from reprioritisation to provide support to various TACs, as well as the payment of leave gratuities, which were not anticipated due to their unpredictable nature. The slight increase in the 2015/16 Adjusted Appropriation was to cater for higher than budgeted staff exit costs. The growth over the 2016/17 MTEF mainly relates to the provision of support to the TACs, as well as inflationary increments. The growth is slightly mitigated by the previously mentioned budget cuts against *Compensation of employees*.

The sub-programme: Traditional Land Administration shows a fairly steady increase over the seven years, and is in respect of the demarcation of residential, commercial and institutional land rights applications for various developments in communal land. The decrease in 2014/15 can be attributed to a decrease in travel and subsistence claims, savings associated with non-filling of non-critical vacant posts, as well as the implementation of financial controls, which was reprioritised to other programmes. The slight increase in the 2015/16 Adjusted Appropriation was in respect of higher than budgeted staff exit costs. The growth over the MTEF can be attributed to inflationary increments. The low 2017/18 amount in comparison to 2016/17 is ascribed to the budget cuts effected against *Compensation of employees*.

Compensation of employees reflects a steady increase from 2013/14 due to the above-budget wage agreements, as well as filling of posts. The decrease in the 2015/16 Adjusted Appropriation and the Revised Estimate was due to the slower than anticipated filling of posts and the moratorium on the filling of vacant posts. The increase over the MTEF relates to the carry-through costs of the above-budget 2015 wage agreement, as well as inflationary increases. This growth is mitigated by the budget cuts, as explained, and the department has provided for the filling of some critical vacant posts only.

The high 2013/14 amount against *Goods and services* relates to the sitting allowance of TC members, the establishment of a Commission on Disputes, a seminar on Umzimkhulu, etc., as previously mentioned. The increase in the 2015/16 Adjusted Appropriation was due to an additional once-off allocation for the payment of stipends to the additional 954 *Izinduna*. The increase in the 2015/16 Revised Estimate is ascribed to the sitting allowance for TC members that was not budgeted for. The department made provision for the payment of *Izinduna* over the MTEF through internal reprioritisation, hence the growth. The high 2017/18 amount relates to a once-off allocation for the TC election provided through internal reprioritisation. The growth over the MTEF is slightly offset by the budget cuts, as explained earlier.

The amount in 2012/13 against *Transfers and subsidies to: Non-profit institutions* consisted of a donation to the Sakhisizwe Organisation for the heritage month celebration.

Transfers and subsidies to: Households caters mainly for staff exit costs, which fluctuate over the period due to the difficulty in forecasting accurately for this category as a result of its uncertain nature.

The high 2013/14 amount against *Buildings and other fixed structures* was to cater for the increase in the houses for *Amakhosi*, resulting in the substantial reduction in 2014/15. The decrease in the 2015/16 Adjusted Appropriation was due to the slow start in the construction of houses for *Amakhosi*. The MTEF allocations cater for additional houses, and are based on the need for these houses.

The fluctuations against *Machinery and equipment* from 2012/13 onward are mainly linked to the filling of vacant posts and the related purchase of office and computer equipment, vehicles, etc. The decrease in 2014/15 relates to furniture and equipment for TACs that was not purchased due to non-completion of the TACs. The increase in the 2015/16 Adjusted Appropriation and the Revised Estimate can be ascribed to the higher than budgeted computer equipment purchased for *Amakhosi* attending the leadership programme at UKZN. There is no allocation in 2017/18, as the department is not anticipating any purchase or upgrade of office and computer equipment, vehicles, etc. The department will review the allocations over the MTEF in future MTEFs.

The amounts against *Software and other intangible assets* in the 2015/16 Revised Estimate and in 2016/17 relate to Adobe Acrobat, Pro Survey maker software and Google Earth for engineers and surveyors.

The amounts from 2012/13 to 2014/15 against *Payments for financial assets* relate to the write-off of irrecoverable staff debts.

Service delivery measures – Programme 4: Traditional Institutional Management

Table 11.24 below illustrates the main service delivery measures pertaining to Programme 4.

The performance target “New” in the 2015/16 Estimated performance illustrates that the indicator did not exist in 2015/16, and that it is a new indicator from 2016/17 onward.

Table 11.24 : Service delivery measures – Programme 4: Traditional Institutional Management

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2015/16	2016/17	2017/18	2018/19	
4.1. Traditional Institutional Administration						
4.1.1	Implementation of policies, legislation and regulations towards transformation and regulation of the sector	<ul style="list-style-type: none"> No. of progs implemented to support Traditional Institutions in line with the Act No. of <i>Izizwe</i> profiled on customary law No. of progs implemented to support Traditional Institutions in line with the Act 	1 New New	1 20 1	1 20 1	1 20 1
4.1.2	Promotion of cultural and customary way of life which conforms to the Bill of Rights, Constitutional and Democratic principles	<ul style="list-style-type: none"> No. of <i>Amakhosi</i> installed No. of <i>Amakhosi</i> recognised % of dispute claims finalised 	7 7 100%	7 7 100%	7 7 100%	7 7 100%
4.2. Traditional Resource Administration						
4.2.1	Stabilisation and strengthening of Traditional leadership	<ul style="list-style-type: none"> No. of skills audits conducted No. of capacity building programmes aligned to the Provincial Capacity Building Strategy No. of <i>Amakhosi</i> attending the UKZN Advanced Leadership Programme 	11 1 20	11 1 20	11 1 20	11 1 20
4.2.2	Promotion of cultural and customary way of life which conforms to the Bill of Rights, Constitutional and Democratic principles	<ul style="list-style-type: none"> % of approved cultural platforms supported 	100%	100%	100%	100%
4.3. Rural Development Facilitation						
4.3.1	Participation of traditional leaders in municipal and IGR structures	<ul style="list-style-type: none"> No. of municipalities with participation of traditional leaders No. of Local Houses supported on the establishment of partnerships 	58 11	59 11	59 11	59 11

7. Other programme information

7.1 Personnel numbers and costs

Table 11.25 below illustrates the personnel estimates pertaining to the department at a programme level.

The personnel numbers reflect an increase from 31 March 2014 onward, which is largely attributed to the filling of vacant posts. The number of personnel substantially dropped in 2014/15 due to the slower than anticipated filling of critical posts as a result of the difficulty in finding suitable candidates, as well as resignations. The department has made provision for the filling of some critical vacant posts over the MTEF. The number against CDWs fluctuates due to resignations and these being appointed on a need basis in the various wards. The department appointed CDWs to bridge the gap between government and the community, and strengthen integration and co-ordination of services provided by government and access to these services by communities. These officials are included against the respective salary levels (mainly level 6).

Table 11.25 : 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	460	533	519	549	546	546	545
2. Local Governance	563	565	598	616	628	634	644
of which CDWs	349	471	468	460	465	465	465
3. Development and Planning	176	240	226	237	229	229	229
4. Traditional Institutional Management	283	321	307	577	579	579	581
Total	1 482	1 659	1 650	1 979	1 982	1 988	1 999
Total provincial personnel cost (R thousand)	411 741	523 274	557 676	615 631	674 446	738 550	798 330
Unit cost (R thousand)	278	315	338	311	340	372	399

Table 11.26 below summarises the numbers and costs related to various components and categories of workers in the department.

Table 11.26 : Summary of departmental personnel numbers and costs by component

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Total for the department									
Personnel numbers (head count)	1 482	1 659	1 650	1 716	1 979	1 979	1 982	1 988	1 999
Personnel cost (R thousands)	411 741	523 274	557 676	637 229	630 118	615 631	674 446	738 550	798 330
Human resources component									
Personnel numbers (head count)	156	236	182	172	188	188	196	196	196
Personnel cost (R thousands)	27 435	37 251	36 304	24 819	39 045	39 045	46 377	49 954	53 434
Head count as % of total for department	10.53	14.23	11.03	10.02	9.50	9.50	9.89	9.86	9.80
Personnel cost as % of total for department	6.66	7.12	6.51	3.89	6.20	6.34	6.88	6.76	6.69
Finance component									
Personnel numbers (head count)	112	105	113	115	122	122	127	127	127
Personnel cost (R thousands)	25 057	28 635	26 856	28 978	39 189	39 189	46 823	50 467	53 282
Head count as % of total for department	7.56	6.33	6.85	6.70	6.16	6.16	6.41	6.39	6.35
Personnel cost as % of total for department	6.09	5.47	4.82	4.55	6.22	6.37	6.94	6.83	6.67
Full time workers									
Personnel numbers (head count)	1 392	1 422	1 430	1 529	1 766	1 766	1 982	1 988	1 999
Personnel cost (R thousands)	337 437	480 371	516 703	594 701	583 752	569 265	674 446	738 550	798 330
Head count as % of total for department	93.93	85.71	86.67	89.10	89.24	89.24	100.00	100.00	100.00
Personnel cost as % of total for department	81.95	91.80	92.65	93.33	92.64	92.47	100.00	100.00	100.00
Part-time workers									
Personnel numbers (head count)	10	8	-	1	-	-	-	-	-
Personnel cost (R thousands)	2 779	2 157	-	316	-	-	-	-	-
Head count as % of total for department	0.67	0.48	-	0.06	-	-	-	-	-
Personnel cost as % of total for department	0.67	0.41	-	0.05	-	-	-	-	-
Contract workers									
Personnel numbers (head count)	80	229	220	186	213	213	-	-	-
Personnel cost (R thousands)	71 525	40 746	40 973	42 212	46 366	46 366	-	-	-
Head count as % of total for department	5.40	13.80	13.33	10.84	10.76	10.76	-	-	-
Personnel cost as % of total for department	17.37	7.79	7.35	6.62	7.36	7.53	-	-	-

The departmental head count shows a steady increase from 2013/14 onward. The decrease in 2014/15 related to the internal moratorium on the filling of non-critical vacant posts, as previously explained. There is no growth against the personnel numbers over the MTEF due to the freezing of all non-OSD posts. Part-time workers are no longer being used from 2014/15 onward, as they are only utilised when the need arises. Also, contract workers are employed to manage various special projects such as the Small Town Rehabilitation programme, and they are appointed on a needs basis, hence the fluctuations. As a result of the freezing of all non-OSD posts, the department is not anticipating appointing contract workers over the MTEF, but this will be reviewed in future MTEFs.

7.2 Training

Tables 11.27 and 11.28 below reflect departmental training expenditure pertaining to the department per programme for the period under review. The training budget is centralised under Programme 1 against the sub-programme: Corporate Services, which aims to facilitate the management of all training undertaken in the department and ensuring that training is obtained from accredited training institutions. Expenditure on training fluctuates, and is based on the training needs of staff during a particular period. The department will review the staff training needs on an annual basis.

Table 11.27 : 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	1 783	1 300	1 528	2 600	1 600	1 600	1 700	1 800	1 900
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	1 783	1 300	1 528	2 600	1 600	1 600	1 700	1 800	1 900
Other	-	-	-	-	-	-	-	-	-
2. Local Governance	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
3. Development and Planning	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
4. Traditional Institutional Management	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	1 783	1 300	1 528	2 600	1 600	1 600	1 700	1 800	1 900

Table 11.28 illustrates the number of staff affected by the various training programmes and initiatives. It also includes a gender breakdown, an indication of the types of training, as well as details of the number of bursaries and learnerships. The number of personnel trained is higher than the number of staff in 2014/15, as indicated in Table 11.28. According to the department, the number of personnel trained included interns and in-service learners (experiential learners), who come for practical experience in order to complete their qualifications.

Table 11.28 : Information on training: Co-operative Governance and Traditional Affairs

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Number of staff	1 482	1 659	1 650	1 716	1 979	1 979	1 982	1 988	1 999
Number of personnel trained	685	901	1 656	1 722	1 722	1 722	1 800	1 800	1 800
of which									
Male	284	421	709	775	775	775	600	600	600
Female	401	480	947	947	947	947	1 200	1 200	1 200
Number of training opportunities	685	76	44	62	81	81	95	95	95
of which									
Tertiary	-	6	6	6	6	6	10	10	10
Workshops	46	14	14	14	20	20	22	22	22
Seminars	1	2	4	4	10	10	15	15	15
Other	638	54	20	38	45	45	48	48	48
Number of bursaries offered	80	163	66	66	67	67	80	80	80
Number of interns appointed	114	86	69	80	120	120	150	150	150
Number of learnerships appointed	-	-	-	-	-	-	-	-	-
Number of days spent on training	140	140	140	140	140	140	150	150	150

ANNEXURE – VOTE 11: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

Table 11.A : Details of departmental receipts: Co-operative Governance and Traditional Affairs

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	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	1 293	1 338	1 663	1 509	1 509	1 509	1 617	1 726	1 843
Sale of goods and services produced by department (excluding capital assets)	1 290	1 330	1 663	1 509	1 509	1 509	1 617	1 726	1 843
Sale by market establishments	1 290	1 330	1 663	1 509	1 509	1 509	1 617	1 726	1 843
Sale of scrap, waste, arms and other used current goods (excluding capital assets)	3	8	-	-	-	-	-	-	-
Transfers received from:	-	-	-	-	-	1 125	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	1 125	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	1 549	27	32	42	42	42	45	48	51
Interest	1 549	27	32	42	42	42	45	48	51
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	2 863	2 643	1 200	1 200	2 267	1 200	1 260	1 323
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	-	2 863	2 643	1 200	1 200	2 267	1 200	1 260	1 323
Transactions in financial assets and liabilities	4 736	3 242	19 133	902	902	8 864	967	1 033	1 103
Total	7 578	7 470	23 471	3 653	3 653	13 807	3 829	4 067	4 320

Table 11.B : Payments and estimates by economic classification: Co-operative Governance and Traditional Affairs

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	799 663	931 321	992 678	1 182 013	1 238 714	1 228 109	1 403 000	1 336 181	1 406 423
Compensation of employees	411 741	523 274	557 676	637 229	630 118	615 631	674 446	738 550	798 330
Salaries and wages	365 628	467 289	497 518	569 476	559 071	545 518	594 403	650 563	703 424
Social contributions	46 113	55 985	60 158	67 753	71 047	70 113	80 043	87 987	94 906
Goods and services	387 922	408 047	435 002	544 784	608 596	612 478	728 554	597 631	608 093
Administrative fees	475	299	1 803	300	2 258	2 490	2 067	2 131	2 197
Advertising	9 997	12 635	12 906	9 758	24 038	22 538	14 069	12 700	14 250
Assets less than the capitalisation threshold	15 293	12 269	9 560	12 512	12 823	12 128	8 357	7 875	8 237
Audit cost: External	5 270	5 248	7 290	6 700	7 464	7 464	7 069	7 422	7 793
Bursaries: Employees	828	701	1 042	1 500	1 500	2 121	1 500	1 520	1 800
Catering: Departmental activities	17 430	6 392	6 214	6 044	6 969	6 881	7 019	7 049	6 998
Communication (G&S)	10 205	14 106	16 246	12 296	13 671	14 370	11 546	12 372	13 273
Computer services	19 594	21 718	23 897	28 101	37 428	40 498	32 027	24 117	28 059
Cons & prof serv: Business and advisory services	98 965	109 413	149 394	260 582	252 814	240 558	247 234	274 084	267 328
Cons & prof serv: Infrastructure and planning	308	426	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	250	-	-	-
Cons & prof serv: Legal costs	5 732	7 336	6 294	6 100	6 052	6 875	6 154	6 684	7 040
Contractors	29 896	33 547	32 956	17 871	40 229	53 600	192 912	36 313	39 447
Agency and support / outsourced services	6 608	3 407	3 691	5 244	5 534	5 767	4 361	4 540	5 725
Entertainment	23	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	9 433	10 920	11 505	12 776	12 770	12 770	13 512	14 061	14 874
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	340	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	2	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	1	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	165	-	1	-	-	1	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	273	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	4 583	-	-	-	1 102	1 101	-	-	-
Consumable supplies	946	2 049	2 870	2 737	3 795	3 852	5 314	6 394	5 971
Consumable: Stationery, printing and office supplies	8 835	8 224	7 706	8 439	9 214	8 542	8 872	9 433	10 138
Operating leases	25 919	23 766	25 631	27 549	27 094	26 380	27 660	28 247	29 501
Property payments	27 322	27 688	23 113	24 159	23 814	23 892	28 351	28 609	28 534
Transport provided: Departmental activity	108	36	411	-	-	-	-	-	-
Travel and subsistence	48 310	62 677	46 928	55 133	52 389	54 395	48 989	52 174	54 718
Training and development	1 783	1 300	1 528	2 600	1 600	1 600	1 700	1 800	1 900
Operating payments	33 633	40 264	41 394	40 920	55 731	55 809	57 446	57 660	57 903
Venues and facilities	5 451	3 333	2 286	3 190	8 147	6 436	2 115	2 160	2 105
Rental and hiring	194	293	336	273	2 160	2 160	280	286	302
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	456 986	246 873	421 838	87 969	240 524	250 479	47 497	49 358	52 115
Provinces and municipalities	444 587	232 228	353 291	61 856	181 006	184 506	33 021	35 999	36 689
Provinces	143	154	230	200	200	200	205	215	241
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	143	154	230	200	200	200	205	215	241
Municipalities	444 444	232 074	353 061	61 656	180 806	184 306	32 816	35 784	36 448
Municipalities	444 444	232 074	353 061	61 656	180 806	184 306	32 816	35 784	36 448
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1 000	1 278	20 231	-	-	6 150	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	1 000	1 278	20 231	-	-	6 150	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	558	-	33 254	12 100	45 100	45 100	-	-	-
Public corporations	-	-	33 000	12 100	45 100	45 100	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	33 000	12 100	45 100	45 100	-	-	-
Private enterprises	558	-	254	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	558	-	254	-	-	-	-	-	-
Non-profit institutions	100	-	-	-	-	-	-	-	-
Households	10 741	13 367	15 062	14 013	14 418	14 723	14 476	13 359	15 426
Social benefits	6 782	6 158	6 699	4 448	4 796	5 101	4 433	3 814	4 354
Other transfers to households	3 959	7 209	8 363	9 565	9 622	9 622	10 043	9 545	11 072
Payments for capital assets	57 757	64 276	68 026	98 061	101 925	102 575	95 426	75 913	87 937
Buildings and other fixed structures	24 225	39 069	41 689	78 231	76 601	76 601	76 596	61 674	71 450
Buildings	24 225	39 069	41 689	78 231	76 601	76 601	76 596	61 674	71 450
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	29 188	21 104	24 906	17 130	22 720	23 278	16 518	14 039	16 212
Transport equipment	8 949	8 643	15 044	5 796	7 588	7 589	4 177	6 521	7 228
Other machinery and equipment	20 239	12 461	9 862	11 334	15 132	15 689	12 341	7 518	8 984
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	4 344	4 103	1 431	2 700	2 604	2 696	2 312	200	275
Payments for financial assets	144	26	45	-	-	-	-	-	-
Total	1 314 550	1 242 496	1 482 587	1 368 043	1 581 163	1 581 163	1 545 923	1 461 452	1 546 475

Table 11.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	280 275	291 652	300 157	329 540	352 547	357 966	342 399	354 729	369 139
Compensation of employees	124 758	141 556	151 237	170 144	165 323	161 997	181 992	197 982	208 601
Salaries and wages	111 144	126 221	135 110	152 110	146 940	143 889	159 519	173 517	182 322
Social contributions	13 614	15 335	16 127	18 034	18 383	18 108	22 473	24 465	26 279
Goods and services	155 517	150 096	148 920	159 396	187 224	195 969	160 407	156 747	160 538
Administrative fees	20	121	570	-	628	729	425	426	427
Advertising	8 944	12 300	7 996	9 544	22 908	21 408	12 049	11 606	12 285
Assets less than the capitalisation threshold	1 355	973	655	332	532	393	371	142	122
Audit cost: External	5 270	5 248	7 203	6 700	7 464	7 464	7 069	7 422	7 793
Bursaries: Employees	828	701	1 042	1 500	1 500	2 120	1 500	1 520	1 800
Catering: Departmental activities	296	413	239	652	508	243	118	113	116
Communication (G&S)	4 483	5 872	6 658	5 374	5 760	5 690	5 474	5 824	5 822
Computer services	19 251	19 161	23 341	26 201	35 045	38 059	28 927	20 867	25 659
Cons & prof serv: Business and advisory services	11 905	6 856	4 105	10 260	13 636	7 057	5 554	5 656	110
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	5 413	6 104	5 477	5 100	5 599	6 672	5 154	5 684	6 040
Contractors	16 054	11 810	14 219	8 901	9 920	23 178	7 020	8 224	9 439
Agency and support / outsourced services	658	447	473	152	174	174	161	170	175
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	9 433	10 916	11 505	12 776	12 770	12 770	13 512	14 061	14 874
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	157	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	2	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	1	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	92	-	1	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	273	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	598	1 291	1 467	1 714	2 079	2 079	1 650	1 747	1 849
Consumable: Stationery, printing and office supplies	6 407	6 520	6 288	6 015	6 805	6 482	6 837	7 304	7 701
Operating leases	22 786	20 422	21 317	22 690	22 698	22 455	22 773	22 996	23 991
Property payments	26 430	27 414	22 723	23 665	23 313	23 391	27 278	27 513	27 515
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	11 265	11 154	10 774	14 156	11 248	11 248	11 483	12 287	11 598
Training and development	1 775	1 300	1 468	2 600	1 600	1 600	1 700	1 800	1 900
Operating payments	1 193	521	960	414	831	831	681	693	699
Venues and facilities	612	264	105	380	280	-	395	410	325
Rental and hiring	16	288	334	270	1 926	1 926	276	282	298
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	8 839	11 853	13 796	12 649	12 721	12 927	12 916	12 394	13 949
Provinces and municipalities	143	154	230	200	200	200	205	215	241
Provinces	143	154	230	200	200	200	205	215	241
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	143	154	230	200	200	200	205	215	241
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	1 278	1 381	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	1 278	1 381	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	8 696	10 421	12 185	12 449	12 521	12 727	12 711	12 179	13 708
Social benefits	4 748	3 212	4 061	2 884	2 899	3 105	2 668	2 634	2 636
Other transfers to households	3 948	7 209	8 124	9 565	9 622	9 622	10 043	9 545	11 072
Payments for capital assets	22 351	15 365	17 914	10 205	14 730	14 731	12 006	7 037	7 700
Buildings and other fixed structures	-	-	-	-	1 870	1 870	4 000	-	-
Buildings	-	-	-	-	1 870	1 870	4 000	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	18 007	11 415	16 483	7 705	10 456	10 457	6 006	7 037	7 700
Transport equipment	8 949	8 643	15 044	5 796	7 588	7 589	4 177	6 521	7 228
Other machinery and equipment	9 058	2 772	1 439	1 909	2 868	2 868	1 829	516	472
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	4 344	3 950	1 431	2 500	2 404	2 404	2 000	-	-
Payments for financial assets	32	10	24	-	-	-	-	-	-
Total	311 497	318 880	331 891	352 394	379 998	385 624	367 321	374 160	390 788

Table 11.D : Payments and estimates by economic classification: Local Governance

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	165 391	217 138	210 231	223 844	260 752	260 313	248 091	273 389	307 847
Compensation of employees	111 694	148 830	161 148	173 803	186 801	183 371	201 802	231 071	258 038
Salaries and wages	94 675	127 451	137 708	149 227	158 934	155 504	172 875	199 147	222 867
Social contributions	17 019	21 379	23 440	24 576	27 867	27 867	28 927	31 924	35 171
Goods and services	53 697	68 308	49 083	50 041	73 951	76 942	46 289	42 318	49 809
Administrative fees	-	12	143	-	295	295	337	361	384
Advertising	430	22	169	132	1 111	1 111	2 000	1 072	1 939
Assets less than the capitalisation threshold	455	342	460	195	388	388	236	70	109
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	14 736	1 641	655	195	1 253	1 253	720	744	359
Communication (G&S)	3 231	6 164	6 392	3 921	4 909	4 909	3 089	3 048	4 158
Computer services	72	28	-	-	2	2	-	-	-
Cons & prof serv: Business and advisory services	19 414	34 504	28 756	30 758	43 598	43 598	21 288	15 727	19 165
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	66	505	617	57	4 648	6 384	5 840	6 230	7 242
Agency and support / outsourced services	3 042	2 373	2 115	1 592	1 860	2 093	1 200	1 200	2 200
Entertainment	1	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	4	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	35	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	14	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	184	260	304	281	671	711	5	806	7
Consumable: Stationery, printing and office supplies	1 139	573	422	819	866	831	796	835	917
Operating leases	694	831	1 141	904	954	954	1 072	1 135	1 220
Property payments	-	13	2	15	-	-	-	-	-
Transport provided: Departmental activity	108	-	-	-	-	-	-	-	-
Travel and subsistence	7 809	17 354	7 240	10 045	9 584	10 601	8 704	10 021	10 946
Training and development	8	-	-	-	-	-	-	-	-
Operating payments	520	841	447	527	714	714	1 002	1 069	1 163
Venues and facilities	1 739	2 841	220	600	2 867	2 867	-	-	-
Rental and hiring	-	-	-	-	231	231	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	15 401	4 307	6 698	464	334	339	479	480	518
Provinces and municipalities	14 160	3 500	6 000	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	14 160	3 500	6 000	-	-	-	-	-	-
Municipalities	14 160	3 500	6 000	-	-	-	-	-	-
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	158	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	158	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	158	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 083	807	698	464	334	339	479	480	518
Social benefits	1 072	807	698	464	334	339	479	480	518
Other transfers to households	11	-	-	-	-	-	-	-	-
Payments for capital assets	1 240	1 282	448	852	2 592	2 592	1 383	95	482
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 240	1 282	448	852	2 592	2 592	1 383	95	482
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	1 240	1 282	448	852	2 592	2 592	1 383	95	482
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	57	12	-	-	-	-	-	-	-
Total	182 089	222 739	217 377	225 160	263 678	263 244	249 953	273 964	308 847

Table 11.E : Payments and estimates by economic classification: Development and Planning

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	159 896	183 689	254 237	381 941	364 980	350 847	538 491	420 053	430 626
Compensation of employees	57 960	94 545	101 964	127 543	114 922	110 670	114 595	123 632	131 857
Salaries and wages	51 687	86 162	92 927	115 819	104 226	100 520	103 317	110 890	118 402
Social contributions	6 273	8 383	9 037	11 724	10 696	10 150	11 278	12 742	13 455
Goods and services	101 936	89 144	152 273	254 398	250 058	240 177	423 896	296 421	298 769
Administrative fees	455	166	525	300	379	481	531	560	592
Advertising	279	313	4 741	82	3	3	20	22	26
Assets less than the capitalisation threshold	11 765	8 568	7 934	11 542	11 295	10 752	7 134	7 205	7 598
Audit cost: External	-	-	87	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	622	1 230	1 177	969	1 682	1 975	1 721	1 813	1 950
Communication (G&S)	357	375	807	519	823	857	544	566	589
Computer services	266	1 554	556	1 900	2 381	2 437	2 100	2 250	2 400
Cons & prof serv: Business and advisory services	66 157	52 959	108 784	213 085	188 660	183 185	214 022	242 647	242 576
Cons & prof serv: Infrastructure and planning	-	233	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	755	8 960	8 236	85	16 519	14 463	170 880	12 827	13 260
Agency and support / outsourced services	2 908	587	1 103	3 500	3 500	3 500	3 000	3 170	3 350
Entertainment	22	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	54	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	13	-	-	-	-	1	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	4 583	-	-	-	1 102	1 101	-	-	-
Consumable supplies	-	235	663	367	530	572	3 127	3 318	3 526
Consumable: Stationery, printing and office supplies	720	587	686	791	937	755	716	761	815
Operating leases	784	878	1 240	1 699	1 244	1 093	1 404	1 580	1 664
Property payments	773	244	295	333	345	345	890	913	836
Transport provided: Departmental activity	-	36	411	-	-	-	-	-	-
Travel and subsistence	7 798	11 536	13 061	15 099	14 176	13 589	14 363	15 204	15 853
Training and development	-	-	60	-	-	-	-	-	-
Operating payments	1 086	789	433	1 917	1 482	1 499	1 724	1 835	1 954
Venues and facilities	2 539	(106)	1 474	2 210	5 000	3 569	1 720	1 750	1 780
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	431 707	229 425	399 286	73 756	226 107	235 826	33 302	35 784	36 448
Provinces and municipalities	430 284	228 574	347 061	61 656	180 806	184 306	32 816	35 784	36 448
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	430 284	228 574	347 061	61 656	180 806	184 306	32 816	35 784	36 448
Municipalities	430 284	228 574	347 061	61 656	180 806	184 306	32 816	35 784	36 448
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1 000	-	18 850	-	-	6 150	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	1 000	-	18 850	-	-	6 150	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	400	-	33 254	12 100	45 100	45 100	-	-	-
Public corporations	-	-	33 000	12 100	45 100	45 100	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	33 000	12 100	45 100	45 100	-	-	-
Private enterprises	400	-	254	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	400	-	254	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	23	851	121	-	201	270	486	-	-
Social benefits	23	851	121	-	201	270	486	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	22 616	17 774	45 728	78 901	79 433	79 935	71 857	59 781	67 495
Buildings and other fixed structures	15 230	12 899	39 342	71 231	71 731	71 731	64 596	52 674	60 450
Buildings	15 230	12 899	39 342	71 231	71 731	71 731	64 596	52 674	60 450
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	7 386	4 722	6 386	7 470	7 502	8 004	7 061	6 907	6 770
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	7 386	4 722	6 386	7 470	7 502	8 004	7 061	6 907	6 770
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	153	-	200	200	200	200	200	275
Payments for financial assets	7	3	-	-	-	-	-	-	-
Total	614 226	430 891	699 251	534 598	670 520	666 608	643 650	515 618	534 569

Table 11.F : Payments and estimates by economic classification: Traditional Institutional Management

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	194 101	238 842	228 053	246 688	260 435	258 983	274 019	288 010	298 811
Compensation of employees	117 329	138 343	143 327	165 739	163 072	159 593	176 057	185 865	199 834
Salaries and wages	108 122	127 455	131 773	152 320	148 971	145 605	158 692	167 009	179 833
Social contributions	9 207	10 888	11 554	13 419	14 101	13 988	17 365	18 856	20 001
Goods and services	76 772	100 499	84 726	80 949	97 363	99 390	97 962	102 145	98 977
Administrative fees	-	-	565	-	956	985	774	784	794
Advertising	344	-	-	-	16	16	-	-	-
Assets less than the capitalisation threshold	1 718	2 386	511	443	608	595	616	458	408
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	1	-	-	-
Catering: Departmental activities	1 776	3 108	4 143	4 228	3 526	3 410	4 460	4 379	4 573
Communication (G&S)	2 134	1 695	2 389	2 482	2 179	2 914	2 439	2 934	2 704
Computer services	5	975	-	-	-	-	1 000	1 000	-
Cons & prof serv: Business and advisory services	1 489	15 094	7 749	6 479	6 920	6 718	6 370	10 054	5 477
Cons & prof serv: Infrastructure and planning	308	193	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	250	-	-	-
Cons & prof serv: Legal costs	319	1 232	817	1 000	453	203	1 000	1 000	1 000
Contractors	13 021	12 272	9 884	8 828	9 142	9 575	9 172	9 032	9 506
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	94	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	46	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	164	263	436	375	515	490	532	523	589
Consumable: Stationery, printing and office supplies	569	544	310	814	606	474	523	533	705
Operating leases	1 655	1 635	1 933	2 256	2 198	1 878	2 411	2 536	2 626
Property payments	119	17	93	146	156	156	183	183	183
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	21 438	22 633	15 853	15 833	17 381	18 957	14 439	14 662	16 321
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	30 834	38 113	39 554	38 062	52 704	52 765	54 039	54 063	54 087
Venues and facilities	561	334	487	-	-	-	-	-	-
Rental and hiring	178	5	2	3	3	3	4	4	4
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 039	1 288	2 058	1 100	1 362	1 387	800	700	1 200
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	100	-	-	-	-	-	-	-	-
Households	939	1 288	2 058	1 100	1 362	1 387	800	700	1 200
Social benefits	939	1 288	1 819	1 100	1 362	1 387	800	700	1 200
Other transfers to households	-	-	239	-	-	-	-	-	-
Payments for capital assets	11 550	29 855	3 936	8 103	5 170	5 317	10 180	9 000	12 260
Buildings and other fixed structures	8 995	26 170	2 347	7 000	3 000	3 000	8 000	9 000	11 000
Buildings	8 995	26 170	2 347	7 000	3 000	3 000	8 000	9 000	11 000
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 555	3 685	1 589	1 103	2 170	2 225	2 068	-	1 260
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	2 555	3 685	1 589	1 103	2 170	2 225	2 068	-	1 260
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	92	112	-	-
Payments for financial assets	48	1	21	-	-	-	-	-	-
Total	206 738	269 986	234 068	255 891	266 967	265 687	284 999	297 710	312 271

Table 11.G : Payments and estimates by economic classification: EPWP Integrated Grant for Provinces (Prog 3: Development and Planning)

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	-	-	3 471	4 119	4 119	4 119	3 667	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Salaries and wages	-	-	-	-	-	-	-	-	-
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	-	-	3 471	4 119	4 119	4 119	3 667	-	-
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Assets less than the capitalisation threshold	-	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication (G&S)	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	-	-	3 471	4 119	4 119	4 119	3 667	-	-
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	-	-	-	-
Agency and support/outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motors transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Material and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	-	-
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	-	-	-	-	-	-	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	3 471	4 119	4 119	4 119	3 667	-	-

Table 11.H : Co-operative and Traditional Affairs – 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)	Total project cost	Expenditure to date from previous years	Total available		MTEF Forward estimates	
				Date: Start	Date: Finish						2016/17	2017/18	2017/18	2018/19
R thousands														
Existing infrastructure assets														
of which:														
Maintenance and repair: Current														
Upgrades and additions: Capital														
Refurbishment and rehabilitation: Capital														
Rehab of TACs/LED	Tender	Various	Grade 2 CSC	31 August 2014	31 March 2017	Equitable share	Programme 3	Packaged prog	12 173	-	21 596	22 674	-	23 450
Rehab of TACs/LED	Identification	Various	Grade 2 CSC	30 April 2017	31 March 2018	Equitable share	Programme 3	Packaged prog	22 674	-	-	-	-	-
New CSCs/LED	Complete	Various	Grade 2 CSC	01 April 2018	Ongoing	Equitable share	Programme 3	Packaged prog	-	-	21 596	22 674	-	23 450
New infrastructure assets: Capital														
of which:														
Houses for Amakhosi	Various	Various	Houses	01 April 2007	Ongoing	Equitable share	Programme 4	Packaged prog	108 000	65 324	55 000	39 000	-	48 000
Construction of PDMC	Construction	Various	PDMC	16 April 2013	15 October 2016	Equitable share	Programme 3	Individual proj	-	60 220	8 000	9 000	-	11 000
New CSCs/LED	Identification	Various	Grade 2 CSC	30 April 2016	30 April 2017	Equitable share	Programme 3	Packaged prog	37 000	5 104	13 000	-	-	-
New CSCs/LED	Identification	Various	Grade 1 CSC	30 September 2016	30 September 2017	Equitable share	Programme 3	Packaged prog	18 000	-	30 000	-	-	-
New CSCs/LED	Identification	Various	Grade 2 CSC	30 April 2017	30 April 2018	Equitable share	Programme 3	Packaged prog	17 000	-	-	19 316	-	-
New CSCs/LED	Identification	Various	Grade 1 CSC	30 September 2017	30 September 2018	Equitable share	Programme 3	Packaged prog	19 000	-	-	4 984	-	-
Office Accommodation	New	Harry Gwala	Park homes	01 September 2015	30 March 2017	Equitable share	Programme 1	Packaged prog	17 000	-	4 000	5 700	-	37 000
Infrastructure transfers														
of which:														
Infrastructure transfers: Current														
Infrastructure transfers: Capital														
Infrastructure: Payments for financial assets														
Infrastructure: Leases														
Total														
Capital infrastructure									142 847	65 324	76 596	61 674	-	71 450
Current infrastructure									142 847	65 324	76 596	61 674	-	71 450

Table 11.1 : Summary of transfers to local government

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	-	4 000	1 000	-	-	-	-	-	-
Total: Ugu Municipalities	28 630	29 131	15 810	16 250	16 250	16 250	400	7 620	8 500
B KZN211 Vulamehlo	-	-	-	8 000	8 000	8 000	-	-	-
B KZN212 Umdoni	1 000	-	-	-	-	-	-	-	-
B KZN213 Umzumbane	-	-	4 500	8 000	8 000	8 000	-	7 220	8 000
B KZN214 uMuziwabantu	5 000	7 200	-	-	-	-	-	-	-
B KZN215 Ezinqoleni	200	-	1 000	-	-	-	-	-	-
B KZN216 Hibiscus Coast	9 600	-	6 000	-	-	-	-	-	-
C DC21 Ugu District Municipality	12 830	21 931	4 310	250	250	250	400	400	500
Total: uMgungundlovu Municipalities	71 611	76 221	76 515	250	-	-	400	400	500
B KZN221 uMshwathi	-	-	-	-	-	-	-	-	-
B KZN222 uMngeni	5 500	15 000	40 284	-	-	-	-	-	-
B KZN223 Mpofana	600	-	5 000	-	-	-	-	-	-
B KZN224 Impendle	5 400	9 825	-	-	-	-	-	-	-
B KZN225 Msunduzi	34 000	17 500	14 877	-	-	-	-	-	-
B KZN226 Mkhambathini	-	-	-	-	-	-	-	-	-
B KZN227 Richmond	2 200	9 000	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	23 911	24 896	16 354	250	-	-	400	400	500
Total: Uthukela Municipalities	65 334	20 400	20 915	250	21 500	21 500	7 310	400	400
B KZN232 Emnambithi/Ladysmith	15 500	9 200	4 800	-	750	750	-	-	-
B KZN233 Indaka	-	-	-	-	-	-	-	-	-
B KZN234 Umtshezi	9 200	6 000	3 000	-	-	-	-	-	-
B KZN235 Okhahlamba	10 900	5 000	12 865	-	20 000	20 000	6 110	-	-
B KZN236 Imbabazane	-	200	-	-	500	500	-	-	-
C DC23 Uthukela District Municipality	29 734	-	250	250	250	250	1 200	400	400
Total: Umzinyathi Municipalities	20 605	3 200	49 935	16 250	77 250	77 250	15 445	17 144	15 248
B KZN241 Endumeni	-	-	5 000	-	-	-	-	-	-
B KZN242 Nquthu	3 000	3 200	13 970	8 000	14 000	14 000	8 611	8 072	7 324
B KZN244 Msinga	200	-	-	-	-	-	-	-	-
B KZN245 Umvoti	1 000	-	25 215	8 000	58 000	58 000	6 434	8 072	7 324
C DC24 Umzinyathi District Municipality	16 405	-	5 750	250	5 250	5 250	400	1 000	600
Total: Amajuba Municipalities	51 365	1 200	39 000	250	250	250	400	500	500
B KZN252 Newcastle	8 446	1 000	5 000	-	-	-	-	-	-
B KZN253 eMadlangeni	-	200	-	-	-	-	-	-	-
B KZN254 Dannhauser	25 575	-	33 000	-	-	-	-	-	-
C DC25 Amajuba District Municipality	17 344	-	1 000	250	250	250	400	500	500
Total: Zululand Municipalities	49 021	14 700	22 350	250	11 000	11 000	7 261	900	1 000
B KZN261 eDumbe	200	-	7 000	-	-	-	-	-	-
B KZN262 uPhongolo	12 100	3 200	5 000	-	10 000	10 000	6 861	-	-
B KZN263 Abaqulusi	17 590	11 500	9 100	-	750	750	-	-	-
B KZN265 Nongoma	-	-	-	-	-	-	-	-	-
B KZN266 Ulundi	-	-	1 000	-	-	-	-	-	-
C DC26 Zululand District Municipality	19 131	-	250	250	250	250	400	900	1 000
Total: Umkhanyakude Municipalities	32 167	1 200	6 050	1 100	10 500	10 500	400	400	500
B KZN271 Umhlabuyalingana	200	-	-	-	10 000	10 000	-	-	-
B KZN272 Jozini	4 500	-	-	-	500	500	-	-	-
B KZN273 The Big 5 False Bay	-	200	-	-	-	-	-	-	-
B KZN274 Hlabisa	-	-	-	-	-	-	-	-	-
B KZN275 Mtubatuba	-	-	-	-	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	27 467	1 000	6 050	1 100	-	-	400	400	500
Total: uThungulu Municipalities	36 800	34 950	14 355	250	2 250	5 750	400	400	500
B KZN281 Umfolozi	1 800	1 000	4 855	-	-	-	-	-	-
B KZN282 uMhlathuze	23 100	10 000	7 000	-	-	-	-	-	-
B KZN283 Ntambanana	3 000	2 000	-	-	-	-	-	-	-
B KZN284 uMlalazi	-	200	-	-	2 000	5 500	-	-	-
B KZN285 Mthorjani	-	-	500	-	-	-	-	-	-
B KZN286 Nkandla	-	-	-	-	-	-	-	-	-
C DC28 uThungulu District Municipality	8 900	21 750	2 000	250	250	250	400	400	500
Total: Ilembe Municipalities	37 841	11 529	40 131	8 250	8 250	8 250	400	7 620	8 800
B KZN291 Mandeni	3 000	11 029	500	8 000	8 000	8 000	-	7 220	8 000
B KZN292 KwaDukuza	11 000	-	8 000	-	-	-	-	-	-
B KZN293 Ndwedwe	4 600	-	13 000	-	-	-	-	-	-
B KZN294 Maphumulo	200	-	7 700	-	-	-	-	-	-
C DC29 Ilembe District Municipality	19 041	500	10 931	250	250	250	400	400	800
Total: Harry Gwala Municipalities	51 070	35 543	67 000	18 556	33 556	33 556	400	400	500
B KZN431 Ingwe	1 000	-	6 000	7 500	7 500	7 500	-	-	-
B KZN432 Kwa Sani	-	-	-	-	-	-	-	-	-
B KZN433 Greater Kokstad	200	8 000	8 000	-	-	-	-	-	-
B KZN434 Ubuhlebezwe	16 400	12 643	40 250	9 956	24 956	24 956	-	-	-
B KZN435 Umzimkhulu	8 870	11 900	12 500	-	-	-	-	-	-
C DC43 Harry Gwala District Municipality	24 600	3 000	250	1 100	1 100	1 100	400	400	500
Unallocated	-	-	-	-	-	-	-	-	-
Total	444 444	232 074	353 061	61 656	180 806	184 306	32 816	35 784	36 448

Table 11.J : Transfers to local government - Pounds Act

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
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	1 000	-	1 000	-	-	-	-	-	-
B KZN431 Ingwe	1 000	-	1 000	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	1 000	-	1 000	-	-	-	-	-	-

Table 11.K : Transfers to local government - Public Participation Citizen Satisfaction Survey

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
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	1 130	-	-	-	-	-	-	-	-
C DC21 Ugu District Municipality	1 130	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	750	-	-	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	-	750	-	-	-	-	-	-	-
Total: uThungulu Municipalities	-	750	-	-	-	-	-	-	-
C DC28 uThungulu District Municipality	-	750	-	-	-	-	-	-	-
Total: Ilembe Municipalities	1 130	-	-	-	-	-	-	-	-
C DC29 Ilembe District Municipality	1 130	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	2 260	1 500	-	-	-	-	-	-	-

Table 11.L : Transfers to local government - Municipal Excellence awards

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
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	-	-	2 000	-	-	-	-	-	-
B KZN215 Ezingolweni	-	-	1 000	-	-	-	-	-	-
B KZN216 Hibiscus Coast	-	-	1 000	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	2 000	-	-	-	-	-	-	-	-
B KZN227 Richmond	1 000	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	1 000	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	1 000	2 000	2 000	-	-	-	-	-	-
B KZN281 Umfolozi	-	1 000	-	-	-	-	-	-	-
B KZN282 uMhlathuze	1 000	-	1 000	-	-	-	-	-	-
C DC28 uThungulu District Municipality	-	1 000	1 000	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	-	-	1 000	-	-	-	-	-	-
B KZN435 Umzimkhulu	-	-	1 000	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	3 000	2 000	5 000	-	-	-	-	-	-

Table 11.M : Transfers to local government - Schemes Support programmes

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
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	-	-	500	-	-	-	-	-	-
B KZN213 Umzumbi	-	-	500	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	350	-	-	-	-	-	-
B KZN263 Abaqulusi	-	-	350	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	-	-	1 355	-	-	-	-	-	-
B KZN281 Umfolozi	-	-	855	-	-	-	-	-	-
B KZN285 Mthonjaneni	-	-	500	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	500	-	-	-	-	-	-
B KZN291 Mandeni	-	-	500	-	-	-	-	-	-
Total: Harry Gwala Municipalities	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	-	-	2 705	-	-	-	-	-	-

Table 11.N : Transfers to local government - Corridor Development programme

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
A KZN2000 eThekweni	-	3 000	-	-	-	-	-	-	-
Total: Ugu Municipalities	10 000	-	9 000	-	-	-	-	-	-
B KZN212 Umdoni	1 000	-	-	-	-	-	-	-	-
B KZN213 Umzumbi	-	-	4 000	-	-	-	-	-	-
B KZN216 Hibiscus Coast	9 000	-	5 000	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	46 000	32 500	50 301	-	-	-	-	-	-
B KZN222 uMngeni	4 000	15 000	39 701	-	-	-	-	-	-
B KZN224 Impendle	-	5 000	-	-	-	-	-	-	-
B KZN225 Msunduzi	32 000	12 500	10 600	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	10 000	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	6 500	5 200	9 565	-	-	-	-	-	-
B KZN232 Emnambithi/Ladysmith	6 500	5 200	4 800	-	-	-	-	-	-
B KZN235 Okhahlamba	-	-	4 765	-	-	-	-	-	-
Total: Umzinyathi Municipalities	3 000	3 000	500	-	-	-	-	-	-
B KZN242 Nquthu	3 000	3 000	-	-	-	-	-	-	-
C DC24 Umzinyathi District Municipality	-	-	500	-	-	-	-	-	-
Total: Amajuba Municipalities	1 500	1 000	5 000	-	-	-	-	-	-
B KZN252 Newcastle	1 500	1 000	5 000	-	-	-	-	-	-
Total: Zululand Municipalities	12 200	3 000	5 000	-	-	-	-	-	-
B KZN262 uPhongolo	5 700	3 000	5 000	-	-	-	-	-	-
C DC26 Zululand District Municipality	6 500	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	10 500	22 000	6 000	-	-	-	-	-	-
B KZN282 uMhlathuze	7 500	-	6 000	-	-	-	-	-	-
B KZN283 Ntambanana	3 000	2 000	-	-	-	-	-	-	-
C DC28 uThungulu District Municipality	-	20 000	-	-	-	-	-	-	-
Total: Ilembe Municipalities	18 400	500	5 000	-	-	-	-	-	-
B KZN292 KwaDukuza	11 000	-	5 000	-	-	-	-	-	-
C DC29 Ilembe District Municipality	7 400	500	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	3 200	12 643	1 735	-	-	-	-	-	-
B KZN434 Ubuhlebezwe	-	12 643	1 735	-	-	-	-	-	-
C DC43 Harry Gwala District Municipality	3 200	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	111 300	82 843	92 101	-	-	-	-	-	-

Table 11.O : Transfers to local government - Small Town Rehabilitation programme

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
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	5 000	7 000	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	5 000	7 000	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	6 600	13 625	5 000	-	-	-	-	-	-
B KZN223 Mpofana	600	-	5 000	-	-	-	-	-	-
B KZN224 Impendle	5 000	4 625	-	-	-	-	-	-	-
B KZN227 Richmond	1 000	9 000	-	-	-	-	-	-	-
Total: Uthukela Municipalities	27 100	15 000	11 100	-	-	-	-	-	-
B KZN232 Emnambithi/Ladysmith	7 000	4 000	-	-	-	-	-	-	-
B KZN234 Umtshezi	9 200	6 000	3 000	-	-	-	-	-	-
B KZN235 Okhahlamba	10 900	5 000	8 100	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	15 000	-	-	-	-	-	-
B KZN241 Endumeni	-	-	5 000	-	-	-	-	-	-
B KZN245 Umvoti	-	-	10 000	-	-	-	-	-	-
Total: Amajuba Municipalities	25 375	-	25 000	-	-	-	-	-	-
B KZN254 Dannhauser	25 375	-	25 000	-	-	-	-	-	-
Total: Zululand Municipalities	14 400	11 500	7 500	-	-	-	-	-	-
B KZN262 uPhongolo	3 000	-	-	-	-	-	-	-	-
B KZN263 Abaqulusi	11 400	11 500	7 500	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	3 500	-	4 800	-	-	-	-	-	-
B KZN272 Jozini	3 500	-	-	-	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	-	-	4 800	-	-	-	-	-	-
Total: uThungulu Municipalities	13 200	-	-	-	-	-	-	-	-
B KZN281 Umfolozi	600	-	-	-	-	-	-	-	-
B KZN282 uMhlatuze	12 600	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	7 000	10 829	7 700	-	-	-	-	-	-
B KZN291 Mandeni	3 000	10 829	-	-	-	-	-	-	-
B KZN292 KwaDukuza	-	-	3 000	-	-	-	-	-	-
B KZN293 Ndwedwe	4 000	-	-	-	-	-	-	-	-
B KZN294 Maphumulo	-	-	4 700	-	-	-	-	-	-
Total: Harry Gwala Municipalities	23 370	19 700	33 700	-	-	-	-	-	-
B KZN433 Greater Kokstad	-	8 000	8 000	-	-	-	-	-	-
B KZN434 Ubuhlebezwe	14 500	-	17 700	-	-	-	-	-	-
B KZN435 Umzimkhulu	8 870	11 700	8 000	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	125 545	77 654	109 800	-	-	-	-	-	-

Table 11.P : Transfers to local government - Construction of TSCs and CSCs

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
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	-	-	5 000	7 500	7 500	7 500	-	-	-
B KZN431 Ingwe	-	-	5 000	7 500	7 500	7 500	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	-	-	5 000	7 500	7 500	7 500	-	-	-

Table 11.Q : Transfers to local government - Operational Support for TSCs and CSCs

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
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	400	-	-	-	-	-	-	-	-
B KZN224 Impendle	400	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	-	-	1 250	1 250	-	-	-
B KZN232 Emnambithi/Ladysmith	-	-	-	-	750	750	-	-	-
B KZN236 Imbabazane	-	-	-	-	500	500	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	400	-	1 250	-	750	750	-	-	-
B KZN262 uPhongolo	400	-	-	-	-	-	-	-	-
B KZN263 Abaqulusi	-	-	1 250	-	750	750	-	-	-
Total: Umkhanyakude Municipalities	-	250	-	-	500	500	-	-	-
B KZN272 Jozini	-	-	-	-	500	500	-	-	-
C DC27 Umkhanyakude District Municipality	-	250	-	-	-	-	-	-	-
Total: uThungulu Municipalities	-	-	4 000	-	500	500	-	-	-
B KZN281 Umfolozi	-	-	4 000	-	-	-	-	-	-
B KZN284 uMlalazi	-	-	-	-	500	500	-	-	-
Total: Ilembe Municipalities	400	-	-	-	-	-	-	-	-
B KZN293 Ndwedwe	400	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	400	-	-	-	-	-	-	-	-
B KZN434 Ubuhlebezwe	400	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	1 600	250	5 250	-	3 000	3 000	-	-	-

Table 11.R : Transfers to local government - Massification programme (incl. electrification projects as directed by Cabinet)

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
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	11 700	15 931	4 060	16 000	16 000	16 000	-	7 220	8 000
B KZN211 Vulamehlo	-	-	-	8 000	8 000	8 000	-	-	-
B KZN213 Umzumbe	-	-	-	8 000	8 000	8 000	-	7 220	8 000
C DC21 Ugu District Municipality	11 700	15 931	4 060	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	13 511	28 896	20 964	-	-	-	-	-	-
B KZN222 uMngeni	-	-	583	-	-	-	-	-	-
B KZN225 Msunduzi	2 000	5 000	4 277	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	11 511	23 896	16 104	-	-	-	-	-	-
Total: Uthukela Municipalities	21 334	-	-	-	20 000	20 000	6 110	-	-
B KZN235 Okhahlamba	-	-	-	-	20 000	20 000	6 110	-	-
C DC23 Uthukela District Municipality	21 334	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	11 000	-	29 185	16 000	72 000	72 000	15 045	16 144	14 648
B KZN242 Nquthu	-	-	13 970	8 000	14 000	14 000	8 611	8 072	7 324
B KZN245 Umvoti	-	-	15 215	8 000	58 000	58 000	6 434	8 072	7 324
C DC24 Umzinyathi District Municipality	11 000	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	14 946	-	8 000	-	-	-	-	-	-
B KZN254 Dannhauser	-	-	8 000	-	-	-	-	-	-
C DC25 Amajuba District Municipality	8 000	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	17 271	-	7 000	-	10 000	10 000	6 861	-	-
B KZN261 eDumbe	-	-	7 000	-	-	-	-	-	-
B KZN262 uPhongolo	-	-	-	-	10 000	10 000	6 861	-	-
B KZN263 Abaqulusi	6 190	-	-	-	-	-	-	-	-
C DC26 Zululand District Municipality	11 081	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	17 127	-	-	-	10 000	10 000	-	-	-
B KZN271 Umhlabuyalingana	-	-	-	-	10 000	10 000	-	-	-
C DC27 Umkhanyakude District Municipality	17 127	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	10 000	10 000	-	-	-	-	-	-	-
B KZN282 uMhlathuze	2 000	10 000	-	-	-	-	-	-	-
C DC28 uThungulu District Municipality	8 000	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	8 111	-	25 931	8 000	8 000	8 000	-	7 220	8 000
B KZN291 Mandeni	-	-	-	8 000	8 000	8 000	-	7 220	8 000
B KZN293 Ndwedwe	-	-	13 000	-	-	-	-	-	-
B KZN294 Maphumulo	-	-	3 000	-	-	-	-	-	-
C DC29 Ilembe District Municipality	8 111	-	9 931	-	-	-	-	-	-
Total: Harry Gwala Municipalities	20 800	-	24 315	9 956	24 956	24 956	-	-	-
B KZN434 Ubuhlebezwe	-	-	20 815	9 956	24 956	24 956	-	-	-
B KZN435 Umzimkhulu	-	-	3 500	-	-	-	-	-	-
C DC43 Harry Gwala District Municipality	20 800	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	145 800	54 827	119 455	49 956	160 956	160 956	28 016	30 584	30 648

Table 11.S : Transfers to local government - Disaster Management

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	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	-	5 000	-	-	-	-	-	-	-
C DC21 Ugu District Municipality	-	5 000	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	5 000	-	-	-	-	-	-	-	-
C DC23 Uthukela District Municipality	5 000	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	5 000	-	5 000	5 000	-	-	-
C DC24 Umzinyathi District Municipality	-	-	5 000	-	5 000	5 000	-	-	-
Total: Amajuba Municipalities	5 000	-	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	5 000	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	1 000	-	-	-	-	-	-
B KZN266 Ulundi	-	-	1 000	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	7 740	-	1 000	-	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	7 740	-	1 000	-	-	-	-	-	-
Total: uThungulu Municipalities	-	-	-	-	1 500	5 000	-	-	-
B KZN284 uMlalazi	-	-	-	-	1 500	5 000	-	-	-
Total: Ilembe Municipalities	-	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	-	3 000	-	-	-	-	-	-	-
C DC43 Harry Gwala District Municipality	-	3 000	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	17 740	8 000	7 000	-	6 500	10 000	-	-	-

Table 11.T : Transfers to local government - Community participation in IDPs

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	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	200	200	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	-	200	-	-	-	-	-	-	-
B KZN215 Ezingolweni	200	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	200	200	-	-	-	-	-	-	-
B KZN224 Impendle	-	200	-	-	-	-	-	-	-
B KZN227 Richmond	200	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	200	-	-	-	-	-	-	-
B KZN236 Imbabazane	-	200	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	200	200	-	-	-	-	-	-	-
B KZN242 Nguthu	-	200	-	-	-	-	-	-	-
B KZN244 Msinga	200	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	200	200	-	-	-	-	-	-	-
B KZN253 eMadlangeni	-	200	-	-	-	-	-	-	-
B KZN254 Dannhauser	200	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	200	200	-	-	-	-	-	-	-
B KZN261 eDumbe	200	-	-	-	-	-	-	-	-
B KZN262 uPhongolo	-	200	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	200	200	-	-	-	-	-	-	-
B KZN271 Umhlabyalingana	200	-	-	-	-	-	-	-	-
B KZN273 The Big 5 False Bay	-	200	-	-	-	-	-	-	-
Total: uThungulu Municipalities	200	200	-	-	-	-	-	-	-
B KZN281 Umfolozi	200	-	-	-	-	-	-	-	-
B KZN284 uMlalazi	-	200	-	-	-	-	-	-	-
Total: Ilembe Municipalities	400	200	-	-	-	-	-	-	-
B KZN291 Mandeni	-	200	-	-	-	-	-	-	-
B KZN293 Ndwedwe	200	-	-	-	-	-	-	-	-
B KZN294 Maphumulo	200	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	200	200	-	-	-	-	-	-	-
B KZN433 Greater Kokstad	200	-	-	-	-	-	-	-	-
B KZN435 Umzimkhulu	-	200	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	2 000	2 000	-	-	-	-	-	-	-

Table 11.U : Transfers to local government - Development Planning and Shared Services

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
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	-	1 000	250	250	250	250	400	400	500
C DC21 Ugu District Municipality	-	1 000	250	250	250	250	400	400	500
Total: uMgungundlovu Municipalities	-	1 000	250	250	-	-	400	400	500
C DC22 uMgungundlovu District Municipality	-	1 000	250	250	-	-	400	400	500
Total: Uthukela Municipalities	-	-	250	250	250	250	1 200	400	400
C DC23 Uthukela District Municipality	-	-	250	250	250	250	1 200	400	400
Total: Umzinyathi Municipalities	950	-	250	250	250	250	400	1 000	600
C DC24 Umzinyathi District Municipality	950	-	250	250	250	250	400	1 000	600
Total: Amajuba Municipalities	-	-	1 000	250	250	250	400	500	500
C DC25 Amajuba District Municipality	-	-	1 000	250	250	250	400	500	500
Total: Zululand Municipalities	950	-	250	250	250	250	400	900	1 000
C DC26 Zululand District Municipality	950	-	250	250	250	250	400	900	1 000
Total: Umkhanyakude Municipalities	-	-	250	1 100	-	-	400	400	500
C DC27 Umkhanyakude District Municipality	-	-	250	1 100	-	-	400	400	500
Total: uThungulu Municipalities	-	-	1 000	250	250	250	400	400	500
C DC28 uThungulu District Municipality	-	-	1 000	250	250	250	400	400	500
Total: Ilembe Municipalities	100	-	1 000	250	250	250	400	400	800
C DC29 Ilembe District Municipality	100	-	1 000	250	250	250	400	400	800
Total: Harry Gwala Municipalities	-	-	250	1 100	1 100	1 100	400	400	500
C DC43 Harry Gwala District Municipality	-	-	250	1 100	1 100	1 100	400	400	500
Unallocated	-	-	-	-	-	-	-	-	-
Total	2 000	2 000	4 750	4 200	2 850	2 850	4 800	5 200	5 800

Table 11.V : Transfers to local government - Sustainable Living Exhibition

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
A KZN2000 eThekweni	-	1 000	1 000	-	-	-	-	-	-
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	-	1 000	1 000	-	-	-	-	-	-

Table 11.W : Transfers to local government - Various

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
A KZN2000 eThekweni	-	-	-	-	-	-	-	-	-
Total: Ugu Municipalities	600	-	-	-	-	-	-	-	-
B KZN216 Hibiscus Coast	600	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	2 900	-	-	-	-	-	-	-	-
B KZN222 uMgeni	1 500	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	1 400	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	5 400	-	-	-	-	-	-	-	-
B KZN232 Emnambithi/Ladysmith	2 000	-	-	-	-	-	-	-	-
C DC23 Uthukela District Municipality	3 400	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	5 455	-	-	-	-	-	-	-	-
B KZN245 Umvoti	1 000	-	-	-	-	-	-	-	-
C DC24 Umzinyathi District Municipality	4 455	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	4 344	-	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	4 344	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	3 600	-	-	-	-	-	-	-	-
B KZN262 uPhongolo	3 000	-	-	-	-	-	-	-	-
C DC26 Zululand District Municipality	600	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	3 600	-	-	-	-	-	-	-	-
B KZN272 Jozini	1 000	-	-	-	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	2 600	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	1 900	-	-	-	-	-	-	-	-
B KZN281 Umfolozi	1 000	-	-	-	-	-	-	-	-
C DC28 uThungulu District Municipality	900	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	2 300	-	-	-	-	-	-	-	-
C DC29 Ilembe District Municipality	2 300	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	2 100	-	-	-	-	-	-	-	-
B KZN434 Ubuhlebezwe	1 500	-	-	-	-	-	-	-	-
C DC43 Harry Gwala District Municipality	600	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	32 199	-	-	-	-	-	-	-	-

VOTE 12

Transport

Operational budget	R 9 570 118 423
MEC remuneration	R 1 821 577 ¹
Total amount to be appropriated	R 9 571 940 000
Responsible MEC	MEC for Transport and Community Safety and Liaison
Administering department	Transport
Accounting officer	Head: Transport

1. Overview

Vision

The department's vision is: *Prosperity through mobility.*

Mission statement

The department's mission is: *We will strive to provide the public with mobility by an affordable transportation system that is safe, integrated, regulated and accessible to meet the developmental needs of our province.*

Strategic objectives

Strategic policy direction: The department's strategic policy direction is to support rural development, poverty alleviation and job creation as the department builds roads and bridges, provides safe integrated public transport systems, and manages traffic and the safety of all road users.

The department has set the following goals in order to achieve this:

- Provide mobility and accessibility within the province to achieve 32 890 kilometres of maintained road infrastructure by 2020.
- Promote and develop an integrated transportation system through developing three Integrated Public Transport Networks (IPTNs) operational plans.
- Create and promote a safe road environment by decreasing road fatalities by 30 per cent (545/1 819) by 2020.
- Promote sustainable economic transformation through developing two empowerment programmes.

Core functions

Turning the vision of the department into reality can only be achieved by focusing the attention and energy of all employees and relevant stakeholders on the performance of its core functions, namely:

Construct, maintain and repair the provincial road network

The department's mandate is to construct and maintain a balanced road network that meets the mobility needs of the citizens of KZN, and supports the national and provincial growth and development plans and strategies.

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

Plan, regulate and provide an integrated transportation system

The department's mandate is to regulate public transport and ensure access to safe, efficient and affordable public transport. The department is further mandated to facilitate development in the freight transport industry and the minimisation of negative externalities resultant from the transport of freight.

Manage road traffic

The department's mandate is to create a safe road environment, through the reduction of road accidents. The main services rendered include road traffic enforcement, road safety education, the analysis and re-engineering of hazardous locations and the registration and licensing of vehicles.

Legislative mandates

The key legislative mandates of the department are derived mainly from the following legislation:

- Administrative Adjudication of Road Traffic Offences Act (Act No. 46 of 1998)
- Broad-Based Black Economic Empowerment Act (Act No. 53 of 2003)
- Criminal Procedure Act (Act No. 51 of 1977)
- Cross-border Road Transport Act (Act No. 4 of 1998)
- Employment Equity Act (Act No. 55 of 1998)
- Inter-governmental Relations Framework Act (Act No. 13 of 2005)
- KZN Provincial Minibus Taxi Act (Act No. 4 of 1998). Only Chapter 10 is applicable, as Act has been repealed.
- KZN Provincial Roads Act (Act No. 4 of 2001)
- KZN Provincial Supply Chain Management Policy Framework (2006)
- KZN Road Traffic Act (Act No. 7 of 1997)
- National Land Transport Act (Act No. 22 of 2000)
- National Road Traffic Act (Act No. 93 of 1996)
- Occupational Health and Safety Amendment Act (Act No. 181 of 1993)
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000)
- Promotion of Access to Information Act (Act No. 2 of 2000)
- Promotion of Administrative Justice Act (Act No. 3 of 2000)
- Public Finance Management Act (Act No. 1 of 1999, as amended) and Treasury Regulations
- Public Service Act (Act No. 103 of 1994) and Regulations
- Road Traffic Act (Act No. 29 of 1989)
- Road Traffic Management Corporation Act (Act No. 20 of 1999)
- The Constitution of the Republic of South Africa (Act No. 108 of 1996)
- Construction Industry Development Board Act (Act No. 38 of 2000)

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 providing a brief discussion on challenges and new developments.

Transport infrastructure

Nearly 75 per cent of the department's budget is allocated toward the upgrading and maintenance of road infrastructure in line with the goal of providing a balanced road network that meets the mobility needs of KZN citizens, and providing a logistics platform for South Africa's global trade, in accordance with the NDP and PGDS/P.

Departmental programmes like Operation KuShunquthuli and the African Renaissance Roads Upgrading Programme (ARRUP) have continued to focus on road infrastructure development in rural areas. The following are some projects currently in progress:

- Main Road P234, located in Nongoma, comprises the upgrade of 40 kilometres from gravel to blacktop. The department started the construction of earthworks toward the end of 2014/15. Currently, the construction of five kilometres of surfaced road is still in progress. The construction of the five kilometres will not be completed by the end of 2015/16, as construction was negatively affected by the drought in the province.
- Main Road P104, located in Ndwedwe, comprises the upgrade of 22 kilometres from gravel to blacktop. The department completed the surfacing of five kilometres of this road in 2015/16, as planned.
- Main Road P1-1(M13), located between Hillcrest and Pinetown, consisting of the rehabilitation of 11 kilometres of blacktop road. Four kilometres of blacktop road were completed in 2015/16, as planned.
- Main Road P496 John Ross Highway, located between Empangeni and Richards Bay, consisting of the upgrade of 16 kilometres was completed in 2015/16, as planned.
- Main Road 230, located between Eshowe to Empangeni, comprising the upgrade of six kilometres from gravel road to blacktop surface, was achieved as planned. The road is 31.3 kilometres long, and 28 kilometres were surfaced to date. The remaining 3.3 kilometres are planned to be completed in 2016/17.

The departmental target outputs for rehabilitation were negatively affected in 2015/16 due to various tender appeals that were lodged against the annual contract for supplying and laying of premix. These projects are large and are therefore undertaken over a period of time. As such, most of these projects continue over several financial years. There were also challenges that are beyond the department's control, such as unfavourable weather conditions and the current drought, in addition to the tender appeals.

Transport operations

Based on the provincial Cabinet Public Transport Strategy, the department commenced with negotiations of all subsidised contracts in 2015/16 and agreed with the current subsidised operators (the percentage of subsidised kilometres which is operated by empowerment groups) on contract splits, where the current contracts will be given to empowerment groups, as a whole or as a portion. The operators/beneficiaries are the small bus operators and taxi operators, who will benefit in terms of opportunities for previously disadvantaged transport operators to enter the transport market through empowerment initiatives. The department is currently finalising an incubation programme involving training on business and financial management, which will be compulsory for all the identified beneficiaries.

The legislation requires that new contracts concluded must be based on the Integrated Transport Plans/IPTNs. The high level IPTNs for all district municipalities (except for the Harry Gwala district municipality) were developed. The department developed the IPTNs in stages, and hence the Harry Gwala district municipality is still in the process of being developed. The current designs of the existing contracted services in most areas within these districts are in line with the outcome of the IPTN. Therefore, new contracts concluded in terms of the transformation strategy will be aligned to these plans.

Learner transport

In 2015/16, the department received R175.976 million, as well as an additional R25.437 million allocation from 2014/15, consisting of R10 million suspended from 2014/15, as well as R15.437 million that was reprioritised to the learner transport services budget in the 2015/16 Adjustments Estimate. This adjustment relates to the fact that the budget for learner transport services was under-spent in 2014/15, and the department used the savings to offset spending pressures. As these funds were specifically and exclusively appropriated, the department was instructed to increase the 2015/16 budget for learner transport services by the same amount, thereby increasing the budget from R185.976 million to R201.413 million in 2015/16.

The number of learners benefiting from the learner transport services increased from 24 002 in 2014/15 to 43 990 in 2015/16, and the schools increased from 257 in 2014/15 to 316 in 2015/16. These increases are in line with the additional needs arising from learners that were moved from satellite schools and non-viable schools (where schools in remote areas are not performing well, and do not have enough learners, teachers and equipment) and are moved to mainstream schools which are a distance from their communities, and hence transportation is required.

The Learner Transport Framework, which will guide the transportation of learners in the province, will be developed.

Road safety

The Participatory Education Techniques (PET) project implemented by the department encourages Grades 10 and 11 high school learners to identify road safety problems in their communities that have a direct impact on their schools and communities. A total number of 23 schools with 4 736 learners participated in the 2015/16 project. Learners were workshopped on research and project management skills. Thereafter, together with the regional technical team, solutions to the identified road safety problems were developed. The team then prepared a research document on the identified problems and the proposed solutions and, through the use of visual media, presented their study at regional, provincial and national competitions to a panel of adjudicators. This resulted in the KZN provincial teams being the overall winners for both rural and urban schools nationally.

The process of disbanding old community-based structures and replacing them with a new structure was completed. The new structure consists of the Community Road Safety Councils (CRSCs), the Rural Road Transport Forums (RRTFs) and the Public Transport Passenger Associations (PTPAs), which were amalgamated at ward committee level. The existing structures are separated into construction and road safety organisations, and in some cases there are duplications. Furthermore, existing structures are not aligned to ward committees and some wards are currently not represented. The amalgamation will reduce costs, as there will be one committee per ward.

Expanded Public Works Programme (EPWP)

The department continued to expand community-based labour-intensive road construction and maintenance programmes, which are aligned with the objectives of EPWP principles. The department created 5 520 000 person days of employment, equating to 62 700 jobs created in 2015/16. This includes 44 640 for women and 31 350 for youth. This programme contributed to the alleviation of poverty and created employment opportunities for people who will not usually find employment in the formal sector due to lack of formal education.

3. Outlook for the 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 the construction of roads, and the maintenance of the provincial road network. In 2016/17, the department will continue with construction and maintenance projects which include Main Road P230, Main Road P700, Main Road P127 and Main Road P577 which are detailed below. In addition, the department will continue with the provision of learner transport services and the subsidisation of bus services in the province. The department will continue to undertake law enforcement campaigns through programmes such as Operation Shanela to promote road safety.

Transport infrastructure

The department will continue to use Operation KuShunquthuli and ARRUP to focus on road infrastructure development in rural areas. The department will continue with the construction of roads that will be the stimulus in linking rural communities to provincial hubs of activity, to achieve the strategic goal of providing access and mobility within the province, where the priority is in rural areas. The department will continue with the upgrading and rehabilitation of the provincial road network to improve and prolong the lifespan of the provincial infrastructure network, and this includes the following projects:

- Main Road P230, located between Eshowe to Empangeni, comprising the upgrade of 31.3 kilometres from gravel road to blacktop surface. The department plans to construct the remaining 3.3 kilometres in 2016/17.
- Main Road P700, located from Ulundi to Empangeni, comprising the upgrade of 93.5 kilometres from gravel to blacktop surface. Of this, 76.5 kilometres have been constructed to date. In 2016/17, the department plans to construct three kilometres, thereafter 14 kilometres will remain, which will be completed in future MTEFs.
- Main Road P127, located from Impendle to Himeville, comprising the upgrade of 56 kilometres from gravel road to blacktop surface. To date, 26 kilometres have been upgraded, and the department plans to upgrade three kilometres of surfaced road in 2016/17.
- Main Road P577, located from Duffs Road to KwaDabeka, comprising the construction of 16.5 kilometres. To date, 12.5 kilometres have been surfaced, and when the four kilometres are surfaced in 2016/17, this road will be complete.

Transport operations

After successful negotiations with the main bus operators, and agreements reached in terms of contract splits, the department will implement the transformation strategy. A total of six new empowerment contracts will be implemented in 2016/17, and the identified beneficiaries will be placed on an incubation programme for a period of three years to ensure the successful implementation of the public transport transformation programme. The Harry Gwala district municipality is the only outstanding district which does not have its IPTN, and it is envisaged that this will be completed in 2016/17.

Learner transport

The department will continue to provide learner transport services in the province in 2016/17, providing the services to approximately 326 schools and 44 490 learners. Although there is progress in the provision of this service, the challenge of high demand for additional dedicated learner transport services still remains, but limited funding makes it difficult to address all the needs, at this stage. It is anticipated that the development of the provincial Learner Transport Framework will be finalised in 2016/17.

Road safety

The department will continue to implement learner education projects at schools with the aim of facilitating attitude and behavioral change among learners. The targeted number of schools that will be reached is 1 110, with the estimated number of school children reached being 270 000.

These targets will be achieved through the implementation of the following projects at schools:

- The learner in traffic project: Promotes safe road usage by equipping young road users with knowledge and skills that will assist them to cope with the traffic environment. The target group is grades R to 7 (primary schools). This will be achieved through educator workshops, implementation of road safety lessons in the classroom, assessment and certification at the end of the project.
- The scholar patrol project: Learners are identified and trained to operate a scholar patrol. This project uses school learners to assist pedestrians in crossing the road to and from school. It is a project that is holistically managed with support from the local traffic department, the Department of Transport and the school. Learners are trained to operate the scholar patrol under the supervision of an educator.
- The road safety debates project: Provides a platform to educate high school learners on road safety issues and targets grades 10 and 11 learners. Learners debate road safety issues in order to persuade those holding differing opinions to conform. Through this medium, the learners become aware of road safety issues currently affecting the country, the policies and procedures that are in place, and innovative ways of how the current road safety situation can be improved.
- Road safety talks project: Undertaken at pre-primary and high schools, as well as at campaigns/events where there is a gathering of schools such as EDU-FAIRS. Through the use of edutainment (road safety truck and the road safety mascot), learners are taught important road safety rules.

In order to enhance and intensify the implementation of school-based projects, the road safety debates and the PET projects will be alternated each year. In 2015/16, the PET project was implemented and, as such, the road safety debates project will be implemented in 2016/17.

Expanded Public Works Programme (EPWP)

The department will continue to expand the community-based labour-intensive road construction and maintenance programmes, which are aligned with the objectives of EPWP principles. In line with EPWP phase 3, the department aims to adhere to the key principles of the programme by increasing the labour-intensity of various projects, increasing the intake of youth beneficiaries, adhering to the EPWP wage rate as required by the Ministerial Determination on Public Works programmes, while ensuring the delivery of a quality service to communities. In 2016/17, the department is committed to creating 5 520 000 work opportunities, equating to 62 700 job opportunities and resultant Full-Time Equivalents of 24 000. This includes 44 640 women and 31 350 youth.

It will continue with expansion of community-focused labour-intensive road construction and maintenance programmes aligned to the EPWP objectives and principles. The department aims to improve delivery of the set outputs, as follows:

- Institutionalise improved planning, supervision and monitoring of projects (in all business units) reported under EPWP.
- All business units will be engaged to prepare business plans by programme, as well as detailed project lists under each programme.
- Strengthen implementation capacity by providing labour-intensive training for departmental staff and emerging contractors.
- Review procurement process and align tender documents to EPWP requirements.
- Ensure projects with high potential of labour intensity are designed according to technology requirements.
- Establish periodic progress review mechanisms to monitor and take appropriate actions.

The department received funding in 2016/17 in respect of the EPWP Integrated Grant for Provinces to be utilised for the creation of EPWP job opportunities. The department will continue with the development of a B-BBEE road construction and maintenance industry, through the provision of accredited business skills training for the Zibambele and Vukuzakhe contractors.

4. Receipts and financing

4.1 Summary of receipts

Table 12.1 gives the sources of funding of Vote 12 over the seven-year period 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 equitable share, and national conditional grant allocations for the maintenance and construction of road infrastructure, the subsidisation of bus transport in the province and creating job opportunities through EPWP projects. The conditional grants received over the period are the Public Transport Operations grant (PTOG), the EPWP Integrated Grant for Provinces, and the Provincial Roads Maintenance grant.

Table 12.1 shows that there is generally steady growth in the department's budget over the period under review. This is despite the substantial budget cuts over the MTEF in *Compensation of employees* and *Goods and services*, which are explained under Sections 5.2 and 5.3 below.

Table 12.1 : 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	5 045 133	5 450 741	6 298 211	6 571 834	6 571 834	6 571 834	6 579 462	6 902 343	7 301 795
Conditional grants	2 373 740	2 464 340	2 752 384	2 759 623	2 759 623	2 759 623	2 992 478	3 110 391	3 278 733
Public Transport Operations grant	808 279	852 325	904 783	924 766	924 766	924 766	1 011 045	1 071 439	1 121 506
EPWP Integrated Grant for Provinces	64 290	88 487	59 443	55 602	55 602	55 602	56 055	-	-
Provincial Roads Maintenance grant	1 501 171	1 523 528	1 788 158	1 779 255	1 779 255	1 779 255	1 925 378	2 038 952	2 157 227
Total receipts	7 418 873	7 915 081	9 050 595	9 331 457	9 331 457	9 331 457	9 571 940	10 012 734	10 580 528
Total payments	7 650 308	8 055 187	9 051 949	9 341 457	9 366 560	9 366 560	9 571 940	10 012 734	10 580 528
Surplus/(Deficit) before financing	(231 435)	(140 106)	(1 354)	(10 000)	(35 103)	(35 103)	-	-	-
Financing									
of which									
Provincial roll-overs	-	-	-	-	-	-	-	-	-
Provincial cash resources	224 921	131 000	290	10 000	35 103	35 103	-	-	-
Surplus/(Deficit) after financing	(6 514)	(9 106)	(1 064)	-	-	-	-	-	-

In 2012/13, the department was allocated R19.921 million in respect of the EPWP Integrated Grant for Provinces. This was transferred to the Provincial Revenue Fund in 2011/12, but only allocated in 2012/13 to be utilised for the creation of EPWP job opportunities. In addition, R205 million was allocated in respect of the rehabilitation and upgrade of various roads. This included the upgrade of 44.5 kilometres of gravel roads to blacktop roads and the construction of one pedestrian bridge. These amounts are reflected against provincial cash resources in Table 12.1.

The department over-spent against the 2012/13 budget by R6.514 million mainly due to the early commencement of the construction of the Mahlabathini gravel roads, Umzimkhulwana River Bridge, Main road P728 in Ugu and the Main Road P700 between Ulundi and Empangeni that were put on hold in 2011/12. This was due to internal project reprioritisation in that year to offset unbudgeted expenditure which resulted from the reconstruction of roads damaged as a result of heavy rainfall in December 2010 and January 2011 in the Ladysmith area. The increased costs in construction materials such as cement, fuel, bitumen, etc., also contributed to the over-expenditure.

In 2013/14, the department was allocated provincial cash resources of R131 million, made up of R70 million for road rehabilitation and construction backlogs, R60 million for various public transport projects (which was used to offset spending pressures relating to the PTOG), as well as R1 million for Operation Sukuma Sakhe (OSS) initiatives. In addition, the department was allocated R6.800 million for the re-grading of clerical staff from level 4 to level 5 in line with DPSA requirements. Also in 2013/14, an amount of R157.007 million was reduced from the Provincial Roads Maintenance grant in line with a directive from National Treasury, and an amount of R2.662 million was suspended in respect of the centralisation of parts of the communications budget under the Office of the Premier (OTP).

The department over-spent against the 2013/14 budget by R9.106 million due to expenditure pressures relating to the PTOG, as a result of the under-funding of the grant from its inception and increases in fuel prices and labour costs, which resulted in higher than anticipated claims in respect of bus subsidies. The completion of some sections of various construction projects, the increased costs in construction materials such as cement, fuel, bitumen, etc., also contributed to the over-expenditure.

The 2013/14 over-spending resulted in unauthorised expenditure in terms of the adoption of the SCOPA resolutions by the Legislature on 9 December 2014. Thus, in terms of Section 34(2) of the PFMA, the department was liable for the repayment of the over-expenditure. This resulted in the first instalment of the first charge of R4.553 million being implemented against the budget in 2015/16 and the second instalment of R4.553 million in 2016/17. This is reflected as a footnote in Tables 12.6 and 12.7 below.

In 2014/15, provincial cash resources of R290 000 were allocated for the costs relating to the RTI Commission in respect of the nine applicants who were hospitalised, as well as the one applicant who was hospitalised for an extended period. This resulted from the tragic incident that caused injuries and death of some participants in December 2012, during the recruitment process of the trainee provincial inspectors.

Also in 2014/15, R10 million was suspended from the department and allocated back in 2015/16, in respect of learner transport services. The department was allocated an additional R37 million in January

2014, fairly late during the process of compiling the *EPRE*. Also, the learner transport contracts that needed to be in place for the department to fully spend the entire additional allocation were not awarded due to delays experienced with the appointment of service providers. Accordingly, as the department was not able to spend the entire additional allocation, an amount of R10 million was suspended to 2015/16, when all contracts were likely to be in place.

In 2015/16, the department was re-allocated funds relating to the external bursaries budget that were centralised in the 2014/15 MTEF under OTP. This was decentralised back to all departments from where the budget was previously moved. The department was also allocated provincial cash resources of R10 million, being funds suspended from 2014/15 in respect of the learner transport services.

In the 2015/16 Adjusted Appropriation, provincial cash resources of R25.103 million were allocated to the department in respect of the above-budget 2015 wage agreement (R18.114 million), the RTI Commission (R6.989 million) relating to the legal costs incurred, as well as the amounts paid to the 13 affected families as compensation for the loss of loved ones, as explained above. As at the end of December 2015, the department is projecting to fully spend its 2015/16 allocation.

Over the 2016/17 MTEF, additional funds of R38.649 million in 2016/17, R41.442 million in 2017/18 and R44.589 million in 2018/19 were allocated toward the carry-through costs of the above-budget 2015 wage agreement. An additional R74.213 million in 2016/17, R55.241 million in 2017/18 and R173.516 million were allocated in respect of the Provincial Roads Maintenance grant. An additional R46.804 million in 2016/17, R46.805 million in 2017/18 and R96.872 million in 2018/19 were added to the PTOG. Also, R56.055 million was allocated in 2016/17 to the EPWP Integrated Grant to Provinces. The budget for the vote as a whole shows a healthy increase over the 2016/17 MTEF mainly attributed to the carry-through allocations of construction and maintenance projects, investment in the computerised licence testing project and an increase in law enforcement and road safety campaigns, as well as inflationary increments.

However, these increases were substantially mitigated by the MTEF budget cuts against *Compensation of employees* and *Goods and services*. Despite these cuts though, the department's budget shows an increasing trend over the 2016/17 MTEF, mainly due to carry-through costs of the above-budget 2015 wage agreement, the conditional grant increases, as well as inflationary increments.

4.2 Departmental receipts collection

Table 12.2 below indicates the estimated departmental receipts for Vote 12. Details of departmental receipts are presented in *Annexure – Vote 12: Transport*.

Table 12.2 shows a general increase in the total amount of revenue collected by the department over the seven-year period. This increase can be attributed to improved revenue collection strategies, higher than anticipated applications for new and renewal of motor vehicle licences, as well as higher than anticipated applications for learners' and drivers' licences.

Table 12.2 : Summary of departmental receipts collection

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Tax receipts	1 318 621	1 396 323	1 481 126	1 481 000	1 481 000	1 481 000	1 535 734	1 597 163	1 661 050
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	1 318 621	1 396 323	1 481 126	1 481 000	1 481 000	1 481 000	1 535 734	1 597 163	1 661 050
Sale of goods and services other than capital assets	126 819	130 592	126 811	129 450	129 450	129 450	136 756	145 088	153 931
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	50 318	38 186	43 476	38 088	38 088	44 744	38 341	40 948	43 733
Interest, dividends and rent on land	274	202	236	266	266	266	304	324	346
Sale of capital assets	1 951	4 181	4 389	2 650	2 650	6 221	4 805	5 132	5 481
Transactions in financial assets and liabilities	4 282	7 814	369	2 053	2 053	40 293	2 038	2 176	2 324
Total	1 502 265	1 577 298	1 656 407	1 653 507	1 653 507	1 701 974	1 717 978	1 790 831	1 866 865

The bulk of the department's revenue is derived from *Tax receipts (Motor vehicle licences)* collected in terms of the Road Traffic Act. The increase from 2012/13 onward relates to the growth in vehicle

population and higher than anticipated application of new and renewal of motor vehicle licences. The budget shows conservative growth over the MTEF, averaging 4 per cent, as the department is concerned that this revenue may be negatively impacted due to the cheaper fees in neighbouring provinces.

Sale of goods and services other than capital assets consists of motor vehicle registration, sale of personalised and specific number plates, registration of classification of vehicles, such as abnormal loads and special vehicles, as well as applications for learners' and drivers' licences. Additional to these revenue sources are boarding services, and course fees related to the Traffic Inspectorate Training College and commission on PERSAL deductions, etc. The high revenue collection in 2013/14 is due to higher than anticipated applications for learners' and drivers' licences, sale of personalised and specific number plates, as well as improved registration of classification of vehicles, such as abnormal loads and special vehicles. The fluctuation is due to the category being dependant on a number of variables, including the number of individuals, businesses and vehicle population. The 2015/16 Revised Estimate projects to over-collect due to the higher than anticipated applications for learners' and drivers' licences. The increase over the MTEF can be ascribed to the continuous increase in demand for drivers' licences, coupled with inflationary increments. At this stage, the revenue collection over the 2016/17 MTEF excludes the effect of changing from town specific number plates to KZN registration numbers, which is currently under review by National Department of Transport.

Fines, penalties and forfeits largely reflects the collection of traffic fines from non-compliance to road traffic laws and regulations. The revenue collected from 2012/13 can be attributed to improved recovery strategies and measures put in place for the collection of fines receivable. It must be noted that the revenue fluctuations are due to the nature of this category which is difficult to project. The decline from 2012/13 to the 2015/16 Revised Estimate can be attributed to the implementation of the Administrative Adjudication of Road Traffic Offences (AARTO) Act. This Act outlines a framework for the distribution of revenue collected from this category among the stakeholders concerned. It also offers discounts to the offender if the fine is paid within a specified timeframe. In 2015/16, the department introduced various interventions, such as the warrants tracing teams in the regions to execute warrants of arrests, remote communications operations where there is a mobile unit at every road block to check all outstanding matters and serve offenders with summons, and the easypay option for the public to pay their fines. This accounts for the anticipated high collection in the 2015/16 Revised Estimate. However, the department continues to budget conservatively over the MTEF, pending a review of the success of these interventions.

Interest, dividends and rent on land is derived mainly from interest on staff debts. The fluctuations over the seven-year period can be attributed to the difficulty in accurately projecting for these items due to their uncertain nature.

Sale of capital assets reflects the sale of redundant vehicles and departmental plant. The difficulty in projecting with certainty for the collection of these receipts results in the fluctuations over the seven-year period, hence the conservative growth over the MTEF.

The department also collects revenue from *Transactions in financial assets and liabilities*, which are made up of recoveries from staff debts, stale cheques, over-payment to suppliers, unsuccessful projects, unallocated credit, etc. The higher than anticipated revenue in the 2015/16 Revised Estimate is due to a posting error, as this amount includes agency funding received by the department from the Road Traffic Management Corporation (RTMC). This journal will be reversed accordingly. Revenue collection against this category is very uncertain, hence the fluctuations over the seven-year period.

4.3 Agency receipts

Tables 12.3 and 12.4 below present details of agency receipts that are received by the department.

The additional agency receipts reflected in the tables in 2014/15 and the 2015/16 Adjusted Appropriation relate to the Road Traffic Management Corporation (RTMC), and the eThekweni Metro.

The notification of these funds was received after the finalisation of the 2015/16 *EPRE*, and they were therefore not included in the 2015/16 *EPRE*.

Table 12.3 : Details of agency 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
Agency receipt	7 585	-	58 536	3 792	3 792	47 345	3 792	3 792	3 792
SANRAL	7 585	-	-	3 792	3 792	3 792	3 792	3 792	3 792
RTMC	-	-	40 000	-	-	35 312	-	-	-
eThekweni Metro	-	-	18 536	-	-	8 241	-	-	-
Total	7 585	-	58 536	3 792	3 792	47 345	3 792	3 792	3 792

Table 12.4 : Details of payments and estimates of agency 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
Agency receipt	7 585	-	14 983	3 792	3 792	47 345	3 792	3 792	3 792
SANRAL	7 585	-	-	3 792	3 792	3 792	3 792	3 792	3 792
RTMC	-	-	4 688	-	-	35 312	-	-	-
eThekweni Metro	-	-	10 295	-	-	8 241	-	-	-
Total	7 585	-	14 983	3 792	3 792	47 345	3 792	3 792	3 792

The department receives agency funding from the South African National Roads Agency Limited (SANRAL) for the extended overload control function on the national road network in the province. In 2013/14, the department's contract with SANRAL expired, and the process of renewing the contract took longer than anticipated. The department could not reach an agreement with SANRAL, and this led to non-receipt of funds in 2013/14.

In 2014/15, the department anticipated to receive R8.500 million. However, the new contract was signed at the end of November 2014, in terms of which the department anticipated to receive R1.264 million for the remainder of 2014/15. This amount was not paid to the department in 2014/15 due to a problem experienced with the verification of the quality of information at the individual weighbridges. According to the department, the files were uploaded from the server in Pinetown and a report was generated. It was identified that, from December 2014 to March 2015, certain weighbridges were randomly left off the report which adversely affected the information generated. One of the affected centres was Pinetown which forms part of the contract with SANRAL. The discrepancy was only identified when the office was compiling the quarterly performance report. The department has since met with SANRAL and has now finalised a claim of R1.096 million which is anticipated to be received in 2015/16.

The allocations in 2015/16 and over the 2016/17 MTEF are in line with the new contract signed with SANRAL. The department and SANRAL will review and renew the contract every two years and, as the department does not know the content of the new agreement, it could not determine the inflationary increments, hence the allocations over the MTEF remain constant, at this stage.

The department received R40 million from RTMC in the latter part of 2014/15 in respect of the road safety improvement programme for the improvement of road safety and law enforcement campaigns due to the high level of accidents on the roads. The project plan takes into account the festive periods such as Easter, Christmas and the school holidays. The department spent R4.688 million of this funding in 2014/15, and the balance of R35.312 million was rolled over to 2015/16.

Lastly, the department received R18.536 million from the eThekweni Metro in respect of provincial public transport infrastructure (such as taxi ranks). The department spent R10.295 million in 2014/15 and the balance will be spent in 2015/16.

5. Payment summary

This section summarises the payments and budget estimates for the vote in terms of programmes and economic classification.

Details of the economic classification per programme are presented in *Annexure – Vote 12: Transport*.

5.1 Key assumptions

The following assumptions and factors were taken into account in finalising the budget allocations:

- All inflation related increases are based on CPI projections.
- 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:
 - 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.
 - Departments' equitable share funded *Goods and services* budgets were cut by 2 per cent.
 - Departments' and public entities' hosting of events budgets were cut over the MTEF.
 - 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.
 - 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 12.5 shows additional funding received by the department over the three MTEF periods: 2014/15, 2015/16 and 2016/17. 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.

Table 12.5 : 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	104 147	113 952	120 089	126 093	133 406
Re-grading of clerical staff	5 000	5 000	5 000	5 250	5 555
Carry-through of previous wage agreements	9 352	18 058	20 867	21 910	23 181
Road maintenance and construction projects	60 000	60 000	60 000	63 000	66 654
Learner transport - final shift from Education	37 000	38 500	42 200	44 310	46 880
Centralisation of communications budget under OTP	(5 705)	(6 016)	(6 293)	(6 608)	(6 991)
Centralisation of external bursaries budget under OTP	(1 500)	(1 590)	(1 685)	(1 769)	(1 872)
2015/16 MTEF period		10 529	571	600	635
EPWP co-ordination moved to DOPW		(1 061)	(1 114)	(1 169)	(1 237)
Learner transport suspended from 2014/15		10 000	-	-	-
Decentralisation of bursaries budget		1 590	1 685	1 769	1 872
2016/17 MTEF period			(340 791)	(363 923)	(385 914)
Above-budget 2015 wage agreement			38 649	41 442	44 589
Freezing all vacant non-OSD posts			(328 789)	(351 147)	(375 025)
Cutting events' budget			(19 000)	(19 000)	(19 000)
2% Goods and services cut			(31 651)	(35 218)	(36 478)
Total	104 147	124 481	(220 131)	(237 230)	(251 873)

In the 2014/15 MTEF, additional funding was allocated for the re-grading of clerical staff from level 4 to level 5 in line with DPSA requirements, as well as the carry-through of previous wage agreements. In addition, funding was allocated for road maintenance and construction projects. Also in the 2014/15 MTEF, funds were suspended from the department in respect of the centralisation of parts of the communications and external bursaries budgets under OTP. Again, additional funding was suspended from Vote 5: Education, being the final shift of funding in respect of learner transport services.

With regard to the 2015/16 MTEF, funds were suspended, relating to the function shift of the provincial co-ordination of EPWP from the department, to DOPW. In addition, an amount of R10 million, which was suspended in respect of the learner transport services in 2014/15 from the department, was reallocated back in 2015/16, as previously discussed. Also over the 2015/16 MTEF, the department was reallocated funds relating to the centralisation of the bursaries budget under OTP, as mentioned previously.

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 was 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, departments' equitable share funded *Goods and services* budgets were cut by 2 per cent, and the budget for events was cut over the MTEF. The impact of these cuts on the budget of the department is commented on in Section 5.3 below.

In the case of the department, these cuts were slightly offset by the additional funding allocated over the 2016/17 MTEF for the carry-through costs of the above-budget 2015 wage agreement.

5.3 Summary by programme and economic classification

The services rendered by the department are categorised under five programmes, which are largely aligned to the uniform budget and programme structure of the Transport sector.

The department's mission is to provide the public with integrated and accessible road and public transport infrastructure and to promote road and public transport safety, through the interaction of these five programmes.

Tables 12.6 and 12.7 provide a summary of the vote's payments and budgeted estimates over the seven-year period, by programme and economic classification, respectively.

As explained previously, the department is liable for the repayment of previous year's over-expenditure, resulting in a first charge against the department's budget in 2015/16 and 2016/17, and this is reflected under Programme 1: Administration and against *Payments for financial assets*. This is shown as a footnote in Tables 12.6 and 12.7 below.

Table 12.6 : Summary of payments and estimates by programme: Transport

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	250 657	257 304	258 972	296 231	315 220	313 334	310 192	319 832	342 681
2. Transport Infrastructure	5 766 900	5 990 958	6 821 519	6 831 409	6 811 409	6 986 156	7 056 234	7 352 429	7 766 535
3. Transport Operations	1 012 986	1 143 133	1 227 597	1 409 008	1 397 008	1 247 540	1 353 591	1 432 129	1 497 317
4. Transport Regulation	566 332	621 318	702 150	760 770	798 884	784 692	811 743	865 804	928 300
5. Community Based Programmes	53 433	42 474	41 711	44 039	44 039	34 838	40 180	42 540	45 695
Total	7 650 308	8 055 187	9 051 949	9 341 457	9 366 560	9 366 560	9 571 940	10 012 734	10 580 528
Unauth. Exp. (1st charge) not available for spending	-	-	-	(4 553)	(4 553)	(4 553)	(4 553)	-	-
Baseline available for spending after 1st charge	7 650 308	8 055 187	9 051 949	9 336 904	9 362 007	9 362 007	9 567 387	10 012 734	10 580 528

Table 12.7 : Summary of payments and estimates by economic classification: Transport

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	3 802 271	3 947 180	4 177 719	5 084 333	4 902 812	3 956 202	5 170 110	5 324 033	5 740 101
Compensation of employees	1 176 174	1 266 775	1 369 860	1 657 756	1 675 716	1 609 726	1 559 427	1 683 297	1 817 070
Goods and services	2 626 096	2 680 332	2 807 854	3 426 577	3 227 093	2 346 473	3 610 683	3 640 736	3 923 031
Interest and rent on land	1	73	5	-	3	3	-	-	-
Transfers and subsidies to:	819 214	931 273	1 028 292	1 090 793	1 097 274	964 963	1 053 563	1 115 820	1 168 164
Provinces and municipalities	2 379	4 281	4 093	2 148	3 435	4 358	4 691	4 957	5 237
Departmental agencies and accounts	-	-	4 522	4 771	4 771	4 771	5 699	6 173	6 531
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	808 877	915 867	985 852	1 063 000	1 063 000	929 766	1 016 045	1 076 439	1 126 506
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	7 958	11 125	33 825	20 874	26 068	26 068	27 128	28 251	29 890
Payments for capital assets	3 028 705	3 176 152	3 845 558	3 161 778	3 361 778	4 440 484	3 343 714	3 572 881	3 672 263
Buildings and other fixed structures	2 901 214	3 096 671	3 675 620	2 985 943	3 185 943	4 250 837	3 127 432	3 343 040	3 426 070
Machinery and equipment	123 986	75 151	166 436	175 835	175 835	189 647	216 282	229 841	246 193
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	3 505	4 330	3 502	-	-	-	-	-	-
Payments for financial assets	118	582	380	4 553	4 696	4 911	4 553	-	-
Total	7 650 308	8 055 187	9 051 949	9 341 457	9 366 560	9 366 560	9 571 940	10 012 734	10 580 528
Unauth. Exp. (1st charge) not available for spending	-	-	-	(4 553)	(4 553)	(4 553)	(4 553)	-	-
Baseline available for spending after 1st charge	7 650 308	8 055 187	9 051 949	9 336 904	9 362 007	9 362 007	9 567 387	10 012 734	10 580 528

The expenditure and budget over the period under review reflects healthy growth, while the below inflationary growth over the 2016/17 MTEF is mainly ascribed to the previously mentioned budget cuts. These cuts were effected proportionally against all programmes, with R241.606 million, R257.928 million and R271.530 million over the 2016/17 MTEF being effected against *Compensation of employees* and with R50.651 million, R54.218 million and R55.478 million over the MTEF being reduced from *Goods and services*. The department could not effect the full *Compensation of employees* budget cut against the category due to the department's graduate internship and Zibambele contractors programmes and, as such, further cuts of R87.183 million in 2016/17, R93.219 million in 2017/18 and R103.495 million in 2018/19 were effected against *Goods and services*, in addition to the 2 per cent cut, as well as the events' budget cut. The budget cuts against *Goods and services* were effected against the items *Rental and hiring* (which is purely the portion of *Compensation of employees* cuts), *Property payments*, *Consultants and professional services*, *Business and advisory services*, *Advertising*, *Venues and facilities*, *Transport provided*, *Departmental activity*, *Catering*, *Departmental activities*, *Contractors*, *Computer services*, *Fleet services (including government motor transport)*, and *Travel and subsistence*. The healthy growth against the Provincial Roads Maintenance grant and the PTOG over the MTEF mitigated these equitable share cuts to some extent.

Programme 1: Administration reflects steady growth over the period under review mainly due to the above-budget wage agreements. The increase in the 2015/16 Adjusted Appropriation was in respect of the implementation of IT governance processes, the Electronic Content Management (ECM) system, as well as the Government Wide Enterprise Architecture (GWEA) project, in line with A-G recommendations in order to comply with the legislative requirements of IT. In addition, the increase relates to the RTI Commission for legal costs incurred, and the amounts paid to the 13 affected families as compensation because of the death of some participants during the recruitment process of the trainee provincial inspectors in December 2012. The slight decrease in the 2015/16 Revised Estimate results from delays with the filling of critical posts due to the moratorium on filling of posts. The growth over the 2016/17 MTEF relates mainly to inflationary growth, payments to the Construction Education and Training Authority (CETA) and the Transport Education and Training Authority (TETA) levies in terms of the Skills Development Act, the re-allocation of the bursaries funds from OTP, as well as inflationary increases. As indicated above, the 2015/16 and 2016/17 amounts include R4.553 million in each of the years, in respect of the first charge. These amounts are reflected against *Payments for financial assets*. Although there is a steady increase over the MTEF, this growth was slightly reduced by the budget cuts against *Compensation of employees* and *Goods and services*, mentioned earlier.

Apart from a decrease in the 2015/16 Adjusted Appropriation, Programme 2: Transport Infrastructure reflects a steady increase over the seven-year period. The increase relates to the department's investment in the provincial road network. The amounts in 2012/13 to 2014/15 were inflated by over-expenditure due to various construction projects that were undertaken. The decrease in the 2015/16 Adjusted Appropriation was due to delays resulting from tender appeals in the awarding of contracts for rehabilitation, re-gravelling and reseal projects, as well as unfavorable weather conditions to undertake maintenance projects. However, the increase in the 2015/16 Revised Estimate can be ascribed to fast-tracking of upgrading of gravel roads to surfaced roads, as well as road rehabilitation and construction backlogs. Savings realised from all programmes as a result of the non-filling of posts will be used to offset the spending pressures. Programme 2 houses the Provincial Roads Maintenance grant, as well as the EPWP Integrated Grant for Provinces. In line with National Treasury guidelines, an amount of R85.355 million (R55.114 million in the 2014/15 MTEF and R30.241 million in the 2015/16 MTEF) of the Provincial Roads Maintenance grant was ring-fenced in 2015/16 for repairs to roads damaged by disasters in the province. In addition, this grant sees a reduction of R207.495 million in 2015/16, R235.498 million in 2016/17 and R102.952 million in 2017/18 as a result of the fiscal consolidation cut implemented on the grant over the 2015/16 MTEF, as well as the fact that a portion of these funds will be allocated to SANRAL for the upgrade of the R573 Moloto road. However, the grant receives additional funding of R74.213 million, R55.241 million and R173.516 million over the 2016/17 MTEF. The department also receives an additional R56.055 million in 2016/17 with regard to the EPWP Integrated Grant for Provinces. This grant is allocated annually and is based on the previous year's performance, and hence no funds are allocated in the two outer years of the 2016/17 MTEF, at this stage. Despite the previous years' fiscal consolidation cuts, the allocations for the programme as a whole over the period under review reflect healthy growth, mainly due to the substantial additional funding allocated in the previous MTEFs for the construction of new roads, the enhancement of law enforcement and road safety campaigns, as well as for the maintenance of the provincial road network. Although there is a steady increase over the MTEF, this growth was slightly mitigated by the budget cuts against *Compensation of employees* and *Goods and services*, mentioned earlier. As mentioned, the department could not effect the full *Compensation of employees* budget cut against the category and, as such, had to cut a further R87.183 million, R93.219 million and R103.495 million from *Goods and services (Maintenance and repair: Current)* over the MTEF. This was reduced from the item *Rental and hiring*, thus reducing the number of plant hired for maintenance projects.

Programme 3: Transport Operations reflects healthy growth over the period under review, again apart from a fluctuation from 2015/16 and 2016/17. This allocation mainly relates to the PTOG for the payment of bus subsidies to bus operators, as well as learner transport services. The increase in 2013/14 relates to once-off funding allocated in respect of the PTOG to offset spending pressures. The pressures resulted from the under-funding of the grant, as well as the increase in fuel prices and labour costs, which have resulted in higher than anticipated claims in respect of the bus subsidies. Also, the PTOG is a Schedule 4 or supplementary grant, and provinces are meant to supplement the funding from the equitable share. In view of the budget cuts facing the province, as well as the confirmation from National Treasury that no additional funding would be forthcoming, the department reprioritised within its budget to fund the pressures. As such, the department reprioritised funds from 2014/15 onward. The decrease in the 2015/16 Adjusted Appropriation resulted from non-filling of posts, the implementation of cost-cutting measures on items such as communication costs, advertising, and travel and subsistence, as well as the reduction in the number of events (sod turning, opening of bridges, etc.) undertaken. The further decrease in the 2015/16 Revised Estimate can be attributed to savings realised from lower than budgeted spending on the PTOG in respect of bus subsidy claims. This was as a result of the substantial decrease in fuel prices, which resulted in lower than anticipated bus subsidy claims. This impacts on the subsidy payable, as the claims from the bus operators are linked to the escalation clause that includes labour and fuel indices, among others. The department had reprioritised R133.234 million from its equitable share to top-up this grant in 2015/16 due to spending pressures from 2014/15. According to the department, the full grant allocation will be spent by year-end, and the savings only relates to the equitable share top-up, which has been moved to other areas of spending pressures. Also, the department has reprioritised the equitable share top-up over the 2016/17 MTEF, as a result of the decrease in fuel prices. This partly explains the low 2016/17 amount in comparison to the 2015/16 Main Appropriation. However, should the grant experience any pressure, the

department will top-up accordingly. The grant has also seen a fiscal consolidation reduction of R21.206 million in 2015/16 and R31.369 million in 2016/17, with a slight increase of R29.024 million in 2017/18 during the 2015/16 MTEF budget process. However, during the 2016/17 MTEF budget process, the grant receives additional funds of R46.804 million, R46.805 million and R96.872 million over the 2016/17 MTEF. The reduction in the programme as a whole in 2016/17 in comparison to the 2015/16 Main Appropriation is partly ascribed to the budget cuts on *Compensation of employees* and *Goods and services*. The growth from 2017/18 onward is attributed to the additional allocation in respect of the PTOG, which is particularly high in 2018/19, as well as inflationary increments.

Programme 4: Transport Regulation reflects steady growth over the seven-year period, relating to the investment in the computerised licence testing system and an increase in law enforcement and road safety campaigns. As this programme includes provision for traffic officers, the bulk of the budget relates to personnel. The increase in the 2015/16 Adjusted Appropriation was in respect of consultant fees for the implementation of the consolidated public transport regulation processes at the Provincial Regulatory Entity (PRE). These processes have been decentralised to regions to allow the lodging of applications for operating licences and permits for the public transport operators in the province to be more accessible. In addition, this programme received the full additional funding for the above-budget 2015 wage agreement allocated to the department in the 2015/16 Adjusted Appropriation. The decrease in the Revised Estimate relates to delays with the filling of critical posts due to the moratorium. Despite the budget cuts on *Compensation of employees* and *Goods and services* over the MTEF, the programme reflects healthy growth, attributed to the enhancement of law enforcement, as well as inflationary increments.

Programme 5: Community Based Programmes reflects a fluctuating trend. The decrease in 2013/14 was due to funds reprioritised to Programme 2 as a result of slower than anticipated filling of vacant posts, and resignations, to fast-track the upgrading of gravel roads to surfaced roads, and to complete some of the construction projects carried over from 2012/13. The further decrease in 2014/15 was due to the non-filling of posts attributed to lengthy recruitment processes, resignations, retirements, high turnover of Zibambele contractors, among others. The decrease in the 2015/16 Revised Estimate can be ascribed to training programmes for the Zibambele and Vukuzakhe emerging contractors that were not conducted, as a result of delays in the appointment of mentors due to the difficulty in finding suitable service providers. The growth over the MTEF mainly relates to inflationary increases. This programme also caters for the Vukuzakhe Emerging Contractors Association (VECA) that monitors the Vukuzakhe emerging contractors for compliance to norms and standards. The association is aimed at playing a pivotal role in the acceleration of empowerment and development of emerging contractors. The department committed itself to working together with the association in fast-tracking the development of emerging contractors through the provision of training and development support. The decrease in 2016/17 and 2017/18 compared to the 2015/16 Main Appropriation can be ascribed to the previously mentioned budget cuts on *Compensation of employees* and *Goods and services*.

Compensation of employees shows a steady increase over the seven-year period attributed to the filling of vacant posts, as well as the annual wage agreements. The increase in the 2015/16 Adjusted Appropriation was in respect of additional funds allocated to cater for the above-budget 2015 wage agreement. The Revised Estimate decreased as a result of the slow pace with the filling of posts, due to the previously mentioned moratorium. The reduction in 2016/17 compared to the 2015/16 Main Appropriation is ascribed to the budget cut against this category, and the department will need to review this in-year and reprioritise over the MTEF to ensure that filled posts are fully catered for. As previously explained, the department could not effect the full cut on this category and, as such, portion of the cut was effected against *Goods and services*, hence the increase from 2017/18 onward, despite the cut. The growth is also in respect of the carry-through costs of the above-budget 2015 wage agreement, as well as annual salary increments. No provision has been made to fill vacant posts over the MTEF, in line with the directive to freeze of all vacant non-OSD posts.

Goods and services reflects a steady increase apart from the 2015/16 Adjusted Appropriation, and includes the maintenance of the provincial road network, as well as the road safety awareness campaigns conducted. This category has seen substantial reprioritisation in previous years as a result of slow progress with regard to road maintenance work (re-gravelling and blading) due to tender appeals in the awarding of

contracts, unfavourable weather conditions, as well as the shortage of grader operators. These account for the reduction in the 2015/16 Adjusted Appropriation and the Revised Estimate. The funds were moved to *Buildings and other fixed structures* in respect of various construction projects such as the Main Road P700 between Empangeni and Ulundi, and upgrading of the existing N2/M41 Mt Edgecombe Interchange north of Durban to a systems interchange to the supporting road network. These projects are being fast-tracked due to the congestion in the area as a result of the construction. In addition, the funds were reprioritised to fast-track the upgrading of gravel roads to surfaced roads, as well as road rehabilitation and construction backlogs. The Provincial Roads Maintenance grant is housed under this category, and a portion of the grant is earmarked in 2015/16 for repairs relating to flood damage to roads. As previously explained, the grant has seen substantial cuts during the 2014/15 and 2015/16 budget processes. However, in the 2016/17 budget process, additional funds have been allocated to the grant, which is particularly high in 2018/19. This category also houses the EPWP Integrated Grant for Provinces, with funds allocated up to 2016/17, as the grant was allocated on an annual basis based on the previous year's performance. Despite the substantial budget cuts (i.e. the cuts in the events' budget, 2 per cent of the *Goods and services* budget across the board, as well as a portion of the *Compensation of employees* budget cut) being effected against this category, the category shows fairly healthy growth over the MTEF. The growth can be ascribed to various maintenance projects that will be undertaken, road safety awareness campaigns that will be conducted, as well as inflationary increments.

Transfers and subsidies to: Provinces and municipalities shows a fluctuating trend and relates to the payment of motor vehicle licences, which is dependent on the times that vehicles and mechanical plant are ordered and delivered for payment.

Transfers and subsidies to: Departmental agencies and accounts relates to the payments to CETA and TETA levies in terms of the Skills Development Act. The department was required to set aside 30 per cent of 1 per cent of the *Compensation of employees*' budget for training, and pay over to these agencies. This was not paid prior to 2014/15, as it was introduced late in 2013/14 by DPSA. The department no longer transfer funds to the Public Service Sector Education and Training Authority (PSETA) in line with a National Treasury Circular of 10 July 2014, which indicated that national departments applied for the creation of a single transfer to PSETA through DPSA. The result of this is that departments do not have to transfer funds to PSETA, unless such transfers are meant for a different purpose.

The expenditure and budget against *Transfers and subsidies to: Public corporations and private enterprises* relate mainly to the PTOG, which is a conditional grant to provincial departments aimed at subsidising road-based public transport services and to provide supplementary funding toward public transport services. The amounts from 2012/13 and 2014/15 were inflated by the over-expenditure of the grant, as explained. The increase in the 2015/16 Main Appropriation relates mainly to the reprioritisation of funds to supplement the grant, as discussed. The decrease in the Revised Estimate is ascribed to low spending on the PTOG due to a decrease in the bus subsidy claims, as detailed earlier. This category also includes the budget in respect of VECA, as previously explained. The decrease in 2016/17 and 2017/18 in comparison to the 2015/16 Adjusted Appropriation is due to the reprioritisation of the equitable share top-up of the grant, as mentioned earlier. Also, the grant has received additional funding over the 2016/17 MTEF, which is particularly high in 2018/19.

Transfers and subsidies to: Households caters mainly for staff exit costs, which fluctuate over the period due to the difficulty in forecasting accurately for this category as a result of its uncertain nature. The substantial increase in 2014/15 relates to costs in respect of the RTI Commission, to cater for the nine applicants who were hospitalised as a result of the recruitment process that occurred in 2012/13, and the one applicant who was hospitalised for an extended period. In addition, the higher than anticipated compensation to land owners for the use of their land for road construction, as well as the payment in respect of leave gratuities that are not predictable, contributed to the increase. This explains the decrease in the 2015/16 Main Appropriation. The increase in the Adjusted Appropriation was in respect of the amounts paid to the 13 affected families as compensation because of the death of some participants in December 2012, during the recruitment process of the trainee provincial inspectors. The MTEF allocations cater for staff exit costs, as well as the funds re-allocated to the department relating to the centralisation of the external bursaries budgets from OTP, as previously explained.

The category *Buildings and other fixed structures* fluctuates slightly over the seven-year period. The general growth can be ascribed to the increase in road construction and rehabilitation work. The amounts in 2012/13 and 2013/14 are inflated due to over-expenditure. The increase in the 2015/16 Adjusted Appropriation and the Revised Estimate was in respect of various construction projects being fast-tracked, as explained under Programme 2 and *Goods and services* above. The increase over the 2016/17 MTEF, in comparison to the 2015/16 Main Appropriation, is attributed to a greater number of construction and rehabilitation projects that will be undertaken, as well as inflationary increments.

Machinery and equipment reflects a high amount in 2012/13, mainly due to the replacement of aged plant such as graders and tractors, computer equipment, vehicles, as well as the provision for the appointment of new staff, etc., and hence the drop in 2013/14. The low 2013/14 amount also relates to the implementation of cost-cutting measures on office and computer equipment to offset over-expenditure in other areas. The substantial increase from 2014/15 onward relates to additional plant purchased to replace damaged and obsolete plant, as well as additional motor vehicles for the Law Enforcement unit. The increase in the 2015/16 Revised Estimate, as well as over the MTEF, is to cater for the higher than budgeted procurement of new and replacement of mechanical plant and inflationary adjustments.

The once-off amounts against *Software and other intangible assets* from 2012/13 to 2014/15 relate to the upgrade of computer software licences such as Microsoft. This category is usually not budgeted for due to its unpredictable nature.

The amounts against *Payments for financial assets* from 2012/13 to 2014/15 relate to claims (removal of vehicles) against the state, dishonoured cheques, salary over-payments, write-off of irrecoverable staff debts, among others. This category is not usually budgeted for due to its uncertain nature. The amounts in 2015/16 and 2016/17 are in respect of the first charge, as previously explained.

5.4 Summary of conditional grant payments and estimates

Tables 12.8 and 12.9 provide a summary of the conditional grant payments and budgeted estimates over the seven-year period, by grant name and economic classification, respectively. Detailed information on the conditional grants is presented in the *Annexure – Vote 12: Transport*.

Note that the historical figures in Tables 12.8 and 12.9 reflect actual expenditure per grant, and should not be compared to those figures reflected in Table 12.1, which represent the actual receipts for each grant.

There is steady growth against the conditional grant allocation over the period under review, as explained per grant above and below the table:

- *Public Transport Operations grant*: Funds are allocated against *Transfers and subsidies to: Public corporations and private enterprises* in respect of the PTOG for the payment of bus subsidies to bus operators. The actual amounts from 2012/13 to 2014/15 show the grant amounts being fully spent. However, the department incurred over-expenditure of R598 000 in 2012/13, R62.091 million in 2013/14 and R80.169 million in 2014/15, which was funded from the equitable share. As previously explained, the department over-spent against the grant due to higher than anticipated claims in respect of bus subsidies. The department reprioritised funds from its equitable share to offset the pressure in 2014/15. During the 2015/16 budget process, this grant was reduced in 2015/16 and 2016/17 due to the fiscal consolidation cuts, with a slight increase in 2017/18. In the 2016/17 budget process, the grant was increased by R46.804 million, R46.805 million and R96.872 million, respectively, over the MTEF.

Table 12.8 : Summary of conditional grants payments and estimates by name

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
					2015/16				
Public Transport Operations grant	808 279	852 325	904 783	924 766	924 766	924 766	1 011 045	1 071 439	1 121 506
EPWP Integrated Grant for Provinces	84 211	88 487	59 443	55 602	55 602	55 602	56 055	-	-
Provincial Roads Maintenance grant	1 501 171	1 523 528	1 788 158	1 779 255	1 779 255	1 779 255	1 925 378	2 038 952	2 157 227
Total	2 393 661	2 464 340	2 752 384	2 759 623	2 759 623	2 759 623	2 992 478	3 110 391	3 278 733

Table 12.9 : Summary of conditional grants payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	1 585 382	1 612 015	1 847 601	1 834 857	1 834 857	1 834 857	1 981 433	2 038 952	2 157 227
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	1 585 382	1 612 015	1 847 601	1 834 857	1 834 857	1 834 857	1 981 433	2 038 952	2 157 227
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	808 279	852 325	904 783	924 766	924 766	924 766	1 011 045	1 071 439	1 121 506
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	808 279	852 325	904 783	924 766	924 766	924 766	1 011 045	1 071 439	1 121 506
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 393 661	2 464 340	2 752 384	2 759 623	2 759 623	2 759 623	2 992 478	3 110 391	3 278 733

- *EPWP Integrated Grant for Provinces:* Funds are allocated against *Goods and services* in respect of this grant, and are utilised for the creation of EPWP job opportunities. This grant is allocated on an annual basis, hence no funds are allocated in the two outer years of the 2016/17 MTEF, at this stage. The fluctuations over the period are purely based on the performance of the grant in previous years.
- *Provincial Roads Maintenance grant:* The grant allocations, which are allocated under *Goods and services*, are in respect of maintenance and construction of road infrastructure in KZN. During the 2015/16 budget process, in line with National Treasury guidelines, an amount of R85.355 million of the grant allocation was ring-fenced in 2015/16 for repairs to roads damaged due to disasters in the province. In addition, this grant sees a reduction of R207.495 million in 2015/16, R235.498 million in 2016/17 and R102.952 million in 2017/18 as a result of the fiscal consolidation cuts on the grant implemented over the 2015/16 MTEF, as well as the transfer of the R573 Moloto road to SANRAL, as previously explained. However, in the 2016/17 budget process, the grant receives additional funds over the MTEF, and this is particularly high in 2018/19, as mentioned earlier.

5.5 Summary of infrastructure payments and estimates

Table 12.10 presents a summary of infrastructure payments and estimates by category for the vote. A more detailed listing of infrastructure projects to be undertaken by the department can be found in the *Annexure – Vote 12: Transport*.

Note that the *Maintenance and repair: Current* category includes the salaries of the *Zibambele* contractors and other departmental staff that undertake maintenance.

Table 12.10 : 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	5 141 442	5 354 838	6 108 023	6 181 552	6 140 552	6 189 991	6 325 685	6 556 540	6 956 455
Maintenance and repair: Current	2 666 236	2 709 259	2 830 486	3 564 126	3 323 126	2 438 927	3 644 108	3 720 355	4 071 705
Upgrades and additions: Capital	1 738 910	1 846 882	2 516 597	1 635 559	1 835 559	2 769 197	1 733 498	1 840 695	1 831 510
Refurbishment and rehabilitation: Capital	736 296	798 697	760 940	981 867	981 867	981 867	948 079	995 490	1 053 240
New infrastructure assets: Capital	426 008	451 092	398 083	368 517	368 517	499 773	445 855	506 855	541 320
Infrastructure transfers	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Current	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital	-	-	-	-	-	-	-	-	-
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	-	-	-	-	-	-	-	-	-
Total	5 567 450	5 805 930	6 506 106	6 550 069	6 509 069	6 689 764	6 771 540	7 063 395	7 497 775
<i>Capital infrastructure</i>	<i>2 901 214</i>	<i>3 096 671</i>	<i>3 675 620</i>	<i>2 985 943</i>	<i>3 185 943</i>	<i>4 250 837</i>	<i>3 127 432</i>	<i>3 343 040</i>	<i>3 426 070</i>
<i>Current infrastructure</i>	<i>2 666 236</i>	<i>2 709 259</i>	<i>2 830 486</i>	<i>3 564 126</i>	<i>3 323 126</i>	<i>2 438 927</i>	<i>3 644 108</i>	<i>3 720 355</i>	<i>4 071 705</i>

The infrastructure expenditure and budget increase substantially over the seven-year period under review. This is due to the increase in construction and maintenance activities in respect of infrastructure investment in the province and various increased allocations in this regard.

Maintenance and repair: Current caters for routine, preventative, mechanical and other maintenance. The growth against this category relates to the maintenance of the existing road network, as well as repairs to roads and infrastructure damage caused by floods. As explained, this category has seen substantial reprioritisation in prior years due to the slow progress with the various maintenance projects. The reduction in the 2015/16 Adjusted Appropriation and the Revised Estimate can be ascribed to funds reprioritised as a result of slow progress with regard to road maintenance work due to tender appeals, unfavourable weather conditions, and the shortage of grader operators. These funds were moved to *Upgrades and additions: Capital* and *New infrastructure assets: Capital* in respect of various construction projects being fast-tracked, as explained previously. This category also houses the Provincial Roads Maintenance grant, which receives additional allocations over the MTEF, as explained earlier. Also, a portion of the grant was earmarked for repairs relating to flood damage to roads in 2015/16, and the previously mentioned budget cuts were effected against the grant during the 2015/16 budget process. Despite the substantial budget cuts due to the 2 per cent cut on *Goods and services*, as well as the department effecting cuts of R87.183 million in 2016/17, R93.219 million in 2017/18 and R103.495 million in 2018/19 against *Goods and services* to offset the *Compensation of employees* budget cut, this category reflects healthy growth over the 2016/17 MTEF in comparison to the 2015/16 Main Appropriation.

The high 2014/15 expenditure against *Upgrades and additions: Capital* relates to the fast-tracking of the upgrading of gravel roads to surfaced roads, as well as the carry-over costs of some completed construction projects from 2013/14, accounting for the decrease in 2015/16. The increase in the Adjusted Appropriation and the further increase in the Revised Estimate relates to various construction projects being fast-tracked, as mentioned earlier. The growth over the MTEF compared to the 2015/16 Main Appropriation is mainly due to inflationary increases.

Spending against *Refurbishment and rehabilitation: Capital* relates to the rehabilitation of roads. The increase in 2013/14 was to provide for the fast-tracking of the upgrading of gravel roads to surfaced roads in order to avoid possible delays in the rainy season, as well as the completion of various construction projects carried over from 2012/13, as previously explained, and hence the reduction in 2014/15. Also, the reduction in 2014/15 was due to road rehabilitation works that were not undertaken due to unfavourable weather conditions. The 2015/16 amount is higher than the 2016/17 allocation due to reprioritisation undertaken in 2015/16 to cater for 2014/15 commitments. The growth over the MTEF is in respect of the continuation of road rehabilitation, as well as inflationary increments.

New infrastructure assets: Capital fluctuates over the period and includes the construction of roads and upgrading of access roads (to clinics and schools) and pedestrian bridges. The expenditure in 2013/14 is inflated by over-expenditure relating to the completion of some sections of various construction projects carried over from 2012/13, accounting for the decrease in 2014/15. The low 2015/16 Main Appropriation in comparison to 2014/15 was due to reprioritisation to *Refurbishment and rehabilitation: Capital* in 2015/16 to cater for spending pressures resulting from completed construction projects carried over from previous years. The increase in the 2015/16 Revised Estimate is to cater for the fast-tracking of some construction projects, as indicated earlier. The growth over the MTEF in comparison to the 2015/16 Main Appropriation is mainly due to inflationary increments.

5.6 Summary of Public Private Partnerships – Nil

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

5.8 Transfers to other entities

Table 12.11 below reflects departmental transfers to other entities.

Table 12.11 : Summary of departmental transfers to other entities

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Bus operators	3.2: Public Transport Services	808 877	914 416	984 952	1 058 000	1 058 000	924 766	1 011 045	1 071 439	1 121 506
VECA	5.2: Community Development	-	1 451	900	5 000	5 000	5 000	5 000	5 000	5 000
Total		808 877	915 867	985 852	1 063 000	1 063 000	929 766	1 016 045	1 076 439	1 126 506

The expenditure and budget against Bus operators increase steadily over the period under review. The amounts relate to the PTOG for the payment of bus subsidies to operators. The expenditure from 2012/13 to 2014/15 is inflated by the over-expenditure of the grant, as discussed. The 2015/16 Main Appropriation includes funds reprioritised from the department's equitable share to top-up the grant due to spending pressures, resulting from the higher than anticipated claims on public transport subsidies, as previously mentioned. However, due to the substantial reduction in fuel prices, the grant is under-spending, and the department has reprioritised the equitable share top-up from the grant, hence the reduction in the 2015/16 Revised Estimate. This also explains the reduction in 2016/17 and 2017/18 in comparison to the 2015/16 Main Appropriation. The increase over the 2016/17 MTEF mainly relates to additional funding allocated, which is particularly high in 2018/19. During the 2015/16 budget process, this grant was reduced in 2015/16 and 2016/17 due to the national fiscal consolidation cuts, with a slight increase in 2017/18.

The amounts against VECA from 2013/14 are in respect of the monitoring of the Vukuzakhe emerging contractors for compliance to norms and standards. According to the department, the amounts reflected are in line with the operational plan submitted by the association.

5.9 Transfers to local government – Nil

The department makes no transfer payments to local government. Although the payment of motor vehicle licences falls under *Transfers and subsidies to: Provinces and municipalities*, these funds will not be transferred to any municipality, and hence the table reflecting transfers to local government is excluded.

5.10 Transfers and subsidies

Table 12.12 is a summary of spending on *Transfers and subsidies* by programme and main category.

The category *Transfers and subsidies* reflects a fluctuating trend over the period under review. Details are provided in the paragraphs before the table.

- *Households* under all programmes caters for staff exit costs. In Programme 1, this category in 2014/15 and the 2015/16 Adjusted Appropriation also includes payment relating to the RTI Commission, in respect of the nine applicants who were hospitalised as a result of the recruitment process, one applicant who was hospitalised for an extended period and compensation to the 13 affected families who lost loved ones, as discussed.
- *Provinces and municipalities* against all programmes relates to the payment of motor vehicle licences.
- Under Programme 1, *Departmental agencies and accounts* caters for the payments to CETA and TETA. The payment to PSETA has been taken over by DPSA, as previously discussed.
- Under Programme 3, *Public corporations and private enterprises* is in respect of bus operators relating to the PTOG for the payment of bus subsidies to operators. The previous years' expenditure against PTOG is inflated due to over-expenditure, as previously explained. The decrease in the 2015/16 Revised Estimate was due to the reprioritised equitable share top-up of the grant being directed to Programme 2 for construction projects that are being fast-tracked, as discussed. The PTOG received additional funding over the MTEF, which is particularly high in 2018/19.
- Under Programme 5, *Public corporations and private enterprises* relates to the transfer to VECA for the monitoring of the Vukuzakhe emerging contractors for compliance to norms and standards. As previously discussed, the amounts allocated are in line with the operational plan submitted by VECA.

Table 12.12 : 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	1 454	2 270	9 627	13 715	18 755	17 018	20 549	21 870	23 139
Provinces and municipalities	30	14	56	78	78	78	85	90	95
Motor vehicle licences	30	14	56	78	78	78	85	90	95
Departmental agencies and accounts	-	-	4 522	4 771	4 771	4 771	5 699	6 173	6 531
Departmental agencies (non-business entities)	-	-	4 522	4 771	4 771	4 771	5 699	6 173	6 531
Households	1 424	2 256	5 049	8 866	13 906	12 169	14 765	15 607	16 513
Staff exit costs	407	1 030	1 486	345	345	1 254	1 332	1 409	1 491
Other transfers to households	1 017	1 226	3 563	8 521	13 561	10 915	13 433	14 198	15 022
2. Transport Infrastructure	7 251	11 037	29 597	10 880	12 167	15 256	13 469	13 833	14 636
Provinces and municipalities	1 911	3 881	3 286	1 300	2 587	3 840	3 655	3 866	4 091
Motor vehicle licences	1 911	3 881	3 286	1 300	2 587	3 840	3 655	3 866	4 091
Households	5 340	7 156	26 311	9 580	9 580	11 416	9 814	9 967	10 545
Staff exit costs	5 241	5 187	7 450	9 020	9 020	10 856	9 224	9 347	9 889
Other transfers to households	99	1 969	18 861	560	560	560	590	620	656
3. Transport Operations	808 916	914 505	985 366	1 058 015	1 058 016	924 894	1 011 046	1 071 440	1 121 507
Provinces and municipalities	12	1	1	15	15	15	1	1	1
Motor vehicle licences	12	1	1	15	15	15	1	1	1
Public corporations and private enterprises	808 877	914 416	984 952	1 058 000	1 058 000	924 766	1 011 045	1 071 439	1 121 506
Bus operators	808 877	914 416	984 952	1 058 000	1 058 000	924 766	1 011 045	1 071 439	1 121 506
Households	27	88	413	-	1	113	-	-	-
Staff exit costs	27	88	413	-	1	113	-	-	-
4. Transport Regulation	1 592	2 003	2 802	3 178	3 254	2 713	3 499	3 677	3 882
Provinces and municipalities	426	385	750	750	750	420	950	1 000	1 050
Motor vehicle licences	426	385	750	750	750	420	950	1 000	1 050
Households	1 166	1 618	2 052	2 428	2 504	2 293	2 549	2 677	2 832
Staff exit costs	856	1 394	2 049	2 186	2 262	2 051	2 295	2 411	2 551
Other transfers to households	310	224	3	242	242	242	254	266	281
5. Community Based Programmes	1	1 458	900	5 005	5 082	5 082	5 000	5 000	5 000
Provinces and municipalities	-	-	-	5	5	5	-	-	-
Motor vehicle licences	-	-	-	5	5	5	-	-	-
Public corporations and private enterprises	-	1 451	900	5 000	5 000	5 000	5 000	5 000	5 000
VECA	-	1 451	900	5 000	5 000	5 000	5 000	5 000	5 000
Households	1	7	-	-	77	77	-	-	-
Staff exit costs	1	7	-	-	77	77	-	-	-
Total	819 214	931 273	1 028 292	1 090 793	1 097 274	964 963	1 053 563	1 115 820	1 168 164

6. Programme description

The services rendered by the department are categorised under five programmes, which largely conform to the uniform budget and programme structure of the Transport sector.

The payments and budgeted estimates for each programme are summarised in terms of economic classification, details of which are presented in the *Annexure – Vote 12: Transport*.

6.1 Programme 1: Administration

The purpose of this programme is to provide the department with overall management and administrative, strategic, financial and corporate support services in order to ensure that it delivers on its mandate in an integrated, efficient, effective and sustainable manner. This includes publicly funded goods and services utilised for governance, management, research and administration, as well as for general office services such as cleaning and security services. The programme consists of four sub-programmes in line with the sector specific budget format, namely: Office of the MEC, Management, Corporate Support, and Departmental Strategy.

Tables 12.13 and 12.14 below summarise payments and budgeted estimates relating to Programme 1 for the financial years 2012/13 to 2018/19. As indicated, the department was liable for the repayment of over-expenditure from 2013/14, resulting in a first charge of R4.553 million in both 2015/16 and 2016/17 against the department's budget. This is reflected under the sub-programme: Management, against *Payments for financial assets*, and the amounts available for spending in 2015/16 and 2016/17 have been reduced by the instalment amounts, as reflected in the footnote of Tables 12.13 and 12.14 below.

Table 12.13 : Summary of payments and estimates by sub-programme: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Office of the MEC	11 330	10 063	12 001	14 209	14 210	12 841	13 291	14 249	15 267
2. Management	7 568	7 254	7 550	15 153	15 153	15 153	15 704	11 886	12 936
3. Corporate Support	215 721	227 814	222 105	245 999	264 987	264 987	264 354	275 061	294 105
4. Departmental Strategy	16 038	12 173	17 316	20 870	20 870	20 353	16 843	18 636	20 373
Total	250 657	257 304	258 972	296 231	315 220	313 334	310 192	319 832	342 681
Unauth. Exp. (1st charge) not available for spending	-	-	-	(4 553)	(4 553)	(4 553)	(4 553)	-	-
Baseline available for spending after 1st charge	250 657	257 304	258 972	291 678	310 667	308 781	305 639	319 832	342 681

Table 12.14 : Summary of payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	219 870	230 286	232 491	262 758	276 702	276 527	268 942	280 875	301 464
Compensation of employees	94 403	97 907	107 434	140 406	140 406	127 559	138 059	149 133	162 109
Goods and services	125 466	132 306	125 052	122 352	136 296	148 968	130 883	131 742	139 355
Interest and rent on land	1	73	5	-	-	-	-	-	-
Transfers and subsidies to:	1 454	2 270	9 627	13 715	18 755	17 018	20 549	21 870	23 139
Provinces and municipalities	30	14	56	78	78	78	85	90	95
Departmental agencies and accounts	-	-	4 522	4 771	4 771	4 771	5 699	6 173	6 531
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 424	2 256	5 049	8 866	13 906	12 169	14 765	15 607	16 513
Payments for capital assets	29 273	24 254	16 797	15 205	15 205	15 205	16 148	17 087	18 078
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	25 768	20 479	14 360	15 205	15 205	15 205	16 148	17 087	18 078
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	3 505	3 775	2 437	-	-	-	-	-	-
Payments for financial assets	60	494	57	4 553	4 558	4 584	4 553	-	-
Total	250 657	257 304	258 972	296 231	315 220	313 334	310 192	319 832	342 681
Unauth. Exp. (1st charge) not available for spending	-	-	-	(4 553)	(4 553)	(4 553)	(4 553)	-	-
Baseline available for spending after 1st charge	250 657	257 304	258 972	291 678	310 667	308 781	305 639	319 832	342 681

Programme 1 shows a fluctuating trend over the period under review, mainly due to slower than anticipated filling of critical vacant posts, as well as reprioritisation to Programme 2 to cater for increased construction work. Despite the MTEF budget cuts of R14.143 million, R15.579 million and R16.529 million against *Compensation of employees*, and R14.483 million, R15.701 million and R16.642 million against *Goods and services* against all sub-programmes, the budget increases over the MTEF, mainly attributed to inflationary increments. The reduction from *Goods and services* was specifically from *Advertising, Venues and facilities, Property payments* and *Catering: Departmental activities*. The impact of the budget cuts on *Goods and services* will be monitored in-year, and reprioritisation will be undertaken should the need arise.

The sub-programme: Office of the MEC shows a fairly steady increase over the period under review. The slight decrease in 2013/14 was due to cost-cutting in areas such as communication, stationery and printing, among others. The decrease in the 2015/16 Revised Estimate is attributed to slower than anticipated filling of vacant posts due to lengthy recruitment processes and the difficulty in finding suitable candidates, as well as the moratorium on the filling of posts. The decrease in 2016/17 compared to the 2015/16 Main Appropriation relates to the budget cuts, hence the below inflationary growth over the MTEF.

The decreasing trend from 2012/13 to 2014/15 against the sub-programme: Management relates to cost-cutting in areas such as subsistence and travelling, stationery and printing, among others. The high amounts in 2015/16 and 2016/17 take into account the first and second instalments of the first charge, and hence the decrease in 2017/18 and 2018/19.

The Corporate Support sub-programme increases substantially from 2012/13 onward mainly due to the above-budget wage increases, as well as the filling of vacant posts, when the internal moratorium on the filling of posts was lifted in 2012/13. The increase in 2013/14 resulted from various once-off projects such as the payments to SITA for the implementation of IT governance processes, the ECM system, as well as

the GWEA project, which were under-budgeted for. In addition, the higher than anticipated lawyers' fees for the RTI Commission contributed to the increase. These were once-off and account for the decrease in 2014/15. The increase in the 2015/16 Adjusted Appropriation was in respect of the RTI Commission relating to legal costs incurred, as well as the compensation paid to the 13 affected families, as explained. The growth over the MTEF relates to the purchase of new and replacement vehicles for the departmental fleet, as well as inflationary increments, despite the budget cuts.

The sub-programme: Departmental Strategy reflects a fluctuating trend. The high 2012/13 amount was mainly due to the filling of vacant posts. The decrease in 2013/14 was due to funds moved to Programme 2 for the fast-tracking of the upgrading of gravel roads to surfaced roads. The slight decrease in the 2015/16 Revised Estimate relates to resignations and non-filling of posts in line with the moratorium on the filling of posts. The decrease over the MTEF relates to previously mentioned budget cuts.

Compensation of employees reflects a fairly steady increase, due to the above-budget wage agreements, and the filling of critical posts. The reduction in the 2015/16 Revised Estimate relates to the non-filling of posts in line with the moratorium on the filling of non-critical posts. The increase over the MTEF is to cater for annual salary adjustments, as well as the carry-through costs of the above-budget wage agreements. The department made no provision for the filling of posts over the MTEF in line with the freezing of all vacant non-OSD posts in the province. This will be reviewed in-year by the department.

The increase from 2012/13 to 2013/14 against *Goods and services* was to cover the higher than anticipated costs of maintenance of the head office building, accounting for the drop in 2014/15. The increase in the 2015/16 Adjusted Appropriation and the further increase in the Revised Estimate relates to the higher than anticipated computer services costs relating to the implementation of IT governance processes, the ECM system, as well as the GWEA project, as mentioned. Also, the increase caters for the RTI Commission relating to legal costs for the actuaries who represented the department with regard to the death of some participants during the recruitment process of the trainee provincial inspectors. The growth over the MTEF compared to the 2015/16 Main Appropriation relates to inflationary increments, despite the budget cuts.

The amounts against *Interest and rent on land* in the prior years relate to interest paid to SARS for overdue payments in respect of Zibambele contractors and Vukuzakhe emerging contractors, who changed their banking details without informing the department on time, hence SARS charged interest.

The expenditure and budget against *Transfers and subsidies to: Provinces and municipalities* are for the payment of motor vehicle licences. The fluctuating amounts are in line with vehicles purchased.

The amounts from 2014/15 onward against *Transfers and subsidies to: Departmental agencies and accounts* relate to the payments to CETA and TETA in respect of the levies in terms of the Skills Development Act. As explained, the department will no longer make payment to PSETA as the national departments will make payments to them through DPSA.

Transfers and subsidies to: Households caters mainly for staff exit costs which fluctuate over the period. The amount in the 2015/16 Adjusted Appropriation includes the costs relating to the RTI Commission in respect of the compensation paid to the affected families who lost loved ones during the recruitment process of the trainee provincial inspectors. The growth over the MTEF is in respect of staff exit costs, which are not predictable, as well as inflationary increments.

The amounts against *Machinery and equipment* are mainly in respect of the replacement of computer and office equipment, vehicles, etc., that are damaged or obsolete, as well as for equipment for new staff. The high 2012/13 and 2013/14 amounts were in respect of the once-off purchases of replacement and obsolete equipment and vehicles, accounting for the decrease in 2014/15. The steady increase in 2015/16 and over the MTEF is mainly due to inflationary increments.

The amounts against *Software and other intangible assets* from 2012/13 to 2014/15 relate to upgrades of computer software licences such as Microsoft.

Payments for financial assets relates to the write-off of irrecoverable staff debts. The amounts in 2015/16 and 2016/17 are in respect of the first and second instalments of the first charge for the 2013/14 unauthorised expenditure.

6.2 Programme 2: Transport Infrastructure

The purpose of this programme is to promote accessibility and the safe, affordable movement of people, goods and services through the delivery and maintenance of transport infrastructure that is sustainable, integrated and environmentally sensitive, and which supports and facilitates social empowerment and economic growth.

This programme includes all expenditure of a current and capital nature relating to the planning, design, construction, rehabilitation, maintenance and repair of all infrastructure, supporting all modes of transport. It also includes project expenditure on the EPWP done in support of the infrastructure provision.

The programme consists of five sub-programmes in line with the sector specific budget format, namely: Programme Support Infrastructure, Infrastructure Planning, Infrastructure Design, Construction and Maintenance.

Tables 12.15 and 12.16 below summarise the payments and budgeted estimates relating to Programme 2 for the financial years 2012/13 to 2018/19.

Table 12.15 : Summary of payments and estimates by sub-programme: Transport Infrastructure

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Programme Support Infrastructure	141 624	138 153	260 565	204 620	214 620	231 779	223 115	226 448	239 735
2. Infrastructure Planning	40 286	27 496	37 888	51 548	53 574	27 595	50 904	51 560	54 550
3. Infrastructure Design	17 540	19 379	26 741	26 472	35 446	38 318	37 715	39 686	42 671
4. Construction	2 901 214	3 096 671	3 675 620	2 985 943	3 185 943	4 250 837	3 127 432	3 343 040	3 426 070
5. Maintenance	2 666 236	2 709 259	2 820 705	3 562 826	3 321 826	2 437 627	3 617 068	3 691 695	4 003 509
Total	5 766 900	5 990 958	6 821 519	6 831 409	6 811 409	6 986 156	7 056 234	7 352 429	7 766 535

Table 12.16 : Summary of payments and estimates by economic classification: Transport Infrastructure

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	2 761 663	2 846 087	3 013 695	3 710 800	3 489 451	2 581 456	3 761 441	3 829 058	4 143 985
Compensation of employees	647 501	690 481	737 529	897 342	897 342	872 791	795 237	858 832	922 653
Goods and services	2 114 162	2 155 606	2 276 166	2 813 458	2 592 109	1 708 665	2 966 204	2 970 226	3 221 332
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	7 251	11 037	29 597	10 880	12 167	15 256	13 469	13 833	14 636
Provinces and municipalities	1 911	3 881	3 286	1 300	2 587	3 840	3 655	3 866	4 091
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	5 340	7 156	26 311	9 580	9 580	11 416	9 814	9 967	10 545
Payments for capital assets	2 997 928	3 133 763	3 778 083	3 109 729	3 309 729	4 389 224	3 281 324	3 509 538	3 607 914
Buildings and other fixed structures	2 901 214	3 096 671	3 675 620	2 985 943	3 185 943	4 250 837	3 127 432	3 343 040	3 426 070
Machinery and equipment	96 714	36 537	101 398	123 786	123 786	138 387	153 892	166 498	181 844
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	555	1 065	-	-	-	-	-	-
Payments for financial assets	58	71	144	-	62	220	-	-	-
Total	5 766 900	5 990 958	6 821 519	6 831 409	6 811 409	6 986 156	7 056 234	7 352 429	7 766 535

There has been a significant increase in the level of funding allocated to this programme over the seven-year period under review. This is despite the substantial budget cuts of R177.112 million, R190.241 million and R199.491 million over the MTEF against *Compensation of employees*, and R109.183 million, R116.256 million and R112.156 million against *Goods and services*, against all sub-programmes. The budget cuts against *Goods and services* were specifically from *Rental and hiring*, and include amounts of R87.183 million in 2016/17, R93.219 million in 2017/18 and R103.495 million in 2018/19 which could not be effected against *Compensation of employees*, as the budget caters for filled posts only and hence, these cuts were effected against *Goods and services*. The impact of the budget cuts on *Goods and services* will be monitored in-year, and reprioritisation will be undertaken should the need arise.

The amounts against the sub-programme: Programme Support Infrastructure can be attributed to the provision of administrative functions, such as planning and design of construction projects for all regions. The decrease in 2013/14 was due to lower than anticipated costs for administrative functions for all regions in respect of roads and other construction costs, as well as non-filling of vacant posts and resignations. The substantial increase from 2014/15 onward was to cater for the higher than anticipated expenditure relating to consultation services in respect of programme management for maintenance and construction projects. The consultants ensure the delivery of infrastructure according to agreed quality standards, timelines and budget, and also address systematic deficiencies and challenges within the delivery system, which includes preparing high level reports, innovative process design, monitoring and evaluation, training workshops, among others. The increase in the Adjusted Appropriation and the Revised Estimate can be ascribed to the higher than budgeted consultation services. The growth over the MTEF compared to the 2015/16 Main Appropriation is in respect of inflationary increments, despite the above-mentioned budget cuts.

The high 2012/13 amount against the Infrastructure Planning sub-programme relates to provision in respect of the integrated modal transport facilities such as IPTNs. The decrease in 2013/14 was due to funds reprioritised to the sub-programme: Maintenance due to the emphasis placed on the maintenance of the provincial road network. The increase in 2014/15 can be attributed to reprioritisation from the sub-programme: Maintenance in respect of the above-mentioned consultation services relating to the planning of maintenance and construction projects, as discussed. However, the slow progress with some projects resulted in the decrease in the Revised Estimate. Provision is made over the MTEF for the integrated modal transport facilities. The slight decrease in 2016/17 compared to the 2015/16 Main Appropriation relates to the budget cuts.

With regard to the Infrastructure Design sub-programme, the high amounts from 2014/15 onward are in respect of reprioritisation from the sub-programme: Maintenance to cater for the above-mentioned consultation services relating to the design of maintenance and construction projects, as explained. The increase in the Adjusted Appropriation and the Revised Estimate is due to the higher than budgeted expenditure in respect of the consultation services. The MTEF growth relates to inflationary increments.

The Construction sub-programme caters for all road construction, upgrade and rehabilitation. There is fairly steady growth over the period under review. The increase in 2013/14 was ascribed to the fast-tracking of the upgrading of gravel roads to surfaced roads, as well as once-off funding for road rehabilitation and construction backlogs. The increase in 2014/15 relates to the fast-tracking of the upgrading of gravel roads to surfaced roads, as well as the carry-over costs of some completed construction projects from 2013/14, hence the drop in 2015/16. The increase in the Adjusted Appropriation and the further increase in the Revised Estimate relates to the higher than budgeted spending on various construction projects such as the Main Road P700 between Empangeni and Ulundi, and upgrading of the existing N2/M41 Mt Edgecombe Interchange north of Durban to a systems interchange to the supporting road network, the fast-tracking of the upgrading of gravel roads to surfaced roads, as well as road rehabilitation and construction backlogs. The growth over the MTEF in comparison to the 2015/16 Main Appropriation is due to inflationary increments. This also explains the trend against *Buildings and other fixed structures* over the period under review.

The sub-programme: Maintenance reflects healthy growth. This sub-programme caters mainly for the maintenance of the provincial road network. This category has seen substantial reprioritisation to the sub-programme: Construction and other programmes due to slow progress with various maintenance projects. The decrease in the 2015/16 Adjusted Appropriation and Revised Estimate was due to slow progress with regard to road maintenance work, as previously explained. This category houses the Provincial Roads Maintenance grant, as well as the EPWP Integrated Grant for Provinces, which is allocated annually, as discussed. During the 2015/16 budget process, the Provincial Roads Maintenance grant saw a substantial reduction over the MTEF due to the fiscal consolidation cuts on the grant, as well as the funds that will be shifted to SANRAL in respect of the upgrade of the R573 Moloto road. Also, a portion of the grant was ring-fenced in 2015/16 to cater for flood damage to roads. Over the 2016/17 MTEF, the grant has been allocated additional funds, which is particularly high in 2018/19. This also explains the trend against *Goods and services*.

Compensation of employees reflects a steady increase over the period under review. The reduction in the 2015/16 Revised Estimate can be attributed to the non-filling of vacant posts and resignations. The savings will be moved to *Buildings and other fixed structures* within Programme 2 to offset spending pressures. The decrease in 2016/17 and 2017/18 is ascribed to the budget cuts, although the decrease was slightly offset by the additional funds added in respect of the carry-through costs of above-budget wage agreements. Also, as the amounts in 2016/17 and 2017/18 are lower than the 2015/16 Revised Estimate, the department will need to reprioritise in-year over the MTEF to ensure that filled posts are fully funded. As such, this category will be reviewed in future MTEFs.

The expenditure and budget against *Transfers and subsidies to: Provinces and municipalities* are in respect of the payment of motor vehicle licences. The fluctuating amounts are in line with vehicles and plant purchased.

Transfers and subsidies to: Households caters mainly for staff exit costs, which fluctuate over the period. The high 2014/15 amount was ascribed to higher than anticipated payments relating to the expropriation of land from land owners for the use of their land for road construction. In addition, the payments in respect of leave gratuities, as well as injury on duty and claims against the state by individuals, are included here. The increase in the 2015/16 Revised Estimate relates to higher than budgeted staff exit costs.

Machinery and equipment reflects a high amount in 2012/13 mainly due to a once-off provision for additional and replacement of vehicles and plant, resulting in the decrease in 2013/14. The substantial increase from 2014/15 onward is for the replacement of motor vehicles, trucks, as well as aged plant such as graders and tractors. The increase in the 2015/16 Revised Estimate is to cater for the payment of replacement motor vehicles, as well as the procurement of new mechanical plant and trucks, which were higher than anticipated. The increase over the MTEF relates to the provision for additional plant and vehicles, as well as inflationary increments.

The once-off amounts against *Software and other intangible assets* were for the purchase of the Civil Engineering Designer software. This is a civil design and documentation solution that supports Building Information Modelling (BIM) workflows. The software is used by infrastructure professionals to better understand project performance, maintain more consistent data and processes, and respond faster to change.

Payments for financial assets relates to the write-off of irrecoverable staff debts.

Service delivery measures – Programme 2: Transport Infrastructure

Table 12.17 illustrates some of the main service delivery measures pertaining to Programme 2.

The performance indicators provided comply fully with the customised measures for the Transport sector. The targets indicated as “n/a” means that the target is completed, and the department is in the process of reviewing them.

It is noted that almost all the targets over the MTEF have remained constant and, in some cases, are decreasing due to the on-going review of the various targets, which will take into account the substantial budget cuts being effected against this programme over the 2016/17 MTEF and the increasing construction costs.

Table 12.17 : Service delivery measures – Programme 2: Transport Infrastructure

Outputs	Performance indicators	Estimate performance	Medium-term targets		
		2015/16	2016/17	2017/18	2018/19
2. Transport Infrastructure					
2.1 Construction	<ul style="list-style-type: none"> No. of kilometres of new gravel roads constructed No. of lane-kilometres of new surfaced roads constructed No. of square metres of surfaced road upgraded No. of kilometres of gravel roads upgraded to surfaced roads No. of square metres of non-motorised transport facility constructed 	<p>240</p> <p>n/a</p> <p>32 900</p> <p>74</p> <p>25 000</p>	<p>230</p> <p>16</p> <p>32 900</p> <p>74</p> <p>25 000</p>	<p>215</p> <p>n/a</p> <p>32 900</p> <p>74</p> <p>25 000</p>	<p>200</p> <p>n/a</p> <p>32 900</p> <p>74</p> <p>25 000</p>

Table 12.17 : Service delivery measures – Programme 2: Transport Infrastructure

Outputs	Performance indicators	Estimate performance	Medium-term targets			
		2015/16	2016/17	2017/18	2018/19	
	• No. of new major vehicle bridges constructed	7	7	7	7	
	• No. of new pedestrian bridges constructed	13	13	13	13	
	• No. of designs of integrated public transport networks	n/a	1	n/a	n/a	
	• No. of public transport infrastructure projects implemented	1	n/a	n/a	1	
	• No. of square metres of surfaced roads rehabilitated	3 504 000	3 504 000	3 504 000	2 186 400	
2.2	Maintenance					
	• No. of square metres of surfaced roads resealed	2 700 000	2 700 000	2 700 000	2 782 000	
	• No. of kilometres of roads re-gravelled	2 700	2 700	2 700	2 700	
	• No. of square metres of blacktop patching (including pothole repairs)	240 000	240 000	240 000	240 000	
	• No. of kilometres of gravel roads bladed	120 000	120 000	120 000	120 000	
	• No. of kilometres of surfaced roads visually assessed as per the applicable TMH manual	7 700	3 750	3 750	3 750	
	• No. of kilometres of gravel roads visually assessed as per the applicable TMH manual	8 000	8 445	8 445	8 445	
	• Kilometres maintained by Zibambele contractors	26 650	26 650	26 650	26 650	

6.3 Programme 3: Transport Operations

The purpose of this programme is to plan, regulate and facilitate the provision of integrated land transport services through co-ordination and co-operation with national planning authorities, community-based organisation (CBOs), non-governmental organisations (NGOs), and the private sector in order to enhance the mobility of all communities particularly those currently without or with limited access. This includes all costs involved in public transport management and service delivery including the planning, co-ordination of the operator in the transport industry.

The programme consists of three sub-programmes largely in line with the sector specific budget format, namely: Programme Support Operations, Public Transport Services and Transport Safety and Compliance.

The main functions of this programme include the development of policies and plans for public and freight transport service and supporting infrastructure, the regulation of public and freight transport services, and the enforcement of legislation in respect of public transport.

Tables 12.18 and 12.19 summarise payments and estimates relating to Programme 3 for the period 2012/13 to 2018/19.

Programme 3 reflects a fairly stable increase over the seven-year period, despite the MTEF budget cuts of R13.159 million, R13.446 million and R13.747 million against *Compensation of employees*, and R9.882 million, R10.980 million and R25.415 million against *Goods and services* against all sub-programmes. The reduction from *Goods and services* was specifically from *Consultants and professional services: Business and advisory services*. The impact of the budget cuts on *Goods and services* will be monitored in-year, and reprioritisation will be undertaken should the need arise.

Table 12.18 : Summary of payments and estimates by sub-programme: Transport Operations

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19		
1. Programme Support Operations	38 430	26 311	22 650	24 795	24 729	24 729	22 170	23 665	25 325
2. Public Transport Services	901 765	1 045 549	1 131 330	1 307 291	1 302 791	1 153 323	1 258 712	1 333 829	1 394 269
3. Transport Safety and Compliance	72 791	71 273	73 617	76 922	69 488	69 488	72 709	74 635	77 723
Total	1 012 986	1 143 133	1 227 597	1 409 008	1 397 008	1 247 540	1 353 591	1 432 129	1 497 317

Table 12.19 : Summary of payments and estimates by economic classification: Transport Operations

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	203 975	228 517	240 783	350 700	338 699	322 344	342 303	360 433	375 539
Compensation of employees	26 704	28 939	31 657	44 991	44 990	44 990	38 717	42 125	46 436
Goods and services	177 271	199 578	209 126	305 709	293 709	277 354	303 586	318 308	329 103
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	808 916	914 505	985 366	1 058 015	1 058 016	924 894	1 011 046	1 071 440	1 121 507
Provinces and municipalities	12	1	1	15	15	15	1	1	1
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	808 877	914 416	984 952	1 058 000	1 058 000	924 766	1 011 045	1 071 439	1 121 506
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	27	88	413	-	1	113	-	-	-
Payments for capital assets	95	111	1 448	293	293	302	242	256	271
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	95	111	1 448	293	293	302	242	256	271
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 012 986	1 143 133	1 227 597	1 409 008	1 397 008	1 247 540	1 353 591	1 432 129	1 497 317

The amounts reflected against the sub-programme: Programme Support Operations cater for the designs of the learner transport services. The high amounts in 2012/13 and 2013/14 provided for the designs relating to learner transport services, and hence the decrease in 2014/15. The slight decrease in the 2015/16 Revised Estimate relates to savings associated with the non-filling of vacant posts. The decrease in 2016/17 relates to the budget cuts mentioned above.

The sub-programme: Public Transport Services mainly caters for the PTOG relating to the payments of bus subsidies to operators. This sub-programme reflects a steady increase due to the growth of the grant, as well as funds allocated for learner transport services. The growth from 2012/13 to 2014/15 is inflated by over-expenditure relating to the PTOG, as explained. The decrease in the 2015/16 Revised Estimate relates to the equitable share top-up funds reprioritised from the grant, as well as non-filling of posts in line with the moratorium on the filling of posts. The low amounts in 2016/17 and 2017/18 in comparison to the 2015/16 Main Appropriation were due to the reprioritisation of the equitable share top-up from the grant due to the substantial reduction in fuel prices. However, should fuel prices rise, the department will supplement the grant accordingly. This grant saw a cut during the 2015/16 budget process relating to fiscal consolidation cuts, with a slight increase in 2017/18. In the 2016/17 budget process, this grant receives additional funding over the MTEF, and is particularly high in 2018/19.

The sub-programme: Transport Safety and Compliance reflects an increasing trend over the period under review. The slight decrease in 2013/14 was due to cost-cutting. The increase from 2014/15 onward is in relation to the filling of posts, in line with the moratorium on the filling of posts. The decrease in the 2015/16 Adjusted Appropriation can be attributed to savings associated with the non-filling of posts, the implementation of cost-cutting measures, and the reduction in the number of events undertaken.

Compensation of employees reflects a steady increase, with the exception of the 2015/16 Adjusted Appropriation and the Revised Estimate due to non-filling of posts. The decrease in 2016/17 relates to the previously mentioned budget cuts. The department will need to reprioritise in-year over the MTEF to ensure that filled posts are fully funded, and this will be reviewed in future MTEFs. The general growth can be ascribed to the carry-through costs of the above-budget wage agreements, annual salary increases and inflationary adjustments.

The growth against *Goods and services* from 2012/13 onward relates to additional funding allocated in respect of various public transport services (such as learner transport services). The reduction in the 2015/16 Adjusted Appropriation and the Revised Estimate relates to savings associated with the non-filling of posts, the implementation of cost-cutting measures, and the reduction in the number of events undertaken. The growth over the MTEF relates to allocations in respect of learner transport services, public transport facilities such as IPTN in support of the Taxi Recapitalisation Programme that will be undertaken, as well as inflationary increments.

The expenditure and budget against *Transfers and subsidies to: Provinces and municipalities* are in respect of the payment of motor vehicle licences.

Transfers and subsidies to: Public corporations and private enterprises shows a fairly steady growth over the period under review. This category caters purely for the PTOG. As explained above, the growth from 2012/13 to 2014/15 is inflated by over-expenditure relating to the PTOG. The decrease in the 2015/16 Revised Estimate relates to the equitable share top-up funds reprioritised from the grant, as discussed. The low amounts in 2016/17 and 2017/18 in comparison to the 2015/16 Main Appropriation were due to the reprioritisation of the equitable share top-up from the grant due to the substantial reduction in fuel prices. This grant saw a cut during the 2015/16 budget process relating to fiscal consolidation cuts, with a slight increase in 2017/18. In the 2016/17 budget process, this grant receives an additional allocation over the MTEF, which is particularly high in 2018/19.

Transfers and subsidies to: Households caters mainly for staff exit costs, which fluctuate over the period due to the difficulty in forecasting accurately for this category as a result of its uncertain nature.

The amounts against *Machinery and equipment* are in respect of the replacement of computer equipment, office equipment etc., that are damaged or obsolete.

Service delivery measures – Programme 3: Transport Operations

Table 12.20 below illustrates some of the main service delivery measures applicable to Programme 3. The performance indicators provided comply fully with the customised measures for the Transport sector.

Table 12.20 : Service delivery measures – Programme 3: Transport Operations

Outputs	Performance indicators	Estimate performance	Medium-term targets			
		2015/16	2016/17	2017/18	2018/19	
3. Transport Operations						
3.1 Public Transport Services	<ul style="list-style-type: none"> No. of vehicles subsidised No. of routes subsidised No. of vehicle kilometres subsidised No. of kilometres operated per vehicle No. of passengers per vehicle No. of passengers per trip operated No. of staff per vehicle No. of subsidised passengers No. of unsubsidised passengers No. of trips subsidised No. of trips monitored % of trips monitored Subsidy per passenger No. of passenger trips subsidised No. of schools receiving learner transport services No. of learners transported No. of PRE hearings conducted (annual) 	1 320 1 710 41 888 710 31 730 4 340 57 2.2 142 680 23 270 1 198 870 839 210 70% R14.27 67 879 790 316 43 990 70	1 320 1 710 41 888 710 31 730 4 340 59 2.2 148 440 23 740 1 198 870 839 210 70% R13.80 67 879 790 326 44 490 70	1 320 1 710 41 888 710 31 730 4 340 60 2.2 151 410 24 210 1 198 870 839 210 70% R14.50 67 879 790 336 44 990 100	1 320 1 710 41 888 710 31 730 4 340 60 2.2 151 410 24 210 1 198 870 839 210 70% R16.17 67 879 790 346 45 490 100	
3.2 Transport Safety and Compliance	<ul style="list-style-type: none"> No. of road safety awareness progs conducted No. of schools involved in road safety education progs No. of school children reached No. of adults reached No. of crossing patrols provided 	35 1 060 264 000 112 000 143	9 1 110 270 000 73 000 143	9 1 176 286 000 73 000 143	9 1 246 300 000 80 600 143	

6.4 Programme 4: Transport Regulation

The purpose of this programme is to ensure the provision of a safe transport environment through the regulation of traffic on public infrastructure, law enforcement, implementation of road safety education

and awareness programmes and the registration and licensing of vehicles and drivers. This includes all costs related to overall management of road traffic and safety in the province.

The programme consists of four sub-programmes in line with the sector specific budget format, namely: Programme Support Regulation, Transport Administration and Licensing, Operator Licences and Permits and Law Enforcement.

Tables 12.21 and 12.22 below summarise payments and estimates relating to Programme 4 for the period 2012/13 to 2018/19. Despite the MTEF budget cuts of R31.292 million, R32.762 million and R35.863 million against *Compensation of employees*, and R3.937 million, R4.142 million and R4.381 million against *Goods and services* in respect of all sub-programmes, the budget for the programme shows a healthy growth over the MTEF. The reduction from *Goods and services* was specifically from *Property payments*. The impact of the budget cuts on *Goods and services* will be monitored in-year, and reprioritisation will be undertaken should the need arise.

Table 12.21 : Summary of payments and estimates by sub-programme: Transport Regulation

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Programme Support Regulation	346	247	350	5 000	5 000	638	3 066	3 322	3 681
2. Transport Administration and Licensing	103 272	100 044	103 481	116 770	123 770	125 008	122 790	132 113	142 164
3. Operator Licences and Permits	39 584	43 693	42 800	35 155	61 669	69 730	59 400	61 972	66 250
4. Law Enforcement	423 130	477 334	555 519	603 845	608 445	589 316	626 487	668 397	716 205
Total	566 332	621 318	702 150	760 770	798 884	784 692	811 743	865 804	928 300

Table 12.22 : Summary of payments and estimates by economic classification: Transport Regulation

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	563 339	601 322	649 973	721 449	759 411	746 119	762 344	816 227	878 518
Compensation of employees	395 032	437 146	480 151	553 258	571 296	548 360	569 403	613 308	663 832
Goods and services	168 307	164 176	169 822	168 191	188 112	197 756	192 941	202 919	214 686
Interest and rent on land	-	-	-	-	3	3	-	-	-
Transfers and subsidies to:	1 592	2 003	2 802	3 178	3 254	2 713	3 499	3 677	3 882
Provinces and municipalities	426	385	750	750	750	420	950	1 000	1 050
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 166	1 618	2 052	2 428	2 504	2 293	2 549	2 677	2 832
Payments for capital assets	1 401	17 979	49 196	36 143	36 143	35 753	45 900	45 900	45 900
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 401	17 979	49 196	36 143	36 143	35 753	45 900	45 900	45 900
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	14	179	-	76	107	-	-	-
Total	566 332	621 318	702 150	760 770	798 884	784 692	811 743	865 804	928 300

The generally low spending against the Programme Support Regulation sub-programme from 2012/13 to the 2015/16 Revised Estimate can be ascribed to funds moved due to slower than anticipated filling of vacant posts, as well as resignations. The amounts over the MTEF are affected by the budget cuts.

The sub-programme: Transport Administration and Licensing fluctuates over the period under review, and caters for the registration and licensing of vehicles and drivers. The decrease in 2013/14 can be attributed to the non-filling of vacant posts. The increase in the 2015/16 Adjusted Appropriation and the further increase in the Revised Estimate are in respect of the above-budget 2015 wage agreement. The increase over the MTEF is to cater for annual salary adjustments, as well as inflationary increases.

The sub-programme: Operator Licences and Permits includes consultant fees for the implementation of the consolidated public transport regulation processes at PRE, which have been decentralised to regions in order to allow the lodging of applications for operating licences and permits for the public transport

operators in the province to be more accessible. This project was anticipated to be completed in 2013/14, hence the decrease in 2014/15 and the 2015/16 Main Appropriation. However, the project was not completed as anticipated, and thus the increase in the 2015/16 Adjusted Appropriation and Revised Estimate, and accounting for the amounts over the MTEF. The project is more complex than anticipated.

The sub-programme: Law Enforcement shows a fairly steady increase over the period, which is attributed to the employment of additional traffic officers to enhance law enforcement on roads, the higher than anticipated wage agreements and the extended road safety awareness campaigns conducted over the festive seasons. The increase in the 2015/16 Adjusted Appropriation was in respect of the above-budget 2015 wage agreement. However, the decrease in the Revised Estimate relates to the slower than anticipated filling of posts and resignations. The growth over the MTEF is in respect of additional and replacement motor vehicles for the Law Enforcement unit and an increase in law enforcement and road safety campaigns, as well as inflationary increments.

Compensation of employees reflects steady growth, apart from the reduction in the 2015/16 Revised Estimate due to the non-filling of vacant posts and resignations. The increase over the MTEF is in respect of the carry-through costs of the above-budget wage agreements, as well as inflationary adjustments, with no provision being made for the filling of posts.

Spending on *Goods and services* fluctuates over the period under review due to various road safety activities undertaken. The high 2012/13 amounts can be attributed to extended road safety campaigns, consultants fees for the implementation of the consolidated public transport regulation processes at PRE, among others. Some of these projects were once-off, hence the decrease in 2013/14. The increase in the 2015/16 Adjusted Appropriation and the Revised Estimate resulted from the higher than anticipated road safety campaigns over the festive seasons, as well as the higher than anticipated consultants fees for the implementation of the consolidated public transport regulation processes at PRE, and these contribute to the growth over the MTEF. Despite the budget cuts, the category reflects good growth over the MTEF to cater for inflationary increments.

Transfers and subsidies to: Provinces and municipalities caters for motor vehicle licences.

Transfers and subsidies to: Households caters mainly for staff exit costs, which fluctuate over the period due to the difficulty in forecasting accurately for this category as a result of its uncertain nature.

Machinery and equipment reflects an erratic trend over the period under review, in line with the filling of posts, as well as the replacement of computer equipment, vehicles, etc., that are damaged or obsolete. The substantially low 2012/13 amount was due to cost-cutting, as well as vehicles and office equipment ordered but not delivered and paid for, accounting for the increase in 2013/14. The increase from 2014/15 onward relates to reprioritisation that was undertaken to cater for the additional and replacement motor vehicles for the Law Enforcement unit, as well as for replacement of computer equipment, that is damaged or obsolete. The 2014/15 amount includes the payment of 2013/14 commitments, accounting for the reduction in 2015/16. The budget over the MTEF shows a significant increase from 2015/16 onward and provides for additional motor vehicles for the Law Enforcement unit.

Payments for financial assets relates to the write-off of irrecoverable staff debts.

Service delivery measures – Programme 4: Transport Regulation

Table 12.23 illustrates the main service delivery measures relating to Programme 4. The performance indicators provided comply fully with the customised performance indicators for the Transport sector.

Table 12.23 : Service delivery measures – Programme 4: Transport Regulation

Outputs	Performance indicators	Estimate performance	Medium-term targets		
		2015/16	2016/17	2017/18	2018/19
4. Transport Regulation					
4.1 Transport Administration and Licensing	• No. of licence compliance inspections conducted	1 154	1 263	1 272	1 281

Table 12.23 : Service delivery measures – Programme 4: Transport Regulation

Outputs	Performance indicators	Estimate performance	Medium-term targets			
		2015/16	2016/17	2017/18	2018/19	
4.2 Operator Licences and Permits	• No. of operator permits converted to licences	400	100	100	100	
4.3 Traffic Law Enforcement	• No. of speed operations conducted	18 250	18 250	18 250	18 250	
	• No. of hours weighbridges operated	15 000	15 000	15 000	15 000	
	• Undertake goal directed enforcement of public transport (Operation Shanela)	550	880	900	920	
	• No. of kilometres patrolled	6 090 000	6 090 000	6 090 000	6 090 000	
	• No. of law enforcement officers employed	835	835	835	835	
	• No. of vehicles stopped and checked	2 040 000	2 040 000	2 040 000	2 040 000	
	• No. of heavy vehicles screened	3 200 000	3 200 000	3 200 000	3 200 000	
	• No. of vehicles weighed	155 000	155 000	155 000	155 000	
	• No. of drunken driving operations conducted	200	200	200	200	

6.5 Programme 5: Community Based Programmes

The purpose of this programme is to direct and manage the implementation of programmes and strategies that lead to the development and empowerment of communities and contractors. The programme consists of four sub-programmes in line with the sector specific budget format, namely: Programme Support Community Based, Community Development, Innovation and Empowerment and EPWP Co-ordination and Monitoring.

Tables 12.24 and 12.25 below summarise payments and estimates relating to Programme 5 for the financial years 2012/13 to 2018/19.

Table 12.24 : Summary of payments and estimates by sub-programme: Community Based Programmes

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. Programme Support Community Based	5 041	5 097	6 383	6 676	6 676	6 736	7 703	8 141	8 743
2. Community Development	11 934	22 304	10 080	12 690	9 690	3 874	9 882	10 555	11 546
3. Innovation and Empowerment	20 733	8 235	11 688	18 744	18 744	13 886	16 777	17 489	18 524
4. EPWP Co-ordination and Monitoring	15 725	6 838	13 560	5 929	8 929	10 342	5 818	6 355	6 882
Total	53 433	42 474	41 711	44 039	44 039	34 838	40 180	42 540	45 695

Table 12.25 : Summary of payments and estimates by economic classification: Community Based Programmes

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	53 424	40 968	40 777	38 626	38 549	29 756	35 080	37 440	40 595
Compensation of employees	12 534	12 302	13 089	21 759	21 682	16 026	18 011	19 899	22 040
Goods and services	40 890	28 666	27 688	16 867	16 867	13 730	17 069	17 541	18 555
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	1	1 458	900	5 005	5 082	5 082	5 000	5 000	5 000
Provinces and municipalities	-	-	-	5	5	5	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	1 451	900	5 000	5 000	5 000	5 000	5 000	5 000
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1	7	-	-	77	77	-	-	-
Payments for capital assets	8	45	34	408	408	-	100	100	100
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	8	45	34	408	408	-	100	100	100
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	3	-	-	-	-	-	-	-
Total	53 433	42 474	41 711	44 039	44 039	34 838	40 180	42 540	45 695

It should be noted that the provincial co-ordination of EPWP was shifted to DOPW from 2015/16 onward. The department could not provide comparative figures, however, due to the difficulty in extracting the information for the prior years. The EPWP Co-ordination and Monitoring sub-programme now relates only to the EPWP co-ordination and monitoring of Transport's EPWP function. The decrease in 2016/17 and 2017/18 in comparison to the 2015/16 Main Appropriation relates to the previously mentioned budget cuts of R5.900 million in each year of the 2016/17 MTEF against *Compensation of employees*, and R349 000, R358 000 and R379 000 over the MTEF against *Goods and services* against all sub-programmes. The reduction from *Goods and services* was specifically from *Consultants and professional services: Business and advisory services* and *Transport provided: Departmental activity*. The impact of the budget cuts on *Goods and services* will be monitored in-year, and reprioritisation will be undertaken should the need arise.

The sub-programme: Programme Support Community Based relates to the administrative functions for community-based programmes. The sub-programme reflects steady growth over the period under review.

The sub-programme: Community Development reflects a low amount in 2012/13 due to cost-cutting, as well as the training of the Community Development Workers (CDWs) that was not undertaken due to non-finalisation of the training material. The training was undertaken in 2013/14, hence the high 2013/14 amount. The decrease in 2014/15 can be attributed to reprioritisation to the sub-programme: EPWP Co-ordination and Monitoring in respect of the filling of posts. The reduction in the 2015/16 Adjusted Appropriation and the further decrease in the Revised Estimate can be ascribed to savings realised from the training of CDWs that was not undertaken due to the difficulty in finding suitable service providers. The growth over the MTEF relates to this, as well as inflationary increments.

The low amounts in 2013/14 and 2014/15 against the sub-programme: Innovation and Empowerment was mainly due to reprioritisation undertaken as a result of the non-filling of posts to Programme 2 in respect of the maintenance of the provincial road network. The decrease in the 2015/16 Revised Estimate relates to the non-filling of posts. The decrease over the MTEF relates to the budget cuts discussed above.

The high amount in 2012/13 against the EPWP Co-ordination and Monitoring sub-programme resulted from once-off training that was undertaken for the Zibambele contractors in that year, accounting for the decrease in 2013/14. The increase in 2014/15 relates to higher than anticipated transportation costs, as well as the costs of consultants appointed to assist with the training of Zibambele contractors who undertake road maintenance work for the department. The reduction from 2015/16 onward in comparison to 2014/15 is ascribed to reprioritisation to the sub-programme: Innovation and Empowerment in respect of filling of posts, as well as funds moved to DOPW for the co-ordination of the EPWP function. The increase in the Adjusted Appropriation and the Revised Estimate is to cater for the higher than anticipated costs of consultants appointed to assist with the training of Zibambele contractors who undertake road maintenance work for the department. The reduction over the MTEF is due to the budget cuts mentioned above.

Compensation of employees reflects an increasing trend over the period. The slight decrease in 2013/14 relates to delays in filling of posts. The decrease in the 2015/16 Revised Estimate is due to slower than anticipated filling of posts, as discussed previously. The decrease in 2016/17 and 2017/18 compared to the 2015/16 Main Appropriation is due to the budget cuts mentioned earlier. However, the growth in 2018/19 relates to inflationary increments, and does not cater for the filling of posts due to the freezing of all vacant non-OSD posts in the province.

The fluctuating trend reflected against *Goods and services* relates to expenditure pressures associated with the development and training of CDWs and Zibambele contractors who undertake road maintenance work for the department. The high amount in 2012/13 was attributed to various training programmes undertaken for the CDWs and the Zibambele contractors, which were once-off, accounting for the decrease from 2013/14 onward. Also, the slight reduction in 2013/14 and 2014/15 relates to funds reprioritised to *Transfers and subsidies to: Public corporations and private enterprises* in respect of VECA for the monitoring of the Vukuzakhe emerging contractors for compliance to norms and standards. The decrease in the 2015/16 Main Appropriation and over the MTEF in comparison to 2014/15 was due to reprioritisation undertaken during the 2015/16 budget process to Programme 2 to offset spending pressures in road construction. The decrease in the 2015/16 Revised Estimate can be attributed to savings

realised from the training of the CDWs that was not undertaken due to the difficulty in finding suitable service providers. The growth from 2016/17 caters for this, as well as for inflationary increments.

The amounts against *Transfers and subsidies to: Provinces and municipalities* are in respect of motor vehicle licences.

The amounts against *Transfers and subsidies to: Public corporations and private enterprises* from 2013/14 onward are in respect of VECA, as previously explained. The department committed itself to working together with the association in fast-tracking the development of emerging contractors through the provision of training and development support. The allocations over the period under review are in line with the operational plans submitted by VECA.

Transfers and subsidies to: Households caters mainly for staff exit costs, which fluctuate over the period due to the difficulty in forecasting accurately for this category as a result of its uncertain nature.

Machinery and equipment reflects a fluctuating trend over the period under review in line with the filling of posts, as well as the replacement of computer equipment, vehicles, etc., that are damaged or obsolete. No expenditure was incurred in the 2015/16 Revised Estimate due to office and computer equipment ordered but not delivered, and will be catered for in 2016/17.

Payments for financial assets relates to the write-off of irrecoverable staff debts.

Service delivery measures – Programme 5: Community Based Programmes

Table 12.26 below reflects the main service delivery measures relevant to Programme 5. The performance indicators provided comply fully with the customised measures for the Transport sector.

Table 12.26 : Service delivery measures – Programme 5: Community Based Programmes

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2015/16	2016/17	2017/18	2018/19
5. Community Based Programme					
5.1 Community Development	• No. of Zibambele contractors employed	39 034	41 000	41 000	41 000
	• No. of small contractors trained through the Vukuzakhe Emerging Contractor Development programme	300	500	500	500
5.2 EPWP Co-ordination and Monitoring	• No. of jobs created	62 700	62 700	62 700	62 700
	• No. of Full-Time Equivalents (FTEs)	24 000	24 000	24 000	24 000
	• No. of youth employed (18-35)	31 350	31 350	31 350	31 350
	• No. of women employed	44 640	44 640	44 640	44 640
	• No. of people living with disabilities employed	315	315	315	315
	• No. of employment days created	5 520 000	5 520 000	5 520 000	5 520 000

7. Other programme information

7.1 Personnel numbers and costs

Personnel numbers per programme for full-time equivalent positions are given in Table 12.27 below for the previous and current financial years, along with estimates over the MTEF.

Table 12.28 below reflects the summary of personnel numbers in the department, specifying the number of posts in the Human Resources and Finance components, incorporating Financial Management Services, SCM and associated services.

The personnel costs reflect an increasing trend from 2012/13 to 2015/16, mainly due to above-budget wage agreements and the filling of posts. The personnel budget was substantially cut by R241.606 million, R257.928 million and R265.530 million over the 2016/17 MTEF in line with the freezing of all vacant non-OSD posts. The decrease from 2015/16 to 2016/17 is in this regard, and the department will review

and reprioritise in-year to ensure that all filled posts are catered for. As such, this category will be reviewed in future MTEFs.

It should be noted that amounts of R87.183 million, R93.219 million and R103.495 million over the MTEF of the *Compensation of employees*' budget cuts was effected against *Goods and services*, as the full budget cut against *Compensation of employees* could not be effected against the category, as previously explained.

Table 12.27 : 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	310	310	291	421	421	421	421
2. Transport Infrastructure	2 087	2 002	2 170	2 588	2 588	2 588	2 588
3. Transport Operations	76	73	56	86	86	86	86
4. Transport Regulation	1 513	1 458	1 470	1 630	1 630	1 630	1 630
5. Community Based Programmes	37	37	27	37	37	37	37
Total	4 023	3 880	4 014	4 762	4 762	4 762	4 762
Total provincial personnel cost (R thousand)	1 176 174	1 266 775	1 369 860	1 609 726	1 559 427	1 683 297	1 817 070
Unit cost (R thousand)	292	326	341	338	327	353	382

Table 12.28 : 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)	4 023	3 880	4 014	4 761	4 762	4 762	4 762	4 762	4 762
Personnel cost (R thousands)	1 176 174	1 266 775	1 369 860	1 657 756	1 675 716	1 609 726	1 559 427	1 683 297	1 817 070
Human resources component									
Personnel numbers (head count)	86	85	81	128	74	74	131	131	131
Personnel cost (R thousands)	30 066	30 358	32 242	43 813	22 511	22 511	46 962	50 156	53 566
Head count as % of total for department	2.14	2.19	2.02	2.69	1.55	1.55	2.75	2.75	2.75
Personnel cost as % of total for department	2.56	2.40	2.35	2.64	1.34	1.40	3.01	2.98	2.95
Finance component									
Personnel numbers (head count)	78	79	84	159	92	92	177	177	177
Personnel cost (R thousands)	24 588	25 920	28 634	52 903	25 037	25 037	56 993	60 298	64 399
Head count as % of total for department	1.94	2.04	2.09	3.34	1.93	1.93	3.72	3.72	3.72
Personnel cost as % of total for department	2.09	2.05	2.09	3.19	1.49	1.56	3.65	3.58	3.54
Full time workers									
Personnel numbers (head count)	3 578	3 416	3 657	4 486	4 430	4 430	4 430	4 430	4 430
Personnel cost (R thousands)	818 675	881 152	976 256	1 637 947	1 283 358	1 205 925	1 157 998	1 256 681	1 363 784
Head count as % of total for department	88.94	88.04	91.11	94.22	93.03	93.03	93.03	93.03	93.03
Personnel cost as % of total for department	69.60	69.56	71.27	98.81	76.59	74.91	74.26	74.66	75.05
Part-time workers¹									
Personnel numbers (head count)	41 617	37 393	44 672	-	41 000	39 034	41 000	41 000	41 000
Personnel cost (R thousands)	278 260	296 435	318 340	-	325 862	337 305	329 148	348 336	368 508
Head count as % of total for department	1 034.48	963.74	1 112.90	-	860.98	819.70	860.98	860.98	860.98
Personnel cost as % of total for department	23.66	23.40	23.24	-	19.45	20.95	21.11	20.69	20.28
Contract workers									
Personnel numbers (head count)	445	464	357	275	332	332	332	332	332
Personnel cost (R thousands)	79 239	89 188	75 264	19 809	66 496	66 496	72 281	78 280	84 778
Head count as % of total for department	11.06	11.96	8.89	5.78	6.97	6.97	6.97	6.97	6.97
Personnel cost as % of total for department	6.74	7.04	5.49	1.19	3.97	4.13	4.64	4.65	4.67

¹Note: This table includes approximately 41 000 Zibambele contractors each year. Their budget is part of *Compensation of employees* but they do not form part of the staff structure.

As a result of the slower than anticipated filling of vacant posts, contract workers were used for support functions and this accounts for the fluctuations in numbers and costs in respect of contract workers.

It should be noted that the Zibambele contractors employed (amounting to an estimated 41 000 in each year of the MTEF) are used for the maintenance of the provincial road network. Although these are included as *Part-time workers* in Table 12.28, they are not part of the approved post establishment.

7.2 Training

Tables 12.29 and 12.30 give a summary of departmental spending and information on training for the period 2012/13 to 2014/15, and budgeted expenditure for the period 2015/16 to 2018/19. It is noted that the tables include information relating to the Traffic Training College and the Technical Training Centre.

Table 12.29 : Payments on training by programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Administration	2 464	5 379	417	2 576	1 090	1 105	1 157	1 225	1 290
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	2 464	5 379	417	2 576	1 090	1 105	1 157	1 225	1 290
Other	-	-	-	-	-	-	-	-	-
2. Transport Infrastructure	5 158	2 052	2 101	2 897	7 662	7 048	7 239	7 657	8 102
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	5 158	2 052	2 101	2 897	7 662	7 048	7 239	7 657	8 102
Other	-	-	-	-	-	-	-	-	-
3. Transport Operations	75	70	64	147	148	79	156	164	173
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	75	70	64	147	148	79	156	164	173
Other	-	-	-	-	-	-	-	-	-
4. Transport Regulation	435	788	852	992	874	724	929	983	1 040
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	435	788	852	992	874	724	929	983	1 040
Other	-	-	-	-	-	-	-	-	-
5. Community Based Programmes	19	7	10	48	18	18	19	20	21
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	19	7	10	48	18	18	19	20	21
Other	-	-	-	-	-	-	-	-	-
Total	8 151	8 296	3 444	6 660	9 792	8 974	9 500	10 049	10 626

Table 12.30 : Information on training: Transport

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	4 023	3 880	4 014	4 761	4 762	4 762	4 762	4 762	4 762
Number of personnel trained	1 345	1 600	846	1 600	1 465	1 465	1 612	1 773	1 950
of which									
Male	629	900	459	900	640	640	704	774	851
Female	716	700	387	700	825	825	908	999	1 099
Number of training opportunities	69	265	238	265	166	166	189	212	235
of which									
Tertiary	-	-	-	-	-	-	1	2	3
Workshops	11	15	9	15	48	48	58	68	78
Seminars	2	-	1	-	8	8	10	12	14
Other	56	250	228	250	110	110	120	130	140
Number of bursaries offered	98	200	96	200	123	123	178	144	168
Number of interns appointed	4	35	43	35	43	43	65	70	75
Number of learnerships appointed	-	185	2	185	21	21	20	20	20
Number of days spent on training	295	200	232	200	232	232	232	232	232

The department reduced its training budget in 2014/15 in order to undertake in-house training and capacity building. The increase from 2015/16 is in line with the training needs of the staff. However, the department will continue to undertake in-house training and capacity building, aimed at containing costs.

The training in Programme 1 relates to administrative functions. The training in Programme 2 is in respect of training for the Zibambele contractors relating to maintenance of the provincial roads.

Under Programme 3, the training is in respect of safety and compliance such as road safety education, including pedestrian safety.

The training under Programme 4 includes the costs for the Traffic Training College in respect of the training of traffic officers, and the training conducted under Programme 5 relates to training, learnerships and mentorships for the Vukuzakhe projects.

The department is required by the Skills Development Act to budget at least 1 per cent of its salary expense for staff training. The training needs will be reviewed on an ongoing basis. This requirement gives credence to government policy on human resource development. To facilitate this process, the department is affiliated to the line function Sectoral Education and Training Authority (SETA), and TETA and CETA.

ANNEXURE – VOTE 12: TRANSPORT

Table 12.A : Details of departmental receipts: Transport

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Tax receipts	1 318 621	1 396 323	1 481 126	1 481 000	1 481 000	1 481 000	1 535 734	1 597 163	1 661 050
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	1 318 621	1 396 323	1 481 126	1 481 000	1 481 000	1 481 000	1 535 734	1 597 163	1 661 050
Sale of goods and services other than capital assets	126 819	130 592	126 811	129 450	129 450	129 450	136 756	145 088	153 931
Sale of goods and services produced by department (excluding capital assets)	126 819	130 554	126 811	129 444	129 444	129 430	136 733	145 064	153 905
Sale by market establishments	-	6 138	5 831	6 150	6 150	5 987	6 354	6 786	7 247
Administrative fees	-	118 502	113 874	116 454	116 454	113 845	120 676	127 916	135 591
Other sales	126 819	5 914	7 106	6 840	6 840	9 598	9 703	10 362	11 067
Sale of scrap, waste, arms and other used current goods (excluding capital assets)	-	38	-	6	6	20	23	24	26
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	50 318	38 186	43 476	38 088	38 088	44 744	38 341	40 948	43 733
Interest, dividends and rent on land	274	202	236	266	266	266	304	324	346
Interest	-	43	35	153	153	32	41	43	46
Dividends	274	24	23	24	24	25	27	29	31
Rent on land	-	135	178	88	88	209	236	252	269
Sale of capital assets	1 951	4 181	4 389	2 650	2 650	6 221	4 805	5 132	5 481
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	1 951	4 181	4 389	2 650	2 650	6 221	4 805	5 132	5 481
Transactions in financial assets and liabilities	4 282	7 814	369	2 053	2 053	40 293	2 038	2 176	2 324
Total	1 502 265	1 577 298	1 656 407	1 653 507	1 653 507	1 701 974	1 717 978	1 790 831	1 866 865

Estimates of Provincial Revenue and Expenditure

Table 12.B : Payments and estimates by economic classification: Transport

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	2019/20	2020/21
Current payments	3 802 271	3 947 180	4 177 719	5 084 333	4 902 812	3 956 202	5 170 110	5 324 033	5 740 101
Compensation of employees	1 176 174	1 266 775	1 369 860	1 657 756	1 675 716	1 609 726	1 559 427	1 683 297	1 817 070
Salaries and wages	1 055 825	1 141 515	1 237 358	1 505 580	1 509 372	1 447 150	1 384 397	1 495 140	1 614 843
Social contributions	120 349	125 260	132 502	152 176	166 344	162 576	175 030	188 157	202 227
Goods and services	2 626 096	2 680 332	2 807 854	3 426 577	3 227 093	2 346 473	3 610 683	3 640 736	3 923 031
Administrative fees	21	9	1 632	1 577	2 536	2 139	2 677	2 831	2 995
Advertising	15 856	15 923	11 303	8 504	11 514	13 350	7 954	8 029	8 287
Assets less than the capitalisation threshold	9 435	5 412	5 489	6 726	6 619	6 552	7 107	7 530	7 966
Audit cost: External	6 593	6 436	6 961	7 112	6 938	6 788	7 367	7 867	8 324
Bursaries: Employees	1 170	1 554	442	2 044	1 000	930	1 058	1 119	1 190
Catering: Departmental activities	10 217	9 342	7 393	8 576	6 562	6 208	4 681	4 896	5 180
Communication (G&S)	32 735	33 056	35 374	39 394	33 374	34 325	33 460	34 915	36 940
Computer services	32 269	25 928	45 673	36 080	46 380	50 285	49 767	52 652	55 706
Cons & prof serv: Business and advisory services	101 847	95 670	152 519	162 273	140 027	130 929	143 200	147 819	155 523
Cons & prof serv: Infrastructure and planning	53 193	76 427	107 368	102 460	117 058	127 980	124 316	131 525	139 154
Cons & prof serv: Laboratory services	194	305	435	249	430	430	457	483	511
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	18 195	24 962	19 053	26 048	25 485	30 159	27 149	28 722	30 388
Contractors	1 238 951	1 453 903	1 410 120	1 892 587	1 903 964	1 112 199	2 186 806	2 254 914	2 466 251
Agency and support / outsourced services	4 766	3 680	1 710	8 965	13 929	12 906	14 793	15 648	16 555
Entertainment	11	10	13	22	23	22	24	25	26
Fleet services (incl. govt motor transport)	47 677	72 093	69 095	54 671	63 969	73 323	67 803	71 736	75 898
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	5 745	6 042	6 017	7 541	9 344	7 965	8 429	8 917
Inventory: Farming supplies	-	-	-	-	-	7	-	-	-
Inventory: Food and food supplies	657	610	1 000	954	938	871	996	1 053	1 113
Inventory: Fuel, oil and gas	45 641	34 310	40 198	19 394	29 411	23 700	31 235	33 089	35 008
Inventory: Learner and teacher support material	628	576	394	577	573	495	609	645	682
Inventory: Materials and supplies	36 504	63 189	82 647	76 435	85 185	59 395	90 857	94 920	100 425
Inventory: Medical supplies	48	7	-	3	60	103	64	68	72
Inventory: Medicine	3 561	4 289	1 685	1 401	36	29	37	39	41
Medias inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	55 125	-	-	1	1	-	1	1	1
Consumable supplies	-	3 758	5 614	6 938	5 779	6 777	6 137	6 493	6 869
Consumable: Stationery, printing and office supplies	15 825	13 064	13 267	13 953	22 351	22 763	17 594	18 613	19 692
Operating leases	280 749	78 846	59 109	65 438	55 729	50 804	58 465	60 789	64 315
Property payments	67 859	77 736	86 956	90 018	98 733	95 714	78 076	82 768	85 688
Transport provided: Departmental activity	98 563	130 779	141 890	254 539	242 196	225 841	250 347	262 391	271 501
Travel and subsistence	54 579	56 754	59 687	60 022	67 588	65 453	71 503	64 425	68 161
Training and development	8 151	8 296	3 444	6 660	9 792	8 974	9 500	10 049	10 626
Operating payments	5 807	5 989	9 331	11 267	12 372	15 518	13 943	14 627	15 475
Venues and facilities	13 645	12 173	19 495	13 815	10 406	10 159	7 227	7 579	7 670
Rental and hiring	365 624	359 501	402 515	441 857	198 594	142 001	287 508	204 047	215 881
Interest and rent on land	1	73	5	-	3	3	-	-	-
Interest	1	73	5	-	3	3	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	819 214	931 273	1 028 292	1 090 793	1 097 274	964 963	1 053 563	1 115 820	1 168 164
Provinces and municipalities	2 379	4 281	4 093	2 148	3 435	4 358	4 691	4 957	5 237
Provinces	2 379	4 281	4 093	2 148	3 435	4 358	4 691	4 957	5 237
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	2 379	4 281	4 093	2 148	3 435	4 358	4 691	4 957	5 237
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	4 522	4 771	4 771	4 771	5 699	6 173	6 531
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	4 522	4 771	4 771	4 771	5 699	6 173	6 531
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	808 877	915 867	985 852	1 063 000	1 063 000	929 766	1 016 045	1 076 439	1 126 506
Public corporations	808 877	915 867	985 852	1 063 000	1 063 000	929 766	1 016 045	1 076 439	1 126 506
Subsidies on production	808 877	914 416	984 952	1 058 000	1 058 000	924 766	1 011 045	1 071 439	1 121 506
Other transfers	-	1 451	900	5 000	5 000	5 000	5 000	5 000	5 000
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	7 958	11 125	33 825	20 874	26 068	26 068	27 128	28 251	29 890
Social benefits	6 532	7 706	11 398	11 551	12 614	12 613	12 851	13 167	13 931
Other transfers to households	1 426	3 419	22 427	9 323	13 454	13 455	14 277	15 084	15 959
Payments for capital assets	3 028 705	3 176 152	3 845 558	3 161 778	3 361 778	4 440 484	3 343 714	3 572 881	3 672 263
Buildings and other fixed structures	2 901 214	3 096 671	3 675 620	2 985 943	3 185 943	4 250 837	3 127 432	3 343 040	3 426 070
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	2 901 214	3 096 671	3 675 620	2 985 943	3 185 943	4 250 837	3 127 432	3 343 040	3 426 070
Machinery and equipment	123 986	75 151	166 436	175 835	175 835	189 647	216 282	229 841	246 193
Transport equipment	109 370	65 851	156 474	166 000	166 000	179 812	204 744	217 983	233 995
Other machinery and equipment	14 616	9 300	9 962	9 835	9 835	9 835	11 538	11 858	12 198
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	3 505	4 330	3 502	-	-	-	-	-	-
Payments for financial assets	118	582	380	4 553	4 696	4 911	4 553	-	-
Total	7 650 308	8 055 187	9 051 949	9 341 457	9 366 560	9 366 560	9 571 940	10 012 734	10 580 528
Unauth. Exp. (1st charge) not available for spending	-	-	-	(4 553)	(4 553)	(4 553)	(4 553)	-	-
Baseline available for spending after 1st charge	7 650 308	8 055 187	9 051 949	9 336 904	9 362 007	9 362 007	9 567 387	10 012 734	10 580 528

Table 12.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	2015/16	2015/16	2016/17	2017/18	2018/19
Current payments	219 870	230 286	232 491	262 758	276 702	276 527	268 942	280 875	301 464
Compensation of employees	94 403	97 907	107 434	140 406	140 406	127 559	138 059	149 133	162 109
Salaries and wages	82 811	86 051	94 127	127 266	123 281	110 614	118 836	128 331	139 543
Social contributions	11 592	11 856	13 307	13 140	17 125	16 945	19 223	20 802	22 566
Goods and services	125 466	132 306	125 052	122 352	136 296	148 968	130 883	131 742	139 355
Administrative fees	-	7	350	297	460	431	489	518	548
Advertising	2 106	1 501	2 525	2 754	6 630	8 813	2 768	2 770	2 931
Assets less than the capitalisation threshold	2 180	904	994	860	776	1 234	825	884	936
Audit cost: External	5 433	5 732	6 561	6 827	6 827	6 705	7 250	7 670	8 115
Bursaries: Employees	1 170	1 554	442	2 044	1 000	930	1 058	1 119	1 190
Catering: Departmental activities	2 432	1 118	1 929	1 287	3 867	3 462	1 820	1 868	1 976
Communication (G&S)	11 646	12 120	14 358	14 547	11 218	12 855	11 912	12 602	13 334
Computer services	19 504	20 794	32 007	21 776	33 776	33 776	35 870	37 950	40 151
Cons & prof serv: Business and advisory services	25 616	14 322	10 205	7 992	5 807	10 611	6 123	6 480	6 856
Cons & prof serv: Infrastructure and planning	1 320	5 838	-	24	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	9 433	16 010	12 285	20 954	12 168	15 251	13 011	13 766	14 565
Contractors	16 074	19 277	15 202	11 003	7 016	11 313	7 305	7 729	8 178
Agency and support / outsourced services	341	277	1 317	1 049	2 079	2 354	2 208	2 336	2 471
Entertainment	11	1	13	22	23	22	24	25	26
Fleet services (incl. govt motor transport)	1 910	2 974	2 222	2 505	6 372	5 825	6 641	7 027	7 435
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	26	16	17	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	408	361	473	487	496	505	526	556	588
Inventory: Fuel, oil and gas	196	-	-	39	39	39	41	41	43
Inventory: Learner and teacher support material	463	324	262	340	421	373	447	473	500
Inventory: Materials and supplies	-	-	12	15	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	3 558	4 274	1 657	1 347	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	202	-	-	-	-	-	-	-	-
Consumable supplies	-	414	774	1 645	400	609	424	449	475
Consumable: Stationery, printing and office supplies	2 235	1 893	1 455	1 354	1 381	1 341	1 467	1 552	1 642
Operating leases	1 889	2 198	3 958	4 732	2 790	2 239	2 837	3 001	3 175
Property payments	4 901	5 080	4 474	4 958	10 255	9 098	8 097	8 541	9 007
Transport provided: Departmental activity	-	321	1 239	1 660	3 027	2 602	2 034	2 067	2 187
Travel and subsistence	9 149	9 074	8 810	7 088	12 326	12 230	13 090	7 501	7 937
Training and development	2 464	5 379	417	2 576	1 090	1 105	1 157	1 225	1 290
Operating payments	609	426	656	938	1 174	1 005	2 101	2 222	2 350
Venues and facilities	216	107	439	1 215	4 878	4 240	1 358	1 370	1 449
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	1	73	5	-	-	-	-	-	-
Interest	1	73	5	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 454	2 270	9 627	13 715	18 755	17 018	20 549	21 870	23 139
Provinces and municipalities	30	14	56	78	78	78	85	90	95
Provinces	30	14	56	78	78	78	85	90	95
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	30	14	56	78	78	78	85	90	95
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	4 522	4 771	4 771	4 771	5 699	6 173	6 531
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	4 522	4 771	4 771	4 771	5 699	6 173	6 531
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	1 424	2 256	5 049	8 866	13 906	12 169	14 765	15 607	16 513
Social benefits	407	1 030	1 486	345	1 254	1 254	1 332	1 409	1 491
Other transfers to households	1 017	1 226	3 563	8 521	12 652	10 915	13 433	14 198	15 022
Payments for capital assets	29 273	24 254	16 797	15 205	15 205	15 205	16 148	17 087	18 078
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	25 768	20 479	14 360	15 205	15 205	15 205	16 148	17 087	18 078
Transport equipment	23 562	18 945	11 249	12 000	12 000	12 000	12 744	13 483	14 265
Other machinery and equipment	2 206	1 534	3 111	3 205	3 205	3 205	3 404	3 604	3 813
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	3 505	3 775	2 437	-	-	-	-	-	-
Payments for financial assets	60	494	57	4 553	4 558	4 584	4 553	-	-
Total	250 657	257 304	258 972	296 231	315 220	313 334	310 192	319 832	342 681
Unauth. Exp. (1st charge) not available for spending	-	-	-	(4 553)	(4 553)	-	(4 553)	-	-
Baseline available for spending after 1st charge	250 657	257 304	258 972	291 678	310 667	308 781	305 639	319 832	342 681

Table 12.D : Payments and estimates by economic classification: Transport Infrastructure

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	2 761 663	2 846 087	3 013 695	3 710 800	3 489 451	2 581 456	3 761 441	3 829 058	4 143 985
Compensation of employees	647 501	690 481	737 529	897 342	897 342	872 791	795 237	858 832	922 653
Salaries and wages	594 989	636 498	682 606	829 067	830 191	806 631	723 344	781 331	840 304
Social contributions	52 512	53 983	54 923	68 275	67 151	66 160	71 893	77 501	82 349
Goods and services	2 114 162	2 155 606	2 276 166	2 813 458	2 592 109	1 708 665	2 966 204	2 970 226	3 221 332
Administrative fees	21	2	468	685	874	741	928	982	1 039
Advertising	2 055	1 243	678	364	1 213	1 068	1 288	1 109	1 173
Assets less than the capitalisation threshold	6 330	3 071	2 917	3 590	4 237	3 603	4 499	4 759	5 035
Audit cost: External	1 137	620	375	217	42	34	45	45	48
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	2 275	3 213	2 184	2 425	84	82	89	94	99
Communication (G&S)	10 963	11 841	10 351	12 538	10 716	10 371	9 404	9 950	10 527
Computer services	2 072	1 572	3 270	3 484	3 897	5 174	4 778	5 054	5 348
Cons & prof serv: Business and advisory services	21 012	26 174	89 288	115 604	91 917	80 638	91 872	94 795	100 293
Cons & prof serv: Infrastructure and planning	38 692	68 935	107 368	102 436	116 277	127 355	123 487	130 648	138 226
Cons & prof serv: Laboratory services	194	305	435	249	430	430	457	483	511
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	6 958	3 284	2 435	2 803	2 402	1 828	2 551	2 698	2 854
Contractors	1 168 075	1 401 613	1 367 411	1 854 564	1 868 374	1 071 085	2 150 053	2 216 302	2 425 528
Agency and support / outsourced services	3 234	2 956	82	7 613	10 479	9 179	11 129	11 774	12 457
Entertainment	-	9	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	18 662	32 313	34 603	20 236	31 870	43 039	33 847	35 810	37 888
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	2 263	3 993	4 853	3 591	3 741	3 814	4 037	4 271
Inventory: Farming supplies	-	-	-	-	-	7	-	-	-
Inventory: Food and food supplies	192	194	228	376	340	285	362	383	405
Inventory: Fuel, oil and gas	45 287	34 290	40 152	18 776	29 251	23 555	31 065	32 866	34 772
Inventory: Learner and teacher support material	4	-	-	1	1	1	1	1	1
Inventory: Materials and supplies	36 260	62 791	81 169	75 941	85 083	59 319	90 358	94 599	100 086
Inventory: Medical supplies	23	-	-	2	60	103	64	68	72
Inventory: Medicine	3	15	27	53	32	26	33	35	37
Medas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	49 537	-	-	-	-	-	-	-	-
Consumable supplies	-	2 308	2 091	2 486	2 771	3 089	2 943	3 114	3 294
Consumable: Stationery, printing and office supplies	2 340	2 414	2 590	2 528	3 082	3 016	3 275	3 464	3 665
Operating leases	256 413	56 769	34 559	39 404	31 027	26 662	32 952	33 828	35 791
Property payments	38 128	44 661	48 649	53 713	54 169	53 599	36 443	38 745	39 142
Transport provided: Departmental activity	5 426	3 702	3 413	4 036	660	794	701	609	645
Travel and subsistence	21 857	22 745	25 267	28 747	26 302	25 367	27 932	24 822	26 261
Training and development	5 158	2 052	2 101	2 897	7 662	7 048	7 239	7 657	8 102
Operating payments	2 656	2 492	3 454	6 468	7 015	5 735	7 450	7 815	8 269
Venues and facilities	4 463	4 302	4 526	4 773	20	16	21	22	23
Rental and hiring	364 735	357 457	402 082	441 596	198 231	141 675	287 124	203 658	215 470
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	7 251	11 037	29 597	10 880	12 167	15 256	13 469	13 833	14 636
Provinces and municipalities	1 911	3 881	3 286	1 300	2 587	3 840	3 655	3 866	4 091
Provinces	1 911	3 881	3 286	1 300	2 587	3 840	3 655	3 866	4 091
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	1 911	3 881	3 286	1 300	2 587	3 840	3 655	3 866	4 091
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	-	-	-	-	-	-	-	-	-
Households	5 340	7 156	26 311	9 580	9 580	11 416	9 814	9 967	10 545
Social benefits	5 241	5 187	7 450	9 020	9 020	9 178	9 224	9 347	9 889
Other transfers to households	99	1 969	18 861	560	560	2 238	590	620	656
Payments for capital assets	2 997 928	3 133 763	3 778 083	3 109 729	3 309 729	4 389 224	3 281 324	3 509 538	3 607 914
Buildings and other fixed structures	2 901 214	3 096 671	3 675 620	2 985 943	3 185 943	4 250 837	3 127 432	3 343 040	3 426 070
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	2 901 214	3 096 671	3 675 620	2 985 943	3 185 943	4 250 837	3 127 432	3 343 040	3 426 070
Machinery and equipment	96 714	36 537	101 398	123 786	123 786	138 387	153 892	166 498	181 844
Transport equipment	85 808	29 834	99 275	120 000	120 000	133 812	150 000	162 500	177 730
Other machinery and equipment	10 906	6 703	2 123	3 786	3 786	4 575	3 892	3 998	4 114
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	555	1 065	-	-	-	-	-	-
Payments for financial assets	58	71	144	-	62	220	-	-	-
Total	5 766 900	5 990 958	6 821 519	6 831 409	6 811 409	6 986 156	7 056 234	7 352 429	7 766 535

Table 12.E : Payments and estimates by economic classification: Transport Operations

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	203 975	228 517	240 783	350 700	338 699	322 344	342 303	360 433	375 539
Compensation of employees	26 704	28 939	31 657	44 991	44 990	44 990	38 717	42 125	46 436
Salaries and wages	24 004	26 149	28 556	41 588	40 975	40 975	33 995	37 048	40 938
Social contributions	2 700	2 790	3 101	3 403	4 015	4 015	4 722	5 077	5 498
Goods and services	177 271	199 578	209 126	305 709	293 709	277 354	303 586	318 308	329 103
Administrative fees	-	-	238	194	223	193	225	238	252
Advertising	11 561	12 976	7 876	5 213	3 198	3 030	3 397	3 621	3 623
Assets less than the capitalisation threshold	50	11	49	154	160	170	246	260	275
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	5 035	3 302	2 303	3 968	1 923	2 553	2 042	2 161	2 286
Communication (G&S)	1 013	378	1 103	1 836	1 456	1 428	1 544	1 555	1 645
Computer services	1	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	35 696	30 563	26 465	20 732	23 916	24 060	24 995	26 059	26 701
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	279	243	118	63	783	703	827	874	925
Contractors	15 541	14 566	6 866	8 266	6 243	5 656	6 887	7 015	7 293
Agency and support / outsourced services	143	447	220	303	286	254	304	322	340
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	903	757	767	400	854	886	900	952	1 007
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	56	-	-	41	37	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	8	15	238	-	-	-	-	-	-
Inventory: Fuel, oil and gas	29	(11)	(6)	155	12	13	13	19	20
Inventory: Learner and teacher support material	7	-	-	39	1	1	1	1	1
Inventory: Materials and supplies	7	199	274	73	14	1	15	16	17
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	173	-	-	-	-	-	-	-	-
Consumable supplies	-	85	799	338	440	376	467	493	521
Consumable: Stationery, printing and office supplies	686	585	1 320	1 885	566	601	599	634	671
Operating leases	396	355	332	471	449	406	475	479	507
Property payments	519	1 495	3 621	648	3 853	3 929	3 762	3 980	4 211
Transport provided: Departmental activity	90 575	121 833	134 062	245 262	235 575	219 287	242 500	254 493	263 144
Travel and subsistence	6 156	4 940	5 644	7 093	7 047	6 908	7 311	7 667	8 111
Training and development	75	70	64	147	148	79	156	164	173
Operating payments	310	246	2 209	639	802	714	848	897	949
Venues and facilities	8 084	6 353	14 248	7 725	5 363	5 750	5 695	6 026	6 027
Rental and hiring	24	114	316	105	356	319	377	382	404
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	808 916	914 505	985 366	1 058 015	1 058 016	924 894	1 011 046	1 071 440	1 121 507
Provinces and municipalities	12	1	1	15	15	15	1	1	1
Provinces	12	1	1	15	15	15	1	1	1
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	12	1	1	15	15	15	1	1	1
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	808 877	914 416	984 952	1 058 000	1 058 000	924 766	1 011 045	1 071 439	1 121 506
Public corporations	808 877	914 416	984 952	1 058 000	1 058 000	924 766	1 011 045	1 071 439	1 121 506
Subsidies on production	808 877	914 416	984 952	1 058 000	1 058 000	924 766	1 011 045	1 071 439	1 121 506
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	27	88	413	-	1	113	-	-	-
Social benefits	27	88	413	-	1	53	-	-	-
Other transfers to households	-	-	-	-	-	60	-	-	-
Payments for capital assets	95	111	1 448	293	293	302	242	256	271
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	95	111	1 448	293	293	302	242	256	271
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	95	111	1 448	293	293	302	242	256	271
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 012 986	1 143 133	1 227 597	1 409 008	1 397 008	1 247 540	1 353 591	1 432 129	1 497 317

Table 12.F : Payments and estimates by economic classification: Transport Regulation

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	563 339	601 322	649 973	721 449	759 411	746 119	762 344	816 227	878 518
Compensation of employees	395 032	437 146	480 151	553 258	571 296	548 360	569 403	613 308	663 832
Salaries and wages	342 867	381 735	420 305	487 413	494 851	474 330	493 005	531 544	575 281
Social contributions	52 165	55 411	59 846	65 845	76 445	74 030	76 398	81 764	88 551
Goods and services	168 307	164 176	169 822	168 191	188 112	197 756	192 941	202 919	214 686
Administrative fees	-	-	536	348	871	710	921	973	1 030
Advertising	131	150	171	172	384	368	407	430	455
Assets less than the capitalisation threshold	868	1 425	1 526	2 119	1 446	1 545	1 537	1 627	1 720
Audit cost: External	23	84	25	68	69	49	72	152	161
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	55	48	331	135	188	111	199	211	224
Communication (G&S)	8 833	8 509	9 077	9 903	9 760	9 480	10 362	10 514	11 123
Computer services	10 692	3 562	10 396	10 820	8 707	11 335	9 119	9 648	10 207
Cons & prof serv: Business and advisory services	9 213	8 937	12 138	8 739	6 401	5 132	10 336	10 318	10 917
Cons & prof serv: Infrastructure and planning	750	566	-	-	781	625	829	877	928
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	1 525	5 425	4 215	2 228	10 132	12 377	10 760	11 384	12 044
Contractors	28 157	15 663	15 185	18 368	21 945	23 758	22 151	23 434	24 793
Agency and support / outsourced services	1 048	-	91	-	1 085	1 119	1 152	1 216	1 287
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	26 087	35 829	31 417	31 463	24 750	23 472	26 285	27 810	29 423
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	3 400	2 033	1 147	3 909	5 566	4 151	4 392	4 646
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	38	39	61	91	102	81	108	114	120
Inventory: Fuel, oil and gas	48	31	31	379	86	70	91	96	102
Inventory: Learner and teacher support material	154	252	132	197	150	120	160	170	180
Inventory: Materials and supplies	110	3	150	217	43	35	436	254	268
Inventory: Medical supplies	25	7	-	-	-	-	-	-	-
Inventory: Medicine	-	-	1	1	4	3	4	4	4
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	5 204	-	-	1	1	-	1	1	1
Consumable supplies	-	946	1 950	2 469	2 168	2 703	2 303	2 437	2 579
Consumable: Stationery, printing and office supplies	10 481	8 123	7 861	8 164	17 263	17 753	12 191	12 898	13 646
Operating leases	21 963	19 421	20 128	20 695	21 299	21 378	22 027	23 297	24 648
Property payments	24 311	26 500	30 212	30 699	30 456	29 088	29 774	31 502	33 328
Transport provided: Departmental activity	3	405	4	-	1 846	3 158	1 960	2 073	2 193
Travel and subsistence	15 579	18 096	17 939	15 360	20 016	18 878	21 130	22 355	23 652
Training and development	435	788	852	992	874	724	929	983	1 040
Operating payments	2 168	2 770	2 961	3 158	3 224	7 958	3 386	3 581	3 789
Venues and facilities	406	1 267	282	102	145	153	153	161	171
Rental and hiring	-	1 930	117	156	7	7	7	7	7
Interest and rent on land	-	-	-	-	3	3	-	-	-
Interest	-	-	-	-	3	3	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 592	2 003	2 802	3 178	3 254	2 713	3 499	3 677	3 882
Provinces and municipalities	426	385	750	750	750	420	950	1 000	1 050
Provinces	426	385	750	750	750	420	950	1 000	1 050
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	426	385	750	750	750	420	950	1 000	1 050
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	-	-	-	-	-	-	-	-	-
Households	1 166	1 618	2 052	2 428	2 504	2 293	2 549	2 677	2 832
Social benefits	856	1 394	2 049	2 186	2 262	2 051	2 295	2 411	2 551
Other transfers to households	310	224	3	242	242	242	254	266	281
Payments for capital assets	1 401	17 979	49 196	36 143	36 143	35 753	45 900	45 900	45 900
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 401	17 979	49 196	36 143	36 143	35 753	45 900	45 900	45 900
Transport equipment	-	17 072	45 950	34 000	34 000	34 000	42 000	42 000	42 000
Other machinery and equipment	1 401	907	3 246	2 143	2 143	1 753	3 900	3 900	3 900
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	14	179	-	76	107	-	-	-
Total	566 332	621 318	702 150	760 770	798 884	784 692	811 743	865 804	928 300

Table 12.G : Payments and estimates by economic classification: Community Based Programmes

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	53 424	40 968	40 777	38 626	38 549	29 756	35 080	37 440	40 595
Compensation of employees	12 534	12 302	13 089	21 759	21 682	16 026	18 011	19 899	22 040
Salaries and wages	11 154	11 082	11 764	20 246	20 074	14 600	15 217	16 886	18 777
Social contributions	1 380	1 220	1 325	1 513	1 608	1 426	2 794	3 013	3 263
Goods and services	40 890	28 666	27 688	16 867	16 867	13 730	17 069	17 541	18 555
Administrative fees	-	-	40	53	108	64	114	120	126
Advertising	3	53	53	1	89	71	94	99	105
Assets less than the capitalisation threshold	7	1	3	3	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	420	1 661	646	761	500	-	531	562	595
Communication (G&S)	280	208	485	570	224	191	238	294	311
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	10 310	15 674	14 423	9 206	11 986	10 488	9 874	10 167	10 756
Cons & prof serv: Infrastructure and planning	12 431	1 088	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	11 104	2 784	5 456	386	386	387	410	434	459
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	115	220	86	67	123	101	130	137	145
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	11	1	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	81	-	21	45	23	23	25	67	71
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	127	196	1 042	189	45	40	48	51	54
Inventory: Medical supplies	-	-	-	1	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	9	-	-	-	-	-	-	-	-
Consumable supplies	-	5	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	83	49	41	22	59	52	62	65	68
Operating leases	88	103	132	136	164	119	174	184	194
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	2 559	4 518	3 172	3 581	1 088	-	3 152	3 149	3 332
Travel and subsistence	1 838	1 899	2 027	1 734	1 897	2 070	2 040	2 080	2 200
Training and development	19	7	10	48	18	18	19	20	21
Operating payments	64	55	51	64	157	106	158	112	118
Venues and facilities	476	144	-	-	-	-	-	-	-
Rental and hiring	865	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1	1 458	900	5 005	5 082	5 082	5 000	5 000	5 000
Provinces and municipalities	-	-	-	5	5	5	-	-	-
Provinces	-	-	-	5	5	5	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	5	5	5	-	-	-
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	-	1 451	900	5 000	5 000	5 000	5 000	5 000	5 000
Public corporations	-	1 451	900	5 000	5 000	5 000	5 000	5 000	5 000
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	1 451	900	5 000	5 000	5 000	5 000	5 000	5 000
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1	7	-	-	77	77	-	-	-
Social benefits	1	7	-	-	77	77	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	8	45	34	408	408	-	100	100	100
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	8	45	34	408	408	-	100	100	100
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	8	45	34	408	408	-	100	100	100
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	3	-	-	-	-	-	-	-
Total	53 433	42 474	41 711	44 039	44 039	34 838	40 180	42 540	45 695

Table 12.H : Payments and estimates by economic classification: Conditional grants

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	1 585 382	1 612 015	1 847 601	1 834 857	1 834 857	1 834 857	1 981 433	2 038 952	2 157 227
Compensation of employees	-	-	-	-	-	-	-	-	-
Salaries and wages	-	-	-	-	-	-	-	-	-
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	1 585 382	1 612 015	1 847 601	1 834 857	1 834 857	1 834 857	1 981 433	2 038 952	2 157 227
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Assets less than the capitalisation threshold	-	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication (G&S)	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	1 585 382	1 612 015	1 847 601	1 834 857	1 834 857	1 834 857	1 981 433	2 038 952	2 157 227
Agency & support/outourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Material and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	-	-
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	-	-	-	-	-	-	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	808 279	852 325	904 783	924 766	924 766	924 766	1 011 045	1 071 439	1 121 506
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	808 279	852 325	904 783	924 766	924 766	924 766	1 011 045	1 071 439	1 121 506
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	808 279	852 325	904 783	924 766	924 766	924 766	1 011 045	1 071 439	1 121 506
Subsidies on production	808 279	852 325	904 783	924 766	924 766	924 766	1 011 045	1 071 439	1 121 506
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 393 661	2 464 340	2 752 384	2 759 623	2 759 623	2 759 623	2 992 478	3 110 391	3 278 733

Table 12.I : Payments and estimates by economic classification: Public Transport Operations grant (Prog 3: Transport Operations)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	808 279	852 325	904 783	924 766	924 766	924 766	1 011 045	1 071 439	1 121 506
Public corporations and private enterprises	808 279	852 325	904 783	924 766	924 766	924 766	1 011 045	1 071 439	1 121 506
Private enterprises	808 279	852 325	904 783	924 766	924 766	924 766	1 011 045	1 071 439	1 121 506
Subsidies on production	808 279	852 325	904 783	924 766	924 766	924 766	1 011 045	1 071 439	1 121 506
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	808 279	852 325	904 783	924 766	924 766	924 766	1 011 045	1 071 439	1 121 506

Table 12.J : Payments and estimates by economic classification: EPWP Integrated Grant for Provinces (Prog 2: Transport Infrastructure)

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	84 211	88 487	59 443	55 602	55 602	55 602	56 055	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	84 211	88 487	59 443	55 602	55 602	55 602	56 055	-	-
Contractors	84 211	88 487	59 443	55 602	55 602	55 602	56 055	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	84 211	88 487	59 443	55 602	55 602	55 602	56 055	-	-

Table 12.K : Payments and estimates by economic classification: Provincial Roads Maintenance grant (Prog 2: Transport Infrastructure)

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	1 501 171	1 523 528	1 788 158	1 779 255	1 779 255	1 779 255	1 925 378	2 038 952	2 157 227
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	1 501 171	1 523 528	1 788 158	1 779 255	1 779 255	1 779 255	1 925 378	2 038 952	2 157 227
Contractors	1 501 171	1 523 528	1 788 158	1 779 255	1 779 255	1 779 255	1 925 378	2 038 952	2 157 227
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 501 171	1 523 528	1 788 158	1 779 255	1 779 255	1 779 255	1 925 378	2 038 952	2 157 227

Table 12.L : Transport - 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)	Total project cost	Expenditure to date from previous years	Total available		MTEF Forward estimates	
				Date: Start	Date: Finish						2016/17	2017/18	2017/18	2018/19
R thousands														
Existing infrastructure assets														
<i>of which:</i>														
Maintenance and repair: Current														
Maintenance administration	Various	KZN	Maintenance	Ongoing	Ongoing	Equitable share	Programme 2	Packaged prog	-	4 371 601	6 325 685	6 556 540	6 956 455	
Mechanical	Various	KZN	Maintenance	Ongoing	Ongoing	Equitable share	Programme 2	Packaged prog	-	2 388 729	3 644 108	3 720 355	4 071 705	
Preventative maintenance	Various	KZN	Maintenance	Ongoing	Ongoing	Prov. Roads Maint.	Programme 2	Packaged prog	-	354 203	643 677	675 754	721 705	
Public transport maintenance	Various	KZN	Maintenance	Ongoing	Ongoing	Equitable share	Programme 2	Packaged prog	-	119 935	296 220	306 220	327 043	
Routine maintenance	Various	KZN	Maintenance	Ongoing	Ongoing	Prov. Roads Maint.	Programme 2	Packaged prog	-	1 054 134	1 353 319	1 167 921	1 345 706	
Safety maintenance	Various	KZN	Maintenance	Ongoing	Ongoing	Equitable share	Programme 2	Packaged prog	-	4 039	17 727	27 727	29 612	
Special maintenance	Various	KZN	Maintenance	Ongoing	Ongoing	Prov. Roads Maint.	Programme 2	Packaged prog	-	552 392	884 081	1 022 029	1 091 527	
User Asset Mgt Plan (UAMP)	Various	KZN	Maintenance	Ongoing	Ongoing	Prov. Roads Maint.	Programme 2	Packaged prog	-	185 417	356 159	406 159	433 778	
Upgrades and additions: Capital	Various	KZN	Maintenance	Ongoing	Ongoing	Prov. Roads Maint.	Programme 2	Packaged prog	-	118 609	65 885	85 885	91 725	
Safety engineering	Various	KZN	Upgrades and additions	Ongoing	Ongoing	Equitable share	Programme 1	Packaged prog	-	-	27 040	28 660	30 609	
Upgrade roads	Various	KZN	Upgrades and additions	Ongoing	Ongoing	Equitable share	Programme 2	Packaged prog	-	1 390 547	1 733 498	1 840 695	1 831 510	
Upgrade structures	Various	KZN	Upgrades and additions	Ongoing	Ongoing	Equitable share	Programme 2	Packaged prog	-	2 472	10 308	20 308	21 689	
Upgrade public transport facilities	Various	KZN	Upgrades and additions	Ongoing	Ongoing	Equitable share	Programme 2	Packaged prog	-	1 375 198	1 692 872	1 765 959	1 755 302	
Refurbishment and rehabilitation: Capital	Various	KZN	Upgrades and additions	Ongoing	Ongoing	Equitable share	Programme 2	Packaged prog	-	12 877	29 228	43 338	42 675	
Heavy rehabilitation	Various	KZN	Rehabs and refurb	Ongoing	Ongoing	Equitable share	Programme 2	Packaged prog	-	-	1 090	11 090	11 844	
Light rehabilitation	Various	KZN	Rehabs and refurb	Ongoing	Ongoing	Equitable share	Programme 2	Packaged prog	-	592 325	948 079	995 490	1 053 240	
Structure rehabilitation	Various	KZN	Rehabs and refurb	Ongoing	Ongoing	Equitable share	Programme 2	Packaged prog	-	549 261	860 459	887 870	938 302	
New infrastructure assets: Capital														
<i>of which:</i>														
New blacktop road	Various	KZN	New infrastructure	Ongoing	Ongoing	Equitable share	Programme 2	Packaged prog	-	392 051	445 855	506 855	541 320	
New bridge	Various	KZN	New infrastructure	Ongoing	Ongoing	Equitable share	Programme 2	Packaged prog	-	57 610	584	1 584	1 692	
New causeway	Various	KZN	New infrastructure	Ongoing	Ongoing	Equitable share	Programme 2	Packaged prog	-	102 394	197 603	207 603	221 720	
New gravel Road	Various	KZN	New infrastructure	Ongoing	Ongoing	Equitable share	Programme 2	Packaged prog	-	20 272	21 190	31 190	33 311	
New infrastructure other	Various	KZN	New infrastructure	Ongoing	Ongoing	Equitable share	Programme 2	Packaged prog	-	108 019	157 316	167 316	178 693	
New pedestrian bridges	Various	KZN	New infrastructure	Ongoing	Ongoing	Equitable share	Programme 2	Packaged prog	-	89 194	46 785	56 785	60 646	
New public transport infrastructure	Various	KZN	New infrastructure	Ongoing	Ongoing	Equitable share	Programme 2	Packaged prog	-	14 498	13 240	23 240	24 820	
Infrastructure transfers														
<i>of which:</i>														
Infrastructure transfers: Current									-	-	-	-	-	-
Infrastructure transfers: Capital									-	-	-	-	-	-
Infrastructure: Payments for financial assets														
Infrastructure: Leases														
Total														
Capital infrastructure									-	4 763 652	6 771 540	7 063 395	7 497 775	
Current infrastructure									-	2 374 923	3 127 432	3 343 040	3 426 070	
									-	2 388 729	3 644 108	3 720 355	4 071 705	

VOTE 13

Social Development

Operational budget	R 2 776 340 423
MEC remuneration	R 1 821 577 ¹
Total amount to be appropriated	R 2 778 162 000
Responsible MEC	MEC for Social Development
Administering department	Social Development
Accounting officer	Head: Social Development

1. Overview

Vision

The vision of the Department of Social Development (DSD) is: *A caring and self-reliant society.*

Mission statement

The department's mission is: *To transform our society by building conscious and capable citizens through the provision of integrated social development services.*

Strategic objectives

Strategic policy direction: By focussing on its role in the enhancement of the quality of life of the people of KwaZulu-Natal, the department seeks to align its operations and strategic position with the overall aim of government to ensure a long and healthy life for all, as well as to create sustainable rural communities. The strategic objectives of the department include the following:

Social welfare services

- To provide care and support social welfare services to older persons.
- To provide care and support social welfare services to persons with disabilities.
- To provide integrated community-based care services to persons affected and infected by HIV and AIDS.
- To provide emergency relief to distressed individuals and households.

Children and families

- To provide equitable services which promote functional families.
- To provide effective child care and protection services.
- To provide equitable access to Early Childhood Development (ECD) and partial care.
- To provide access to alternative care for vulnerable children.
- To provide community-based care services for children.

Restorative services

- To provide effective crime prevention and support services.
- To provide effective services to persons affected by substance abuse.

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

- To provide effective service to victims of crime and violence.
- To provide developmental social welfare services to persons, families and communities dependent and affected by substance abuse.

Development and research

- To promote effective and sustainable community networks.
- To provide effective support to Non-Profit Organisations (NPOs).
- To alleviate poverty through sustainable and effective community development initiatives.
- To provide reliable information on households and communities for effective social interventions.
- To provide an integrated and sustainable youth development services through skills development and social behavioural change programmes.
- To provide capacity building and socio-economic empowerment opportunities for women.
- To provide effective youth development services.
- To provide effective support structures for women development.
- To promote population policy implementation for evidence based planning.

Core functions

- To provide developmental social welfare services.
- To provide community development services.

Legislative mandate

In carrying out these core functions, the department is governed by various Acts and policies. The basic tenets of the Constitution, as embodied in Chapter 2, contain the Bill of Rights, which emphasises equality, human dignity, freedom and security of the person, health care, food, water and social security and the rights of the child. The department administers all or part of the following Acts:

- The Constitution of South Africa (Act No. 108 of 1996)
- Not for Profit Organisations Act (Act No. 71 of 1997)
- Social Services Professions Act (Act No. 110 of 1978, as amended)
- Children's Act (Act No. 38 of 2005, as amended)
- Older Persons' Act (Act No. 13 of 2006)
- White Paper on Population Policy for South Africa of 1998
- Probation Services Act (Act No. 116 of 1991, as amended)
- Prevention and Treatment of Drug Dependency Act (Act No. 20 of 1992)
- Domestic Violence Act (Act No. 116 of 1998)
- White Paper on Social Welfare, 1997
- Public Finance Management Act (Act No. 1 of 1999, as amended) and Treasury Regulations
- Public Service Act (Act No. 103 of 1994) and Public Service Regulations of 2001
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000)
- Child Justice Act (Act No. 75 of 2008)
- Prevention of and Treatment for Substance Abuse Act (Act No. 70 of 2008)
- Advisory Board on Social Development Act (Act No. 3 of 2001)
- Promotion of Access to Information Act (Act No. 2 of 2000)
- Promotion of Administrative Justice Act (Act No. 3 of 2000)
- Promotion of Equality and Prevention of Unfair Discrimination Act (Act No. 4 of 2000)

- Social Assistance Act (Act No. 59 of 1992)
- Social Work Act (Act No. 102 of 1998)
- Skills Development Act (Act No. 9 of 1999)
- South African Qualifications Authority Act (Act No. 58 of 1995)

2. Review of the 2015/16 financial year

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

Services to older persons

In 2015/16, capacity building sessions were conducted for social workers in the Zululand District and the eThekweni Metro focusing on community-based care, monitoring and evaluation. Social workers working in the NGO sector were capacitated on the Older Persons' Act and elderly abuse management. The International Day Against Elderly Abuse was commemorated in the Umkhanyakude District in June 2015. In rendering services to older persons, the department continued to work with various stakeholders including the NGO sector.

The department continued to fund 311 community-based care and support service centres. The official hand-over of the Kwa-Swayimane Day Care Centre in the uMshwathi Municipality was done in July 2015. The opening of this facility was an initiative to ensure that the expansion of community-based care and support services is realised. In preparation for the implementation of the Victim Empowerment Programme Older Persons Electronic Register (VEOPER), the department trained all the social workers in this regard.

Services to persons with disabilities

The International Albinism Awareness Day was held in Mandeni Municipality to ensure the inclusion of people with albinism into mainstream society. Furthermore, capacity building was undertaken with departmental officials and NGOs in dealing with disabilities, as well as training on policy implementation. Parents and care-givers of children with disabilities were also trained. The MOU with regards to the proposed partnership between the department and uShaka Marine World is work in progress. This partnership seeks to expose people with disabilities to marine life for psychological wellness and therapy.

HIV and AIDS programme

During 2015/16, social behaviour change programmes were implemented in Ugu, Uthukela, Zululand and Umkhanyakude districts to decrease risky sexual behaviour among the youth. Partnerships with the Office of the Premier and the Global Fund prevention programmes targeting social behaviour change for young women (10 – 24 years) were established. Capacity development for departmental and NGO officials was provided through the Government Capacity Building and Support programme (GCBS). This capacity building included community care-givers who were trained on the Integrated Community Care-Givers Foundation course.

In partnership with the German Development Bank, six community care centres (CCC) are under construction to render a package of services to orphans and vulnerable children and youth. The German Development Bank site hand-over of CCCs and the introduction of contractors was attended in May 2015.

The Isibindi Model (a community-based programme that trains unemployed community members on youth care and vulnerable families) was implemented in 113 sites across the province.

Child care and protection services (Children's Act)

Child protection organisations were designated and capacity building on the Act was undertaken to guide officials and stakeholders in the Zululand, uThungulu and Umkhanyakude districts. Training was conducted on the Foster Care Electronic Monitoring (FCEM) system. The department further initiated the development of the FCEM system to improve management of foster care cases.

Early childhood development (ECD) and partial care

During the year, the department strengthened its activities in the monitoring of the Integrated ECD Action Plan with the inclusion of the Department of Co-operative Governance and Traditional Affairs (COGTA) as an important stakeholder. Furthermore, the department developed a framework for ECD infrastructure support and established further partnerships with Assupol (an insurance company) and Ilifa Labantwana (an innovative ECD programme). The latter partnership is intended to expand ECD centres in Ugu, Umzinyathi, Umkhanyakude and Zululand districts.

Child and youth care centres (CYCCs)

The department conducted case conferences to facilitate the reintegration and reunification of children with their families. The department further implemented an integrated plan for children living and working in the streets with other stakeholders including the Departments of Home Affairs, Health and Education, as well as provided capacity building on the Protocol on Child Abuse and Neglect, as well as norms and standards for CYCCs.

Victim empowerment

The department held roundtable discussions on fatherhood and also developed an annual campaign strategy against social ills which focuses on the role of men in the prevention thereof. The department is in the process of establishing a Gender Based Violence Command Centre, which was capacitated with critical equipment, including computers and other working tools. The department further provided capacity building on the Trafficking in Person's Policy Framework for both NPOs and departmental officials and also funded 28 NPOs rendering victim empowerment services.

Crime prevention and support

The department trained officials and stakeholders on the Integrated Social Crime Prevention Strategy (ISCPS) and implemented its mandate in terms of the Child Justice Act through assessment of children in conflict with the law, managing secure care centres and implementing diversion programmes. The department further provided capacity building and funding to NPOs rendering crime prevention services.

Substance abuse programme

The department monitored the implementation of the prevention of and treatment for Substance Abuse Act to 41 organisations and developed four policies in respect of minimum norms and standards for Inpatient Treatment Centres. Financial support was provided to eight NPOs rendering substance abuse treatment programmes. Capacity building for officials and stakeholders was conducted on the implementation on the Growth and Recovery of Women (GROW) programme, targeting women suffering from substance abuse, as well as the National Drug Master Plan.

Institutional capacity building and support

Capacity building initiatives on registration administration, compliance and governance were implemented to 2 687 NPOs across all districts. The department also continued strengthening NPO forums through forum meetings. In terms of the establishment and functionality of NPO forums, the provincial NPO forum is in place and functional with established terms of reference. All districts and local municipalities have functional NPO forums, with the district and service office managers co-chairing these meetings.

Poverty alleviation and sustainable livelihood

During 2015/16, the department established one additional Community Nutrition and Development Centre (CNDC) in Ubuhlebezwe. As a result of the new CNDC, 250 more people accessed food in addition to the 6 750 individuals in the 27 CNDCs established previously. A total of 15 489 people have benefited through departmental food security programmes that are centre-based.

The department commenced developing an implementation plan for the Poverty Eradication Master Plan (PEMP). The implementation plan is currently biased towards community nutrition and development centres and profiling.

Community-based research and planning

The department profiled 2 585 households. Some of these households have been linked to poverty eradication initiatives such as CNDCs. Furthermore, the department developed 184 community-based

plans. The department made limited progress in EPWP social sector beneficiaries, with four per cent captured onto the EPWP system by November 2015, but is addressing this challenge in order to avoid negative impacts on future allocations. Expenditure on the Social Sector EPWP Incentive Grant is on track to achieve full spending by year-end.

Youth development

The department reached 3 268 young people through various youth mobilisation programmes, which mainly focus on life skills and leadership development. The programmes were implemented through youth clubs, youth development centres (YDC) and youth development academies (YDA). Four additional YDCs were rolled out in eThekweni, uMgungundlovu, uThungulu and Ilembe. Furthermore, the department hosted dialogues, as well as district, provincial and national camps as part of their youth mobilisation programmes. These youth mobilisation programmes are a platform for young people to interact around the challenges that are faced by young people, and to devise programmes that seek to address these challenges. The two YDAs (in Umkhanyakude and uThungulu) were provincialised to allow access to young people from across the province.

Women development

The department conducted a women's seminar aimed at encouraging and empowering women to overcome social ills and continue working together towards the improvement of their livelihoods, their families and communities at large. The department, in partnership with OTP, conducted a two-day Widows Summit in eThekweni aimed at addressing issues affecting widows in the communities. Furthermore, the department strengthened the life skills and leadership programmes among women through participation in the 1 000 Women's Hope, Education and Training (WHEAT) Trust initiative that seeks to identify problems faced by women with regard to gender-based violence. In partnership with the Transnet Foundation, the department participated in the roll-out of the teenage health programme "Giving girls the dignity they deserve", aimed at creating awareness among 1 500 teenage school-going girls.

Population policy promotion

The department conducted various capacity building initiatives to ensure the integration of population and development issues in the Integrated Development Planning (IDP) process. Targeted stakeholders were postgraduate students from SADC region countries, IDP managers in KZN, StatsSA and the department's community development practitioners. In addition, six capacity building sessions on Intergenerational Communication for sexual reproductive health and rights for young people and adolescents were conducted in Imbabazane, Maphumulo, Nongoma, Big Five municipalities, as well as the Ugu district. The department also conducted research and developed profiles on substance abuse, a situation analysis of children, elderly and youth, a migration study and a poverty evaluation study.

Increased subsidies to NGOs

The department received additional funding in the 2015/16 Adjusted Appropriation to allow for a six per cent increase in subsidies to NGOs in Programmes 2, 3 and 4. The department implemented the increase in the final quarter of 2015/16. Note that there is carry-through funding for this increase in 2016/17 and 2017/18, with the department to undertake a rationalisation and reprioritisation exercise over these two years to ensure that it can fund the carry-through cost of the increase in 2018/19, as the additional funding ceases in the outer year of the MTEF.

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, as well as briefly looking at the challenges facing the department, and proposed new developments. The bulk of the department's budget allocation is for the provision of personnel. This is reflected in the 2016/17 MTEF budget allocation, whereby *Compensation of employees* has the largest share of the departmental budget at 48.8 per cent. The department will continue to utilise these funds toward the provision of social work practitioners in an effort to meet the norms and standards as per the Integrated Service Delivery Model. The increase in the budget over the 2016/17 MTEF includes national priority funding allocated for the improvement of the quality of services provided to NGOs, which the department will be utilising for the creation of subsidy sections in all district offices and further capacitation of NPOs

in financial management. These sections receive subsidy claims from NPOs, check and verify the correctness of documentation before processing payments. Due to budget constraints, the department will not be absorbing further social work graduates, but has reprioritised funds from within its budget in order to fund the carry-through costs for the graduates that have been absorbed to date. From 2017/18 onward, the department receives significant additional funding in the form of a new conditional grant, namely, the Early Childhood Development (ECD) grant.

The additional national priority funding for the Isibindi model will also be utilised to employ more CCGs who provide home community-based care services (HCBC). Financial support to NGOs will continue to be provided for delivery of social welfare services. The main priority in infrastructure will be refurbishment and upgrades of service offices through continued reprioritisation and implementation of the department's cost-containment plan. These include the Umlazi and Ocean View places of safety, the Lower Umfolozi and Ndwedwe service offices, as well as the Government Garage building in eThekweni.

The department will undertake a process of rationalisation in 2016/17 and 2017/18. This is to ensure that the funding needed for the carry-through costs of the six per cent increase given to NGOs in 2015/16, is funded in 2018/19, as mentioned.

Services to older persons

The department will conduct intergenerational programmes in seven district municipalities in the province, namely Amajuba, Umkhanyakude, Zululand, Ilembe, eThekweni South, uThungulu and Uthukela. The department will also conduct training on a number of issues including the protocol on the management of abuse, the Older Persons' Act, the charter on the Rights of Older Persons, as well as training of care-givers. Partnerships will be strengthened with stakeholders rendering services to older persons. The department will also implement an electronic register on elder abuse cases (VEPOPER).

Services to persons with disabilities

The department plans to train staff and NGOs on the integrated strategy and policy on services to children with disabilities, the United Nations' Convention on the rights of persons with disabilities, the policy on community-based rehabilitation services, as well as the framework on respite care services for families and parents of children with disabilities. Capacity building on sign language will be conducted to 250 departmental staff, while partnerships with stakeholders rendering services to persons with disabilities will be strengthened. Awareness programmes on autism, dyslexia and albinism will be intensified.

HIV and AIDS programme

The department will strengthen child care forums for early identification of orphaned and vulnerable children and youth (OVCY) in the province. The training of CCGs on the Integrated Foundation Course for CCGs will be completed. The department will strengthen the provision of services funded by HCBCs, partnerships with NPOs in the fight against HIV and AIDS and provision of psychosocial support services to beneficiaries will be strengthened. The construction of six CCCs will be funded by the German Development Bank in partnership with national DSD, and will be located in the Okhahlamba, Impendle, Ulundi, Big Five False Bay, Newcastle and Ndwedwe local municipalities.

Care and services to families

The department will intensify the implementation of fatherhood programmes in all districts. Support to teenagers with parental responsibilities will be strengthened, through targeted programmes for teenage mothers and fathers. Married couples will be supported through the implementation of marriage preparation and enrichment programmes, divorce counselling and mediation services. The implementation of the Framework on Positive Values will be strengthened through partnership with the Moral Regeneration Movement in establishing moral regeneration committees in all district municipalities.

Child care and protection services (Children's Act)

The protection of children will be strengthened through the roll-out of capacity building on the Protocol for Management of Child Abuse, Neglect and Exploitation (CANE). Awareness programmes/campaigns will be intensified to ensure increased protection of children. The provincial strategy on Prevention and Early Intervention programmes (PEIP) will be finalised, and the implementation will be monitored, to ensure early warning to prevent harm and provide appropriate response to children who are abused.

Early childhood development and partial care

Focus will be on advocating for improvement of ECD services by finalising the Provincial Integrated Framework for ECD support in the province, implementation of the framework and the monitoring thereof. The department intends to strengthen its monitoring and evaluation of the Provincial Integrated ECD Action Plan to ensure the improvement and expansion of ECD services within the province. Focus will also be on formalising partnerships for improvement of ECD services.

Child and youth care centres

An audit of all CYCCs will be undertaken to assess the level of compliance to Norms and Standards in terms of the Children's Act. Monitoring will be strengthened and turnaround plans developed, implemented and monitored to increase the level of compliance for the realisation of increased protection, care and support to children in alternative care.

Community-based care services to children

Focus will be on the recognition of identified child-headed households in terms of the Children's Act and monitoring of statutory services to child-headed households. Partnership will be strengthened in respect of children living and working in the streets, to ensure integrated service delivery to those children.

Crime prevention and support

The department will continue to render social crime prevention services, with specific focus on the implementation of the Child Justice Act in identified hot spot areas. The department will provide secure care programmes, ensure the assessment of children and provide diversion for children in conflict with the law, as well as render crime prevention and awareness programmes.

Victim empowerment

The department will intensify prevention programmes for gender-based violence through the implementation of Men and Boys programmes in all districts. Furthermore, the department will launch a provincial gender-based violence command centre and implement the Khuseleka One-Stop Centre in Inanda to assist victims of gender-based violence. The department will also upscale the roll-out of the White Door Centres of Hope in Harry Gwala, Umkhanyakude, Ugu, Umzinyathi and Ilembe districts, as well as establish additional shelters for abused women and children in the Ugu and Harry Gwala districts.

Substance abuse programme

The programme plans to capacitate staff and stakeholders on the critical mandates, policies, models and programmes in line with the developed training plan. In order to ensure compliance on the minimum norms and standards and Prevention of and Treatment for Substance Abuse Act, the monitoring of funded NPO and private treatment centres will be strengthened. The programme will ensure that all compliant treatment centres, half-way houses and community-based organisations are registered, and prevention and aftercare programmes are rendered in terms of the Act. To facilitate the intersectoral implementation of programmes, the Provincial Drug Master Plan 2016/17 will be drafted and officials and stakeholders capacitated to ensure the implementation thereof.

Community mobilisation

The department will focus on mobilising communities against poverty and social ills. The focus will also be on ensuring food security and strengthening social cohesion. These programmes will be implemented in the prioritised municipalities of Vulamehlo, Umhlabyalingana, Maphumulo, Msinga and Nkandla.

Institutional capacity building and support

Following the establishment of the local, district and provincial NPO forums last year, the department will strengthen these structures to create a platform for engagement, networking and communicating policy issues with the NPO sector. Specifically, support will be provided on matters of governance in the most deprived municipalities mentioned previously. The department will also focus on the issue of rationalisation of the NPOs aimed at ensuring that resources are equitably distributed across the province.

Poverty alleviation and sustainable livelihood

In 2016/17, 39 new CNDCs will be supported in the previously mentioned prioritised municipalities. Significant attention will be paid to profiling households and individuals who live below the poverty line

with a view to linking them with poverty alleviation interventions such as the EPWP. These interventions will be aligned with the PEMP and PGDP.

Community-based research and planning

The department will focus on the implementation of community-based planning through household and community profiling, as well as the development of community-based plans. Partnerships with local municipalities will be established in carrying out this programme and focus will be prioritised in poverty stricken municipalities. The community-based plans will assist to inform the IDPs of the municipalities.

Youth development

The department will continue to support the Isicabazini and Vuma YDAs. These, together with the youth centres across the province, will be able to provide life skills and vocational skills to about 3 500 young people. The department will also establish and support 150 youth clubs, while 12 district youth camps and one provincial youth camp will be held.

Women development

Women from the previously mentioned most poverty stricken municipalities will be provided with sustainable livelihood opportunities such as income generating, legal and human rights and entrepreneurship. More than 2 500 women will have access to women empowerment programmes.

Population policy promotion

The department will conduct evaluations of the home-community based and population policy implementation programmes, finalise research on the elderly, people living with disabilities, HIV and AIDS, the victim empowerment program and update demographic profiles of most poverty stricken municipalities. The department will also implement its advocacy and capacity building programme through intergenerational communication on sexual reproductive health and rights for young people and adolescents. In implementing its programmes, the department will be in partnership with the United Nations Population Fund (UNFPA) and other government departments.

4. Receipts and financing

4.1 Summary of receipts and financing

Table 13.1 below gives the sources of funding for the Department of Social Development over the seven-year period, 2012/13 to 2018/19. The table also compares actual and budgeted receipts against actual and budgeted payments. Details are presented in *Annexure – Vote 13: Social Development*.

The budget growth reflects an upward trend over the seven-year period. As depicted in Table 13.1 below, the total receipts for Vote 13 increase from R2.048 billion in 2012/13 to R3.174 billion in 2018/19.

Table 13.1 : 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	2 047 812	2 276 243	2 453 014	2 627 481	2 627 481	2 627 481	2 725 271	2 862 151	3 029 160
Conditional grants	-	14 610	5 746	3 000	3 000	3 000	3 958	92 380	144 948
Social Sector EPWP Incentive grant	-	14 610	3 746	3 000	3 000	3 000	3 958	-	-
EPWP Integrated Grant for Provinces	-	-	2 000	-	-	-	-	-	-
Early Childhood Development grant	-	-	-	-	-	-	-	92 380	144 948
Total receipts	2 047 812	2 290 853	2 458 760	2 630 481	2 630 481	2 630 481	2 729 229	2 954 531	3 174 108
Total payments	1 985 386	2 329 906	2 487 432	2 630 481	2 713 250	2 711 615	2 778 162	3 004 633	3 174 108
Surplus/(Deficit) before financing	62 426	(39 053)	(28 672)	-	(82 769)	(81 134)	(48 933)	(50 102)	-
Financing									
of which									
Provincial roll-overs	-	24 094	-	-	2 328	2 328	-	-	-
Provincial cash resources	14 355	1 000	31 000	-	80 441	80 441	48 933	50 102	-
Surplus/(Deficit) after financing	76 781	(13 959)	2 328	-	-	1 635	-	-	-

In 2011/12, the Social Sector EPWP Incentive Grant for Provinces was introduced. The department did not receive the grant in 2012/13. In 2013/14, the department received R14.610 million and in 2014/15

R3.746 million was allocated in respect of this grant. In 2014/15, the department was further allocated R2 million relating to the EPWP Integrated Grant for Provinces. An amount of R3 million in respect of the Social Sector EPWP Incentive Grant for Provinces was allocated in 2015/16, increasing to R3.958 million in 2016/17, with no allocation over the two outer years, at this stage. A new conditional grant is introduced, namely the Early Childhood Development (ECD) grant, with funding commencing in 2017/18 and growing strongly in 2018/19.

The department received provincial cash resources of R14.355 million in 2012/13, of which R13.681 million was to fund the above-budget 2012 wage agreement. The balance of R674 000 relates to funds received in the Provincial Revenue Fund after 2011/12 had closed, in respect of the Social Sector EPWP Incentive Grant for Provinces.

The department under-spent against the 2012/13 budget by R76.781 million, mainly due to the extension of infrastructure projects completion dates by the Independent Development Trust (IDT), after the completion of a value for money audit. The objectives of this audit, which was commissioned by the department were, among others, to assess all infrastructure projects undertaken by IDT, conduct a cost analysis, determine value for money and assess compliance with industry best practices. Also contributing to the under-spending was the non-purchase of furniture and office equipment as the office buildings were not completed.

In 2013/14, the department received a roll-over of R24.094 million relating to 2012/13 commitments in respect of child care and protection services infrastructure projects. Also, R1 million was allocated from provincial cash resources for the Operation Sukuma Sakhe (OSS) initiatives, as identified by the MEC, aimed at improving the lives of the people of KZN. The department over-spent the budget by R13.959 million, mainly due to the introduction of new services related to *Transfers and subsidies to: Non-profit institutions* for ECD and HCBC. Also contributing to the over-expenditure were the department's attempts to address the poor condition of some of its facilities including the Newlands Park substance abuse centre and the Newcastle School of Industries facilities, and other projects from 2012/13 which were completed in 2013/14. These include the KwaNgwanase, Manyiseni and KwaHlabisa service offices.

This over-expenditure resulted in unauthorised expenditure in terms of the adoption of the SCOPA resolutions by the Legislature in December 2014. Thus, in terms of Section 34(2) of the PFMA, the department was liable for the repayment of the over-expenditure. This resulted in the first instalment of the first charge of R6.980 million being implemented against the budget in 2015/16 and the second instalment of R6.979 million in 2016/17. This is reflected as a footnote in Tables 13.4 and 13.5 below.

In 2014/15, the department was allocated R31 million from provincial cash resources, which relates to the Isibindi model funds suspended in 2013/14, as the department had indicated that these funds will be used in 2014/15 in line with the approved implementation plan. The department under-spent in 2014/15 by R2.328 million, mainly related to financial control measures against *Machinery and equipment* implemented in-year in order to reduce the over-expenditure that was projected at mid-year.

In 2015/16, a roll-over of R2.328 million was approved in respect of outstanding invoices for infrastructure projects which were already committed in 2014/15, but only paid in 2015/16.

Also in 2015/16, the department was allocated provincial cash resources of R80.441 million as follows:

- R32.368 million for the above-budget 2015 wage agreement.
- R44.200 million to enable the department to effect a six per cent increase on all transfers to NGOs.
- R3.873 million for the Inkululeko Development project to allow the department to continue the construction of the Inkululeko Elderly Day Care Centre, which was stopped due to lack of funds.

The department is projecting to under-spend its 2015/16 budget by R1.635 million, mainly due to vacant funded posts.

The department receives carry-through funding in 2016/17 and 2017/18 for the six per cent increase for NGOs, as well as the Inkululeko Elderly Day Care Centre, with R46.410 million and R2.523 million in

2016/17 and R49.102 million and R1 million in 2017/18, respectively. The department will undergo a process of internal rationalisation, which will ensure that the carry-through costs of the six per cent increase from 2018/19 onward are funded from within the baseline.

Despite the cutbacks in *Compensation of employees* and *Goods and services*, the budget shows consistent growth over the 2016/17 MTEF, mainly due to the funding allocated for national priorities such as support to the NGO sector, carry-through cost for absorbed social work graduates, provision of victim of gender-based violence services, the addition of the new ECD grant, as well as inflationary increments.

4.2 Departmental receipts collection

Table 13.2 provides a summary of the receipts that the department is responsible for collecting.

Table 13.2 : Summary of departmental receipts collection

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	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	4 770	4 681	4 653	5 775	5 775	5 916	6 150	6 458	6 832
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	15	16	2	26	26	14	28	29	31
Sale of capital assets	3 494	-	3 018	500	500	134	533	560	592
Transactions in financial assets and liabilities	4 991	1 485	1 281	1 071	1 071	1 056	1 130	1 187	1 255
Total	13 270	6 182	8 954	7 372	7 372	7 120	7 841	8 234	8 710

Sale of goods and services other than capital assets is the major source of revenue for the department, and consists of income derived from commission on PERSAL deductions, such as insurance and garnishee orders, housing rent, patient fees (collected from two rehabilitation centres) and the sale of hand crafts that are produced by state-run centres. The department anticipates over-collection in 2015/16, which can be ascribed to the fees collected with respect to the sale of tender documents. Over the MTEF, revenue increases gradually due to inflationary increments.

Interest, dividends and rent on land is in respect of interest on debt recoveries from ex-employees. The 2016/17 MTEF projections are based on historical collections. Revenue collected against this category is difficult to project accurately, as it depends on the debtors' ability to make payment in respect of monies owed to the department.

Sale of capital assets relates to the disposal of redundant motor vehicles and equipment. Revenue collected in 2012/13 and 2014/15 was due to better than anticipated performance of auctions in both years. Poor performance of auctions coupled with fewer disposals of capital assets contributed to the anticipated under-collection in 2015/16. The uncertain nature of this source results in conservative budgeting by the department over the MTEF.

Transactions in financial assets and liabilities relates to recoveries of staff debts such as salary over-payments, breached bursary contracts, etc. The relatively high collection receipted in 2012/13 was due to debts written-off relating to NPOs. Revenue projections grow steadily over the MTEF, mainly due to inflationary increments.

4.3 Donor funding – Nil

5. Payment summary

This section provides information pertaining to the vote as a whole at an aggregate level, including payments and budgeted estimates in terms of programmes and economic classification. Further details are given in Section 6 below, as well as in *Annexure – Vote 13: Social Development*.

5.1 Key assumptions

The following key assumptions form the basis of the 2016/17 MTEF budget of the department:

- All inflation related increases are based on CPI projections.
- Provision was made for 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. 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:
 - 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.
 - Departments' equitable share funded *Goods and services* budgets were cut by 2 per cent.
 - Departments' and public entities' hosting of events budgets were cut over the MTEF.
 - 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.
 - 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 13.3 shows additional funding received by the department over the three MTEF periods: 2014/15, 2015/16 and 2016/17. Note that the table reflects only the provincial additional allocations, and excludes additional allocations in respect of conditional grants.

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

Table 13.3 : 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	45 691	21 236	23 184	24 343	25 755
Suspension of Isibindi model from 2013/14	31 000	-	-	-	-
Carry-through of previous wage agreements	7 064	13 640	15 761	16 549	17 509
Centralisation of communications budget under OTP	(3 100)	(3 100)	(3 242)	(3 404)	(3 602)
National priorities:	10 727	10 696	10 665	11 198	11 848
Provision of shelters for victims of gender-based violence	10 727	10 696	10 665	11 198	11 848
2015/16 MTEF period	-	-	-	-	-
2016/17 MTEF period			6 644	6 315	(45 322)
Above-budget 2015 wage agreement			40 889	43 866	47 203
6% increase in transfers to NGOs			46 410	49 102	-
Inkululeko Elderly Day Care Centre			2 523	1 000	-
Freezing all vacant non-OSD posts			(60 162)	(64 253)	(68 623)
Cutting events' budgets			(15 000)	(15 000)	(15 000)
2% Goods and services cut			(8 016)	(8 400)	(8 902)
Total	45 691	21 236	29 828	30 658	(19 567)

In the 2014/15 MTEF, the department was allocated R31 million, being funds suspended from 2013/14 relating to the Isibindi model, as the department indicated that these funds would be utilised in 2014/15, in line with the approved implementation plan. The department's allocation was reduced over the 2014/15 MTEF to cater for the centralisation of parts of the communications budget under OTP. The department received additional allocations over the 2014/15 MTEF to cater for the carry-through costs of various wage agreements, as well as national priority funding for the provision of shelters for victims of gender-based violence. These funds were allocated as transfers to NPOs who run shelters for victims of gender-based violence and their children. The allocation was for a 35 per cent increase in bed capacity from 1 583 to 2 137. This is in addition to the current transfers to NPOs for shelter services and therefore this additional allocation is meant to complement existing shelter service provision.

With regard to the 2015/16 MTEF, the department was not allocated additional funding.

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 was 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. These cuts were effected on the department's budget as follows:

- R60.162 million with carry-through is removed from the baseline for the freezing of non-OSD vacant posts.
- R15 million is removed from the baseline of each of the MTEF years being the cutting of events budgets.
- R8.016 million with carry-through is removed from the baseline for the two per cent cut on *Goods and services*.

These cuts were offset to some extent by the following additional allocations:

- R40.889 million, with carry-through, for the above-budget 2015 wage agreement.
- R46.410 million, with carry-through in 2017/18 only, for the previously mentioned six per cent increase for NGOs announced in 2015/16. The carry-through costs for 2018/19 will be borne by the department from rationalisation and reprioritisation.
- A further R2.523 million is allocated, with carry-through to 2017/18 only, for the construction of the previously mentioned Inkululeko Elderly Day Care Centre.

5.3 Summary by programme and economic classification

The services rendered by the department are categorised under five programmes, which are aligned to the uniform budget and programme structure for the Social Development sector. The department is still in the process of ensuring that clear and accurate information is available for each sub-programme for budgets and expenditure, as well as the number of clients receiving each service and number of support staff providing each service.

As explained previously, the department is liable for the repayment of the previous year's over-expenditure, resulting in a first charge against the department's budget in 2016/17, which is reflected under the affected programmes where the unauthorised expenditure occurred against *Payments for financial assets*. This is reflected as a footnote in the tables below.

Tables 13.4 and 13.5 provide a summary of payments and budgeted estimates for the five budget programmes of the department, as well as per economic classification. The budget reflects positive growth from 2012/13 to 2018/19. The factors that contribute to the upward trend include policy changes that

impact on the provision of social welfare services, various national priorities, the OSD for social workers, carry-through costs of previous wage agreements, as well as an increase in the number of personnel.

Note that the bulk of the budget cuts have been effected against Programme 1: Administration, with R54.941 million of the total cutback of R83.178 million reduced from this programme in 2016/17. The remainder of the cuts are spread proportionately across the four remaining programmes. The reductions at economic classification level are as per the amounts in Table 13.3, with R60.162 million cut from *Compensation of employees* and R23.016 million cut from *Goods and services in 2016/17*, with carry-through.

The bulk of the budget comprises *Compensation of employees* and *Transfers and subsidies to: Non-profit institutions*, in line with the department's core functions.

Table 13.4 : Summary of payments and estimates by programme: Social Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Administration	389 758	457 752	453 656	515 563	520 046	553 353	507 896	527 737	557 588
2. Social Welfare Services	529 721	604 064	596 944	626 435	678 884	699 746	680 234	706 697	729 228
3. Children and Families	721 061	835 189	941 344	973 617	1 019 959	1 013 446	1 075 997	1 230 465	1 316 821
4. Restorative Services	182 233	202 074	258 173	292 540	287 543	261 013	286 895	301 168	316 338
5. Development and Research	162 613	230 827	237 315	222 326	206 818	184 057	227 140	238 566	254 133
Total	1 985 386	2 329 906	2 487 432	2 630 481	2 713 250	2 711 615	2 778 162	3 004 633	3 174 108
Unauth. Exp. (1st charge) not available for spending	-	-	-	(6 980)	(6 980)	(6 980)	(6 979)	-	-
Baseline available for spending after 1st charge	1 985 386	2 329 906	2 487 432	2 623 501	2 706 270	2 704 635	2 771 183	3 004 633	3 174 108

Table 13.5 : Summary of payments and estimates by economic classification: Social Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	1 184 589	1 371 148	1 520 152	1 668 481	1 700 849	1 685 942	1 731 444	1 806 735	1 911 660
Compensation of employees	848 598	1 015 767	1 156 790	1 282 962	1 315 330	1 280 172	1 340 977	1 400 469	1 480 955
Goods and services	335 933	355 055	363 350	385 519	385 519	405 601	390 467	406 266	430 705
Interest and rent on land	57	326	12	-	-	169	-	-	-
Transfers and subsidies to:	606 915	753 289	806 210	780 616	824 816	837 275	879 872	1 021 890	1 076 478
Provinces and municipalities	516	365	539	1 747	1 747	765	723	832	938
Departmental agencies and accounts	810	6 030	1 110	1 321	1 321	3 350	1 706	1 768	1 870
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	16 607	-	-	-	-	-	-	-
Non-profit institutions	587 278	713 172	780 982	756 768	800 968	810 863	854 957	995 679	1 048 690
Households	18 311	17 115	23 579	20 780	20 780	22 297	22 486	23 611	24 980
Payments for capital assets	190 439	205 469	161 070	174 404	180 605	181 418	159 867	176 008	185 970
Buildings and other fixed structures	157 407	182 084	127 953	135 881	142 082	142 809	121 277	135 491	143 103
Machinery and equipment	33 032	23 385	33 117	36 425	38 523	38 609	38 590	40 517	42 867
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	2 098	-	-	-	-	-
Payments for financial assets	3 443	-	-	6 980	6 980	6 980	6 979	-	-
Total	1 985 386	2 329 906	2 487 432	2 630 481	2 713 250	2 711 615	2 778 162	3 004 633	3 174 108
Unauth. Exp. (1st charge) not available for spending	-	-	-	(6 980)	(6 980)	(6 980)	(6 979)	-	-
Baseline available for spending after 1st charge	1 985 386	2 329 906	2 487 432	2 623 501	2 706 270	2 704 635	2 771 183	3 004 633	3 174 108

Programme 1: Administration reflects fairly steady growth from 2012/13 to 2014/15, with a substantial increase in 2015/16, attributable to the increase in *Compensation of employees* which resulted from the unbudgeted re-grading of levels 4 to 5, 9 to 10 and 11 to 12 posts, in line with PSCBC resolution 3 of 2009, the carry-through costs of the 2012 wage agreement, as well as the implementation of the district management model, whereby the department now has an office in each district municipality, hence the increased operational costs. The increase in the 2015/16 Main Appropriation relates to enforced savings and reprioritisation from other programmes to offset spending pressures against *Compensation of employees* due to the above-budget 2014 wage adjustment, and previously mentioned pressures. The high 2015/16 Revised Estimate relates to pressures against *Goods and services* which could not be fully funded by in-year reprioritisation, including property payments, communications, fleet services and travel and subsistence. The decreased growth in 2016/17 is due to the baseline cuts in *Compensation of employees*,

the two per cent cut in *Goods and services*, as well as the cutting of the events budget, as mentioned previously. The growth over the two outer years of the MTEF from the low base in 2016/17, provides for the anticipation that only funded critical vacant posts will be filled, taking into account the freezing of vacant non-OSD posts, the centralisation of some operational costs such as training and development, as well as inflationary increments.

Programme 2: Social Welfare Services reflects a general upward trend, with some year-on-year fluctuations over the seven-year period. The increase in 2013/14 is mainly due to national priorities, including the OSD for social workers and HCBC. The significant growth in 2013/14 was inflated by over-expenditure due to higher than expected payments for new services including additional NGOs providing HCBC services, as well as a low base in 2012/13 due to strict application of Section 38(1)(j) of the PFMA. The decrease in 2014/15 is ascribed to the attempts by the department to align to the new budget programme structure of the sector which was implemented effective from 1 April 2014. The increase in the 2015/16 Main Appropriation was due to reprioritisation of funds from other programmes to cater for the spending pressures against *Buildings and other fixed structures*. This relates to projects pertaining to upgrades and refurbishment of state facilities and service offices which are in a poor condition, some of which have been condemned and shut down, including the Ngwelezane service office, Excelsior Place of Safety, and Kwabadala Old Age Home. In this regard, some of the functions which had previously been against this programme were moved to the two additional programmes, namely Children and Families and Restorative Services, with funds reprioritised from other programmes. The department was unable to restate the historical years' figures. The increase in the 2015/16 Adjusted Appropriation relates to additional funding received for the six per cent tariff increase to NPOs, the above-budget 2015 wage agreement and funding for the Inkululeko Elderly Day Care Centre. The 2016/17 allocation includes the Social Sector EPWP Incentive Grant for Provinces which is allocated on an annual basis for the appointment of CCGs and is based on the previous year's performance, and hence no funds are allocated in the two outer years, at this stage. The growth in 2016/17 is negative due to the previously mentioned budget cuts in *Compensation of employees*, *Goods and services* and events. Thereafter, the MTEF grows steadily, mainly due to the anticipated filling of critical OSD posts and carry-through costs for absorbed social work graduates, as well as supervisor posts. Note that, as previously mentioned, the department will fund the carry-through costs of the six per cent increase for NGOs from 2018/19 onward, through a process of rationalisation to be undertaken in 2016/17 and 2017/18.

Programme 3: Children and Families shows healthy growth over the period under review. This growth relates mainly to the filling of vacant posts and carry-through costs for absorbed social work graduates. The increase in the 2015/16 Adjusted Appropriation is attributable to additional funding for the above-budget 2015 wage agreement and the six per cent tariff increase to NPOs. The increases over the 2016/17 MTEF relate to national priority funding, carry-through costs of the 2015 wage agreement, absorbed social workers and the filling of critical vacant OSD posts, as well as the allocation of the previously mentioned new ECD grant from 2017/18 onward. Note that the department will undergo a rationalisation and reprioritisation exercise in 2016/16 and 2017/18 in order to provide for the carry-through costs of the six per cent increase to NGOs, as mentioned.

Programme 4: Restorative Services increases over the seven-year period due to the filling of vacant posts and carry-through costs of absorbed social worker graduates. There was also additional funding for the improvement of quality of services provided by NPOs, as well as their financial sustainability, expansion of services to children in conflict with the law and victim empowerment programmes. The decrease in the 2015/16 Adjusted Appropriation and the Revised Estimate pertains mainly to the decision taken not to fund new NPOs in order to avoid over expenditure of the vote. The increase over the 2016/17 MTEF is in respect of the filling of critical vacant OSD posts, carry through costs of the above-budget 2015 wage agreement and annual salary increments.

Programme 5: Development and Research reflects healthy growth over the seven-year period. The increase in 2013/14 is due to additional national priority funding that was allocated relating to the improvement of the quality of services provided by NGOs, and their financial sustainability, as well as youth development. Furthermore, the payment of IDT invoices for 2012/13 projects, which were completed in 2013/14, contributed to the increase. The decrease in the 2015/16 Adjusted Appropriation and Revised Estimate largely relates to funds that were moved from this programme to cover the projected

shortfall in Programme 2, due to higher than expected claims from NGOs under the HIV and AIDS sub-programme. The budget grows steadily over the MTEF, mainly due to the national priority funding.

Compensation of employees shows strong growth over the period, primarily due to annual wage adjustments, absorption of social work graduates and conditional grant funding to cater for the payment of stipends to CCGs. The increase in the 2015/16 Adjusted Appropriation and Revised Estimate can be attributed to the carry-through costs for absorbed social work graduates, as well as the above-budget 2015 wage agreement. The relatively low increase in 2016/17 is due to the above-mentioned budget cuts in *Compensation of employees*. Growth from 2017/18 onward is in respect of filling vacant OSD posts in line with the freezing of vacant non-OSD posts, carry-through costs for absorbed social work graduates, national priority funding for appointment of CCGs and finance monitors, and annual salary increments.

Goods and services reflects a steady increase over the seven-year period, apart from a reduction in 2016/17, attributed to the increased costs in respect of audit fees, legal fees, forensic investigations and operating expenditure such as security services, municipal services and travel and subsistence, etc. The negative growth in 2016/17 relates to the previously mentioned two per cent budget cut in *Goods and services*, as well as the cuts in the events budget. The bulk of these cuts are against agency services, contractors, property payments and business advisory services. The increase over the remainder of the 2016/17 MTEF mainly relates to national priority funding for the NGO support which will be utilised in building the capacity of NPOs in financial management. Initially these funds were allocated under *Transfers and subsidies to: Public corporations and private enterprises* and were later moved to this category due to the unsatisfactory performance of the National Development Agency (NDA).

Expenditure against *Interest and rent on land* relates to interest paid on overdue accounts.

Transfers and subsidies to: Provinces and municipalities fluctuates over the period under review in respect of the payment of motor vehicle licences. The decrease in 2013/14 relates to delays in the submission of invoices of purchased motor vehicles by the Department of Transport (DOT), accounting for the increase in 2014/15. The allocation in 2016/17 decreases, which serves to correct over-budgeting in 2015/16, and thereafter provides for the anticipated purchase of new vehicles, as well as annual increases in licence renewals.

The category *Transfers and subsidies to: Departmental agencies and accounts* relates to the Health and Welfare Sector Education Training Authority (HWSETA). The substantial increase in 2013/14 relates to the payment made to HWSETA, including expenditure from previous years for which invoices were received late. The high 2015/16 Revised Estimate relates to delays in submission of invoices by HWSETA with payments made in 2015/16, hence the decrease in 2016/17. The increase over the 2016/17 MTEF provides for inflation only.

Transfers and subsidies to: Public corporations and private enterprises in 2013/14 relates to transfers to the NDA for the provision of capacity building programmes for NPOs in areas such as financial management, NPO management, etc. It must be noted that the department did not have capacity to adequately conduct these programmes, hence the appointment of an implementing agent. No allocation is reflected against this category in the ensuing financial years due to the fact that the department was not satisfied with the performance of the implementing agent, hence the funds were moved to *Goods and services* from 2014/15 onward, in order to appoint a consultant to implement some of the programmes. There are no amounts over the MTEF, due to the shifting of funds to *Goods and services*, as mentioned.

The low base against *Transfers and subsidies to: Non-profit institutions* in 2012/13 relates to the non-implementation of transfers relating to the Youth Development and Sustainable Livelihood sub-programmes due to an audit of previously funded projects and the review of standard operating procedures for the funding and monitoring of NPOs. The increase in 2013/14 largely relates to higher than expected payments for new transfer services for ECD and HCBC, which inflated the expenditure. The further increase in 2014/15 relates to the carry-through cost of the new services for ECD and HCBC. The increase in the 2015/16 Adjusted Appropriation is attributed to the additional funding received for the payment of a six per cent tariff increase to NPOs. The increase over the first two financial years of the 2016/17 MTEF is attributable to the carry-through cost of the six per cent tariff increase which is not included in the last year

of the MTEF period, as the department must undergo a rationalisation and reprioritisation exercise to identify funding for the outer year. This exercise will take place in 2016/17, and the revised budget will be included in the 2017/18 MTEF. Also contributing to the strong growth in 2017/18 and 2018/19 is the new ECD grant, which is allocated to this category at this stage. The department may need to review this allocation in-year once the framework for the grant is promulgated. In addition, the MTEF growth includes allocations for national priorities, such as child and youth care and victim empowerment, and the provision of shelters for victims of gender-based violence, as well as inflation.

Expenditure against *Transfers and subsidies to: Households* relates to staff exit costs which are difficult to predict, as well as disaster relief transfers. The substantial increase in 2013/14 was due to the fact that disaster relief transfers, to cater for items such as food parcels, which were previously paid under *Goods and services*, were moved to this category, in line with a recommendation from the A-G. The increase in the 2015/16 Revised Estimate relates to the social relief pay-outs in various areas, for families in need of social relief, caused by increased poverty levels in some parts of the province. This also accounts for the increase over the 2016/17 MTEF.

The increase against *Buildings and other fixed structures* in 2013/14 relates to the payment of outstanding invoices for infrastructure projects by IDT from 2012/13, as mentioned in Programme 2. Also contributing was the department's attempt to address the poor condition of some of its facilities including the Newlands Park Substance Abuse Centre and the Newcastle School of Industries facilities. The healthy increase over the MTEF relates to the reprioritisation by the department in order to address its dilapidated infrastructure. These facilities include Ngwelezane Place of Safety, Osizweni Handicraft Centre, KwaMashu service office, uBombo service office, among others. The Umzinkulu office and the Esplanade government building in Durban were previously condemned and shut down by the Department of Labour and alternative accommodation through leases has been sought.

Machinery and equipment in 2012/13 relates to the purchase of office equipment for newly appointed departmental officials. The decrease in 2013/14 relates to delays in the completion of new office infrastructure and CDCs, as funds earmarked for the purchase of office furniture and equipment could not be utilised. The allocation over the 2016/17 MTEF provides for the anticipated purchase of furniture, office equipment and vehicles, in line with planned filling of critical vacant funded OSD posts.

Spending against *Software and other intangible assets* is in respect of computer software packages required by the department. The allocation was moved in the 2015/16 Adjusted Appropriation and over the 2016/17 MTEF to *Machinery and equipment* to align the budget with SCOA requirements. The historical figures have been restated for comparative purposes.

The amount against *Payments for financial assets* in 2012/13 relates to the write-off of irrecoverable staff debts. The 2015/16 and 2016/17 amounts relate to the first charge of a prior year's over-spending, which has been split according to the programmes where unauthorised expenditure occurred, as previously explained.

5.4 Summary of conditional grant payments and estimates

Tables 13.6 and 13.7 illustrate conditional grant payments and estimates from 2012/13 to 2018/19.

Note that the historical figures in Tables 13.6 and 13.7 below reflect actual expenditure, and should not be compared to those figures reflected in Table 13.1, which represent the actual receipts for the grant.

Table 13.6 : Summary of conditional grants payments and estimates by name

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
EPWP Integrated Grant for Provinces	-	-	2 000	-	-	-	-	-	-
Social Sector EPWP Incentive Grant for Provinces	674	14 610	3 746	3 000	3 000	3 000	3 958	-	-
Early Childhood Development grant	-	-	-	-	-	-	-	92 380	144 948
Total	674	14 610	5 746	3 000	3 000	3 000	3 958	92 380	144 948

Table 13.7 : Summary of conditional grants payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	-	14 610	5 746	3 000	3 000	3 000	3 958	-	-
Compensation of employees	-	14 610	5 746	3 000	3 000	3 000	3 958	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	674	-	-	-	-	-	-	92 380	144 948
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	674	-	-	-	-	-	-	92 380	144 948
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	674	14 610	5 746	3 000	3 000	3 000	3 958	92 380	144 948

In 2012/13, the department received R674 000 for the Social Sector EPWP Incentive Grant for Provinces which were funds relating to 2011/12 but only received after the financial year had closed. In 2011/12, funds in this grant were to subsidise NPOs that work in HCBC programmes for the Departments of Social Development and Health, to ensure that volunteers that did not receive a stipend received a minimum form of remuneration.

In 2013/14, the department was allocated R14.610 million for the Social Sector EPWP Incentive Grant for Provinces, which was utilised to pay stipends to CCGs who were previously employed by NPOs. In 2014/15, the grant was reduced to R3.746 million, and further reduced in 2015/16 to R3 million and was used for the same purpose in both years.

In 2014/15, the department was allocated R2 million relating to the EPWP Integrated Grant for Provinces, and was used for the payment of stipends to cleaners in district and services offices.

It is noted that only one grant, the Social Sector EPWP Incentive Grant for Provinces, is allocated in the first year of the 2016/17 MTEF, at this stage. The purpose of this grant remains the subsidising of stipends for CCGs.

A new grant is introduced from 2017/18 onward, namely the ECD grant within Programme 3: Children and Families, with most of the funding intended for NGOs, with some funding to assist in the maintenance of ECD facilities. As the amount required for maintenance is not known at this stage, all funding is allocated to *Transfers and subsidies to: Non-profit institutions*, with the allocation to be reviewed during 2016/17, once the framework for the grant is promulgated.

Both EPWP conditional grants fall under the HIV and AIDS sub-programme in Programme 2: Social Welfare Services, and against *Compensation of employees* (from 2013/14) as the CCGs were appointed on PERSAL in April 2013. This detail is shown in *Annexure – Vote 13: Social Development*.

5.5 Summary of infrastructure payments and estimates

Table 13.8 summarises infrastructure spending by category over the seven-year period, while *Annexure – Vote 13: Social Development* gives details by infrastructure type.

Existing infrastructure assets fluctuates from 2012/13 to 2014/15, mainly related to the additional funds allocated in the 2012/13 MTEF for three years relating to upgrades and renovations to state owned facilities in order to bring them to acceptable norms and standards. These were removed from the department's baseline from 2014/15 in line with the project requirements.

Table 13.8 : 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	40 974	75 855	75 927	50 838	71 852	75 765	54 170	55 675	58 904
Maintenance and repair: Current	16 139	21 655	24 199	17 057	17 057	22 731	16 424	17 260	18 261
Upgrades and additions: Capital	8 861	37 327	15 839	13 781	27 074	28 907	14 746	15 483	16 381
Refurbishment and rehabilitation: Capital	15 974	16 873	35 889	20 000	27 721	24 127	23 000	22 932	24 262
New infrastructure assets: Capital	132 572	127 884	76 225	102 100	87 287	89 775	83 531	97 076	102 460
Infrastructure transfers	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Current	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital	-	-	-	-	-	-	-	-	-
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	-	-	-	-	-	-	-	-	-
Total	173 546	203 739	152 152	152 938	159 139	165 540	137 701	152 751	161 364
<i>Capital infrastructure</i>	<i>157 407</i>	<i>182 084</i>	<i>127 953</i>	<i>135 881</i>	<i>142 082</i>	<i>142 809</i>	<i>121 277</i>	<i>135 491</i>	<i>143 103</i>
<i>Current infrastructure</i>	<i>16 139</i>	<i>21 655</i>	<i>24 199</i>	<i>17 057</i>	<i>17 057</i>	<i>22 731</i>	<i>16 424</i>	<i>17 260</i>	<i>18 261</i>

Maintenance and repair: Current reflects an erratic trend. The substantial growth in 2013/14 relates to acceleration in implementing projects due to additional funding allocated for maintenance and repair of existing infrastructure assets. Although the additional funding received from Provincial Treasury ended in 2014/15, the department reprioritised its allocation to fund the maintenance of existing infrastructure. The reduced baseline in 2016/17 is evidence of the focus being shifted to refurbishments, as most of the service offices and state facilities require major capital works. Growth thereafter is inflationary only.

Upgrades and additions: Capital fluctuates from 2012/13 to 2014/15. The increase in 2013/14 includes a portion of the additional funding for infrastructure assets and maintenance, to cater for upgrades and additions of existing infrastructure assets, such as children's homes and secure care centres, aggravated by the classification of most projects as major works for upgrades as a result of the poor condition of the buildings. The decrease in 2014/15 is due to the additional funding coming to an end. The peak in the 2015/16 Adjusted Appropriation and Revised Estimate relates to once-off funding, reprioritised from *New infrastructure assets: Capital* for pressures in existing projects including the Ngwelezane, Maphumulo and Ndwedwe service offices, hence the decrease in 2016/17. The growth over the MTEF is mainly due to planned upgrade projects including the Inanda, Maphumulo and Ubombo service offices, among others.

Refurbishment and rehabilitation: Capital increased in 2013/14 related to repairs and maintenance projects which DOPW classified as rehabilitation and refurbishments. The significant increase in 2014/15 relates to the reprioritisation of funds from areas such as *Machinery and equipment* in order to offset pressures related to various projects in an effort to address the poor condition of the state facilities and service offices. The peak in the 2015/16 Adjusted Appropriation and Revised Estimate relates to once-off funding, reprioritised from *New infrastructure assets: Capital* for pressures in existing projects including the Umzimkulu service office and the Esplanade government building, hence the decrease in 2016/17. The maintenance of the baseline level over the 2016/17 MTEF highlights the department's efforts to address the conditions of office buildings, as well as state facilities. Projects included in the plans for the MTEF include the Umlazi and Ocean View places of safety, the Lower Umfolozi and Ndwedwe service office, as well as the Government Garage building in eThekweni.

New infrastructure assets: Capital relates to the provision of office and residential accommodation for staff in rural areas, and construction of CDCs, ECD centres and secure care centres. The expenditure in 2012/13 was for the construction of one-stop development centres and new office accommodation. The decrease in 2013/14 relates to delays in completion of new infrastructure projects, including the Nkunzana and Dambuza CDCs, mainly as a result of bad weather and slow progress in the planning stages of some projects. The allocation over the 2016/17 MTEF caters for the anticipated construction of service offices and state facilities, including the Inanda service office, the Osizweni service office, the Inkululeko Elderly Day Care Centre and ECDC.

5.6 Public Private Partnerships (PPPs)

Although the department had previously registered a PPP for the establishment of secure care centres to accommodate awaiting trial and sentenced children, this PPP is no longer being considered.

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

5.8 Transfers to other entities

Table 13.9 reflects transfers to entities such as NGOs, faith-based organisations (FBOs) and NPOs, as reflected against *Transfers and subsidies to: Non-profit institutions* and *Transfers and subsidies to: Public corporations and private enterprises* in Table 13.5. The increase over the MTEF provides for inflation, and is commented on briefly below.

Table 13.9 : Summary of departmental transfers to other entities

Sub-programme	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
R thousand									
Services to Older Persons	94 493	106 162	106 201	99 464	107 008	100 783	111 427	117 052	116 353
Homes for the Aged	52 422	65 525	106 201	54 866	58 381	55 593	61 465	64 568	64 182
Service Centres, Lunch Clubs	32 378	31 149	-	34 323	37 694	34 778	38 451	40 392	40 151
Welfare Organisation	9 693	9 488	-	10 275	10 933	10 412	11 511	12 092	12 020
Services to Persons with Disabilities	60 085	63 360	64 538	66 231	68 931	63 503	73 808	77 530	77 477
Homes for the Disabled	27 262	28 570	64 538	36 528	37 492	35 023	40 706	42 759	42 730
Protective Workshops	10 008	11 267	-	10 539	11 155	10 105	11 745	12 337	12 329
Welfare Organisations	22 815	23 523	-	19 164	20 284	18 375	21 357	22 434	22 418
HIV and AIDS	45 111	77 403	79 612	40 952	64 237	95 947	75 401	77 848	75 167
Home Community-Based Care	45 111	77 403	79 612	40 952	64 237	95 947	75 401	77 848	75 167
Care and Services to Families	-	-	-	5 423	5 739	4 967	6 082	6 389	6 389
Welfare Organisations	4 329	4 553	-	-	-	-	-	-	-
Child Care and Protection	67 152	74 519	81 814	82 188	86 841	78 187	91 340	95 946	96 141
Private Places of Safety	-	-	76 551	1 482	1 658	1 410	1 657	1 741	1 734
Welfare Organisations	67 152	74 519	5 263	80 706	85 183	76 777	89 683	94 205	94 407
ECD and Partial Care	166 249	201 932	243 102	220 943	245 186	267 392	247 949	354 229	404 862
ECD Centres	166 249	201 932	243 102	220 943	245 186	267 392	247 949	354 229	404 862
Child and Youth Care	81 116	89 686	88 318	73 121	79 415	95 688	82 561	86 734	85 536
Children's Homes	73 118	81 254	88 318	65 387	70 126	85 567	73 828	77 560	76 489
Shelters for Children	7 998	8 432	-	7 734	9 289	10 121	8 733	9 174	9 047
Comm-Based Care Serv for Children	-	-	28 181	33 600	33 334	22 498	51 475	54 063	55 161
Isibindi	-	-	28 181	33 600	33 334	22 498	51 475	54 063	55 161
Crime Prevention and Support	18 599	17 625	17 959	22 077	20 435	20 097	17 998	22 882	23 146
Welfare Organisations	18 599	17 625	17 959	22 077	20 435	20 097	17 998	22 882	23 146
Victim Empowerment	5 364	7 308	12 559	26 382	22 219	15 059	23 057	24 462	25 280
Shelters for Women	5 364	7 308	12 559	26 382	22 219	15 059	23 057	24 462	25 280
Substance Abuse Prev and Rehab	12 305	12 664	15 050	20 393	17 137	16 214	18 262	19 392	19 696
Outpatients Clinics	-	861	-	582	609	463	641	674	681
Treatment Centres	-	1 076	-	3 384	(621)	2 690	3 724	3 912	3 958
Welfare Organisations	12 305	10 727	15 050	16 427	17 149	13 061	13 897	14 806	15 057
Development and Research	32 475	74 567	43 648	65 994	50 486	30 528	55 597	59 152	63 482
Community Projects	32 475	74 567	43 648	65 994	50 486	30 528	55 597	59 152	63 482
Total	587 278	729 779	780 982	756 768	800 968	810 863	854 957	995 679	1 048 690

The table above reflects an upward trend from 2012/13 to 2018/19.

The department transfers funds to almost 2 000 entities in KZN, and a list of all these entities can be made available on request. In previous years, the department listed the main entities receiving transfers from the department, while the rest were combined and categorised as *Other*. In an attempt to provide relevant information regarding transfers to these entities, the table was redesigned to indicate transfers per category and sub-programme within Programmes 2 to 5.

The low amount in 2012/13 is due to strict application of Section 38(1)(j) of the PFMA, which largely affected ECD and partial care. The increased 2013/14 amount is attributed to the introduction of new services for NGOs and NPOs, as previously mentioned. The increase in 2014/15 is attributed to increases for ECD centres, in line with national priority funding.

The increase in the 2015/16 Adjusted Appropriation is due to additional funding relating to the previously mentioned six per cent increase for NGOs, with carry-through to 2017/18. Note that the carry-through cost of the six per cent tariff increase is not included in the last year of the MTEF period, as the department must undergo a rationalisation and reprioritisation exercise to identify funding for the outer year. This exercise will take place in 2016/17, and the revised budget will be included in the 2017/18 MTEF.

The strong growth in 2017/18 and 2018/19 against ECD and Partial Care relates to the new ECD grant funding which commences in 2017/18.

5.9 Transfers to local government – Nil

5.10 Transfers and subsidies

Table 13.10 below is a summary of spending on *Transfers and subsidies* by programme and main category. The table reflects a fluctuating trend from 2012/13 to 2018/19 for the category as a whole.

Table 13.10 : Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Administration	2 149	9 134	5 417	7 009	7 009	7 943	6 585	6 964	7 425
Provinces and municipalities	516	365	539	1 747	1 747	765	723	832	938
Motor vehicle licences	516	365	539	1 747	1 747	765	723	832	938
Departmental agencies and accounts	810	6 030	1 110	1 321	1 321	3 350	1 706	1 768	1 870
HWSETA	810	6 030	1 110	1 321	1 321	3 350	1 706	1 768	1 870
Households	823	2 739	3 768	3 941	3 941	3 828	4 156	4 364	4 617
Social benefits	823	2 739	3 768	3 941	3 941	3 828	4 156	4 364	4 617
2. Social Welfare Services	216 719	259 487	268 971	222 230	255 759	277 073	277 623	290 267	287 869
Non-profit institutions	199 689	246 925	250 352	206 647	240 176	260 234	260 636	272 430	268 997
Care and services to older persons	94 493	106 162	106 202	99 464	107 008	100 784	111 427	117 052	116 353
Services to persons with disabilities	60 085	63 360	64 538	66 231	68 931	63 504	73 808	77 530	77 477
HIV and AIDS	45 111	77 403	79 612	40 952	64 237	95 946	75 401	77 848	75 167
Households	17 030	12 562	18 619	15 583	15 583	16 839	16 987	17 837	18 872
Social benefit - staff exit costs	1 482	482	757	1 930	1 930	1 092	2 610	2 741	2 900
Social relief	15 548	12 080	17 862	13 653	13 653	15 747	14 377	15 096	15 972
3. Children and Families	319 021	372 172	442 172	415 828	451 068	469 494	480 005	597 989	648 753
Non-profit institutions	318 846	370 690	441 414	415 275	450 515	468 731	479 407	597 361	648 089
Care and services to families	4 329	4 553	5 263	5 423	5 739	4 967	6 082	6 389	6 389
Child care and protection	67 152	74 519	76 551	82 188	86 841	78 187	91 340	95 946	96 141
ECD and partial care	166 249	201 932	243 101	220 943	245 186	267 391	247 949	354 229	404 862
Child and youth care	81 116	89 686	88 318	73 121	79 415	95 688	82 561	86 734	85 536
Community-based care services for children	-	-	28 181	33 600	33 334	22 498	51 475	54 063	55 161
Households	175	1 482	758	553	553	763	598	628	664
Social benefits	175	1 482	758	553	553	763	598	628	664
4. Restorative Services	36 376	37 762	45 913	68 987	59 926	52 032	59 464	66 890	68 285
Non-profit institutions	36 268	37 597	45 568	68 852	59 791	51 370	59 317	66 736	68 122
Crime prevention and support	18 599	17 625	17 959	22 077	20 435	20 097	17 998	22 882	23 146
Victim empowerment	5 364	7 308	12 559	26 382	22 219	15 059	23 057	24 462	25 280
Substance abuse, prevention and rehabilitation	12 305	12 664	15 050	20 393	17 137	16 214	18 262	19 392	19 696
Households	108	165	345	135	135	662	147	154	163
Social benefit - staff exit costs	108	165	345	135	135	662	147	154	163
5. Development and Research	32 650	74 734	43 737	66 562	51 054	30 733	56 195	59 780	64 146
Public corporations and private enterprises	-	16 607	-	-	-	-	-	-	-
NDA (support to NGO sector)	-	16 607	-	-	-	-	-	-	-
Non-profit institutions	32 475	57 960	43 648	65 994	50 486	30 528	55 597	59 152	63 482
Poverty alleviation and sustainable livelihoods	21 340	23 036	16 400	14 773	12 107	7 195	14 586	15 449	16 500
Youth development	11 135	34 924	26 250	40 221	31 035	19 646	33 167	35 284	37 863
Women development	-	-	998	11 000	7 344	3 687	7 844	8 419	9 119
Households	175	167	89	568	568	205	598	628	664
Social benefit - staff exit costs	175	167	89	568	568	205	598	628	664
Total	606 915	753 289	806 210	780 616	824 816	837 275	879 872	1 021 890	1 076 478

The details of the various *Transfers and subsidies* include:

- *Provinces and municipalities* in Programme 1 reflects the payment of motor vehicle licences. This function is centralised under Programme 1. The allocation in 2016/17 decreases, which serves to correct over-budgeting in 2015/16, and thereafter provides for the anticipated purchase of new vehicles, as well as annual increases in licence renewals.
- *Departmental agencies and accounts* relates to transfers to the HWSETA, which are also centralised under Programme 1. The increase in 2013/14 relates to payments made to HWSETA, including expenditure from previous years for which invoices were received late. The low spending in 2014/15 relates to the delay in submission of invoices by HWSETA. The high amount in the 2015/16 Revised Estimate relates to payments from 2014/15 only made in 2015/16, hence the decrease in 2016/17. The increase over the 2016/17 MTEF provides for inflation.
- *Households* (all programmes) fluctuates due to staff exit costs, which are difficult to predict.

- *Non-profit institutions* in Programme 2 fluctuates over the period under review. The increase in the 2015/16 Adjusted Appropriation was due to additional funding for the six per cent increase for NGOs, as well as the movement of savings from Programme 4 to address pressures caused by the introduction of new NGOs in 2013/14. The budget increases steadily over the MTEF. As mentioned previously, the carry-through cost of the six per cent tariff increase is not included in the last year of the MTEF period, as the department must undergo a rationalisation and reprioritisation exercise to identify funding for the outer year. This exercise will take place in 2016/17, and the revised budget will be included in the 2017/18 MTEF.
- *Households* in Programme 2 fluctuates due to social relief transfers to cater for items such as food parcels. This item is difficult to budget for due to its uncertain nature and the demand-based nature of social relief payments. In 2012/13 and 2013/14, the expenditure for social relief was still incurred under *Goods and services*, however, following a recommendation of the A-G, this was amended to *Households*, but the department was not able to restate prior years' figures.
- The increase in 2013/14 against *Non-profit institutions* in Programme 3 was due to the introduction of new ECD services. The increase in 2014/15 relates to the carry-through costs of new services introduced in 2013/14. The increase in the 2015/16 Adjusted Appropriation was due to additional funding for the six per cent increase for NGOs, as well as the movement of savings from Programme 4 to address pressures caused by the introduction of new NGOs in 2013/14. The 2016/17 MTEF shows a significant increase, particularly in 2017/18 and 2018/19 due to the new ECD grant, which has been allocated to this category at this stage. This allocation will be reassessed once the grant framework is promulgated. Note that the outer year budget growth is not as high as it should be due to the previously mentioned rationalisation exercise still to be undertaken in order to fund the carry-through costs for the six per cent increase to NGOs.
- Under Programme 4, the growth in 2014/15 against *Non-profit institutions* is due to additional national priority funding relating to victim empowerment. The decrease in the 2015/16 Adjusted Appropriation relates to the previously mentioned savings moved to Programmes 2 and 3 to address pressures. The savings resulted from a decision not to fund new projects. This category grows marginally in 2018/19 due to the previously mentioned rationalisation exercise still to be undertaken.
- The high 2013/14 amount against *Non-profit institutions* in Programme 5 relates to the transfers made to poverty alleviation and sustainable livelihoods and youth development projects. The decrease in 2014/15 relates to the shifting of funds for the implementing agent to *Goods and services*, as a result of unsatisfactory performance. The decrease in the 2015/16 Adjusted Appropriation and the further decrease in the Revised Estimate relate to the reprioritisation of uncommitted funding for poverty alleviation and sustainable livelihood projects moved to Programme 2 to address pressures in HIV and AIDS claims from NGOs. The steady growth over the 2016/17 MTEF relates to additional national priority funding for NGO support.

6. Programme description

The services rendered by this department are categorised under five programmes, details of which are presented in *Annexure – Vote 13: Social Development*.

The department complies fully with the uniform budget and programme structure for the Social Development sector.

6.1 Programme 1: Administration

Programme 1: Administration consists of three sub-programmes, namely Office of the MEC, Corporate Management Services and District Management. The sub-programmes mainly provide overall strategic management and support services to the department, political and legislative interface between government, civil society and all relevant stakeholders, address policy interpretation and the strategic direction of the department and provide support with regard to corporate management, human resource management, logistics, communication, finance, and legal services, etc.

Tables 13.11 and 13.12 below summarise payments and budgeted estimates relating to Programme 1.

The programme reflects a steady increase over the seven-year period, from R389.758 million in 2012/13 to R557.588 million in 2018/19. The substantial growth in 2013/14 relates to pressures from the unbudgeted re-grading of posts, in line with the DPSA requirements. The decrease in 2016/17 is due to the previously mentioned budget cuts, which were mostly affected against this programme, with a total of R54.941 million, with carry-through, cut from the *Compensation of employees* and *Goods and services* budgets. The increases over the remainder of the 2016/17 MTEF are mainly attributable to inflationary increments and reprioritisation.

Table 13.11 : Summary of payments and estimates by sub-programme: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Office of the MEC	13 671	13 453	10 964	16 818	13 344	13 921	11 130	11 298	11 936
2. Corporate Management Services	165 035	208 777	172 570	218 257	220 735	236 388	228 859	235 250	248 058
3. District Management	211 052	235 522	270 122	280 488	285 967	303 044	267 907	281 189	297 594
Total	389 758	457 752	453 656	515 563	520 046	553 353	507 896	527 737	557 588
Unauth. Exp. (1st charge) not available for spending	-	-	-	(1 271)	(1 271)	(1 271)	(1 314)	-	-
Baseline available for spending after 1st charge	389 758	457 752	453 656	514 292	518 775	552 082	506 582	527 737	557 588

Table 13.12 : Summary of payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	354 070	426 881	427 966	483 070	487 553	519 926	477 937	497 610	525 656
Compensation of employees	211 778	274 606	308 069	339 083	347 566	342 310	306 671	321 520	340 120
Goods and services	142 235	151 949	119 891	143 987	139 987	177 559	171 266	176 090	185 536
Interest and rent on land	57	326	6	-	-	57	-	-	-
Transfers and subsidies to:	2 149	9 134	5 417	7 009	7 009	7 943	6 585	6 964	7 425
Provinces and municipalities	516	365	539	1 747	1 747	765	723	832	938
Departmental agencies and accounts	810	6 030	1 110	1 321	1 321	3 350	1 706	1 768	1 870
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	823	2 739	3 768	3 941	3 941	3 828	4 156	4 364	4 617
Payments for capital assets	30 096	21 737	20 273	24 213	24 213	24 213	22 060	23 163	24 507
Buildings and other fixed structures	-	24	-	-	-	-	-	-	-
Machinery and equipment	30 096	21 713	20 273	22 115	24 213	24 213	22 060	23 163	24 507
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	2 098	-	-	-	-	-
Payments for financial assets	3 443	-	-	1 271	1 271	1 271	1 314	-	-
Total	389 758	457 752	453 656	515 563	520 046	553 353	507 896	527 737	557 588
Unauth. Exp. (1st charge) not available for spending	-	-	-	(1 271)	(1 271)	(1 271)	(1 314)	-	-
Baseline available for spending after 1st charge	389 758	457 752	453 656	514 292	518 775	552 082	506 582	527 737	557 588

As explained previously, the department is liable for the repayment of previous year's over-expenditure, resulting in a first charge of R1.271 million and R1.314 million against this programme in 2015/16 and 2016/17, respectively. This is reflected against *Payments for financial assets*, and the amount available for spending in 2015/16 and 2016/17 has been reduced by the instalment amounts in the Corporate Management Services sub-programme.

Note that all sub-programmes have been affected by the budget cuts over the 2016/17 MTEF in *Compensation of employees* and *Goods and services*, with the bulk of the cuts against the sub-programme: District Management.

The sub-programme: Office of the MEC shows negative growth in 2013/14 and 2014/15, mainly due to the correction of linking of staff on PERSAL. The decrease in the 2015/16 Adjusted Appropriation is mainly due to funds moved from the sub-programme: Office of the MEC to Programme 2 to fund pressures from events related to the rolling out of services to the department's client base. The 2016/17

MTEF shows steady growth after the reduction in 2016/17. This growth in the outer years accounts for inflationary increases only.

Apart from some fluctuations, the sub-programme: Corporate Management Services reflects an upward trend over the period under review. The slight increase in the 2015/16 Adjusted Appropriation relates to an additional allocation received for the above-budget 2015 wage agreement. The high 2015/16 Revised Estimate relates to pressures, mainly against *Goods and services*, for centralised operational costs which could not be addressed during in-year reprioritisation due to limited budget. The increase over the two outer years of the 2016/17 MTEF is due to inflationary increases and reprioritisation undertaken in order to ease pressures against *Compensation of employees* caused by carry-through costs of various above-budget wage agreements, as well as *Goods and services*. As previously mentioned, the increase over the MTEF includes a portion of the first charge against this sub-programme.

The sub-programme: District Management reflects strong growth over the period under review. The increase in the 2015/16 Adjusted Appropriation relates to additional funding for the above-budget 2015 wage agreement and the salary costs for district offices related to the implementation of the district management model. The high 2015/16 Revised Estimate is indicative of the pressures which could not be funded during the reprioritisation process, due to limited budget. These pressures include fleet services, travel and subsistence, as well as property payments. The increase over the outer years of the 2016/17 MTEF is due to inflationary increases, as well as filling of critical vacant posts in line with the freezing on the filling of vacant non-OSD posts.

The high growth in 2013/14 and 2014/15 against *Compensation of employees* relates to the carry-through costs of the 2012 wage agreement, as well as implementation of the district management model. The increase in the 2015/16 Adjusted Appropriation relates to additional funding received in respect of the above-budget 2015 wage agreement. The significant decrease in 2016/17 relates to the previously mentioned cut in *Compensation of employees* where all vacant non-OSD posts were frozen. Increases over the outer years of the 2016/17 MTEF relate to the reprioritisation from various programmes for filling of critical vacant posts only, and carry-through costs of previous wage agreements.

The trend fluctuates over the seven-year period against *Goods and services* in respect of pressures from audit fees, legal fees, forensic investigations and operating expenditure such as security services, municipal services and travel and subsistence, etc. The decrease in the 2015/16 Adjusted Appropriation is mainly due to funds moved from the sub-programme: Office of the MEC to Programme 2, as mentioned above. The decrease from 2016/17 is due to the previously mentioned two per cent cut in *Goods and services*, as well as the cut in the events budget. The increases over the remainder of the MTEF are below inflation due to limited scope to reprioritise funds from other programmes, as a result of the previously mentioned budget cuts affecting provinces.

Interest and rent on land relates to interest paid on overdue accounts.

Transfers and subsidies to: Provinces and municipalities caters for payments of motor vehicle licences which are paid as and when invoices are received from the Department of Transport.

Transfers and subsidies to: Departmental agencies and accounts caters for payments to HWSETA, which are made as and when invoices are received. The peak in 2013/14 takes into account payments relating to previous years, as invoices were not received timeously. The high amount in the 2015/16 Revised Estimate relates to payments from 2014/15 only made in 2015/16, hence the decrease in 2016/17.

Transfers and subsidies to: Households relates to staff exit costs, which are difficult to predict.

Expenditure on *Machinery and equipment* is in respect of computer equipment, office furniture and motor vehicles, of which the latter is the largest contributor to this category. The increases over the 2016/17 MTEF relate to the anticipated purchase of office equipment and motor vehicles, in line with the anticipated filling of critical vacant posts.

Spending against *Software and other intangible assets* is in respect of computer software packages required by the department. The 2015/16 Main Appropriation amount relates to the payment of software licences, such as Microsoft. The allocation was moved during the 2015/16 Adjusted Appropriation and

over the 2016/17 MTEF to *Machinery and equipment* due to the fact that SCOA reflects such expenditure against this category. Historical figures have been restated for comparative purposes.

Payments for financial assets relates to the write-off of irrecoverable staff debts, and previously mentioned first charge against the department for the previous years' unauthorised expenditure.

Service delivery measures – Programme 1: Administration

Table 13.13 below lists the main service delivery measures pertinent to this programme. The department's measures are aligned to those of the Social Development sector.

Table 13.13 : Service delivery measures – Programme 1: Administration

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2015/16	2016/17	2017/18	2018/19
1. Corporate Management Services					
	• No. of social worker bursary holders that graduated	2 880	3 024	3 175	3 334
	• No. of social worker bursary holder graduates employed by DSD	1 569	1 569	1 569	1 569
	• No. of EPWP work opportunities created	12 258	12 871	13 514	14 188
	• No. of EPWP workers on learnership programmes	400	420	441	463

6.2 Programme 2: Social Welfare Services

Programme 2 caters for the provision of developmental social welfare services. These services are either provided directly by the department or by subsidised welfare organisations. The programme consists of five sub-programmes, namely, Management and Support, Services to Older Persons, Services to Persons with Disabilities, HIV and AIDS and Social Relief.

The activities of the programme include the following:

- Design and implement integrated services for the care, support and protection of older persons.
- Design and implement integrated community based care programmes and services aimed at mitigating the social and economic impact of HIV and AIDS.
- Respond to emergency needs identified in communities affected by disasters not declared, and/or any other social condition resulting in undue hardship.

Tables 13.14 and 13.15 reflect a summary of payments and estimates for this programme. Note that an amount of R7.991 million, with carry-through, was cut from the baseline of this programme from 2016/17.

Contributing to the overall increases (and across sub-programmes) are the following national priorities:

- Expansion of HCBC (allocated to the HIV and AIDS sub-programme) with additional funding from 2012/13 onward.
- Additional national priority funding from 2013/14 (see Table 13.3), which was allocated to transfers to NGOs (under the HIV and AIDS sub-programme).
- Additional funding for the absorption of social work graduates from 2013/14, which was allocated against *Compensation of employees* and the Services to Older persons, Services to Persons with Disabilities and HIV and Aids sub-programmes.
- Funding relating to two conditional grants (under the HIV and AIDS sub-programme) as mentioned previously, namely the EPWP Integrated Grant for Provinces (allocated in 2014/15 only at this stage) and the Social Sector EPWP Incentive Grant for Provinces (allocated from 2013/14 to 2016/17, at this stage), to cater for the appointment of CCGs.

Table 13.14 : Summary of payments and estimates by sub-programme: Social Welfare Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Management and Support	235 833	262 964	239 018	161 714	168 936	172 559	150 070	156 720	167 308
2. Services to Older Persons	107 694	116 967	116 732	146 358	158 657	150 640	162 243	168 794	170 070
3. Services to Persons with Disabilities	79 423	81 103	80 810	121 835	125 774	124 262	131 574	138 223	141 727
4. HIV and AIDS	91 223	130 812	142 430	182 875	211 864	236 519	221 970	227 864	234 151
5. Social Relief	15 548	12 218	17 954	13 653	13 653	15 766	14 377	15 096	15 972
Total	529 721	604 064	596 944	626 435	678 884	699 746	680 234	706 697	729 228
Unauth. Exp. (1st charge) not available for spending	-	-	-	(1 441)	(1 441)	(1 441)	(1 476)	-	-
Baseline available for spending after 1st charge	529 721	604 064	596 944	624 994	677 443	698 305	678 758	706 697	729 228

Table 13.15 : Summary of payments and estimates by economic classification: Social Welfare Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	226 961	253 267	269 771	320 329	333 048	330 171	327 682	340 253	361 011
Compensation of employees	153 708	174 327	187 890	238 844	247 563	252 103	257 204	266 715	282 872
Goods and services	73 253	78 940	81 881	81 485	85 485	78 068	70 478	73 538	78 139
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	216 719	259 487	268 971	222 230	255 759	277 073	277 623	290 267	287 869
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	199 689	246 925	250 352	206 647	240 176	260 234	260 636	272 430	268 997
Households	17 030	12 562	18 619	15 583	15 583	16 839	16 987	17 837	18 872
Payments for capital assets	86 041	91 310	58 202	82 435	88 636	91 061	73 453	76 177	80 348
Buildings and other fixed structures	85 203	91 068	53 107	77 525	83 726	85 043	68 136	70 594	74 441
Machinery and equipment	838	242	5 095	4 910	4 910	6 018	5 317	5 583	5 907
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	1 441	1 441	1 441	1 476	-	-
Total	529 721	604 064	596 944	626 435	678 884	699 746	680 234	706 697	729 228
Unauth. Exp. (1st charge) not available for spending	-	-	-	(1 441)	(1 441)	(1 441)	(1 476)	-	-
Baseline available for spending after 1st charge	529 721	604 064	596 944	624 994	677 443	698 305	678 758	706 697	729 228

As explained previously, the department is liable for the repayment of previous year's over-expenditure, resulting in a first charge of R1.441 million in 2015/16 and R1.476 million in 2016/17 against this programme. This is reflected against *Payments for financial assets*, and the amount available for spending in 2015/16 and 2016/17 has been reduced by the instalment amounts in the sub-programme: Management and Support.

The increase against the Management and Support sub-programme in 2013/14 largely relates to the annual wage adjustments and the absorption of social work graduates, as well as the previously mentioned higher than expected payments for new services, including additional NGOs providing HCBC services. The increase in the 2015/16 Adjusted Appropriation relates to additional funding for the above-budget 2015 wage agreement, as well as funds moved from Programme 1. The decrease in 2016/17 relates to reprioritisation, in order to correctly allocate personnel costs, whereby social workers were moved from this sub-programme to the sub-programme of the function that they perform. This is in line with the requirements of the budget structure for the sector.

Spending against the Services to Older Persons and Services to Persons with Disabilities sub-programmes reflects minimal or no growth, due to the fact that there is no national priority funding for both sub-programmes, thus funding is dependent on equitable share allocations. The increase during 2014/15 is due to the implementation of the new budget structure, which required that costs for social workers be removed from the Management and Support sub-programme to various sub-programmes. The department was unable to restate prior figures.

The increase against the HIV and AIDS sub-programme in 2013/14 was due to the additional national priority funding and conditional grants, as previously mentioned. The increase in the Adjusted

Appropriation is mainly due to additional funding for the above-budget 2015 wage agreement and the six per cent tariff increase for NPOs, as well as reprioritisation of uncommitted funding in Programme 5, moved to Programme 2 to address pressures for higher than expected HIV and AIDS related claims from NGOs. The high 2015/16 Revised Estimate relates to the carry-through costs of new services which were introduced in the previous years. This pressure is not fully funded in 2016/17, and the department will undertake further reprioritisation in-year, as part of the previously mentioned rationalisation process. The growth over the 2016/17 MTEF relates to the previously mentioned reprioritisation, undertaken to correctly allocate personnel costs, whereby social workers were moved from the sub-programme: Management and Support to the function that they perform, as well as the carry-through of the six per cent increase for NGOs up to 2017/18. Growth in the outer year is low due to the previously mentioned rationalisation exercise still to be undertaken.

The Social Relief sub-programme makes provision in the event of a natural disaster occurring in the province, accounting for the fluctuations. It must be noted that social relief spending was previously reflected against *Goods and services* and, from 2013/14, against *Transfers and subsidies to: Households*, in line with the A-G's recommendation, as shown in *Annexure – Vote 13: Social Development*. As mentioned, it was not possible to restate historical figures. The increase in the 2015/16 Revised Estimate relates to social relief pay-outs in various areas, which have been affected by disasters, such as fire and severe weather conditions. This sub-programme is difficult to budget for due to its uncertain nature.

The consistent growth against *Compensation of employees* from 2013/14 to 2015/16, as well as increases over the 2016/17 MTEF, relate to the absorption of social work graduates. It must be noted, though, that the additional funding which was allocated for this pressure in the 2014/15 MTEF does not fully cater for the full impact of the absorption of social work graduates, the stipends for CCGs, as well as the filling of critical vacant OSD posts, including social work supervisors. To this end, the department had to fund the shortfall through internal reprioritisation from *Goods and services* against items such as contractors, computer services, etc. Also contributing to the increases over the 2016/17 MTEF is the Social Sector EPWP Incentive Grant for Provinces allocated to the department to cater for the payment of stipends to CCGs. This grant is only allocated for 2016/17 at this stage, amounting to R3.958 million. As previously mentioned, the department will not be absorbing any further additional social work graduates, but has to fund carry-through costs of those currently absorbed. A total of 1 569 social work graduates have been absorbed to date, with a remainder of 639 who were unable to be absorbed due to the unavailability of funds. Note that the department has only made minimal cuts to this category over the 2016/17 MTEF.

Goods and services increases steadily, apart from in 2016/17, over the seven-year period. The decrease in the 2015/16 Revised Estimate indicates the department's attempts to remain within budget through enforced savings and reprioritisation of funds to pressurised areas. The decrease in 2016/17, with carry-through over the MTEF, is due to budget cuts, with the increases over the remainder of the 2016/17 MTEF related to inflationary increases, as well as operational costs including travel and subsistence for home visits by social workers.

With regard to *Transfers and subsidies to: Non-profit institutions*, the low base in 2012/13 relates to the strict application of Section 38(1)(j) of the PFMA. The increase in 2013/14 relates to the correction of the Isibindi model funding which was erroneously allocated to *Buildings and other fixed structures* instead of *Transfers and subsidies to: Non-profit institutions*. The increase was also exacerbated by the introduction of new services, as previously mentioned. It is noted that R31 million relating to the Isibindi model was suspended from 2013/14, and was reallocated to the department in 2014/15, in line with the approved implementation plan. The increase in the 2015/16 Revised Estimate is due to higher than anticipated claims from NGOs related to carry-through costs from the introduction of new services in the previous year, as well as the six per cent tariff increase for NGOs. The growth over the MTEF relates to inflation and the carry-through costs of the tariff increase granted during 2015/16. Growth in the outer year is negative due to the previously mentioned rationalisation exercise still to be undertaken by the department.

Transfers and subsidies to: Households relates to staff exit costs, which are difficult to predict, as well as disaster relief transfers. The sharp increase in 2013/14 relates to the movement of disaster relief transfers from *Goods and services*, in line with the A-G's recommendation. As mentioned previously, historical figures could not be restated. The increase in the 2015/16 Revised Estimate relates to employee exit costs,

as well as social relief assistance for families in need of assistance. The increase over the 2016/17 MTEF relates to provision for disaster relief transfers, with inflationary growth only.

The high spending in 2012/13 against *Buildings and other fixed structures* relates to the fact that the department continued with infrastructure projects, such as the construction of Manguzi, KwaShukela, Nkunzana, and Godlwayo service offices, which commenced in 2011/12. This was further exacerbated by additional funding for renovations and refurbishment of existing infrastructure. The further increase in 2013/14 relates to pressures as a result of the rescheduling of project end-dates by IDT due to delays caused by the value for money audit. The increase in the 2015/16 Adjusted Appropriation relates to additional funding received for the Inkululeko Elderly Day Care Centre. The steady increase over the 2016/17 MTEF relates to the anticipated refurbishment and upgrades of existing service offices, as well as state facilities, including completing the Inkululeko Elderly Day Care Centre, with additional funding allocated for this purpose in 2016/17 and 2017/18.

The decrease against *Machinery and equipment* in 2013/14 relates to the non-purchase of furniture and office equipment, as the construction of office accommodation was not completed due to delays in infrastructure projects as a result of the value for money audit. The decrease in the 2015/16 Main Appropriation relates to the previously mentioned reprioritisation to address infrastructure pressures. The 2016/17 MTEF increase relates to the purchase of furniture and office equipment in line with the anticipated filling of critical OSD posts, and absorbed social work graduates.

The amount against *Payments for financial assets* relates to the previously mentioned first charge against the department for previous year's unauthorised expenditure.

Service delivery measures – Programme 2: Social Welfare Services

Table 13.16 below lists the main service delivery measures pertinent to this programme.

The department's measures are aligned to those of the Social Development sector. The Social Relief measure from prior years is no longer required by the sector and is thus removed.

Table 13.16 : Service delivery measures – Programme 2: Social Welfare Services

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2015/16	2016/17	2017/18	2018/19
1. Services to older persons					
	• No. of residential facilities for older persons	45	43	45	47
	• No. of older persons accessing residential facilities	2 858	2 614	2 745	2 882
	• No. of older persons accessing community-based care and support services	23 306	22 156	23 264	24 427
2. Services to persons with disabilities					
	• No. of funded residential facilities for persons with disabilities	17	19	20	21
	• No. of persons with disabilities accessing funded residential facilities	976	1 143	1 200	1 260
	• No. of persons with disabilities accessing services in funded protective workshops	2 404	2 390	2 510	2 636
3. HIV and AIDS					
	• No. of funded HCBC organisations	240	240	240	240
	• No. of funded HCBC organisations trained on social and behaviour change programmes	6 587	6 336	6 153	6 310
	• No. of beneficiaries receiving psychosocial support services	6 072	5 432	5 388	5 352

6.3 Programme 3: Children and Families

The purpose of this programme is to provide comprehensive child and family care and support services to communities in partnerships with stakeholders and civil society organisations. The programme has six sub-programmes, namely, Management and Support, Care and Services to Families, Child Care and Protection, ECD and Partial Care, Child and Youth Care and Community-Based Care Services for Children. The activities of the programme include the following:

- Provide programmes and services that promote functional families and prevent their vulnerability.
- Design and implement integrated programmes and services that provide for the development, care and protection of the rights of children.
- Provide comprehensive early childhood development services.
- Provide alternative care and support to vulnerable children.
- Provide protection, care and support to vulnerable children in communities.

Tables 13.17 and 13.18 reflect a summary of payments and estimates by programme and economic classification for the period 2012/13 to 2018/19.

Table 13.17 : Summary of payments and estimates by sub-programme: Children and Families

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Management and Support	324 301	355 189	364 992	91 167	91 500	87 804	93 315	105 957	112 059
2. Care and Services to Families	6 148	4 600	6 056	8 844	9 271	11 950	12 876	13 573	14 104
3. Child Care and Protection	143 247	183 782	169 927	339 985	349 967	324 436	359 137	375 718	391 376
4. ECD and Partial Care	166 249	201 932	243 634	319 489	346 286	367 732	357 729	469 534	526 874
5. Child and Youth Care	81 116	89 686	95 397	106 348	113 530	132 494	119 614	125 651	126 717
6. Community-Based Care Services for Children	-	-	61 338	107 784	109 405	89 030	133 326	140 032	145 691
Total	721 061	835 189	941 344	973 617	1 019 959	1 013 446	1 075 997	1 230 465	1 316 821
Unauth. Exp. (1st charge) not available for spending	-	-	-	(2 718)	(2 718)	(2 718)	(2 594)	-	-
Baseline available for spending after 1st charge	721 061	835 189	941 344	970 899	1 017 241	1 010 728	1 073 403	1 230 465	1 316 821

Table 13.18 : Summary of payments and estimates by economic classification: Children and Families

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	364 823	432 205	494 235	514 049	525 151	500 212	548 784	576 535	608 881
Compensation of employees	306 692	364 183	418 538	435 500	446 602	428 595	475 811	499 679	527 263
Goods and services	58 131	68 022	75 697	78 549	78 549	71 505	72 973	76 856	81 618
Interest and rent on land	-	-	-	-	-	112	-	-	-
Transfers and subsidies to:	319 021	372 172	442 172	415 828	451 068	469 494	480 005	597 989	648 753
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	318 846	370 690	441 414	415 275	450 515	468 731	479 407	597 361	648 089
Households	175	1 482	758	553	553	763	598	628	664
Payments for capital assets	37 217	30 812	4 937	41 022	41 022	41 022	44 614	55 941	59 187
Buildings and other fixed structures	36 102	30 688	-	37 405	37 405	37 405	38 719	49 753	52 640
Machinery and equipment	1 115	124	4 937	3 617	3 617	3 617	5 895	6 188	6 547
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	2 718	2 718	2 718	2 594	-	-
Total	721 061	835 189	941 344	973 617	1 019 959	1 013 446	1 075 997	1 230 465	1 316 821
Unauth. Exp. (1st charge) not available for spending	-	-	-	(2 718)	(2 718)	(2 718)	(2 594)	-	-
Baseline available for spending after 1st charge	721 061	835 189	941 344	970 899	1 017 241	1 010 728	1 073 403	1 230 465	1 316 821

In general, this programme fluctuates over the seven-year period. Growth from 2012/13 onward relates mainly to the filling of vacant posts and carry-through costs for absorbed social work graduates. The increase in the 2015/16 Adjusted Appropriation relates to the additional allocation received for the above-budget 2015 wage agreement, and the six per cent tariff increase to NPOs.

The significant growth over the 2016/17 MTEF across various sub-programmes relates to carry-through of additional funding allocated to the department as follows:

- Expansion of ECD (allocated to the ECD and Partial Care sub-programme) which received funding in 2010/11, as well as further funding in the 2013/14 MTEF.
- Additional national priority funding for the Child Care and Protection national priority in the 2013/14 MTEF allocated for transfers to NGOs (under the Child Care and Protection sub-programme).

- Additional national priority funding for the absorption of social work graduates in the 2013/14 MTEF allocated against *Compensation of employees* (under the Management and Support sub-programme).
- The additional allocation in respect of the six per cent tariff increase to NPOs.
- The significant growth in 2017/18 and 2018/19 is due to the introduction of the previously mentioned new ECD grant.

Note that, this programme's budget was reduced by R10.852 million in 2016/17, with carry-through, due to the previously mentioned budget cuts, with the bulk of this cut from *Goods and services*.

As explained previously, the department is liable for the repayment of previous year's over-expenditure, resulting in a first and second instalment of R2.718 million and R2.594 million, respectively, against this programme in 2015/16 and 2016/17. This is reflected against *Payments for financial assets*, and the amount available for spending in 2015/16 and 2016/17 has been reduced by the instalment amounts in the sub-programmes: Management and Support and Child Care and Protection.

The sub-programme: Management and Support grows steadily between 2012/13 and 2014/15 mainly due to the costs of social workers being allocated to this sub-programme. The reduction in the 2015/16 Main Appropriation and over the 2016/17 MTEF is attributable to the movement of funds related to social workers to other sub-programmes in terms of the new budget structure. The department was unable to restate historical figures.

The sub-programme: Care and Services to Families reflects a fluctuating trend over the seven year period. The dip in 2013/14 is mainly due to reprioritisation in order to cover the shortfall under the ECD and Partial Care sub-programme. The growth in 2015/16 and over the 2016/17 MTEF is attributable to the inclusion of social worker costs in terms of the new budget structure.

The negative growth in the sub-programme: Child Care and Protection in 2014/15 was because of reprioritisation in order to reduce the shortfall against the ECD and Partial Care sub-programme. The strong growth in 2015/16 and over the 2016/17 MTEF is due to social worker costs being moved from the Management and Support sub-programme to other sub-programmes within the programme.

The sub-programme: ECD and Partial Care grows steadily from 2012/13 to 2014/15. The increase in 2014/15 was due to funding of ECD sites and additional services. The increase in the 2015/16 Adjusted Appropriation and Revised Estimate relates to the carry-through costs due to the introduction of new services in 2013/14, as well as the above-budget 2015 wage agreement. The growth over the 2016/17 MTEF relates to reprioritisation in order to correctly allocate salary costs for social workers in line with the requirements of the budget structure for the sector, as well as the carry-through cost for the six per cent funding increase for NGOs in the first two years. Growth in the outer two years is high due to the previously mentioned introduction of the new ECD grant in 2017/18.

The sub-programme: Child and Youth Care Centres grows steadily from 2012/13 to 2014/15, mainly due to transfers to non-profit institutions which provide various services. The increase in 2013/14 is mainly due to the introduction of new services. This is also reflected in the increase in the 2015/16 Adjusted Appropriation and Revised Estimate for the carry-through costs due to the introduction of new services in 2013/14. The growth over the MTEF relates to the funding of the CYCC sites, as well as a movement of funds aimed at correctly allocating the salary costs of social workers, as previously mentioned.

A new sub-programme was introduced in 2014/15, namely Community-Based Care Services for Children, in line with the new budget structure. These functions were previously performed under the HIV and AIDS and Child Care Protection Services sub-programmes. The department was unable to provide comparative information as financial records were not captured at this level. The substantial decrease in the 2015/16 Revised Estimate is ascribed to the reprioritisation of funds to ease pressures against Programme 2. The growth over the 2016/17 MTEF relates to inflationary increases.

Compensation of employees reflects healthy growth over the seven-year period, particularly in 2014/15 related to the correction of an error that occurred during the allocation of funds for the Isibindi model. In the main budget for 2014/15, the entire funding for the Isibindi model was inadvertently allocated against

transfers for support to NGOs, while portion of these funds was intended for the payment of stipends to CCGs who provide HCBC services for children. The increases over the 2016/17 MTEF relate to the carry-through costs for the absorbed social work graduates, as well as filling of critical vacant OSD posts including social work supervisors.

Goods and services increases steadily, apart from 2016/17, over the period under review. The low growth in 2014/15 and the 2015/16 Main Appropriation relates to vigorous reprioritisation and implementation of the internal cost-containment plan to cater for pressures against *Compensation of employees*. The negative growth in 2016/17 is due to the previously mentioned budget cuts, with slow growth over the 2016/17 MTEF due to reprioritisation in order to ease pressures against *Compensation of employees*.

Transfers and subsidies to: Non-profit institutions fluctuates over the period under review. The increases in 2013/14 and 2014/15 relate to the introduction of new services. The increase in the 2015/16 Adjusted Appropriation relates to the additional funding received to cater for the six per cent tariff increase to NPOs. The further increase in the Revised Estimate is due to carry-through costs for new services introduced in 2013/14. The growth over the MTEF relates to pressures from carry-through costs for new services which could not be funded due to fiscal consolidation cuts, the six per cent increase for NGOs, as well as the previously mentioned new ECD grant introduced from 2017/18.

Transfers and subsidies to: Households relates to staff exit costs, which are difficult to predict.

Buildings and other fixed structures reflects a fluctuating trend over the period, with a decrease in 2013/14 related to the correction of the allocation of the Isibindi model funds which were erroneously allocated against this category instead of *Transfers and subsidies to: Non-profit institutions*, as well as delays in the submission of invoices by DOPW and IDT. The department is unable to restate the historical figures related to the Isibindi model funding. No provision was made for infrastructure development in 2014/15 as the department needed to cater for other spending pressures, such as absorbed social work graduates. However, in a concerted effort to address the infrastructure challenges, provisions have been made in 2015/16 and over the 2016/17 MTEF by reprioritising funds.

The sharp increase against *Machinery and equipment* in 2014/15 was due to the purchase of furniture and office equipment. The MTEF budget caters for the purchase of tools of trade for the absorbed social work graduates, since this item has been a target for financial control in the past.

The amount against *Payments for financial assets* relates to the previously mentioned first charge instalments against the department for the previous year's unauthorised expenditure.

Service delivery measures – Programme 3: Children and Families

Table 13.19 below illustrates service delivery measures for Programme 3. As with Programme 2, the measures are aligned with those of the Social Development sector.

A number of measures have been introduced in 2016/17 and are indicated as “New” in the 2015/16 Estimated performance. In some instances, future targets cannot be determined until such time as the 2015/16 achievement is confirmed, and these are indicated as “to be confirmed” (TBC).

Table 13.19 : Service delivery measures – Programme 3: Children and Families

Outputs	Performance indicator	Estimated performance	Medium-term targets		
		2015/16	2016/17	2017/18	2018/19
1. Care and services to families					
	• No. of families participating in family preservation services	11 997	22 732	23 869	25 062
	• No. of family members re-united with their families	1 215	1 397	1 467	1 540
	• No. of families participating in parenting skills programmes	15 641	28 438	29 860	31 353
2. Child care and protection					
	• No. of orphans and vulnerable children receiving psycho-social support services	39 209	33 114	34 770	36 509

Table 13.19 : Service delivery measures – Programme 3: Children and Families

Outputs	Performance indicator	Estimated performance	Medium-term targets			
		2015/16	2016/17	2017/18	2018/19	
	• No. of children awaiting foster care placement	9 102	5 488	5 762	6 050	
	• No. of children placed in foster care	16 819	9 091	9 546	10 023	
3. ECD and partial care						
	• No. of fully registered ECD centres	1 030	600	630	662	
	• No. of fully registered ECD programmes	New	TBC	TBC	TBC	
	• No. of conditionally registered ECD programmes	New	1 407	1 477	1 551	
	• No. of children accessing fully registered ECD programmes	74 282	97 130	101 987	107 086	
	• No. of subsidised children accessing fully registered ECD programmes	63 230	79 157	83 115	87 271	
	• No. of ECD practitioners in funded ECD centres meeting minimum qualification requirements	New	TBC	TBC	TBC	
	• No. of fully registered ECD centres	1 030	600	630	662	
4. Child and youth care centres						
	• No. of child and youth care centres	73	69	72	76	
	• No. of children in need of care and protection in funded CYCCs	4 259	3 560	3 738	3 925	
5. Community-based care services for children						
	• No. of CYCW trainees who received training through the Isibindi model	2 361	2 479	2 603	2 733	
	• No. of children accessing services through the Isibindi model	30 347	31 864	33 457	35 30	

6.4 Programme 4: Restorative Services

The purpose of this programme is to provide integrated developmental social crime prevention and anti-substance abuse services to the most vulnerable in partnership with stakeholders and civil society organisations. The programme consists of the following sub-programmes, namely Management and Support, Crime Prevention and Support, Victim Empowerment and Substance Abuse, Prevention and Rehabilitation.

The activities of the programme include the following:

- Develop and implement social crime prevention programmes and provide probation services targeting children, youth and adult offenders and victims within the criminal justice process.
- Design and implement integrated programmes and services to support, care and empower victims of violence and crime, in particular women and children.
- Design and implement integrated services for substance abuse, prevention, treatment and rehabilitation.

Tables 13.20 and 13.21 reflect a summary of payments and estimates by programme and economic classification for the period 2012/13 to 2018/19.

As explained previously, the department is liable for the repayment of the previous year's over-expenditure, resulting in first charge instalments of R792 000 and R800 000 each against this programme in 2015/16 and 2016/17. This is reflected against *Payments for financial assets*, and the amount available for spending in 2015/16 and 2016/17 has been reduced by the instalment amounts in the sub-programme: Crime Prevention and Support.

Note that an amount of R5.839 million, with carry-through, has been reduced from this programme in 2016/17, as part of the budget cuts. The cuts were largely split between the Management and Support and the Crime Prevention and Support sub-programmes.

Table 13.20 : Summary of payments and estimates by sub-programme: Restorative Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Management and Support	93 617	117 826	141 055	34 158	34 443	24 953	32 643	34 244	36 211
2. Crime Prevention and Support	41 489	37 651	56 831	132 127	132 516	125 964	126 399	132 141	138 883
3. Victim Empowerment	6 776	8 206	16 102	38 957	35 079	29 590	36 845	38 943	40 602
4. Substance Abuse, Prevention and Rehabilitation	40 351	38 391	44 185	87 298	85 505	80 506	91 008	95 840	100 642
Total	182 233	202 074	258 173	292 540	287 543	261 013	286 895	301 168	316 338
Unauth. Exp. (1st charge) not available for spending	-	-	-	(792)	(792)	(792)	(800)	-	-
Baseline available for spending after 1st charge	182 233	202 074	258 173	291 748	286 751	260 221	286 095	301 168	316 338

Table 13.21 : Summary of payments and estimates by economic classification: Restorative Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	145 823	163 368	200 962	204 425	208 489	190 246	219 673	226 972	240 324
Compensation of employees	114 173	139 190	149 887	156 654	160 718	156 257	176 193	181 178	191 691
Goods and services	31 649	24 178	51 075	47 771	47 771	33 989	43 480	45 794	48 633
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	36 376	37 762	45 913	68 987	59 926	52 032	59 464	66 890	68 285
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	36 268	37 597	45 568	68 852	59 791	51 370	59 317	66 736	68 122
Households	108	165	345	135	135	662	147	154	163
Payments for capital assets	34	944	11 298	18 336	18 336	17 943	6 958	7 306	7 729
Buildings and other fixed structures	-	-	10 998	15 951	15 951	15 361	5 029	5 281	5 587
Machinery and equipment	34	944	300	2 385	2 385	2 582	1 929	2 025	2 142
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	792	792	792	800	-	-
Total	182 233	202 074	258 173	292 540	287 543	261 013	286 895	301 168	316 338
Unauth. Exp. (1st charge) not available for spending	-	-	-	(792)	(792)	(792)	(800)	-	-
Baseline available for spending after 1st charge	182 233	202 074	258 173	291 748	286 751	260 221	286 095	301 168	316 338

In general, this programme shows a fluctuating trend over the seven-year period. The trend from 2012/13 onward relates mainly to the filling of vacant posts and carry-through costs in respect of absorbed social work graduates. The decrease in the 2015/16 Adjusted Appropriation relates to the reduction against *Transfer and subsidies to: Non-profit institutions* in order to minimise spending pressures in programmes 2 and 3. This was effected against the Crime Prevention and Support, Victim Empowerment and Substance Abuse, Prevention and Rehabilitation sub-programmes. The further decrease in the 2015/16 Revised Estimate against *Transfer and subsidies* relates to additional reprioritisation in order to remain within the allocated budget.

The increase in the Management and Support sub-programme from 2012/13 to 2014/15 relates to the filling of posts and absorption of social work graduates. However, some posts were not filled in 2013/14 as anticipated due to long recruitment processes. The marked decline in 2015/16 and over the 2016/17 MTEF relates to the reprioritisation within the programme, whereby social worker costs were moved to those sub-programmes where their functions are performed.

The sub-programme: Crime Prevention and Support fluctuates over the seven years, mainly due to the continued support provided to the NGOs and infrastructure related costs for refurbishment and rehabilitation. The increase over the MTEF relates to the correct alignment of social worker salary costs.

The growth in the Victim Empowerment sub-programme from 2012/13 to 2014/15 caters for the continued roll-out of this service in the province. This is followed by an increasing trend from 2015/16 and over the 2016/17 MTEF. The significant increase in the 2015/16 Main Appropriation relates to additional national priority funding for the provision of shelters for victims of gender-based violence. The strong growth over the MTEF relates to inflationary increases and additional national priority funding.

Compensation of employees reflects an upward trend over the period, due to the filling of vacant funded posts, as well as the absorption of social work graduates, while taking cognisance of the moratorium on the filling of non-critical posts. The increase over the 2016/17 MTEF relates mainly to the carry-through costs of absorbed social work graduates, for which the department received additional funding in the 2013/14 MTEF, as well as filling critical vacant OSD posts, including social work supervisors.

Goods and services shows a fluctuating trend from 2012/13 to 2014/15 relating to repairs and maintenance of state facilities such as the Excelsior Place of Safety. The decrease in 2013/14 relates to delays in the submission of claims for infrastructure projects by DOPW. The decrease in the 2015/16 Revised Estimate relates to the previously mentioned extensive reprioritisation and internal cost-containment plan to offset pressures against *Compensation of employees*. The increase over the 2016/17 MTEF relates to additional national priority funding for victim empowerment.

The significant increase against *Transfers and subsidies to: Non-profit institutions* in 2014/15 relates to additional national priority funding allocated for victim empowerment. The decrease in the 2015/16 Adjusted Appropriation relates to the previously mentioned reduction in order to minimise spending pressures in Programmes 2 and 3. This was effected against the Crime Prevention and Support, Victim Empowerment and Substance Abuse, Prevention and Rehabilitation sub-programmes. The steady increase over the 2016/17 MTEF relates to additional national priority funding for the provision of shelters for victims of gender-based violence.

Transfers and subsidies to: Households relates to staff exit costs, which are difficult to predict.

Buildings and other fixed structures relates to renovations and refurbishment of state facilities. The amount in 2014/15 relates to infrastructure development projects including, among others, Greenfields Place of Safety. The allocation increases in 2015/16 in relation to planned infrastructure development projects, such as renovations of state facilities (e.g. Newcastle School of Industries, etc.), and is lower over the 2016/17 MTEF years, in line with the project plan.

Machinery and equipment relates to the purchase of office equipment and furniture. The increase in the 2015/16 Main Appropriation relates to the purchase of tools of trade for the absorbed social work graduates, since this category was previously a target for financial control. These costs were largely once-off, accounting for the decrease in 2016/17.

The amount against *Payments for financial assets* relates to the previously mentioned instalments of the first charge against the department, for a prior year's unauthorised expenditure.

Service delivery measures – Programme 4: Restorative Services

Table 13.22 below illustrates service delivery measures for Programme 4. The measures are aligned with those of the Social Development sector.

Table 13.22 : Service delivery measures – Programme 4: Restorative Services

Outputs		Performance indicator	Estimated performance	Medium-term targets			
			2015/16	2016/17	2017/18	2018/19	
1. Crime prevention and support							
		• No. of children in conflict with the law assessed	3 651	3 651	3 651	3 651	
		• No. of children in conflict with the law in secure care centres	2 275	2 275	2 275	2 275	
		• No. of children in conflict with the law awaiting trial in secure care centres	2 389	2 389	2 389	2 389	
		• No. of sentenced children in secure care centres	2 504	2 504	2 504	2 504	
		• No. of children in conflict with the law referred to diversion programmes	474	474	474	474	
		• No. of children in conflict with the law who completed diversion programmes	266	266	266	266	
2. Victim empowerment							
		• No. of funded VEP service centres	28	34	36	39	
		• No. of victims of crime and violence in funded VEP service centres	892	967	1 015	1 066	
		• No. of human trafficking victims who accessed social services.	13	51	54	57	

Table 13.22 : Service delivery measures – Programme 4: Restorative Services

Outputs	Performance indicator	Estimated performance	Medium-term targets		
		2015/16	2016/17	2017/18	2018/19
3. Substance abuse, prevention and rehabilitation					
	• No. of children 18 years and below reached through substance abuse prevention programmes	26 740	56 558	59 386	62 355
	• No. of people (19 and above) reached through substance abuse prevention programmes	18 092	38 295	40 210	42 221
	• No. of service users who accessed in-patient treatment services at funded treatment centres	1 117	1 176	1 235	1 297
	• No. of service users who accessed out-patient based treatment services	967	1 612	1 693	1 778

6.5 Programme 5: Development and Research

The purpose of this programme is to provide sustainable development programmes which facilitate empowerment of communities, based on empirical research and demographic information.

The programme consists of the following sub-programmes, namely, Management and Support, Community Mobilisation, Institutional Capacity Building and Support for NPOs, Poverty Alleviation and Sustainable Livelihoods, Community-Based Research and Planning, Youth Development, Women Development and Population Policy Promotion.

The activities of the programme include the following:

- Build safe and sustainable communities through the creation of strong community networks, based on principles of trust and respect for local diversity, and nurturing a sense of belonging and confidence in local people.
- Support NPO registration and compliance monitoring, NPO stakeholder liaison and communication, provide institutional capacity building, manage NPO funding and monitoring and create a conducive environment for all NPOs to flourish.
- Manage Social Facilitation and Poverty for Sustainable Livelihood programmes (including EPWP).
- Provide communities an opportunity to learn about the life and conditions of their locality and uplift the challenges and concerns facing their communities, as well as their strengths and assets to be leveraged to address their challenges.
- Create an environment to help young people, and women to develop constructive, affirmative and sustainable relationships while concurrently providing opportunities for them to build their competencies and needed skills to engage as partners in their own development and that of their communities.
- Promote the implementation of the Population Policy within all spheres of government and civil society through population research, advocacy, and capacity building and by monitoring and evaluating the implementation of the policy.

Tables 13.23 and 13.24 reflect a summary of payments and estimates by programme and economic classification for the period 2012/13 to 2018/19.

As explained previously, the department is liable for the repayment of previous year's over-expenditure, resulting in first charge instalments of R758 000 and R795 000 each against this programme in 2015/16 and 2016/17. This is reflected against *Payments for financial assets* in the sub-programme: Institutional Capacity Building and Support for NPOs, and the amount available for spending has been reduced by these instalment amounts.

In general, this programme fluctuates over the seven-year period. Note that the budget is reduced by R3.555 million in 2016/17, with carry-through, due to the previously mentioned budget cuts. These cuts

were effected against the Management and Support, Institutional Capacity Building and Support for NPOs, as well as the Population Policy Promotion sub-programmes.

The significant increase in 2013/14 is due to additional national priority funding allocated to the department (under the Institutional Capacity Building and Support for NPOs sub-programme) for the improvement of the quality of services provided by NPOs, as well as their financial sustainability.

The decrease in the 2015/16 Adjusted Appropriation against a number of sub-programmes and *Transfers and subsidies to: Non-profit institutions* is due to the reprioritisation of uncommitted funding, moved to Programme 2 to address pressures for higher than expected HIV and AIDS related claims from NGOs.

The increase over the 2016/17 MTEF relates to the anticipated filling of vacant OSD posts, as well as inflationary increases.

Table 13.23 : Summary of payments and estimates by sub-programme: Development and Research

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Management and Support	121 284	152 255	176 948	93 704	93 704	122 541	103 766	108 965	115 290
2. Community Mobilisation	-	-	208	1 500	1 500	729	1 750	1 838	2 262
3. Institutional Capacity Building and Support for NPOs	3 786	17 133	12 964	53 031	53 031	23 262	58 501	60 657	64 625
4. Poverty Alleviation and Sustainable Livelihoods	21 437	23 036	16 585	14 773	12 107	7 195	14 586	15 449	16 500
5. Community-Based Research and Planning	145	338	-	1 758	1 758	1 750	1 851	1 944	2 057
6. Youth Development	14 827	36 941	27 772	42 803	33 617	21 877	35 886	38 140	40 885
7. Women Development	-	-	1 416	11 000	7 344	3 687	7 844	8 419	9 119
8. Population Policy Promotion	1 134	1 124	1 422	3 757	3 757	3 016	2 956	3 154	3 395
Total	162 613	230 827	237 315	222 326	206 818	184 057	227 140	238 566	254 133
Unauth. Exp. (1st charge) not available for spending	-	-	-	(758)	(758)	(758)	(795)	-	-
Baseline available for spending after 1st charge	162 613	230 827	237 315	221 568	206 060	183 299	226 345	238 566	254 133

Table 13.24 : Summary of payments and estimates by economic classification: Development and Research

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	92 912	95 427	127 218	146 608	146 608	145 387	157 368	165 365	175 788
Compensation of employees	62 247	63 461	92 406	112 881	112 881	100 907	125 098	131 377	139 009
Goods and services	30 665	31 966	34 806	33 727	33 727	44 480	32 270	33 988	36 779
Interest and rent on land	-	-	6	-	-	-	-	-	-
Transfers and subsidies to:	32 650	74 734	43 737	66 562	51 054	30 733	56 195	59 780	64 146
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	16 607	-	-	-	-	-	-	-
Non-profit institutions	32 475	57 960	43 648	65 994	50 486	30 528	55 597	59 152	63 482
Households	175	167	89	568	568	205	598	628	664
Payments for capital assets	37 051	60 666	66 360	8 398	8 398	7 179	12 782	13 421	14 199
Buildings and other fixed structures	36 102	60 304	63 848	5 000	5 000	5 000	9 393	9 863	10 435
Machinery and equipment	949	362	2 512	3 398	3 398	2 179	3 389	3 558	3 764
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	758	758	758	795	-	-
Total	162 613	230 827	237 315	222 326	206 818	184 057	227 140	238 566	254 133
Unauth. Exp. (1st charge) not available for spending	-	-	-	(758)	(758)	(758)	(795)	-	-
Baseline available for spending after 1st charge	162 613	230 827	237 315	221 568	206 060	183 299	226 345	238 566	254 133

Two new sub-programmes, namely Community Mobilisation and Women Development, were introduced in 2014/15 in line with a change in the budget structure. These functions were previously undertaken by the department under the Poverty Alleviation and Sustainable Livelihoods sub-programme. However, the department was unable to provide comparative information as financial records were not captured at this level. The low 2015/16 Revised Estimate against these two sub-programmes relates to delays in the identification of community projects to be funded, as well as ensuring capacity in financial management before transferring funds.

The low spending against the Institutional Capacity Building and Support for NPOs sub-programme in 2012/13 was due to the fact that capacity building was organised in-house. The increase from 2013/14 relates to additional national priority funding allocated to the department for the improvement of the quality of services provided by NGOs, as well as their financial sustainability. The increase over the 2016/17 MTEF provides for the creation of subsidy sections in all district offices and further capacitation of NPOs in financial management. These sections receive subsidy claims from NPOs, check and verify the correctness of documentation before processing payments.

The high spending in 2012/13 and 2013/14 under the sub-programme: Poverty Alleviation and Sustainable Livelihoods relates to more projects funded. The decrease in 2014/15 is mainly due to some funds being moved to provide for the introduction of the new sub-programmes in terms of the budget structure, as mentioned earlier.

The sharp increase in the sub-programme: Youth Development from 2012/13 to 2013/14 was due to reprioritisation within Programme 5 to cater for transfers to NPOs to fund the operations of youth academies, such as Esicabazini youth academy, aimed at providing youth skills. The decrease in the 2015/16 Adjusted Appropriation and the Revised Estimate relates to delays in the identification of community projects to be funded, as well as ensuring capacity in financial management before transferring funds. The growth over the 2016/17 MTEF mainly relates to transfers to NPOs.

Expenditure against *Compensation of employees* shows steady growth from 2012/13 to 2014/15 due to the filling of vacant posts. This category reflects an upward trend from 2015/16 due to the filling of vacant funded OSD posts. The low 2015/16 Revised Estimate relates to resignations, retirements, and lengthy recruitment processes. The 2016/17 MTEF caters for the appointment of subsidy sections in district offices, from national priority funding, as mentioned previously.

Goods and services increases from 2012/13 to 2014/15 due to increased costs such as fleet services, travel and subsistence, etc., relating to operating costs associated with filled posts. The high 2015/16 Revised Estimate relates to pressures against operational costs such as property payments and fleet services. Due to budget cuts, this category decreases in 2016/17.

Transfers and subsidies to: Public corporations and private enterprises catered for transfers to the NDA for the implementation of capacity building programmes for NPOs in areas such as financial management, NPO management, etc., as the department did not have capacity to adequately conduct these programmes. No further allocation is reflected against this category due to the fact that the department was not satisfied with the performance of the implementing agent, as previously mentioned. From 2014/15, funds are included under *Goods and services* for the appointment of consultants to implement the function as a result of the unsatisfactory performance by the implementing agent.

The increase against *Transfers and subsidies to: Non-profit institutions* in 2013/14 relates to the transfers in respect of poverty alleviation and sustainable livelihoods and youth development projects. The decrease in 2014/15 is attributed to reprioritisation of funds in order to cover the shortfall in Programme 2. The decrease in the 2015/16 Adjusted Appropriation and Revised Estimate relates to delays in the identification of community projects to be funded, as well as ensuring capacity in financial management before transferring funds. The growth over the 2016/17 MTEF mainly relates to transfers to NPOs.

Transfers and subsidies to: Households relates to staff exit costs, which are difficult to predict.

The low 2012/13 amount against *Buildings and other fixed structures* relates mainly to delays in infrastructure projects due to the value for money audit commissioned by the department. The increase in 2013/14 relates to the payment of IDT invoices related to 2012/13 projects which were completed in 2013/14, as mentioned. The decrease from 2015/16 is due to the reprioritisation of funds to ease pressures against *Compensation of employees*, resulting from the above-budget 2015 wage adjustment.

Machinery and equipment was low in 2012/13 and 2013/14 due to the non-purchase of furniture and office equipment as office buildings were not completed as a result of the value for money audit. The 2016/17 MTEF allocation caters for the anticipated purchases of furniture, machinery and equipment for office accommodation and community centres.

The amount against *Payments for financial assets* relates to the previously mentioned first charge against the department for previous year's unauthorised expenditure.

Service delivery measures – Programme 5: Development and Research

Table 13.25 below illustrates service delivery measures for Programme 5. The measures are aligned with those of the Social Development sector.

Table 13.25 : Service delivery measures – Programme 5: Development and Research

Outputs	Performance indicator	Estimated performance	Medium-term targets		
		2015/16	2016/17	2017/18	2018/19
1. Community mobilisation					
	• No. of people reached through community mobilisation programmes	44 414	52 459	55 082	57 836
2. Institutional capacity building and support for NPOs					
	• Total no. of funded NPOs	3 091	2 898	3 043	3 195
	• No. of NPOs capacitated according to the capacity building guideline	4 496	4 972	5 221	5 482
3. Poverty alleviation and sustainable livelihoods					
	• No. of poverty reduction initiatives supported	382	416	437	459
	• No. of people benefitting from poverty reduction initiatives	3 375	8 696	9 131	9 588
	• No. of households accessing food through DSD food security programmes	9 479	7 200	7 560	7 938
4. Community-based research and planning					
	• No. of households profiled	9 504	9 504	9 504	9 504
	• No. of communities profiled in a ward	8 889	8 889	8 889	8 889
	• No. of community-based plans developed	9 333	9 333	9 333	9 333
5. Youth development					
	• No. of youth development structures supported	309	352	370	388
	• No. of youth participating in skills development programmes	1 968	2 044	2 146	2 253
	• No. of youth participating in youth mobilisation programmes	3 099	3 826	4 017	4 218
6. Women development					
	• No. of women participating in socio-economic empowerment programmes	4 932	10 194	10 704	11 239
7. Population policy promotion					
	• No. of population capacity development sessions conducted	10	11	12	13
	• No. of individuals who participated in population capacity development sessions	500	330	347	364
	• No. of population advocacy, information, education and communication (IEC) activities implemented	50	50	53	56
	• No. of population policy monitoring and evaluation reports produced	1	1	1	1
	• No. of research projects completed	10	11	12	13
	• No. of demographic profile projects completed	53	2	2	2
	• No. of population capacity development sessions conducted	5	3	3	3

7. Other programme information

7.1 Personnel numbers and costs

Table 13.26 presents personnel numbers and costs relating to the department over the seven-year period. Table 13.27 provides a more detailed breakdown of departmental personnel numbers and costs, focusing on the Human Resources and Finance components.

The personnel numbers show an increase over the period, due to the revision of the departmental structure in an attempt to cope with policy changes such as the implementation of SCM and the district management model to improve service delivery. Although there is a general increase in staffing levels from 2012/13, the fluctuations in personnel numbers at programme level over this period relate to adjustments on PERSAL linking staff to the relevant programmes, in line with the change in budget structure.

Also contributing to the escalating personnel costs are the increased number of social work staff, the social worker retention strategy (salary upgrades) and the annual salary improvements.

Table 13.26 : 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	1 108	1 620	1 483	1 542	1 547	1 547	1 548
2. Social Welfare Services	3 223	3 061	5 258	3 265	3 264	2 144	1 648
3. Children and Families	1 119	2 176	1 644	3 385	3 391	3 391	3 391
4. Restorative Services	386	318	561	551	559	559	559
5. Development and Research	246	246	304	312	313	313	313
Total provincial personnel numbers	6 082	7 421	9 250	9 055	9 074	7 954	7 459
Total provincial personnel cost (R thousand)	848 598	1 015 767	1 156 790	1 280 172	1 340 977	1 400 469	1 480 955
Unit cost (R thousand)	140	137	125	141	148	176	199

Table 13.27 : Summary of departmental personnel numbers and costs by department

	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)	6 082	7 421	9 250	10 396	9 055	9 055	9 074	7 954	7 459
Personnel cost (R thousands)	848 598	1 015 767	1 156 790	1 282 962	1 315 330	1 280 172	1 340 977	1 400 469	1 480 955
Human resources component									
Personnel numbers (head count)	130	138	247	256	256	256	256	256	256
Personnel cost (R thousands)	18 388	31 100	54 215	57 453	61 470	61 470	65 040	68 813	72 803
Head count as % of total for department	2.14	1.86	2.67	2.46	2.83	2.83	2.82	3.22	3.43
Personnel cost as % of total for department	2.17	3.06	4.69	4.48	4.67	4.80	4.85	4.91	4.92
Finance component									
Personnel numbers (head count)	202	211	258	265	265	265	265	265	265
Personnel cost (R thousands)	42 300	45 684	69 120	73 259	77 508	77 508	82 003	86 759	91 791
Head count as % of total for department	3.32	2.84	2.79	2.55	2.93	2.93	2.92	3.33	3.55
Personnel cost as % of total for department	4.98	4.50	5.98	5.71	5.89	6.05	6.12	6.19	6.20
Full time workers									
Personnel numbers (head count)	3 487	3 802	3 733	3 750	3 750	3 750	3 750	3 750	3 750
Personnel cost (R thousands)	772 319	902 159	945 450	1 002 177	1 072 328	1 072 329	1 134 524	1 200 326	1 269 945
Head count as % of total for department	57.33	51.23	40.35	36.07	41.41	41.41	41.33	47.15	50.27
Personnel cost as % of total for department	91.01	88.82	81.73	78.11	81.53	83.76	84.60	85.71	85.75
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)	2 595	3 619	5 517	6 646	5 305	5 305	5 324	4 204	3 709
Personnel cost (R thousands)	76 279	113 608	211 340	280 785	243 002	207 843	206 453	200 143	211 010
Head count as % of total for department	42.67	48.77	59.65	63.93	58.59	58.59	58.67	52.85	49.73
Personnel cost as % of total for department	8.99	11.18	18.27	21.89	18.47	16.24	15.40	14.29	14.25

The high level of contract workers from 2012/13 relates to the appointment of CCGs on PERSAL from 1 March 2012, who were previously paid against *Transfers and subsidies to: Non-profit institutions*. Furthermore, the contract posts include interns, cleaners, and other finance staff appointed in critical vacant posts. In 2013/14 the department received the Social Sector EPWP Incentive Grant for Provinces amounting to R14.610 million which was utilised to appoint an additional number of contract workers. The increase in 2014/15 was due to the previously mentioned shifting of funds for the Isibindi model for the appointment of CCGs. It should be noted that Programme 1 shows budget pressures due to the implementation of the district model, as well as the previously mentioned above-budget 2015 annual wage adjustment. The head count for permanent employees remains constant over the MTEF in line with the moratorium on filling additional posts. The overall reduction in the headcount over the MTEF is due to a reduction in the number of contract workers.

7.2 Training

Tables 13.28 and 13.29 below give a summary of departmental spending and information on training. Table 13.28 includes payments and estimates for training items such as bursaries, as well as normal

training costs, as detailed in *Annexure 13.B* reflected against the items bursaries for employees and training and development.

Training includes short courses for in-house staff, as well as internships in the various programmes. The costs reflected include the costs of staff and other running costs, however, the total cost is less than that reflected against *Training and development* in *Annexure 13.B* from 2012/13 to 2014/15.

Table 13.29 illustrates the number of staff affected by the various training programmes and initiatives. It also includes a gender breakdown, an indication of the types of training, as well as details of the number of bursaries and learnerships.

Table 13.28 : Payments on training by programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Administration	2 099	1 536	1 668	7 098	7 098	6 320	3 005	3 365	3 720
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	259	-	-	-	-	-	-	-	-
Other	1 840	1 536	1 668	7 098	7 098	6 320	3 005	3 365	3 720
2. Social Welfare Services	236	268	307	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	122	-	-	-	-	-	-	-	-
Other	114	268	307	-	-	-	-	-	-
3. Children and Families	114	447	306	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	-	-	-	-	-	-	-	-	-
Other	114	447	306	-	-	-	-	-	-
4. Restorative Services	28	215	50	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	-	-	-	-	-	-	-	-	-
Other	28	215	50	-	-	-	-	-	-
5. Development and Research	2 426	187	752	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	8	-	-	-	-	-	-	-	-
Other	2 418	187	752	-	-	-	-	-	-
Total	4 903	2 653	3 083	7 098	7 098	6 320	3 005	3 365	3 720

Table 13.29 : Information on training: Social 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
Number of staff	6 082	7 421	9 250	10 396	9 055	9 055	9 074	7 954	7 459
Number of personnel trained	1 466	2 200	2 276	2 070	2 070	2 070	2 280	2 394	2 533
of which									
Male	344	800	855	920	920	920	980	1 029	1 089
Female	1 122	1 400	1 421	1 150	1 150	1 150	1 300	1 365	1 444
Number of training opportunities	332	475	500	705	705	705	630	662	700
of which									
Tertiary	141	230	235	175	175	175	180	189	200
Workshops	84	95	100	250	250	250	200	210	222
Seminars	107	150	165	280	280	280	250	263	278
Other	-	-	-	-	-	-	-	-	-
Number of bursaries offered	141	60	70	260	260	54	70	74	78
Number of interns appointed	52	85	96	95	95	137	140	150	159
Number of learnerships appointed	-	210	210	-	-	40	50	60	63
Number of days spent on training	-	-	-	-	-	-	-	-	-

ANNEXURE – VOTE 13: SOCIAL DEVELOPMENT

Table 13.A : Details of provincial own receipts: Social 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
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	4 770	4 681	4 653	5 775	5 775	5 916	6 150	6 458	6 832
Sale of goods and services produced by department (excluding capital assets)	4 770	4 663	4 653	5 775	5 775	5 916	6 150	6 458	6 832
Sales by market establishments	3 717	3 365	3 316	5 324	5 324	3 939	4 619	4 803	5 133
Administrative fees	-	10	-	-	-	-	-	-	-
Other sales	1 053	1 288	1 337	451	451	1 977	1 531	1 655	1 699
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	-	18	-	-	-	-	-	-	-
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	15	16	2	26	26	14	28	29	31
Interest	15	16	2	26	26	14	28	29	31
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	3 494	-	3 018	500	500	134	533	560	592
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	3 494	-	3 018	500	500	134	533	560	592
Transactions in financial assets and liabilities	4 991	1 485	1 281	1 071	1 071	1 056	1 130	1 187	1 255
Total	13 270	6 182	8 954	7 372	7 372	7 120	7 841	8 234	8 710

Table 13.B : Payments and estimates by economic classification: Social Development

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	1 184 589	1 371 148	1 520 152	1 668 481	1 700 849	1 685 942	1 731 444	1 806 735	1 911 660
Compensation of employees	848 598	1 015 767	1 156 790	1 282 962	1 315 330	1 280 172	1 340 977	1 400 469	1 480 955
Salaries and wages	731 724	756 892	1 000 859	887 751	909 449	1 098 010	838 136	874 291	926 649
Social contributions	116 874	258 875	155 931	395 211	405 881	182 162	502 841	526 178	554 306
Goods and services	335 933	355 055	363 350	385 519	385 519	405 601	390 467	406 266	430 705
Administrative fees	243	236	226	382	382	231	397	418	442
Advertising	13 926	9 171	4 784	5 502	5 502	3 601	4 393	4 614	4 882
Assets less than the capitalisation threshold	6 430	3 934	11 116	24 890	24 890	24 729	23 643	24 855	26 297
Audit cost: External	2 874	4 757	4 333	4 702	4 702	5 013	4 964	5 213	5 516
Bursaries: Employees	1 369	2 767	1 416	4 150	4 150	3 058	4 134	4 192	4 262
Catering: Departmental activities	11 976	6 942	7 249	4 442	4 442	4 459	4 378	4 307	4 587
Communication (G&S)	34 540	30 033	29 780	22 625	22 625	30 588	24 484	25 707	27 197
Computer services	7 584	22 708	20 282	20 661	20 661	20 661	22 153	23 361	24 832
Cons & prof serv: Business and advisory services	2 571	13 086	1 834	15 471	15 471	7 524	19 138	17 196	18 295
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	643	1 670	1 406	1 464	1 464	878	1 541	1 618	1 711
Contractors	21 325	28 454	17 022	38 728	38 728	24 707	25 664	27 249	29 162
Agency and support / outsourced services	13 249	8 090	12 122	38 266	38 266	19 868	15 043	15 926	16 718
Entertainment	56	988	-	-	-	-	6	6	6
Fleet services (incl. govt motor transport)	28 567	16 887	38 831	20 061	20 061	41 436	33 085	34 730	36 327
Housing	-	7 996	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	45	484	-	-	24	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	351	2 004	176	466	466	363	564	593	627
Inventory: Fuel, oil and gas	168	172	70	860	860	351	902	946	1 000
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	857	767	459	2 611	2 611	960	2 501	2 625	2 776
Inventory: Medical supplies	234	424	777	1 211	1 211	689	1 274	1 338	1 415
Inventory: Medicine	50	78	10	-	-	117	-	-	-
Medcas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	1 442	-	-	-	-	-	-	-
Consumable supplies	3 803	6 124	8 026	9 593	9 593	8 120	9 725	10 211	10 802
Consumable: Stationery, printing and office supplies	8 333	6 622	8 339	18 401	18 401	12 460	12 669	14 574	19 610
Operating leases	32 921	42 492	36 495	43 094	43 094	41 221	60 302	62 618	65 440
Property payments	63 062	62 053	77 395	52 726	52 726	85 303	66 287	68 191	69 623
Transport provided: Departmental activity	5 166	4 991	4 993	400	400	1 460	400	421	445
Travel and subsistence	52 735	60 553	61 639	35 608	35 608	50 834	39 762	41 431	43 834
Training and development	4 903	2 653	3 083	7 098	7 098	6 320	3 005	3 365	3 720
Operating payments	9 881	1 296	3 625	8 305	8 305	5 130	5 732	6 019	6 368
Venues and facilities	6 006	2 078	1 815	2 527	2 527	2 615	2 568	2 701	2 863
Rental and hiring	2 110	3 542	5 563	1 275	1 275	2 881	1 753	1 841	1 948
Interest and rent on land	57	326	12	-	-	169	-	-	-
Interest	-	-	12	-	-	-	-	-	-
Rent on land	57	326	-	-	-	169	-	-	-
Transfers and subsidies	606 915	753 289	806 210	780 616	824 816	837 275	879 872	1 021 890	1 076 478
Provinces and municipalities	516	365	539	1 747	1 747	765	723	832	938
Provinces	516	365	539	1 747	1 747	765	723	832	938
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	516	365	539	1 747	1 747	765	723	832	938
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	810	6 030	1 110	1 321	1 321	3 350	1 706	1 768	1 870
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	810	6 030	1 110	1 321	1 321	3 350	1 706	1 768	1 870
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	16 607	-	-	-	-	-	-	-
Public corporations	-	16 607	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	16 607	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	587 278	713 172	780 982	756 768	800 968	810 863	854 957	995 679	1 048 690
Households	18 311	17 115	23 579	20 780	20 780	22 297	22 486	23 611	24 980
Social benefits	2 763	5 035	5 717	7 127	7 127	6 550	8 109	8 515	9 008
Other transfers to households	15 548	12 080	17 862	13 653	13 653	15 747	14 377	15 096	15 972
Payments for capital assets	190 439	205 469	161 070	174 404	180 605	181 418	159 867	176 008	185 970
Buildings and other fixed structures	157 407	182 084	127 953	135 881	142 082	142 809	121 277	135 491	143 103
Buildings	157 407	182 084	127 953	135 881	142 082	137 172	120 481	134 655	142 219
Other fixed structures	-	-	-	-	-	5 637	796	836	884
Machinery and equipment	33 032	23 385	33 117	36 425	38 523	38 609	38 590	40 517	42 867
Transport equipment	22 108	-	16 050	20 400	22 498	20 400	19 228	20 190	21 361
Other machinery and equipment	10 924	23 385	17 067	16 025	16 025	18 209	19 362	20 327	21 506
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	2 098	-	-	-	-	-
Payments for financial assets	3 443	-	-	6 980	6 980	6 980	6 979	-	-
Total	1 985 386	2 329 906	2 487 432	2 630 481	2 713 250	2 711 615	2 778 162	3 004 633	3 174 108
Unauth. Exp. (1st charge) not available for spending	-	-	-	(6 980)	(6 980)	(6 980)	(6 979)	-	-
Baseline available for spending after 1st charge	1 985 386	2 329 906	2 487 432	2 623 501	2 706 270	2 704 635	2 771 183	3 004 633	3 174 108

Table 13.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	2015/16	2015/16	2016/17	2017/18	2018/19
Current payments	354 070	426 881	427 966	483 070	487 553	519 926	477 937	497 610	525 656
Compensation of employees	211 778	274 606	308 069	339 083	347 566	342 310	306 671	321 520	340 120
Salaries and wages	180 927	173 015	266 542	291 537	298 583	295 149	194 270	204 010	216 189
Social contributions	30 851	101 591	41 527	47 546	48 983	47 161	112 401	117 510	123 931
Goods and services	142 235	151 949	119 981	143 987	139 987	177 559	171 266	176 090	185 536
Administrative fees	2	152	70	264	264	72	278	292	309
Advertising	4 936	3 850	1 418	3 496	3 496	1 944	2 279	2 394	2 533
Assets less than the capitalisation threshold	2 349	1 611	1 889	3 053	3 053	3 053	4 265	4 488	4 748
Audit cost: External	2 874	4 522	4 333	4 455	4 455	4 933	4 691	4 926	5 212
Bursaries: Employees	490	1 246	1 127	4 150	4 150	3 055	4 134	4 192	4 262
Catering: Departmental activities	1 596	632	974	1 088	1 088	803	894	939	994
Communication (G&S)	20 288	17 787	17 621	11 504	11 504	16 140	12 664	13 297	14 068
Computer services	3 724	7 541	555	20 661	20 661	20 137	22 153	23 361	24 832
Cons & prof serv: Business and advisory services	2 571	1 916	162	968	968	1 762	3 000	-	-
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	643	1 553	1 406	1 464	1 464	878	1 541	1 618	1 711
Contractors	740	691	302	5 777	2 777	1 659	2 313	2 539	2 814
Agency and support / outsourced services	2 290	1 238	367	2 443	1 443	1 115	1 179	1 263	1 365
Entertainment	18	1 000	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	11 329	16 871	5 909	4 314	4 314	23 317	12 678	13 502	14 099
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	4	120	-	-	5	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	166	117	7	190	190	121	156	164	173
Inventory: Fuel, oil and gas	12	1	3	253	253	86	266	279	295
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	121	13	55	368	368	137	387	406	430
Inventory: Medical supplies	-	22	-	-	-	9	-	-	-
Inventory: Medicine	-	11	-	-	-	7	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	(1)	219	-	-	-	-	-	-	-
Consumable supplies	1 047	2 028	1 824	3 097	3 097	2 769	3 222	3 383	3 579
Consumable: Stationery, printing and office supplies	4 888	4 311	4 723	6 077	6 077	5 981	4 798	5 128	5 530
Operating leases	27 147	32 116	17 960	24 503	24 503	32 815	41 676	43 060	44 746
Property payments	20 535	16 392	22 315	18 036	18 036	23 385	24 528	25 639	26 993
Transport provided: Departmental activity	-	-	-	100	100	44	-	-	-
Travel and subsistence	24 290	32 612	32 788	16 692	16 692	26 750	17 330	17 835	18 870
Training and development	2 099	1 536	2 264	7 098	7 098	3 961	3 005	3 365	3 720
Operating payments	7 421	1 182	867	3 144	3 144	1 757	3 068	3 221	3 408
Venues and facilities	478	461	310	722	722	486	761	799	845
Rental and hiring	182	314	522	70	70	378	-	-	-
Interest and rent on land	57	326	6	-	-	57	-	-	-
Interest	-	-	6	-	-	-	-	-	-
Rent on land	57	326	-	-	-	57	-	-	-
Transfers and subsidies	2 149	9 134	5 417	7 009	7 009	7 943	6 585	6 964	7 425
Provinces and municipalities	516	365	539	1 747	1 747	765	723	832	938
Provinces	516	365	539	1 747	1 747	765	723	832	938
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	516	365	539	1 747	1 747	765	723	832	938
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	810	6 030	1 110	1 321	1 321	3 350	1 706	1 768	1 870
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	810	6 030	1 110	1 321	1 321	3 350	1 706	1 768	1 870
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	823	2 739	3 768	3 941	3 941	3 828	4 156	4 364	4 617
Social benefits	823	2 739	3 768	3 941	3 941	3 828	4 156	4 364	4 617
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	30 096	21 737	20 273	24 213	24 213	24 213	22 060	23 163	24 507
Buildings and other fixed structures	-	24	-	-	-	-	-	-	-
Buildings	-	24	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	30 096	21 713	20 273	22 115	24 213	24 213	22 060	23 163	24 507
Transport equipment	22 108	-	16 050	17 955	20 053	17 955	16 653	17 486	18 500
Other machinery and equipment	7 988	21 713	4 223	4 160	4 160	6 258	5 407	5 677	6 007
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	2 098	-	-	-	-	-
Payments for financial assets	3 443	-	-	1 271	1 271	1 271	1 314	-	-
Total	389 758	457 752	453 656	515 563	520 046	553 353	507 896	527 737	557 588
Unauth. Exp. (1st charge) not available for spending	-	-	-	(1 271)	(1 271)	(1 271)	(1 314)	-	-
Baseline available for spending after 1st charge	389 758	457 752	453 656	514 292	518 775	552 082	506 582	527 737	557 588

Table 13.D : Payments and estimates by economic classification: Social Welfare Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16	2015/16	2015/16	2016/17	2017/18	2018/19
Current payments	226 961	253 267	269 771	320 329	333 048	330 171	327 682	340 253	361 011
Compensation of employees	153 708	174 327	187 890	238 844	247 563	252 103	257 204	266 715	282 872
Salaries and wages	139 925	110 315	168 369	151 581	157 654	221 327	162 295	167 379	178 133
Social contributions	13 783	64 012	19 521	87 263	89 909	30 776	94 909	99 336	104 739
Goods and services	73 253	78 940	81 881	81 485	85 485	78 068	70 478	73 538	78 139
Administrative fees	132	62	153	52	52	128	51	54	57
Advertising	1 232	1 875	1 608	1 000	1 000	690	1 053	1 106	1 170
Assets less than the capitalisation threshold	1 695	1 144	5 269	5 970	5 970	5 969	5 728	6 014	6 363
Audit cost: External	-	235	-	-	-	-	-	-	-
Bursaries: Employees	437	849	283	-	-	3	-	-	-
Catering: Departmental activities	3 169	2 012	3 140	504	504	997	508	533	564
Communication (G&S)	5 435	5 043	4 417	3 245	3 245	5 964	2 724	2 860	3 026
Computer services	2 123	3 495	48	-	-	285	-	-	-
Cons & prof serv: Business and advisory services	-	9 058	-	3 007	3 007	471	2 885	3 157	3 340
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	(101)	117	-	-	-	-	-	-	-
Contractors	10 134	14 238	15 338	19 643	22 643	13 670	17 022	17 895	18 941
Agency and support / outsourced services	2 082	(10 147)	2 063	16 056	17 056	6 292	5 734	5 482	5 516
Entertainment	4	(50)	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	7 068	(4 682)	4 853	3 753	3 753	7 582	3 952	4 150	4 391
Housing	-	7 996	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	21	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	22	1 957	-	31	31	13	33	35	37
Inventory: Fuel, oil and gas	23	148	24	103	103	57	109	114	121
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	166	224	312	726	726	273	764	802	848
Inventory: Medical supplies	1	231	106	-	-	119	-	-	-
Inventory: Medicine	-	17	-	-	-	33	-	-	-
Medcas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	1	672	-	-	-	-	-	-	-
Consumable supplies	799	2 754	1 664	985	985	1 200	1 025	1 076	1 138
Consumable: Stationery, printing and office supplies	1 564	780	1 109	3 623	3 623	2 594	2 667	2 835	5 940
Operating leases	2 782	5 242	12 279	7 266	7 266	3 434	7 651	8 034	8 500
Property payments	17 638	18 181	13 885	9 691	9 691	17 393	12 405	12 915	11 336
Transport provided: Departmental activity	943	2 556	2 404	-	-	424	16	17	18
Travel and subsistence	11 948	12 715	8 497	5 035	5 035	8 092	5 314	5 580	5 904
Training and development	236	268	-	-	-	656	-	-	-
Operating payments	919	16	1 661	794	794	859	836	878	928
Venues and facilities	2 115	446	404	1	1	125	1	1	1
Rental and hiring	686	1 467	2 364	-	-	745	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	216 719	259 487	268 971	222 230	255 759	277 073	277 623	290 267	287 869
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving 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	199 689	246 925	250 352	206 647	240 176	260 234	260 636	272 430	268 997
Households	17 030	12 562	18 619	15 583	15 583	16 839	16 987	17 837	18 872
Social benefits	1 482	482	757	1 930	1 930	1 092	2 610	2 741	2 900
Other transfers to households	15 548	12 080	17 862	13 653	13 653	15 747	14 377	15 096	15 972
Payments for capital assets	86 041	91 310	58 202	82 435	88 636	91 061	73 453	76 177	80 348
Buildings and other fixed structures	85 203	91 068	53 107	77 525	83 726	85 043	68 136	70 594	74 441
Buildings	85 203	91 068	53 107	77 525	83 726	85 043	67 922	70 369	74 203
Other fixed structures	-	-	-	-	-	-	214	225	238
Machinery and equipment	838	242	5 095	4 910	4 910	6 018	5 317	5 583	5 907
Transport equipment	-	-	-	2 445	2 445	2 445	2 575	2 704	2 861
Other machinery and equipment	838	242	5 095	2 465	2 465	3 573	2 742	2 879	3 046
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	1 441	1 441	1 441	1 476	-	-
Total	529 721	604 064	596 944	626 435	678 884	699 746	680 234	706 697	729 228
Unauth. Exp. (1st charge) not available for spending	-	-	-	(1 441)	(1 441)	(1 441)	(1 476)	-	-
Baseline available for spending after 1st charge	529 721	604 064	596 944	624 994	677 443	698 305	678 758	706 697	729 228

Table 13.E : Payments and estimates by economic classification: Children and Families

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16	2015/16	2015/16	2016/17	2017/18	2018/19
Current payments	364 823	432 205	494 235	514 049	525 151	500 212	548 784	576 535	608 881
Compensation of employees	306 692	364 183	418 538	435 500	446 602	428 595	475 811	499 679	527 263
Salaries and wages	261 117	315 075	358 640	274 826	281 138	364 316	294 024	309 402	327 161
Social contributions	45 575	49 108	59 898	160 674	165 464	64 279	181 787	190 277	200 102
Goods and services	58 131	68 022	75 697	78 549	78 549	71 505	72 973	76 856	81 618
Administrative fees	86	-	3	52	52	24	55	58	61
Advertising	1 095	1 284	1 141	646	646	701	681	715	757
Assets less than the capitalisation threshold	1 484	398	1 962	3 627	3 627	3 626	3 869	4 062	4 298
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	286	549	(31)	-	-	-	-	-	-
Catering: Departmental activities	2 637	1 869	919	2 500	2 500	1 070	2 550	2 388	2 556
Communication (G&S)	3 703	2 912	2 831	4 418	4 418	4 014	5 705	5 990	6 337
Computer services	1 390	3 072	5 750	-	-	217	-	-	-
Cons & prof serv: Business and advisory services	-	1 518	-	-	-	33	205	215	228
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	7 616	10 161	647	6 677	6 677	6 923	2 420	2 641	2 910
Agency and support / outsourced services	5 199	13 731	5 917	12 950	12 950	7 650	5 269	6 264	6 860
Entertainment	33	30	-	-	-	-	6	6	6
Fleet services (incl. govt motor transport)	5 460	1 218	15 825	7 560	7 560	6 413	11 321	11 712	12 188
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	20	157	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	152	(28)	169	233	233	224	245	257	272
Inventory: Fuel, oil and gas	22	-	3	173	173	78	182	191	202
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	117	426	92	691	691	269	727	763	807
Inventory: Medical supplies	225	161	664	1 106	1 106	504	1 164	1 222	1 292
Inventory: Medicine	50	25	5	-	-	12	-	-	-
Medcas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	440	-	-	-	-	-	-	-
Consumable supplies	1 682	1 020	3 457	3 526	3 526	2 676	3 767	3 956	4 185
Consumable: Stationery, printing and office supplies	416	708	1 429	2 175	2 175	897	1 285	2 392	2 530
Operating leases	1 827	3 489	1 182	7 085	7 085	2 941	7 418	7 789	8 241
Property payments	12 651	16 400	24 756	16 145	16 145	24 564	16 225	15 819	16 869
Transport provided: Departmental activity	1 750	1 029	161	-	-	629	34	36	38
Travel and subsistence	8 060	6 240	7 347	5 736	5 736	5 203	5 922	6 260	6 622
Training and development	114	447	-	-	-	8	-	-	-
Operating payments	702	(67)	190	1 094	1 094	889	1 152	1 210	1 280
Venues and facilities	509	278	377	1 000	1 000	318	1 078	1 132	1 198
Rental and hiring	865	692	744	1 155	1 155	1 622	1 693	1 778	1 881
Interest and rent on land	-	-	-	-	-	112	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	112	-	-	-
Transfers and subsidies	319 021	372 172	442 172	415 828	451 068	469 494	480 005	597 989	648 753
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving 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	318 846	370 690	441 414	415 275	450 515	468 731	479 407	597 361	648 089
Households	175	1 482	758	553	553	763	598	628	664
Social benefits	175	1 482	758	553	553	763	598	628	664
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	37 217	30 812	4 937	41 022	41 022	41 022	44 614	55 941	59 187
Buildings and other fixed structures	36 102	30 688	-	37 405	37 405	37 405	38 719	49 753	52 640
Buildings	36 102	30 688	-	37 405	37 405	31 768	38 719	49 753	52 640
Other fixed structures	-	-	-	-	-	5 637	-	-	-
Machinery and equipment	1 115	124	4 937	3 617	3 617	3 617	5 895	6 188	6 547
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	1 115	124	4 937	3 617	3 617	3 617	5 895	6 188	6 547
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	2 718	2 718	2 718	2 594	-	-
Total	721 061	835 189	941 344	973 617	1 019 959	1 013 446	1 075 997	1 230 465	1 316 821
Unauth. Exp. (1st charge) not available for spending	-	-	-	(2 718)	(2 718)	(2 718)	(2 594)	-	-
Baseline available for spending after 1st charge	721 061	835 189	941 344	970 899	1 017 241	1 010 728	1 073 403	1 230 465	1 316 821

Table 13.F : Payments and estimates by economic classification: Restorative Services

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	145 823	163 368	200 962	204 425	208 489	190 246	219 673	226 972	240 324
Compensation of employees	114 173	139 190	149 887	156 654	160 718	156 257	176 193	181 178	191 691
Salaries and wages	97 091	118 506	126 640	98 692	100 959	130 349	110 265	112 174	118 933
Social contributions	17 082	20 684	23 247	57 962	59 759	25 908	65 928	69 004	72 758
Goods and services	31 649	24 178	51 075	47 771	47 771	33 989	43 480	45 794	48 633
Administrative fees	22	10	-	14	14	7	13	14	15
Advertising	6 069	1 912	238	292	292	102	308	323	342
Assets less than the capitalisation threshold	420	458	1 679	4 793	4 793	4 792	3 939	4 136	4 376
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	72	137	-	-	-	-	-	-	-
Catering: Departmental activities	1 297	976	780	-	-	436	-	-	-
Communication (G&S)	1 263	1 051	2 058	2 175	2 175	2 252	2 290	2 405	2 544
Computer services	347	600	13 929	-	-	22	-	-	-
Cons & prof serv: Business and advisory services	-	380	-	2 113	2 113	668	1 792	1 922	2 080
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	101	-	-	-	-	-	-	-	-
Contractors	1 781	2 725	430	4 658	4 658	1 693	3 384	3 608	3 881
Agency and support / outsourced services	3 293	3 215	3 233	6 601	6 601	4 418	2 702	2 750	2 800
Entertainment	1	8	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	1 247	1 035	11 179	3 311	3 311	2 769	3 581	3 735	3 923
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	100	-	-	19	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	4	(42)	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	31	24	40	328	328	127	345	362	382
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	40	104	-	592	592	191	623	654	691
Inventory: Medical supplies	8	10	7	105	105	57	110	116	123
Inventory: Medicine	-	25	5	-	-	65	-	-	-
Medcas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	110	-	-	-	-	-	-	-
Consumable supplies	248	293	1 033	1 603	1 603	1 325	1 689	1 773	1 876
Consumable: Stationery, printing and office supplies	964	474	765	2 387	2 387	1 058	1 166	1 299	1 461
Operating leases	838	1 264	4 525	3 292	3 292	1 234	3 466	3 639	3 851
Property payments	8 505	6 626	6 230	7 607	7 607	8 305	11 831	12 505	13 354
Transport provided: Departmental activity	918	354	910	-	-	250	-	-	-
Travel and subsistence	2 154	1 752	2 980	5 047	5 047	2 920	5 315	5 581	5 905
Training and development	28	215	-	-	-	-	-	-	-
Operating payments	462	(4)	47	2 466	2 466	1 002	518	544	576
Venues and facilities	1 344	248	170	387	387	211	408	428	453
Rental and hiring	192	218	737	-	-	66	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	36 376	37 762	45 913	68 987	59 926	52 032	59 464	66 890	68 285
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	36 268	37 597	45 568	68 852	59 791	51 370	59 317	66 736	68 122
Households	108	165	345	135	135	662	147	154	163
Social benefits	108	165	345	135	135	662	147	154	163
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	34	944	11 298	18 336	18 336	17 943	6 958	7 306	7 729
Buildings and other fixed structures	-	-	10 998	15 951	15 951	15 361	5 029	5 281	5 587
Buildings	-	-	10 998	15 951	15 951	15 361	4 447	4 670	4 941
Other fixed structures	-	-	-	-	-	-	582	611	646
Machinery and equipment	34	944	300	2 385	2 385	2 582	1 929	2 025	2 142
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	34	944	300	2 385	2 385	2 582	1 929	2 025	2 142
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	792	792	792	800	-	-
Total	182 233	202 074	258 173	292 540	287 543	261 013	286 895	301 168	316 338
Unauth. Exp. (1st charge) not available for spending	-	-	-	(792)	(792)	(792)	(800)	-	-
Baseline available for spending after 1st charge	182 233	202 074	258 173	291 748	286 751	260 221	286 095	301 168	316 338

Table 13.G : Payments and estimates by economic classification: Development and Research

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16	2015/16	2015/16	2016/17	2017/18	2018/19
Current payments	92 912	95 427	127 218	146 608	146 608	145 387	157 368	165 365	175 788
Compensation of employees	62 247	63 461	92 406	112 881	112 881	100 907	125 098	131 377	139 009
Salaries and wages	52 664	39 981	80 668	71 115	71 115	86 869	77 282	81 326	86 233
Social contributions	9 583	23 480	11 738	41 766	41 766	14 038	47 816	50 051	52 776
Goods and services	30 665	31 966	34 806	33 727	33 727	44 480	32 270	33 988	36 779
Administrative fees	1	12	-	-	-	-	-	-	-
Advertising	594	250	379	68	68	164	72	76	80
Assets less than the capitalisation threshold	482	323	317	7 447	7 447	7 289	5 842	6 155	6 512
Audit cost: External	-	-	-	247	247	80	273	287	304
Bursaries: Employees	84	(14)	37	-	-	-	-	-	-
Catering: Departmental activities	3 277	1 453	1 436	350	350	1 153	426	447	473
Communication (G&S)	3 851	3 240	2 853	1 283	1 283	2 218	1 101	1 155	1 222
Computer services	-	8 000	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	-	214	1 672	9 383	9 383	4 590	11 256	11 902	12 647
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	1 054	639	305	1 973	1 973	762	525	566	616
Agency and support / outsourced services	385	53	542	216	216	393	159	167	177
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	3 463	2 445	1 065	1 123	1 123	1 355	1 553	1 631	1 726
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	107	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	7	-	-	12	12	5	130	137	145
Inventory: Fuel, oil and gas	80	(1)	-	3	3	3	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	413	-	-	234	234	90	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	1	-	-	-	-	-	-	-
Consumable supplies	27	29	48	382	382	150	22	23	24
Consumable: Stationery, printing and office supplies	501	349	313	4 139	4 139	1 930	2 753	2 920	4 149
Operating leases	327	381	549	948	948	797	91	96	102
Property payments	3 733	4 454	10 209	1 247	1 247	11 656	1 298	1 313	1 071
Transport provided: Departmental activity	1 555	1 052	1 518	300	300	113	350	368	389
Travel and subsistence	6 283	7 234	10 027	3 098	3 098	7 869	5 881	6 175	6 533
Training and development	2 426	187	819	-	-	1 695	-	-	-
Operating payments	377	169	860	807	807	623	158	166	176
Venues and facilities	1 560	645	554	417	417	1 475	320	341	366
Rental and hiring	185	851	1 196	50	50	70	60	63	67
Interest and rent on land	-	-	6	-	-	-	-	-	-
Interest	-	-	6	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	32 650	74 734	43 737	66 562	51 054	30 733	56 195	59 780	64 146
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	16 607	-	-	-	-	-	-	-
Public corporations	-	16 607	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	16 607	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	32 475	57 960	43 648	65 994	50 486	30 528	55 597	59 152	63 482
Households	175	167	89	568	568	205	598	628	664
Social benefits	175	167	89	568	568	205	598	628	664
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	37 051	60 666	66 360	8 398	8 398	7 179	12 782	13 421	14 199
Buildings and other fixed structures	36 102	60 304	63 848	5 000	5 000	5 000	9 393	9 863	10 435
Buildings	36 102	60 304	63 848	5 000	5 000	5 000	9 393	9 863	10 435
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	949	362	2 512	3 398	3 398	2 179	3 389	3 558	3 764
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	949	362	2 512	3 398	3 398	2 179	3 389	3 558	3 764
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	758	758	758	795	-	-
Total	162 613	230 827	237 315	222 326	206 818	184 057	227 140	238 566	254 133
Unauth. Exp. (1st charge) not available for spending	-	-	-	(758)	(758)	(758)	(795)	-	-
Baseline available for spending after 1st charge	162 613	230 827	237 315	221 568	206 060	183 299	226 345	238 566	254 133

Table 13.H : Payments and estimates by economic classification: Conditional grants

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	-	14 610	5 746	3 000	3 000	3 000	3 958	-	-
Compensation of employees	-	14 610	5 746	3 000	3 000	3 000	3 958	-	-
Salaries and wages	-	14 610	5 746	3 000	3 000	3 000	3 958	-	-
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Assets less than the capitalisation threshold	-	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication (G&S)	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and technological services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	-	-	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl government motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	-	-
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	-	-	-	-	-	-	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	674	-	-	-	-	-	-	92 380	144 948
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	674	-	-	-	-	-	-	92 380	144 948
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	674	14 610	5 746	3 000	3 000	3 000	3 958	92 380	144 948

Table 13.I : Payments and estimates by economic classification: EPWP Integrated Grant for Provinces Programme 2: Social Welfare Services

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	-	-	2 000	-	-	-	-	-	-
Compensation of employees	-	-	2 000	-	-	-	-	-	-
Salaries and wages	-	-	2 000	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	2 000	-	-	-	-	-	-

Table 13.J : Payments and estimates by economic classification: Social Sector EPWP Incentive Grant for Provinces Prog. 2: Social Welfare Services

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	-	14 610	3 746	3 000	3 000	3 000	3 958	-	-
Compensation of employees	-	14 610	3 746	3 000	3 000	3 000	3 958	-	-
Salaries and wages	-	14 610	3 746	3 000	3 000	3 000	3 958	-	-
Transfers and subsidies to	674	-	-	-	-	-	-	-	-
Non-profit institutions	674	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	674	14 610	3 746	3 000	3 000	3 000	3 958	-	-

Table 13.K : Payments and estimates by economic classification: Early Childhood Development grant Programme 3: Children and Families

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	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	-	-	-	-	-	-	-	92 380	144 948
Non-profit institutions	-	-	-	-	-	-	-	92 380	144 948
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	92 380	144 948

Table 13.L : Social Development - 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)	Total project cost	Expenditure to date from previous years	Total available	MTEF	
				Date: Start								Forward estimates	
				Date: Start	Date: Finish							2016/17	2017/18
R thousands													
Existing infrastructure assets													
<i>of which:</i>													
Maintenance and repair: Current													
Various	Various	Various	Maintenance of buildings	Ongoing			Equitable share	Packaged prog	-	-	16 424	17 260	18 261
Upgrades and additions: Capital													
Upgrades and additions	Various	Various	Upgrades and additions	Ongoing			Equitable share	Packaged prog	-	63 388	14 746	15 483	16 381
Refurbishment and rehabilitation: Capital													
Various	Various	Various	Refurbishment and rehabilitation	Ongoing			Equitable share	Packaged prog	130 029	105 450	23 000	22 932	24 262
New infrastructure assets: Capital													
<i>of which:</i>													
Inanda Service Office	Construction	eThekweni	Service Office	08 April 2015	31 March 2018	Equitable share	Programme 2	Packaged prog	6 500	216	1 500	3 000	-
Osweni Service Office	Planning	Amajuba	Service Office	08 April 2015	31 March 2018	Equitable share	Programme 2	Packaged prog	20 000	-	500	5 280	6 200
Inkululeko Regeneration: One stop development centre	Construction	Umkhanyakude	One Stop Development Centre	20 November 2014	31 March 2018	Equitable share	Various	Packaged prog	19 905	18 138	2 000	1 634	-
Inkululeko Regeneration: Elderly Day Care Centre	Construction	Umkhanyakude	Elderly day care centre	01 March 2015	01 March 2018	Equitable share	Various	Packaged prog	10 048	4 491	2 523	1 000	-
Babanango Service Office	Design	Zululand	Service Office	08 April 2015	01 December 2018	Equitable share	Programme 2	Packaged prog	9 500	258	500	4 500	5 500
Kranskop Service Office	Planning	Umkhanyathi	Service Office	08 April 2015	31 December 2018	Equitable share	Programme 2	Packaged prog	9 500	90	2 000	4 000	5 000
Inkululeko Regeneration: ECDC	Construction	Umkhanyakude	Early Childhood Development Centre	01 March 2015	01 January 2018	Equitable share	Programme 3	Packaged prog	8 930	4 413	3 517	1 000	-
Inkululeko Regeneration: Youth care centre	Construction	Umkhanyakude	Youth care centre	01 March 2015	01 March 2018	Equitable share	Programme 3	Packaged prog	8 014	4 607	2 723	800	-
Umkhinkulu Service Office	Planning	Harry Gwala	Service Office	08 April 2014	31 March 2019	Equitable share	Programme 2	Packaged prog	8 000	-	400	5 000	2 500
Various	Various	Various	New construction	Ongoing		Equitable share	Various	Packaged prog	460 110	109 011	67 868	70 862	83 260
Infrastructure transfers													
<i>of which:</i>													
Infrastructure transfers: Current													
Infrastructure transfers: Capital													
Infrastructure: Payments for financial assets													
Infrastructure: Leases													
Total									690 536	310 062	137 701	152 751	161 364
Capital infrastructure									690 536	310 062	121 277	135 491	143 103
Current infrastructure									-	-	16 424	17 260	18 261

VOTE 14

Public Works

Operational budget	R 1 430 786 423
MEC remuneration	R 1 821 577 ¹
Total amount to be appropriated	R 1 432 608 000
Responsible MEC	MEC for Human Settlements and Public Works
Administering department	Public Works
Accounting officer	Head: Public Works

1. Overview

Vision

The department's vision is: *An inclusive economy through sustainable infrastructure development and property management.*

Mission statement

The department's mission is: *To improve the life of the people in KwaZulu-Natal through sustainable infrastructure development and property management.*

Strategic objectives

Strategic policy direction: The Department of Public Works (DOPW) was restructured to be a capable implementing agent of choice for the client departments requiring building infrastructure services and property management such as office accommodation. The department has a responsibility to deliver on certain key social issues in consultation with the client departments. The department does not only deliver social infrastructure such as schools, clinics and hospitals, but it also co-ordinates the provincial infrastructure cluster. These are the core business functions of the department which are in line with the outcome based strategic goals and objectives in the 5-year strategic plan (2015-2020) of the department.

Core functions

In carrying out its mandate, the department undertakes the following core functions:

- The acquisition of public buildings and land.
- The construction of public buildings, involving the physical erection or major improvements in respect of infrastructure in the building environment.
- The maintenance of public buildings and land, including performing the necessary work to keep the required level of operation and the payment of property rates.
- The alienation of public buildings and land, including the disposal of fixed assets by selling, demolition, exchanging and donation.

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

Legislative mandate

Within the broad statutory mandates of government institutions, the following mandates guide the department's core functions:

- Constitution of the Republic of South Africa (No. 108 of 1996)
- Public Service Act (No. 30 of 2007)
- Public Finance Management Act (Act No. 1 of 1999, as amended) and the Treasury Regulations
- Government Immovable Asset Management Act (No. 19 of 2007)
- Local Government: Municipal Rates Act (No. 6 of 2004)
- Construction Industry Development Board Act (No. 38 of 2000)
- National Building Regulations and Building Standards Act (No. 103 of 1977)
- Occupational Health and Safety Act (No. 85 of 1993)
- State Land Disposal Act (No. 48 of 1961)
- Prevention of Eviction from and Unlawful Occupation of Land Act (No. 19 of 1998)
- KwaZulu-Natal Land Administration Act (No. 3 of 2003)
- KwaZulu-Natal Heritage Act (No. 10 of 1997)
- Broad Based Black Economic Empowerment Act (No. 53 of 2004)
- Labour Relations Act (No. 66 of 1995)
- Employment Equity Act (No. 55 of 1995)
- Skills Development Act (No. 97 of 1998)
- Basic Conditions of Employment Act (No. 75 of 1997)
- Intergovernmental Relations Framework Act (No. 13 of 2005)
- Preferential Procurement Policy Framework Act (No. 5 of 2000)
- Cross-Boundary Municipalities Laws Repeal and Related Matters Act, as amended (No. 8 of 2009)
- Council for the Built Environment Act (No. 43 of 2000)
- Engineering Profession Act (No. 46 of 2000)
- Architectural Profession Act (No. 44 of 2000)
- Quantity Surveying Profession Act (No. 49 of 2000)
- Project and Construction Management Professions Act (No. 48 of 2000)
- Occupational Injuries and Diseases Act (No. 130 of 1993)
- Deeds Registry Act (No. 47 of 1937)
- Expropriation Act (No. 63 of 1975)
- Environmental Act (No. 107 of 1998)
- Promotion of Administrative Justice Act (No. 53 of 2002)
- Promotion of Access to Information Act (No. 54 of 2006)
- Skills Development Qualification Act (No. 58 of 1995)
- KwaZulu-Natal Ingonyama Trust Amendment Act (No. 9 of 1997)
- South African Schools Act (No. 84 of 1996)
- Cross-boundary Municipalities Laws Repeal Related Matters Act 2005 (No 23 of 2005)
- KwaZulu-Natal Planning and Development Act 2008 (No. 6 of 2008)

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, as well as providing a brief discussion on challenges and new developments.

Delivery of building infrastructure and accommodation

The implementation of the KwaZulu-Natal Infrastructure Delivery Management System (KZN-IDMS) Framework was approved in August 2012, and DOPW has been identified as the implementing agent of choice in the province. The implementation of KZN-IDMS continued in 2015/16, and the process was led by Provincial Treasury. The KZN-IDMS review was conducted by Provincial Treasury from August 2015 to March 2016, and it included site visits to test quality, time and cost.

The development and management of the service delivery improvement plan has assisted the delivery of infrastructure. There was an improvement in the integrated infrastructure planning process where DOPW and the client departments (all departments in the province) were presented on and participated in this process. The process led to continuous progress being made in the development and finalisation of the Infrastructure Programme Implementation Plans (IPIP) and service delivery agreements. As at the end of December, 49 per cent of the targets were achieved and this was in line with the 2015/16 APP.

Expanded Public Works Programme (EPWP)

EPWP is a nationwide programme which aims to provide unemployed people with work opportunities and training so that they increase their capacity to earn an income. A total of 1 295 work opportunities and 246 Full Time Equivalents (FTEs) were created between April and December 2015. The department has set targets of 6 000 work opportunities and 850 FTEs to be completed by the end of 2015/16 and it aims to attain these targets at year-end. However, the department is experiencing challenges regarding the submission of reports on work opportunities, where data is not submitted on time from construction sites by the service providers. As such, the department is reviewing tender/bid documents to compel contractors to submit EPWP data on a monthly basis in order to comply with the EPWP data management related to infrastructure projects.

KZN Integrated Greening programme

The EPWP Integrated Grant for Provinces allocation is utilised to sustain beneficiaries of the KZN Integrated Greening programme, where 638 people were employed between April and December 2015, including women, youth and people with disabilities to participate in this programme. The achievements of the programme as at the end of September 2015 are as follows:

- 273 560 trees were planted against a target of 208 698, thereby exceeding the target.
- 197 354 trees were propagated against a target of 208 698, and the 2015/16 set target for propagation of trees will be achieved at year-end.
- 675 622 kilograms of waste were collected against a target of 1 050 000 kilograms. The project is still underway and the target of waste collection will be achieved at year-end.

EPWP provincial co-ordination and monitoring

The department fully took over the function of the provincial co-ordination and monitoring of the EPWP on 1 April 2015. The main objectives of the co-ordination function are:

- To ensure that the provincial co-ordination and support function is extended to departments and municipalities in order to achieve the provincial EPWP work opportunities targets. As such, a total of 57 municipalities and 10 provincial departments are reporting on EPWP.
- To provide support to departments and municipalities to ensure that their set EPWP targets are attained. The department has set a target of three interventions to assisting departments and municipalities reporting on EPWP. These included the EPWP *Indaba*, workshops and an EPWP working session.

Fixed asset register

100 per cent migration of PREMIS data into the new Immovable Asset Management System: The contract for the use of PREMIS will expire on 31 March 2016. The new immovable asset management tool known

as ARCHIBUS is currently being implemented. PREMIS and ARCHIBUS systems are currently running parallel and ARCHIBUS is expected to be fully functional from 1 April 2016. The first phase of installation of the new system has been completed and the second phase, which includes data migration, quality control processes, maintenance systems and other IT related programme developments and enhancements is in the last stage. Fifty per cent of the current data from PREMIS to ARCHIBUS has been migrated and the IT component has ensured that there is full compliance with IT prescripts and standards. The system also interfaces with BAS and incorporates project and programme management in relation to capital and maintenance of infrastructure for KZN.

Finalisation of property valuations: The main purpose of this project is to ensure that all properties are valued and the value is disclosed in DOPW's AFS, which is one of the key elements in the disclosure note for assets. Although the project did not commence as anticipated due to tender appeals in the procurement of valuers, currently it is at procurement stage, and the bid specification and functionality criteria were revised. The department has identified 3 760 properties that need to be valued.

Consolidation of land parcels to facilitate infrastructure development: This project aims to address the challenges facing infrastructure development in KZN, where a facility shares (or is built on) more than one land parcel. This involves accessing a large number of title deeds in order to have building plans approved, which is mandatory in terms of the KZN Planning and Development Act, 2008. Based on this background, it is critical that all facilities built on more than one land parcel be prioritised, and such land parcels be consolidated. However, due to reprioritisation of projects, this project was not undertaken in 2015/16, and the funding was moved to the surveying and sub-divisions of the State Domestic Facilities (SDFs) project.

Finalisation of transfer of R293 properties: The department has successfully transferred 850 R293 properties over three years. There are still a number of R293 properties that have not been finalised under Umhlathuze, uMlalazi, Abaqulusi, Umtshezi, Endumeni and Hlabisa Municipalities.

Surveying and sub-divisions of SDFs on tribal land and farms: There are 5 043 SDFs which were built on such land, particularly prior to the new dispensation. This shortcoming has affected the vesting process as mandated by section 239 of the Interim Constitution of South Africa, Act 200 of 1993, and other transfer transactions relating to the municipalities (R293 properties). The process of surveying and sub-dividing of SDFs was at procurement stage at the end of 2015/16.

Condition assessments

Condition assessments of hospitals were undertaken in 2015/16 and maintenance plans were developed for these facilities. In 2015/16, 570 schools were assessed and their maintenance plans were developed.

Izandla Ziyagezana programme

In 2015/16, more than 430 job opportunities were created through the Izandla Ziyagezana programme, thereby contributing meaningfully to unemployment and poverty alleviation. Furthermore, the department increased the number of people with disabilities who participated and benefitted from this programme.

Administration: Internal capacity building

Bursary programme: Five bursaries were awarded in the 2015 academic year to applicants in professional disciplines such as civil, electrical and mechanical engineering. Female applicants from rural areas were prioritised. The department awarded internal bursaries to 55 students.

Internship programme: In 2015/16, the department placed 10 interns on the internship programme in different fields including the professional disciplines, construction project management, quantity surveying, architecture and property management.

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 in Programme 2 is for municipal property rates payments, the Government Immovable Asset Management Act (GIAMA) implementation projects, as well as the

Fixed Asset Management Tool. The budget against Programme 3 largely caters for various infrastructure projects such as construction of offices for the Ilembe and Umzinyathi district offices, Zululand (Vryheid depot) and replacement of the roof in the uMgungundlovu district offices. In the 2016/17 MTEF, provision is also made for the EPWP provincial co-ordination function and the improvement of infrastructure support.

Delivery of building infrastructure and accommodation

The implementation of the KZN-IDMS Framework will continue in 2016/17. Provincial Treasury will issue a report regarding the review conducted in 2015/16 and, if necessary, the Steering Committee will re-assess milestones and adjustments will be made in line with the report.

Expanded Public Works Programme

The EPWP programme aims to provide unemployed people with work opportunities and training so that they increase their capacity to earn an income. The department has set a target of 6 500 work opportunities and 900 FTEs for 2016/17. In addition, the department has set a target of three empowerment interventions in 2016/17, including placement opportunities, training and entrepreneurial development.

KZN Integrated Greening programme

The department will continue with the KZN Integrated Greening programme in partnership with the Office of the Premier (OTP), which focuses on greening activities through employment creation for unskilled people. The department is co-ordinating the programme in the province, and will effectively utilise the EPWP Integrated Grant for Provinces allocation for 2016/17 to implement the KZN Integrated Greening programme. The programme aims to develop and implement a comprehensive plan that will support a wide range of community based greening activities, including:

- Treepreneurs – growing and planting indigenous and edible plants.
- Wastepreneurs – collecting recyclable waste.
- Greenpreneurs – trading bicycles, water tanks, solar energy devices.
- Reforestation projects – restoring community forest assets.

EPWP provincial co-ordination and monitoring

The department will continue with the EPWP provincial co-ordination and monitoring. The main objectives of the co-ordination and monitoring function are:

- To ensure that the provincial co-ordination and support function is extended to departments and municipalities in KZN in order to achieve the provincial EPWP work opportunities targets, therefore the department has set a target of 61 departments and municipalities reporting on EPWP in 2016/17.
- To provide support to departments and municipalities to ensure that their set EPWP targets are attained. This measures the number of interventions implemented to support departments and municipalities in the creation of the targeted number of work opportunities. The department will provide interventions to departments and municipalities, such as working sessions and workshops.

Fixed asset register

100 per cent migration of PREMIS data into the Immovable Asset Management System: ARCHIBUS will be fully implemented in 2016/17 and the benefits include an integrated system, improved project management, efficient financial reporting on infrastructure expenditure, facilities management and planning. It also provides fair value of properties for financial disclosures.

Finalisation of property valuations: The department will continue with this project which was at procurement stage in the prior year. In 2016/17, there are 3 760 properties required to be valued. The valuation of state assets remains critical and is informed by National Treasury's Guide on Accounting and Reporting for Immovable Assets.

Finalisation of R293 properties: The outstanding number of properties to be transferred in 2016/17 is estimated at 450. The transfer process in Umhlathuze, uMlalazi, Abaqulusi, Umtshezi, Endumeni and Hlabisa Municipalities is underway and the process is expected to be completed in 2016/17.

Surveying and sub-divisions of SDFs on tribal land and farms: This project aims to address the challenges in respect of SDFs built on land that is not surveyed or not sub-divided. There are 5 043 SDFs which were built on such land, particularly prior to the new dispensation. The process of surveying and sub-dividing is a multi-year project.

Condition assessments

In 2016/17, the department will continue with condition assessments of school infrastructure and maintenance and improvement plans will be developed for these facilities. This will ensure that state schools are maintained at an optimal level to support teaching and learning. This will be done in consultation with the Department of Education, as it will ensure that user-specific requirements are addressed and that the project yields beneficial results to the user department. Despite challenges experienced in the outsourcing of valuers, the department is also expected to finalise the condition assessments for the Department of Social Development facilities in 2016/17.

Izandla Ziyagezana programme

In 2016/17, the department will continue to contribute to the creation of sustainable jobs through the Izandla Ziyagezana programme. The department aims to sustain 470 jobs in 2016/17. Additionally, the department will focus on increasing the participation of women and people with disability who will benefit from the programme.

Administration: Internal capacity building

Bursary programme: Bursaries will be awarded for the 2016 academic year to applicants in professional disciplines – i.e. civil, electrical and mechanical engineering. Female applicants from rural areas will be prioritised. The department will be funding 34 external bursary holders and 41 internal bursary holders.

Internship programme: In 2016/17, the department will place 50 interns on the internship programme in different fields including professional disciplines, construction project management, quantity surveying, architecture and property management.

4. Receipts and financing

4.1 Summary of receipts

Table 14.1 indicates the sources of funding for Vote 14 for the period 2012/13 to 2018/19. The table also compares actual and budgeted receipts against actual and budgeted payments.

Table 14.1 : 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	758 563	1 257 040	1 313 705	1 376 193	1 399 466	1 399 466	1 428 137	1 503 706	1 590 995
Conditional grants	552 608	3 000	3 168	3 057	3 056	3 056	4 471	-	-
Devolution of Property Rate Funds grant	551 100	-	-	-	-	-	-	-	-
EPWP Integrated Grant for Provinces	1 508	3 000	3 168	3 057	3 056	3 056	4 471	-	-
Total receipts	1 311 171	1 260 040	1 316 873	1 379 250	1 402 522	1 402 522	1 432 608	1 503 706	1 590 995
Total payments	1 133 311	1 270 253	1 388 082	1 389 666	1 412 938	1 423 344	1 432 608	1 503 706	1 590 995
Surplus/(Deficit) before financing	177 860	(10 213)	(71 209)	(10 416)	(10 416)	(20 822)	-	-	-
Financing									
of which									
Provincial roll-overs	14 185	28 168	20 268	-	-	-	-	-	-
Provincial cash resources	27 032	25 523	54 622	10 416	10 416	10 416	-	-	-
Surplus/(Deficit) after financing	219 077	43 478	3 681	-	-	(10 406)	-	-	-

The aim of the Devolution of Property Rate Funds grant was to provide for the payment of property rates in the province. In 2013/14, this grant was phased into the equitable share, thus the table shows no grant allocation thereafter. However, the provincial allocation shows a substantial increase.

The department was allocated the EPWP Integrated Grant for Provinces from 2012/13 to 2016/17. The department received an amount of R4.471 million against this grant in 2016/17, and no allocation over the MTEF, at this stage.

In 2012/13:

- R14.185 million was rolled over to 2012/13 relating to infrastructure commitments from 2011/12.
- The department received R27.032 million additional funding, and this included R25 million relating to the purchase and development of a Fixed Asset Management Tool and R2.032 million for the EPWP Integrated Grant for Provinces.
- The department under-spent by R219.077 million in 2012/13, which included R120.489 million that was identified as an over-provision in the Devolution of Property Rate Funds grant, and was surrendered to National Treasury. There was under-spending of R22.090 million mainly related to slow progress with regard to the DOPW head office project, due to sub-division issues to be finalised with the local municipality. The tenders were awarded later than anticipated, resulting in delays in the commencement of the GIAMA and the Fixed Asset Management Tool projects.

In 2013/14:

- R28.168 million was rolled over from 2012/13 to 2013/14 in respect of commitments related to property rates.
- The department received R25.523 million provincial cash resources for the Richmond Community Development programme (R24.523 million) and R1 million for Operation Sukuma Sakhe (OSS).
- The department under-spent by R43.478 million, due to delays in the awarding of the GIAMA tender, where an appeal lodged in respect of the condition assessment to be undertaken was delayed, as well as the late commencement of the Richmond Community Development programme (R20.750 million), as the selection and recruitment of beneficiaries took longer than anticipated.

In 2014/15:

- A roll-over of R20.268 million was received from 2013/14 for the Richmond Community Development programme.
- The department received R54.622 million provincial cash resources as follows:
 - A suspension of funds amounting to R25 million was received from 2012/13 for the Fixed Asset Management Tool.
 - Once-off additional amounts for the Richmond Community Development programme, and the NYSP of R20 million and R7.500 million, respectively, were received.
 - Carry-through costs of R3.265 million for previous wage agreements.
 - The department's allocation was reduced by R3.277 million, in respect of the centralisation of parts of the communications budget and the external bursaries budget under OTP.
 - R1.093 million was allocated to the department for work required on the Ulundi Royal Household Palace, former Legislature Assembly (LA) Complex, Ministerial houses and temporary residential units for the Royal Household.
 - R1.041 million was received for refurbishment work required at Nyokeni Palace, which needed to be completed for the Reed Dance ceremony.
- The department under-spent by R3.681 million due to delays in respect of GIAMA related projects, as a result of an extended appeal process for the development of the Fixed Asset Management Tool due to its complex nature.

In 2015/16:

- The department received provincial cash resources of R10.416 million as follows:
 - A suspension of funds amounting to R9.934 million was received from 2013/14 for the Fixed Asset Management Tool.
 - An amount of R482 000 for the Richmond Development Community programme was a suspension from 2014/15.

- The Revised Estimate reflects projected over-spending of R10.406 million attributed to spending pressures brought about by arrear payments in respect of property rates for newly identified properties in the eThekweni Metro, uMgungundlovu, Uthukela, Umzinyathi, Amajuba, Zululand, uThungulu, Ilembe and Harry Gwala Municipalities, where the department is liable for property rates. This over-spending will be offset by reprioritisation from other areas.

In the 2016/17 MTEF, the department's equitable share allocation includes funds for the carry-through costs of the 2015 above-budget wage agreement.

4.2 Departmental receipts collection

Table 14.2 reflects the estimated departmental receipts for Vote 14. The department is a service provider to other provincial departments, and it is therefore not a major revenue generating entity. The main sources of revenue are of a domestic nature and include housing rent, parking, etc. Details are provided in the *Annexure – Vote 14: Public Works*.

Table 14.2 : Summary of departmental receipts collection

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	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	6 122	5 794	5 662	7 067	7 067	7 965	7 659	8 294	9 124
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	220	159	155	180	180	318	180	195	213
Sale of capital assets	15 908	10 875	12 103	220	220	2 620	240	4 520	290
Transactions in financial assets and liabilities	1 392	1 430	1 566	959	959	1 086	888	911	1 003
Total	23 642	18 258	19 486	8 426	8 426	11 989	8 967	13 920	10 630

Sale of goods and services other than capital assets comprises housing rent recoveries, parking and state-owned property rentals. The decrease in 2013/14 and 2014/15 when compared to the 2012/13 actual revenue collection was due to the receipts of arrear rentals resulting from the regularisation of a number of cases relating to illegal occupants, where no payments were previously made. The 2015/16 Revised Estimate reflects an anticipated over-collection by the department. This is due to arrear government property rentals received from SASSA in November 2015, which were inadvertently allocated against *Transactions in financial assets and liabilities*. This was subsequently rectified by the department. A steady increase in revenue collection is expected over the MTEF.

Interest, dividends and rent on land relates to interest earned on outstanding staff debts. It must be noted that revenue collection against this category is erratic. In the 2015/16 Revised Estimate, the department anticipates to over-collect its main budget as a result of the interest on staff debts being higher than anticipated. Further recovery of interest owed by staff is anticipated over the MTEF.

Sale of capital assets relates to the sale of redundant motor vehicles as well as the sale of land and buildings. In 2012/13, the department made a disposal of buildings to National DOPW. The substantial revenue collection made in 2013/14 was in respect of the disposal of land by way of a public bid. In 2014/15, actual revenue collected was mainly due to the sale of land and buildings which were no longer required by the provincial government. The 2015/16 collection can be ascribed to the sale of state vehicles through auction, as well as the auction of office furniture and equipment. The department is expecting to sell off more of its uneconomical assets through auction over the MTEF. The substantial increase in 2017/18 is due to the planned auctioning of redundant state vehicles.

Transactions in financial assets and liabilities relates to recoveries of outstanding staff debts from prior years, as well as recoveries from previous years' expenditure, such as over-payments to suppliers. A steady increase is reflected from 2012/13 to 2014/15, indicating improvement in staff debt collection. The conservative budgeting over the MTEF is due to the uncertain nature of recovering past years' debts.

4.3 Donor funding – Nil

5. Payment summary

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

Further details are given in Section 6 below, as well as in the *Annexure – Vote 14: Public Works*.

5.1 Key assumptions

The following key assumptions have been used to determine the budget:

- 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.
- All inflation related increases are based on CPI projections.
- 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:
 - 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.
 - Departments' equitable share funded *Goods and services* budgets were cut by 2 per cent.
 - Departments' and public entities' hosting of events budgets were cut over the MTEF.
 - 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.
- 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.
- The capital budget is based on the department's infrastructure plan.

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

Table 14.3 shows additional funding received by the department over the three MTEF periods: 2014/15, 2015/16 and 2016/17. 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, 2015/16 and 2016/17 MTEF periods (i.e. for the financial year 2018/19) are based on the incremental percentage used in the 2016/17 MTEF.

In the 2014/15 MTEF, the department was allocated once-off additional funding for the NYSP and the Richmond Community Development programme. Also included was a suspension of funds from 2012/13 to 2014/15 in respect of the Fixed Asset Management Tool. The department received the carry-through costs of previous wage agreements. This was mitigated by a reduction in the department's allocation relating to the centralisation of parts of the communications budget and the external bursaries budget under OTP.

Table 14.3 : 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	52 488	2 976	603 804	3 994	4 226
Government office precinct project	-	-	600 000	-	-
National Youth Service programme	7 500	-	-	-	-
Richmond Community Development programme	20 000	-	-	-	-
Roll-over from 12/13 to 14/15 - Fixed Asset Mgt Tool	25 000	-	-	-	-
Carry-through of previous wage agreements	3 265	6 305	7 286	7 650	8 094
Centralisation of communications budget under OTP	(940)	(990)	(1 035)	(1 087)	(1 150)
Centralisation of external bursaries budgets under OTP	(2 337)	(2 339)	(2 447)	(2 569)	(2 718)
2015/16 MTEF period		13 816	(596 439)	3 738	3 955
Removal of government office precinct allocation		-	(600 000)	-	-
EPWP co-ordination moved from DOT		1 061	1 114	1 169	1 237
Roll-over of GIAMA funds from 13/14		9 934	-	-	-
Roll-over of Richmond Community Development prog funds from 13/14		482	-	-	-
Decentralisation of bursaries budget		2 339	2 447	2 569	2 718
2016/17 MTEF period			(21 645)	(22 877)	(24 130)
Above-budget 2015 wage agreement			19 329	20 736	22 316
Freezing all vacant non-OSD posts			(36 347)	(38 819)	(41 458)
Cutting events' budgets			(106)	(106)	(106)
2% Goods and services cut			(4 521)	(4 688)	(4 882)
Total	52 488	16 792	(14 280)	(15 145)	(15 949)

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

- Funding (with carry-through) in respect of the EPWP provincial co-ordination function shift from the Department of Transport (DOT) was insufficient and the department has therefore reprioritised the balance of R10 million, R12 million and R15 million, over the 2015/16 MTEF, from within its baseline.
- A roll-over from 2013/14 to 2015/16 in respect of GIAMA and the Richmond Community Development programme.
- Decentralisation of external bursaries budget to the department from OTP.
- An amount of R600 million for the government office precinct project, which was expected to commence in 2016/17, was removed from the department's baseline, as this project was put on hold at the time due to the fiscal consolidation cuts implemented against the province.

In the 2016/17 MTEF, expenditure on *Compensation of employees* was reduced by freezing all vacant non-OSD posts. The department's events budget was cut and the equitable share funded *Goods and services* budget was cut by 2 per cent. DOPW took a decision to mainly effect this cut against the department's GIAMA funding, in view of under-spending due to appeal processes which delayed the implementation of GIAMA projects. This will be reviewed in-year. The impact of these cuts on DOPW is commented on in Section 5.3 below. Mitigating these cuts to some extent is that the department receives additional funding for the carry-through costs of the above-budget 2015 wage agreement.

Note that additional funding was allocated in the 2012/13 MTEF for improving infrastructure support. Although no longer visible in Table 14.3, this funding was specifically and exclusively appropriated and the department has not yet completed the implementation of its revised infrastructure staffing structure that this funding was intended for. Thus amounts of R21.713 million, R22.799 million and R24.121 million in 2016/17, 2017/18 and 2018/19 respectively, remain ring-fenced for this purpose.

5.3 Summary by programme and economic classification

Tables 14.4 and 14.5 below provide a summary of the vote's expenditure and budgeted estimates over the MTEF period by programme and economic classification, respectively.

The department's budget is divided into three programmes, namely Administration, Property Management and Provision of Buildings, Structures and Equipment.

The department's structure is currently not in line with the uniform budget and programme structure for the Public Works sector, and this is under review. National Treasury has been approached in this regard. All programmes are different from the uniform structure except Programme 1 which largely conforms with the programme structure.

Table 14.4 : Summary of payments and estimates by programme: Public Works

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Administration	285 966	323 641	330 664	350 737	354 082	347 808	359 425	381 194	405 191
2. Property Management	474 335	540 416	614 291	630 089	640 357	653 815	647 907	681 659	722 157
3. Provision of Buildings, Structures and Equipment	373 010	406 196	443 127	408 840	418 499	421 721	425 276	440 853	463 647
Total	1 133 311	1 270 253	1 388 082	1 389 666	1 412 938	1 423 344	1 432 608	1 503 706	1 590 995

Table 14.5 : Summary of payments and estimates by economic classification: Public Works

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	625 609	679 124	740 445	785 205	798 070	786 467	810 219	852 787	906 153
Compensation of employees	438 487	489 093	505 875	556 968	551 844	545 450	584 239	623 058	666 946
Goods and services	186 891	190 019	234 569	228 237	246 226	241 017	225 980	229 729	239 207
Interest and rent on land	231	12	1	-	-	-	-	-	-
Transfers and subsidies to:	405 705	476 375	524 694	512 556	524 084	547 614	539 960	567 628	600 351
Provinces and municipalities	396 112	467 068	512 835	507 255	515 566	538 951	534 154	562 119	594 699
Departmental agencies and accounts	395	423	460	581	568	244	497	490	488
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	409	874	100	100	100	-	-	-
Households	9 198	8 475	10 525	4 620	7 850	8 319	5 309	5 019	5 164
Payments for capital assets	101 887	114 754	122 920	91 905	90 784	89 263	82 429	83 291	84 491
Buildings and other fixed structures	76 886	74 773	98 248	71 373	71 321	71 321	66 318	66 225	66 225
Machinery and equipment	21 108	34 747	20 211	16 199	15 292	11 990	12 111	13 066	14 266
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	3 893	5 234	4 461	4 333	4 171	5 952	4 000	4 000	4 000
Payments for financial assets	110	-	23	-	-	-	-	-	-
Total	1 133 311	1 270 253	1 388 082	1 389 666	1 412 938	1 423 344	1 432 608	1 503 706	1 590 995

The department's baseline has increased significantly, from R1.133 billion in 2012/13 to R1.591 billion in 2018/19. The increase in 2013/14 relates to the replacement of computers within the department. The payment of property rates in 2014/15 was high due to commitments from the previous year. This explains the low spending in 2012/13. Also contributing to the low spending in 2012/13 were delays in the GIAMA project tender processes for the acquisition of service providers with the appropriate capacity to undertake condition assessments of government properties. There were also delays in the procurement and development of the Fixed Asset Management Tool for Property Management which was put on hold by National DOPW at the time, resulting in these funds not being spent.

The 2015/16 Adjusted Appropriation reflects an increase of R18.159 million to fund the above-budget 2015 wage agreement against *Compensation of employees* across all programmes. Also contributing to the increase were specifically and exclusively appropriated funds of R4.842 million allocated for the completion of the Provincial Infrastructure Master Plan, and a suspension of R271 000 from 2014/15 to 2015/16, in respect of the Richmond Community Development programme. The spike in the Revised Estimate can be ascribed to spending pressures due to higher than anticipated invoices received in respect of property rates for newly identified properties in the eThekweni Metro, uMgungundlovu, Uthukela, Umzinyathi, Amajuba, Zululand, uThungulu, Ilembe and Harry Gwala Municipalities. The 2016/17 budget includes the EPWP Integrated Grant for Provinces, and no allocation for this grant over the MTEF, at this stage. Overall, the department is showing steady growth over the 2016/17 MTEF period, despite the budget cuts undertaken over the MTEF, totalling R40.974 million, R43.613 million and R46.446 million.

Programme 1: Administration reflects a significant increase in 2013/14 largely due to unanticipated costs relating to the Special Investigation Unit (SIU). Also contributing were increased costs for SITA data lines and information services, as well as higher than anticipated costs of replacing a number of computers and the costs of Microsoft software licences. The marginal increase in the 2015/16 Adjusted Appropriation is ascribed to additional funding allocated for the above-budget 2015 wage agreement. The decrease in the 2015/16 Revised Estimate is mainly linked to the moratorium on the filling of non-critical posts, which

required the department to make a submission to the Premier and MEC for Finance for critical posts to be filled. The bulk of posts against this programme are mainly non-OSD posts and, as mentioned, expenditure on *Compensation of employees* has been reduced by freezing all vacant non-OSD posts, and the department's events' budget has been cut. In total, Programme 1 has been cut by R24.498 million, R26.610 million and R28.233 million over the MTEF. Despite these cuts, the programme reflects reasonable growth over the 2016/17 MTEF.

Programme 2: Property Management reflects an increase in 2013/14 which is due to property rates commitments from the previous year. Also contributing to the peak was the re-evaluation of the upgraded King George V Hospital situated in the eThekweni Metro which was finalised toward the end of 2012/13 and attracted higher property rates, the unanticipated arrear payment for property rates relating to this facility which was effected in 2013/14, as well as above-budget wage agreement costs. The further increase in 2014/15 is ascribed to arrear payments in respect of property rates for clinics and schools in the eThekweni Metro and Ulundi Municipality. In 2015/16, funds were reprioritised from Programme 3 to cater for critical vacant posts such as administrative clerks, the bulk being in the North Coast region. The 2015/16 budget also includes a suspension of funds from 2013/14 in respect of GIAMA projects. The increase in the 2015/16 Adjusted Appropriation relates to additional funding for the above-budget 2015 wage agreement. The substantial increase in the 2015/16 Revised Estimate is driven by spending pressures due to arrear payments in respect of property rates for newly identified properties in eThekweni, and the uMgungundlovu, Uthukela, Umzinyathi, Amajuba, Zululand, uThungulu, Ilembe and Harry Gwala Municipalities. Due to inadequate funds, the department could not reprioritise to cater for these pressures over the MTEF, but will review this in-year. This accounts for the decline in 2016/17, whereafter the programme shows steady growth over the 2016/17 MTEF, and the bulk of the budget is specifically and exclusively appropriated for municipal property rates, GIAMA projects, as well as the Fixed Asset Management Tool. The equitable share funded *Goods and services* budget has been cut by 2 per cent, and this was effected by reducing funding for the implementation of GIAMA by R4.521 million in 2016/17, R4.688 million in 2017/18 and R4.882 million in 2018/19. The department has been under-spending in this area due to appeal processes which delayed the implementation of GIAMA projects. Again, this will be reviewed in-year, should there be spending pressures. Also, expenditure on *Compensation of employees* has been reduced by freezing all vacant non-OSD posts in respect of this programme. In total, Programme 2 has been cut by R8.543 million, R9.121 million and R9.559 million over the MTEF.

Programme 3: Provision of Buildings, Structures and Equipment shows a significant increase in 2014/15 attributed to once-off funding for the Richmond Community Development programme relating to ablution facilities in the Richmond area, the NYSP, payments for work done on the Ulundi Royal Household Palace, as well as for refurbishment work at Nyokeni Palace. In addition, a roll-over was received from 2013/14 in respect of the Richmond Community Development programme, explaining the decrease in 2015/16. The increase in the 2015/16 Adjusted Appropriation can be ascribed to the above-budget 2015 wage agreement, a roll-over from 2014/15 for the Richmond Community Development programme, and additional funding for the completion of the Provincial Infrastructure Master Plan. The 2016/17 budget includes additional funding for the EPWP Integrated Grant for Provinces, and the bulk of the budget over the MTEF caters for infrastructure projects. The budget for this programme maintains inflationary growth over the 2016/17 MTEF, despite baseline cuts being effected against *Compensation of employees* totalling of R7.933 million, R8.272 million and R8.632 million over the MTEF.

The increasing trend against *Compensation of employees* from 2012/13 onward is influenced by the carry-through costs of above-budget wage agreements, OSD for professionals (such as architects and artisans), as well as provision made for improving infrastructure support. The significant increase in 2013/14 is attributed to carry-through costs of above-budget wage agreements, as well as outstanding performance bonuses for 2012/13 and the SMS pay progression from 2011/12. Also contributing was the re-grading of posts on salary levels 4, 9 and 11 to 5, 10 and 12, respectively. In 2014/15, savings due to delays in the filling of vacant posts were moved to address spending pressures against *Goods and services* for consultants employed in the capacity of project managers in the Ulundi region, and to provide for higher than anticipated costs on items such as property payments in respect of water and electricity and security services costs. This explains the significant increase in 2015/16. Also contributing to the increase was reprioritisation of funds undertaken from other categories to cater for various posts, and additional funding

relating to the EPWP provincial co-ordination function which was moved from DOT. There was a substantial decrease in the 2015/16 Adjusted Appropriation, where savings were moved to *Goods and services* to defray spending pressures as a result of higher than anticipated costs relating to the department's building lease, in respect of Fedsure House in Pietermaritzburg, and to *Transfers and subsidies* to cater for spending pressures brought about by arrear payments and higher than budgeted costs in respect of the payment of municipal property rates. The Revised Estimate reflects projected under-spending which is driven by delays in the filling of vacant posts, as well as the moratorium on the filling of non-critical posts. Despite the reduction of the budget of R36.347 million, R38.819 million and R41.458 million over the MTEF by freezing all vacant non-OSD posts, the 2016/17 MTEF shows inflationary growth, and includes carry-through additional funding for previous years' wage agreements.

In 2014/15, there was a significant increase against *Goods and services* due to once-off additional funding allocated for the NYSP, the Richmond Community Development programme, as well as repairs and maintenance for His Majesty's Ulundi Royal Household Palace, accounting for the decrease in the 2015/16 Main Appropriation. The substantial increase in the 2015/16 Adjusted Appropriation relates to a roll-over from 2014/15 for the Richmond Community Development programme and additional funding for the completion of the Provincial Infrastructure Master Plan. Hence, there is a decrease in 2016/17, which was further exacerbated by the 2 per cent cut effected against the department's equitable share funded *Goods and services* budget. As mentioned, the department effected these cuts of R4.521 million, R4.688 million and R4.882 million against the GIAMA funding. However, the 2016/17 budget includes an additional allocation for the EPWP Integrated Grant for Provinces. The bulk of the MTEF budget caters for the GIAMA projects and the Fixed Asset Register.

The spending against *Interest and rent on land* from 2012/13 to 2014/15 relates to interest on finance leases, as well as interest paid on overdue water and electricity accounts.

The increase against *Transfers and subsidies to: Provinces and municipalities* in 2013/14 is largely ascribed to a roll-over for commitments relating to the previous year for the payment of property rates, as well as the unanticipated arrear payment for property rates relating to the King George V Hospital which was only effected in 2013/14, as explained previously. The significant increase in 2014/15 was due to property rates arrear payments for commitments relating to 2013/14, explaining the decrease in 2015/16. During the 2015/16 Adjusted Appropriation, savings were moved from *Compensation of employees* to address spending pressures driven by arrear payments and higher than budgeted costs in respect of the payment of municipal property rates. The substantial increase in the 2015/16 Revised Estimate is due to arrear payments, in respect of property rates for newly identified properties in the eThekweni Metro, uMgungundlovu, Uthukela, Umzinyathi, Amajuba, Zululand, uThungulu, Ilembe and Harry Gwala Municipalities. Due to lack of funding, these pressures could not be catered for over the MTEF, at this stage. However, the department will review this in-year. The 2016/17 MTEF, which caters mainly for property rates, as well as motor vehicle licence fees, shows steady growth.

The erratic trend against *Transfers and subsidies to: Departmental agencies and accounts* over the entire period is driven by workmen's compensation payments, which are based on claims related to injuries on duty. These claims are difficult to predict, which explains the slight decrease over this period. There is a minimal decline in growth in the outer year due to reprioritisation to cater for other economic categories.

Expenditure against *Transfers and subsidies to: Non-profit institutions* in 2013/14 and 2014/15 relates to donations made in respect of OSS. As a result of cuts effected on the department's events' budget, no provision for such donations is made over the 2016/17 MTEF.

Transfers and subsidies to: Households caters for external bursaries and staff exit costs. The inconsistent trend from 2012/13 to 2014/15 is due to the unpredictable nature of staff exit costs. The increase in the 2015/16 Adjusted Appropriation and Revised Estimate is attributed to higher than anticipated staff exit costs. The budget over the MTEF fluctuates due to the unpredictable nature of staff exit costs.

Buildings and other fixed structures fluctuates over the seven years, as it is based on actual capital infrastructure requirements, including new and carry-through costs of certain projects. The significant increase in 2014/15 was attributed to once-off funding in respect of the Richmond Development

Community programme for ablution facilities, as well as for refurbishment work at Nyokeni Palace which needed to be completed before the Reed Dance ceremony took place in September 2014, which explains the decrease in 2015/16. The baseline for 2016/17 is slightly higher than the two outer years of the MTEF and is based on actual infrastructure requirements, as mentioned above.

The peak in 2013/14 against *Machinery and equipment* relates to higher than anticipated costs of replacing computers within the department. This explains the decrease in 2014/15. The further decrease in the 2015/16 Adjusted Appropriation and Revised Estimate can be ascribed to the reprioritisation of funds to cater for costs of installing tracker devices on the department's vehicles and addressing spending pressures under computer services under *Goods and services*. The decline over the 2016/17 MTEF is as a result of reprioritisation from this category to cater for the SITA SLAs.

Spending against *Software and other intangible assets* increased from 2012/13 onward emanating from the renewal of COGNOS user licences. These significant increases were based on the agreement entered into by the department with Microsoft, which required a three-year commitment and annual billing. However, the high spending in 2013/14 was largely attributed to the purchase of Microsoft software licences, following the upgrade and replacement of IT infrastructure for the department. The budget in 2015/16 includes provision for Computer Aided Designs, which architects use for infrastructure drawings. The allocation decreases slightly over the 2016/17 MTEF due to reprioritisation to *Goods and services* for the SITA SLAs.

The department wrote off various losses of R110 000 and R23 000 against *Payments for financial assets* in 2012/13 and 2013/14, respectively.

5.4 Summary of conditional grant payments and estimates

Tables 14.6 and 14.7 below relate to the summary of conditional grants receipts and payments. Note that the historical figures set out in Table 14.6 below reflect actual expenditure per grant, and should not be compared to those reflected in Table 14.1, which represent the actual receipts for each grant. Further details are provided in the *Annexure – Vote 14: Public Works*.

Table 14.6 : Summary of conditional grants payments and estimates by name

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Devolution of Property Rate Funds grant	402 443	-	-	-	-	-	-	-	-
EPWP Integrated Grant for Provinces	5 292	3 000	3 167	3 057	3 056	3 056	4 471	-	-
Total	407 735	3 000	3 167	3 057	3 056	3 056	4 471	-	-

Table 14.7 : Summary of conditional grants payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	5 292	3 000	3 167	3 057	3 056	3 056	4 471	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	5 292	3 000	3 167	3 057	3 056	3 056	4 471	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	402 443	-	-	-	-	-	-	-	-
Provinces and municipalities	402 443	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	407 735	3 000	3 167	3 057	3 056	3 056	4 471	-	-

The high spending in 2012/13 relates to the payments of property rates, for which funding was incorporated into the equitable share from 2013/14, hence, there is no allocation from 2013/14 onward.

The department received funding for the EPWP Integrated Grant for Provinces from 2011/12 onward. The high spending in 2012/13 includes commitments relating to 2011/12, which explains the decrease in 2013/14 and 2014/15. There was a slight decrease in the 2015/16 Adjusted Appropriation after National Treasury indicated that the uncommitted (and therefore not rolled over) portion of the EPWP Integrated Grant for Provinces of R1 000 must be surrendered to the National Revenue Fund. Instead of this amount being surrendered from the Provincial Revenue Fund, though, National Treasury implemented Section 22(4) of the Division of Revenue Act and removed this amount from DOPW's 2015/16 EPWP Integrated Grant for Provinces' allocation. The department is projected to fully spend its EPWP grant allocation by year-end. The department receives R4.471 million for this grant in 2016/17, and no allocation over the two outer years of the MTEF, at this stage. This grant is utilised for the KZN Integrated Greening programme.

5.5 Summary of infrastructure payments and estimates

Table 14.8 below presents a summary of infrastructure payments and estimates by category for the vote. Detailed information on infrastructure is given in the *Annexure – Vote 14: Public Works*.

Table 14.8 : Summary of infrastructure payments and estimates by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Existing infrastructure assets	74 612	79 849	86 752	53 980	53 980	67 519	56 709	54 103	43 025
Maintenance and repair: Current	11 113	9 370	10 514	6 000	6 052	6 723	6 300	4 400	4 000
Upgrades and additions: Capital	52 057	51 467	58 122	31 937	31 937	45 094	31 506	35 532	18 635
Refurbishment and rehabilitation: Capital	11 442	19 012	18 116	16 043	15 991	15 702	18 903	14 171	20 390
New infrastructure assets: Capital	13 387	4 294	22 010	23 393	23 393	10 525	15 909	16 522	27 200
Infrastructure transfers	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Current	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital	-	-	-	-	-	-	-	-	-
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	-	-	-	-	-	-	-	-	-
Total	87 999	84 143	108 762	77 373	77 373	78 044	72 618	70 625	70 225
<i>Capital infrastructure</i>	<i>76 886</i>	<i>74 773</i>	<i>98 248</i>	<i>71 373</i>	<i>71 321</i>	<i>71 321</i>	<i>66 318</i>	<i>66 225</i>	<i>66 225</i>
<i>Current infrastructure</i>	<i>11 113</i>	<i>9 370</i>	<i>10 514</i>	<i>6 000</i>	<i>6 052</i>	<i>6 723</i>	<i>6 300</i>	<i>4 400</i>	<i>4 000</i>

There is a fluctuating trend against infrastructure projects, driven by the commencement and completion of infrastructure projects. The significant decrease in 2013/14 is ascribed to the slow progress in respect of the head office project as a result of consultant delays, cancellation of contracts and inclement weather, as well as contractor delays with regard to the Southern region (uMgungundlovu) new administrative wing project. The increase in 2014/15 was attributed to the once-off funding for the Richmond Community Development programme relating to ablution facilities in the Richmond area, which explains the decrease in 2015/16. The reduction over the MTEF is based on infrastructure requirements within the department. A number of major projects, some of which are multi-year, will continue over the MTEF, including the air-conditioners maintenance contracts and upgrading of water valves in the North Coast Region, construction of the new Ilembe district office and the construction of the Southern region new canteen.

High spending against *Maintenance and repair: Current* is ascribed to higher than anticipated costs of maintenance of the department's fixed assets, unanticipated repairs to the MEC's office in Mayville due to flood damage, air conditioner maintenance in the eThekweni regional office, as well as the Midlands region. This accounts for the slight decrease in 2013/14. The increase in 2014/15 relates to the unanticipated maintenance and repair costs for the eThekweni region, and these once-off costs account for the reduction in the budget in 2015/16. The budget over the 2016/17 MTEF decreases following reprioritisation undertaken by the department to cater for projects, such as the Uthukela and Ilembe district offices, Southern region new office and new canteen which fall under *New infrastructure assets: Capital*.

Upgrades and additions: Capital fluctuates over the seven-year period, as it is based on new and carry-through costs of certain projects. The high spending in 2012/13 was driven by the head office and CIDB satellite office in uMgungundlovu, explaining the decrease in 2013/14. The substantial increase in 2014/15

was due to faster than anticipated progress in respect of the head office project. The 2015/16 Revised Estimate reflects over-spending on this category mainly ascribed to projects such as the head office, Uthukela district office and Vryheid depot projects which were under-budgeted. The baseline allocation over the 2016/17 MTEF decreases significantly due to reprioritisation undertaken by the department to fund *New infrastructure assets: Capital*, as well as to cater for projects under *Refurbishment and rehabilitation: Capital* in respect of continuation costs for various projects, pertaining to the LA Complex in Ulundi and the eThekweni region. Some funds were reprioritised from this category to fund the EPWP provincial co-ordination function which was moved from DOT, with inadequate funding.

Refurbishment and rehabilitation: Capital shows a spike in 2013/14 which relates to the administrative wing of the former LA Complex in Ulundi, comprising landscaping, air-conditioning and electrical maintenance, as well as projects relating to the Umzinyathi and Amajuba district offices, as well as the Esplanade building in Durban. This accounts for the decrease in 2014/15, which was also attributed to the completion of some of these projects, including the Esplanade building in 2013/14. The increase in 2016/17 is due to reprioritisation of funds from other categories as a result of continuation costs of various projects relating to the LA complex and the eThekweni region. Some of these projects are expected to be completed in 2016/17, hence the decrease in 2017/18. The increase in 2018/19 also relates to continuation costs in respect of projects for the LA Complex in Ulundi.

The significant decrease against *New infrastructure assets: Capital* in 2013/14 was attributed to slow progress in respect of the head office project as a result of consultant delays, cancellation of contracts and inclement weather, as well as contractor delays with regard to the Southern region (uMgungundlovu) new administrative wing project. The significant increase in 2014/15 was attributed to once-off funding for the Richmond Community Development programme for ablution facilities in the Richmond area. The 2015/16 allocation is high due to reprioritisation undertaken from *Maintenance and repair: Current*, and *Upgrades and additions: Capital* to fund the Uthukela and Ilembe district offices, as well as the new canteen in the Southern region. Also catered for in 2015/16 is the continuation of the head office project. The increasing trend over the 2016/17 MTEF is based on the continuation of projects such as construction of offices for the Ilembe and Umzinyathi district offices.

5.6 Public Private Partnerships (PPPs) – Nil

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

5.8 Transfers to other entities – Nil

5.9 Transfers to local government

Tables 14.9 and 14.10 indicate transfers to local government per category and per type, respectively. The transfers are in respect of the payment of property rates to municipalities. Further details of these transfers per category are presented in *Annexure – Vote 14: Public Works*.

It is noted that, although the payment of motor vehicle licences falls under *Transfers and subsidies to: Provinces and municipalities*, these funds will not be transferred to any municipality, and hence these are excluded from the tables below. It is also noted that the amounts indicated as *Unallocated* relate to property rates for properties owned by KZN, but located in other provinces.

Table 14.9 : Summary of departmental transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Category A	195 659	239 185	235 715	221 809	224 809	239 744	242 000	249 018	263 458
Category B	199 952	227 590	276 771	285 193	290 487	298 951	291 871	312 795	330 937
Category C	-	-	-	-	-	-	-	-	-
Unallocated	132	24	24	60	60	18	60	60	60
Total	395 743	466 799	512 510	507 062	515 356	538 713	533 931	561 873	594 455

Table 14.10 : Summary of departmental transfers to local government by grant name

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Property rates	2.2 Person. & Admin Related	395 743	466 799	512 510	507 062	515 356	538 713	533 931	561 873	594 455
Total		395 743	466 799	512 510	507 062	515 356	538 713	533 931	561 873	594 455

In 2012/13, over-provision was identified against the property rates funding. As a result, the property rates funding was reduced accordingly.

The increase in 2013/14 was due to arrear payments relating to 2012/13 in respect of property rates for the King George V Hospital in the eThekweni Metro. The increase in 2014/15 and the 2015/16 Main Appropriation and Revised Estimate is attributed to arrear payments of newly identified properties by municipalities in respect of property rates for eThekweni Metro, uMgungundlovu, Uthukela, Umzinyathi, Amajuba, Zululand, uThungulu, Ilembe and Harry Gwala District Municipalities. The significant increase in the 2015/16 Adjusted Appropriation and the Revised Estimate can be ascribed to pressures brought about by arrear payments, in respect of property rates for newly identified properties in the eThekweni, uMgungundlovu, Uthukela, Umzinyathi, Amajuba, Zululand, uThungulu, Ilembe and Harry Gwala Municipalities. This explains the decrease in 2016/17. The department could not reprioritise funds to offset pressure relating to property rates, however, this will be reviewed in-year. The allocation for property rates grows at an inflationary rate over the 2016/17 MTEF.

5.10 Transfers and subsidies

Table 14.11 below is a summary of *Transfers and subsidies* per programme.

Table 14.11 : Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Administration	5 164	4 450	5 858	4 217	5 406	5 245	4 364	4 351	4 475
Provinces and municipalities	369	269	325	193	210	238	223	246	244
Motor vehicle licences	369	269	325	193	210	238	223	246	244
Departmental agencies and accounts	394	416	456	520	507	194	435	457	459
Social security funds - Comp. Commissioner	-	-	2	40	27	14	40	42	44
Skills development levy	394	416	454	480	480	180	395	415	415
Non-profit institutions	-	409	874	100	100	100	-	-	-
NPI: Donations and gifts	-	409	874	100	100	100	-	-	-
Households	4 401	3 356	4 203	3 404	4 589	4 713	3 706	3 648	3 772
Staff exit costs	2 685	1 534	4 203	1 065	2 250	3 095	1 259	1 079	1 054
Bursaries: Non employees	1 716	1 822	-	2 339	2 339	1 618	2 447	2 569	2 718
2. Property Management	395 814	467 064	512 586	507 097	515 391	538 832	533 966	561 908	594 490
Provinces and municipalities	395 743	466 799	512 510	507 062	515 356	538 713	533 931	561 873	594 455
Municipalities - Property rates	395 743	466 799	512 510	507 062	515 356	538 713	533 931	561 873	594 455
Departmental agencies and accounts	-	-	-	5	5	5	5	5	5
Social security funds - Comp. Commissioner	-	-	-	5	5	5	5	5	5
Households	71	265	76	30	30	114	30	30	30
Social benefits	71	265	76	30	30	114	30	30	30
3. Provision of Buildings, Structures and Equipment	4 727	4 861	6 250	1 242	3 287	3 537	1 630	1 369	1 386
Departmental agencies and accounts	1	7	4	56	56	45	57	28	24
Social security funds - Comp. Commissioner	1	7	4	56	56	45	57	28	24
Households	4 726	4 854	6 246	1 186	3 231	3 492	1 573	1 341	1 362
Staff exit costs	4 726	4 854	5 916	1 186	3 231	3 492	1 573	1 341	1 362
Injury on duty	-	-	330	-	-	-	-	-	-
Total	405 705	476 375	524 694	512 556	524 084	547 614	539 960	567 628	600 351

Provinces and municipalities in Programme 1 reflects the payment of motor vehicle licences.

Departmental agencies and accounts payments in all programmes are for workmens' compensation, with no payments shown in the prior years against Programme 2 due to no relevant incidents occurring. The allocation in Programme 1 also caters for the skills development levy transfer to PSETA.

Spending against *Non-profit institutions* under Programme 1 relates to donations made to schools and war-rooms in respect of OSS. A provision was also made over the 2016/17 MTEF for donations relating to OSS initiatives.

The fluctuating trend against *Households* in all programmes can be ascribed to unpredictable staff exit costs. The significant increase in the 2015/16 Revised Estimate is attributed to higher than anticipated staff exit costs. Spending from 2012/13 to 2013/14 under *Bursaries: Non employees* against Programme 1 was for the payment of external bursaries, which was centralised under OTP in 2014/15, hence no expenditure was recorded in 2014/15. However, in 2015/16 the allocation was decentralised and allocated to the department. The budget over the MTEF increases steadily.

The high spending against *Provinces and municipalities* in 2013/14 under Programme 2 was mainly attributed to the increase in the payment of property rates due to commitments relating to previous years, as well as the unanticipated arrear payments for property rates relating to the King George V Hospital in the eThekweni region which was only effected in 2013/14. The increase in the 2015/16 Adjusted Appropriation and Revised Estimate relates to arrear payments of newly identified properties by municipalities in respect of property rates for eThekweni Metro, uMgungundlovu, Uthukela, Umzinyathi, Amajuba, Zululand, uThungulu, Ilembe and Harry Gwala Municipalities. The 2016/17 MTEF shows inflationary growth. As mentioned, the department will reprioritise within its baseline in 2016/17, should the need arise.

6. Programme description

The services rendered by the department are categorised under three programmes, the details of which are discussed in greater detail below. The information for each programme is summarised in terms of sub-programmes and economic classification.

As mentioned, the department's structure is currently not in line with the uniform budget and programme structure for the Public Works sector. Programme 1 largely conforms to the uniform budget and programme structure, but Programmes 2 and 3 do not conform. Details according to the economic classification are presented in the *Annexure – Vote 14: Public Works*.

6.1 Programme 1: Administration

The main objectives of this programme are to provide strategic leadership and management support to the MEC, to build a positive corporate culture, to render support and advice in terms of human resource practices, all legal matters, security and logistics and effective communication and information management systems, render sound financial management services and risk management.

The programme comprises two sub-programmes, namely Minister Support and Management.

Tables 14.12 and 14.13 below summarise expenditure and budgeted estimates relating to Programme 1: Administration, for the financial years 2012/13 to 2018/19.

It is noted that the department effected the MTEF cuts across both sub-programmes within this programme (as explained below), with R24.392 million, R26.104 million and R28.127 million being reduced from *Compensation of employees*, and R106 000 being reduced from *Transfers and subsidies to: Non-profit institutions* in each year of the MTEF against the Minister Support sub-programme in respect of the department's events' budget.

Table 14.12 : Summary of payments and estimates by sub-programme: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15		2015/16		2016/17	2017/18	2018/19
1. Minister Support	10 019	11 869	13 405	13 249	13 733	13 361	12 058	12 739	13 516
2. Management	275 947	311 772	317 259	337 488	340 349	334 447	347 367	368 455	391 675
Total	285 966	323 641	330 664	350 737	354 082	347 808	359 425	381 194	405 191

Table 14.13 : Summary of payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	257 520	289 021	301 177	327 433	330 479	325 747	339 378	360 684	383 029
Compensation of employees	197 989	226 839	235 025	259 803	261 000	258 159	268 384	286 820	306 398
Goods and services	59 359	62 174	66 152	67 630	69 479	67 588	70 994	73 864	76 631
Interest and rent on land	172	8	-	-	-	-	-	-	-
Transfers and subsidies to:	5 164	4 450	5 858	4 217	5 406	5 245	4 364	4 351	4 475
Provinces and municipalities	369	269	325	193	210	238	223	246	244
Departmental agencies and accounts	394	416	456	520	507	194	435	457	459
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	409	874	100	100	100	-	-	-
Households	4 401	3 356	4 203	3 404	4 589	4 713	3 706	3 648	3 772
Payments for capital assets	23 271	30 170	23 629	19 087	18 197	16 816	15 683	16 159	17 687
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	19 378	24 936	19 168	14 916	14 026	10 924	11 683	12 159	13 687
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	3 893	5 234	4 461	4 171	4 171	5 892	4 000	4 000	4 000
Payments for financial assets	11	-	-	-	-	-	-	-	-
Total	285 966	323 641	330 664	350 737	354 082	347 808	359 425	381 194	405 191

The sub-programme: Minister Support reflects an increasing trend from 2012/13 to 2014/15. The peak in 2014/15 is ascribed to higher than anticipated donations made in respect of OSS. Donations of school uniforms were made to Shayamoya Primary School in Kokstad and Hlashana Senior Primary in eThekweni. The slight increase in the 2015/16 Adjusted Appropriation relates to funding moved from *Compensation of employees* in the sub-programme Management to defray spending pressures under *Goods and services* in respect of the OSS Cabinet Day that was hosted by the department. The slight decrease in the 2015/16 Revised Estimate is due to delays in the filling of vacant posts, as well as the moratorium on the filling of non-critical posts, which requires the department to make a submission to the Premier and MEC for Finance for critical posts to be filled. Even though *Compensation of employees* and the department's events budget have been cut over the MTEF, the sub-programme shows strong growth over the 2016/17 MTEF.

With regard to the sub-programme: Management, the increase in 2013/14 was largely due to pressures driven by the re-grading of posts on salary levels 9 and 11 to 10 and 12, respectively, unanticipated costs in respect of the SIU, computer services costs for SITA data lines and information services, as well as for software licences and the replacement of new computers. The increase in the 2015/16 Adjusted Appropriation relates to additional funds in respect of the above-budget 2015 wage agreement. The significant decrease in the 2015/16 Revised Estimate is attributed to delays in the filling of vacant posts, the moratorium on the filling of non-critical posts, as well as lower than anticipated expenditure on *Goods and services*, due to financial controls implemented by the department. Also contributing to the under-expenditure were delays in the procurement of motor vehicles by DOT. Despite the reduction of the *Compensation of employees* budget over the MTEF, this sub-programme shows healthy growth.

Compensation of employees shows a significant increase in 2013/14, largely due to the higher than anticipated wage agreement and the re-grading of posts on salary levels 9 and 11 to 10 and 12, respectively. The slight increase in 2014/15 was due to higher than anticipated wage agreement costs. The increase in the 2015/16 Adjusted Appropriation can be ascribed to the above-budget 2015 wage agreement. The decrease in the 2015/16 Revised Estimate is attributed to delays in the filling of vacant posts, as explained previously. As mentioned, the *Compensation of employees* budget over the 2016/17 MTEF was reduced by freezing all non-OSD posts. Off-setting this reduction, to some extent, was the carry-through additional funding for the above-budget 2015 wage agreement. Despite these cuts, the budget grows steadily over the 2016/17 MTEF.

Goods and services reflects an increase in 2013/14 which was mainly attributed to an unanticipated increase in costs for the SIU, higher than anticipated computer services costs in respect of SITA data lines and information services, as well as higher than anticipated fleet services costs such as fuel and oil. The

increase in the 2015/16 Adjusted Appropriation relates to savings identified under *Compensation of employees* to cater for spending pressures in respect of the OSS Cabinet Day that was hosted by the department within the Minister Support sub-programme, as well as for higher than anticipated costs relating to computer services for SITA information services and SITA data lines within the Management sub-programme. The 2016/17 MTEF maintains inflationary growth, although reprioritisation was undertaken from other categories to cater for the SITA SLAs.

With regard to *Interest and rent on land*, the spending in 2012/13 and 2013/14 relates to interest on finance leases and interest paid on overdue accounts for water and electricity.

The budget against *Transfers and subsidies to: Provinces and municipalities* caters for motor vehicle licence fees. The budget maintains a steady growth over the 2016/17 MTEF.

Transfers and subsidies to: Departmental agencies and accounts caters for the skills development levy and workmen's compensation, however, in the 2015/16 Adjusted Appropriation an amount of R13 000 was identified as savings because no claims were received in respect of workmens' compensation, such as claims related to injuries on duty, and these were moved to the sub-programme: Management under *Transfers and subsidies to: Provinces and municipalities* to cater for motor vehicle licence fees, which were under-budgeted for. The minimal decrease in the 2015/16 Adjusted Appropriation relates to funding moved for motor vehicle licences. This category shows a steady growth, however, the minimal decrease over the MTEF can be ascribed to reprioritisation undertaken to cater for motor vehicle licences.

Spending against *Transfers and subsidies to: Non-profit institutions* in 2013/14 and 2014/15 relates to donations made to schools and war-rooms in respect of OSS. The department made provision for OSS donations in 2015/16, but the budget for the hosting of events has been cut over the MTEF, hence there is no budget from 2016/17 onward against this category.

Transfers and subsidies to: Households provides for staff exit costs and external bursaries. The fluctuating trend from 2012/13 to 2014/15 is largely driven by the unpredictable nature of staff exit costs. The high spending in 2012/13 was due to higher than anticipated staff turnover. The significantly high spending in 2014/15 was due to an unanticipated increase in staff exit costs and this explains the decline in 2015/16. The increase in the 2015/16 Adjusted Appropriation and Revised Estimate is caused by higher than anticipated staff exits costs. The 2016/17 MTEF includes the external bursaries budget which was decentralised to the department from OTP, and some provision for staff exit costs.

With regard to *Machinery and equipment*, the high spending in 2013/14 relates to the replacement of computers within the department and for payments in respect of software licences, which explains the decrease in 2014/15. The slight decrease in the 2015/16 Adjusted Appropriation is largely due to enforced savings on items such as office furniture and computer equipment to *Goods and services* to address spending pressures driven by higher than anticipated costs relating to computer services for SITA information services and SITA data lines within the Management sub-programme, as well as a shift from finance leases to *Goods and services* under communication services within Programme 1. The purpose of the funds, which is cellphone contracts for departmental officials, remains unchanged. The significant decrease in the 2015/16 Revised Estimate is due to delays in the procurement of motor vehicles and computer equipment. The decrease over the 2016/17 MTEF relates to reprioritisation from this category to fund *Goods and services* for the SITA SLAs within the programme.

In respect of *Software and other intangible assets*, the significant increase from 2012/13 onward relates to the renewal of COGNOS user licences, where the department entered into a three-year commitment and annual billing with Microsoft, as mentioned. The substantial increase in 2013/14 relates to the purchase of software licences. The increase in the 2015/16 Revised Estimate is due to unanticipated increased costs in respect of software licences. The 2016/17 MTEF allocation decreases slightly as a result of reprioritisation to cater partially for the SITA SLAs, as mentioned above.

The 2012/13 spending against *Payments for financial assets* reflects various losses which were written off.

6.2 Programme 2: Property Management

The main purpose of Programme 2 is to provide and facilitate the provision of accommodation and integrated property management services to clients through planned property life cycle (acquisition, maintenance and disposal), optimal utilisation of immovable assets, land valuation, maintenance of fixed asset register, payment of property rates and integrated service delivery. Programme 2 also includes the leasing of buildings.

There are three sub-programmes within this programme, namely Personnel and Admin Related, Hiring and Acquisition of Land, Control and Disposal. Tables 14.14 and 14.15 below summarise payments and budgeted estimates from 2012/13 to 2018/19.

The department effected the MTEF cuts in respect of its *Compensation of employees* and *Goods and services* budgets entirely against the sub-programme: Personnel and Admin. Related within this programme (as explained below), with R4.022 million, R4.433 million and R4.677 million being reduced from *Compensation of employees*, and R4.521 million, R4.688 million and R4.882 million being reduced from *Goods and services*, specifically from agency and support services.

Table 14.14 : Summary of payments and estimates by sub-programme: Property Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Personnel and Admin Related	469 838	535 565	609 125	624 534	634 394	647 988	642 705	677 122	717 021
2. Hiring	4 404	4 842	5 009	5 247	5 655	5 664	4 957	4 278	4 864
3. Acquisition of Land, Control and Disposal	93	9	157	308	308	163	245	259	272
Total	474 335	540 416	614 291	630 089	640 357	653 815	647 907	681 659	722 157

Table 14.15 : Summary of payments and estimates by economic classification: Property Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	78 085	73 056	101 615	122 813	124 966	114 983	113 921	119 581	127 485
Compensation of employees	36 567	43 316	43 583	45 556	47 122	47 199	49 350	52 650	56 684
Goods and services	41 512	29 740	58 032	77 257	77 844	67 784	64 571	66 931	70 801
Interest and rent on land	6	-	-	-	-	-	-	-	-
Transfers and subsidies to:	395 814	467 064	512 586	507 097	515 391	538 832	533 966	561 908	594 490
Provinces and municipalities	395 743	466 799	512 510	507 062	515 356	538 713	533 931	561 873	594 455
Departmental agencies and accounts	-	-	-	5	5	5	5	5	5
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	71	265	76	30	30	114	30	30	30
Payments for capital assets	436	296	90	179	-	-	20	170	182
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	436	296	90	179	-	-	20	170	182
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	474 335	540 416	614 291	630 089	640 357	653 815	647 907	681 659	722 157

The high spending in 2013/14 against the sub-programme: Personnel and Admin Related was due to property rates commitments from the previous year, unanticipated arrear payment for property rates relating to the King George V Hospital which was only effected in 2013/14, as well as higher than budgeted for wage agreement costs. The significant increase in 2014/15 emanated from payments for the Fixed Asset Management Tool and GIAMA related projects. The increase in the 2015/16 Adjusted Appropriation relates to an additional allocation for the above-budget 2015 wage agreement, as well as to cater for spending pressures brought about by arrear payments in respect of property rates for schools in the Msunduzi Municipality, where the department is liable for property rates. Also, the high 2015/16 Revised Estimate is ascribed to expenditure of newly identified properties in respect of property rates. This explains the decrease in 2016/17, which is also influenced by the 2 per cent cut on the equitable share funded *Goods and services* budget which is effected on funding provided for GIAMA due to delays in the

implementation of its projects. The two outer years of the MTEF reflect steady growth. The MTEF allocations cater for property rates and continuation of GIAMA projects, as well as the implementation of the Fixed Asset Management Tool.

With regard to the sub-programme: Hiring, the increase in 2014/15 and the 2015/16 Adjusted Appropriation relates to higher than anticipated costs for the department's building lease in respect of Fedsure House in Pietermaritzburg. The decrease in 2016/17 is ascribed to the completion of the head office project, and hence officials at Fedsure House will be relocated back to the head office. The allocation over the MTEF fluctuates slightly, with a decrease in 2017/18 as a result of reprioritisation to cater for critical vacant posts in the North Coast region.

The erratic trend from 2012/13 to 2014/15 against the sub-programme: Acquisition of Land, Control and Disposal is due to the number of valuations of properties made by the department. The 2013/14 spending decreased substantially due to the lower than anticipated number of property valuations, and funds were moved to the Personnel and Admin Related sub-programme to provide for Windeed research and advisory costs. This is a system used to access information on property, in respect of property ownership, value of property, etc. The sub-programme shows inflationary growth over the 2016/17 MTEF.

The high spending from 2013/14 onward against *Compensation of employees* was driven by the carry-through costs associated with the filling of posts, as well as higher than anticipated annual wage agreements. The increase in the 2015/16 Adjusted Appropriation relates to the above-budget 2015 wage agreement. This category grows at an inflationary rate and reduction in budget as vacant non-OSD posts are not funded over the MTEF.

The significant decrease in spending against *Goods and services* in 2013/14 was as a result of delays in the awarding of the tender in respect of GIAMA, where an appeal was lodged relating to the condition assessment tender. Also contributing were delays in the SCM processes for the purchase and development of the Fixed Asset Management Tool. The peak in 2014/15 was mainly driven by spending in respect of the Fixed Asset Management Tool, as well as payments for operating costs of the newly established Harry Gwala district office. The significant increase in 2015/16 is attributed to a roll-over of GIAMA funds from 2013/14, which explains the reduction over the MTEF. The minimal increase in the 2015/16 Adjusted Appropriation was due to higher than anticipated costs for the department's building lease in respect of Fedsure House in Pietermaritzburg. Also contributing to the increase was a shifting of funds relating to finance leases from *Machinery and equipment* to be correctly classified under *Goods and services* against communication services. The decrease in the 2015/16 Revised Estimate was as a result of delays in the appointment of consultants for GIAMA related projects. The further decrease in 2016/17 is driven by the 2 per cent cut which was effected against funding for the implementation of GIAMA over the MTEF, as explained previously. Despite the cut, the two outer years of the MTEF show inflationary growth.

The spending of R6 000 in 2012/13 against *Interest and rent on land* relates to interest on finance leases.

The high spending in 2013/14 against *Transfers and subsidies to: Provinces and municipalities* was mainly due to property rates commitments relating to the previous year, as well as the unanticipated arrear payment for property rates relating to the King George V Hospital which was only effected in 2013/14. The increased spending in 2014/15 relates to arrear property rates in the eThekweni and North Coast regions. The significant increase in the 2015/16 Adjusted Appropriation is due to savings identified under *Compensation of employees* in Programme 1, as well as within Programme 2 to cater for spending pressures brought about by arrear payments in respect of property rates for schools in the Msunduzi Municipality, where the department is liable for property rates. However, the significant increase in the 2015/16 Revised Estimate is ascribed to the payment of property rates, in respect of newly identified properties. The department could not provide for these pressures over the MTEF, accounting for the decrease over the 2016/17 MTEF, and the department will provide for these pressures from within their baseline as they arise. This category shows strong growth over the 2016/17 MTEF.

Transfers and subsidies to: Departmental agencies and accounts provides for the payment of workmen's compensation, and is linked to claims received, with no payments made in 2012/13 to 2014/15. Allocations remain constant in 2015/16 and over MTEF, as this category is difficult to predetermine.

With regard to *Transfers and subsidies to: Households*, the high spending in 2013/14 was due to higher than anticipated staff exit costs. The substantial increase in the 2015/16 Revised Estimate was due to higher than anticipated staff exit costs. The allocations remain constant over the MTEF as it is difficult to accurately budget for staff exit costs.

The fluctuating trend against *Machinery and equipment* relates to actual requirements. The high spending in 2012/13 was attributed to the SCOA reclassification of finance leases, which were originally budgeted for under *Goods and services*. This accounts for the decrease in 2013/14 and 2014/15. In the 2015/16 Adjusted Appropriation, a shifting of funds was undertaken for finance leases to be correctly classified under communication services in *Goods and services*. The purpose of the funds, which is cellphone contracts for departmental officials, remains unchanged. The fluctuating trend over the 2016/17 MTEF is linked to actual requirements in respect of computer equipment.

Service delivery measures – Programme 2: Property Management

Table 14.16 reflects the service delivery measures for Programme 2. The department provided internal service delivery measures for Programme 2, which are a mix of sectoral and non-sectoral measures.

Table 14.16 : Service delivery measures – Programme 2: Property Management

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2015/16	2016/17	2017/18	2018/19	
1. Acquisition of properties to satisfy land and building needs of provincial depts. through property acquisition, disposal, hiring and letting	• No. of properties acquired	15	20	20	20	
2. Timorous hiring of properties to satisfy land and building needs of provincial depts. through property acquisition, disposal, hiring and letting	• No. of lease agreements concluded	200	130	100	100	
3. Implementation of GIAMA to effectively manage immovable assets	• U-AMPs compiled and submitted to PT in accordance with GIAMA	1	1	1	1	
	• C-AMP compiled and submitted to PT in accordance with GIAMA	1	1	1	1	
4. Successful implementation of <i>Izandla Ziyagezana</i> programme to contribute to job creation (massification of EPWP)	• No. of work opportunities created through <i>Izandla Ziyagezana</i> programme	430	430	430	430	
5. Vesting of provincial properties to take transfer of all immovable assets	• No. of properties registered into the name of the KZN provincial government	200	200	200	100	
6. Effective projection and timely payment of municipal rates to facilitate payment of property rates	• Financial expenditure on approved property rates invoices submitted by municipalities	R519m	R534m	R562m	R594m	

6.3 Programme 3: Provision of Buildings, Structures and Equipment

The main purpose of this programme is the erection and/or acquisition of buildings, structures and engineering works and the maintenance of buildings to client specifications. The core services of Programme 3 are:

- Improving integrated service delivery in the provision of buildings and structures.
- Creating jobs through the EPWP.
- Creating an enabling environment for affirmable business enterprises.
- Initiating and co-ordinating strategic partnerships.
- Co-ordinating and aligning operational activities in line with municipal demarcations.

Tables 14.17 and 14.18 summarise payments and budgeted estimates relating to Programme 3 for the period 2012/13 to 2018/19. The department effected the MTEF cuts in respect of its *Compensation of employees* budget against the sub-programme: Personnel and Admin. Related within this programme (as

explained below), with R7.933 million, R8.272 million and R8.632 million being reduced from *Compensation of employees*.

Table 14.17 : Summary of payments and estimates by sub-programme: Provision of Buildings, Structures and Equipment

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Personnel and Admin Related	285 008	322 047	334 267	331 214	340 934	343 584	352 396	369 966	392 955
2. Buildings and Structures	88 002	84 149	108 860	77 626	77 565	78 137	72 880	70 887	70 692
Total	373 010	406 196	443 127	408 840	418 499	421 721	425 276	440 853	463 647

Table 14.18 : Summary of payments and estimates by economic classification: Provision of Buildings, Structures and Equipment

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	290 004	317 047	337 653	334 959	342 625	345 737	356 920	372 522	395 639
Compensation of employees	203 931	218 938	227 267	251 609	243 722	240 092	266 505	283 588	303 864
Goods and services	86 020	98 105	110 385	83 350	98 903	105 645	90 415	88 934	91 775
Interest and rent on land	53	4	1	-	-	-	-	-	-
Transfers and subsidies to:	4 727	4 861	6 250	1 242	3 287	3 537	1 630	1 369	1 386
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1	7	4	56	56	45	57	28	24
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	4 726	4 854	6 246	1 186	3 231	3 492	1 573	1 341	1 362
Payments for capital assets	78 180	84 288	99 201	72 639	72 587	72 447	66 726	66 962	66 622
Buildings and other fixed structures	76 886	74 773	98 248	71 373	71 321	71 321	66 318	66 225	66 225
Machinery and equipment	1 294	9 515	953	1 104	1 266	1 066	408	737	397
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	162	-	60	-	-	-
Payments for financial assets	99	-	23	-	-	-	-	-	-
Total	373 010	406 196	443 127	408 840	418 499	421 721	425 276	440 853	463 647

The sub-programme: Personnel and Admin Related reflects an increasing trend from 2012/13 to 2014/15. The significant increase in 2013/14 was attributed to the replacement of computers at head office and new computers for regional offices. The increase in 2014/15 was driven by once-off additional funding for the Richmond Community Development and the National Youth Service programmes, payments for work done on the Ulundi Royal Household Palace, as well as for refurbishment work at Nyokeni Palace. This accounts for the decrease in 2015/16. The increase in the 2015/16 Adjusted Appropriation is attributed to the above-budget 2015 wage agreement, once-off additional funding allocated for the completion of the Provincial Infrastructure Master Plan, as well as a roll-over from 2014/15 for the Richmond Community Development programme, which was specifically and exclusively appropriated for the payment of stipends relating to NYSP learners. The slight increase in the 2015/16 Revised Estimate relates to higher than anticipated costs of property payments such as water and electricity. Included in the 2016/17 MTEF, is funding for the EPWP provincial co-ordination programme, which was moved from DOT with insufficient funds, and the EPWP Integrated Grant for Provinces allocation for 2016/17 only, at this stage. Despite the budget cuts made against this sub-programme, its budget grows steadily over the MTEF.

The sub-programme: Buildings and Structures shows a fluctuating trend over the seven years, as it is based on the department's actual capital infrastructure requirements, including new and carry-through costs on certain projects. The decrease in 2013/14 was due to slow progress on the head office project, and delays relating to non-compliance caused by the lack of capacity by the contractor of the uMgungundlovu new administrative wing. The substantial increase in 2014/15 relates to the Richmond Community Development programme for ablution facilities in the Richmond area. In addition, once-off additional funding was received for refurbishment work at the Nyokeni Palace that needed to be completed before the Reed Dance ceremony in September 2014. The slight decrease in the 2015/16 Adjusted Appropriation relates to enforced savings to cater for spending pressures in respect of water and electricity costs against the sub-programme: Personnel and Admin Related. The slight increase in the 2015/16 Revised Estimate is

due to higher than anticipated spending on current infrastructure projects in the Midlands and North Coast regions. This explains the decrease from 2016/17 onward, which is also driven by the completion of some projects such as construction of offices for the Ilembe and Umzinyathi district offices, replacement of the roof in the uMgungundlovu district offices and upgrading of the Vryheid depot.

Compensation of employees shows an increasing trend over the seven years, largely due to the filling of vacant posts and the various higher than anticipated wage agreements, as well as additional funding received for improving infrastructure support. This funding was specifically and exclusively appropriated and the department has not yet completed the implementation of its revised infrastructure staffing structure that this funding was intended for. Thus amounts of R21.713 million, R22.799 million and R24.121 million remain ring-fenced within this category for this purpose over the 2016/17 MTEF. The decrease in the 2015/16 Adjusted Appropriation and Revised Estimate is due to delays in filling of vacant posts, as well as the moratorium on the filling of non-critical posts. Even though there are a number of vacant OSD posts, such as engineers, quantity surveyors, etc., the budget was cut in line with the freezing of all vacant non-OSD posts. However, the OSD posts are fully funded.

Spending against *Goods and services* reflects an increasing trend from 2012/13 to 2014/15. The increase in 2013/14 can be ascribed to high costs of repairs and maintenance, as well as water and electricity. The significant increase in 2014/15 was attributed to previous year commitments relating to the Richmond Community Development programme, as well as additional funding received for renovations to His Majesty's Ulundi Palace, the LA Complex, Ministerial houses and temporary residential units for a Royal Household event. These renovations were largely accounted for as repairs and maintenance, and hence the significant decrease in 2015/16. The increase in the 2015/16 Adjusted Appropriation relates to a roll-over from 2014/15 for the Richmond Community Development programme, as well as once-off additional funding received for the completion of the Infrastructure Master Plan. The substantial increase in the 2015/16 Revised Estimate largely relates to the higher than anticipated municipal services costs such as electricity in the North Coast region. The 2016/17 MTEF allocations include the EPWP Integrated Grant for Provinces in 2016/17 only, at this stage. This category shows steady growth over the 2016/17 MTEF.

The spending in 2012/13, 2013/14 and 2014/15 against *Interest and rent on land* relates to interest on finance leases.

Transfers and subsidies to: Departmental agencies and accounts relates to workmen's compensation payments which are difficult to budget for accurately due to the nature of claims. As a result, this category shows an erratic trend over the years.

Transfers and subsidies to: Households is largely ascribed to staff exit costs which are difficult to budget for, hence the fluctuating trend over the seven years.

With regard to *Buildings and other fixed structures*, the fluctuating trend over the seven years is based on actual capital infrastructure requirements, including new and carry-through costs of certain projects. The significant increase in 2014/15 can be ascribed to once-off payments in respect of the Richmond Development Community programme for ablution facilities, as well as for refurbishment work at Nyokeni Palace for work needed to be completed before the Reed Dance ceremony which took place in September 2014, and refurbishment work at Nyokeni Palace. This explains the decrease in 2015/16. The baseline over the 2016/17 MTEF is based on the department's actual infrastructure requirements and it reflects a decline due to reprioritisation undertaken from this category to cater for the EPWP provincial co-ordination function, which was moved from DOT to the department with inadequate funds.

Machinery and equipment fluctuates over the seven years, largely due to actual requirements in the programme such as office furniture and computers. There was a significant increase in 2013/14 attributed to higher than anticipated costs of replacing computers within the department. The decrease in 2014/15 was due to a function shift of finance leases to *Goods and services* as a result of a SCOA reclassification. The slight increase in the 2015/16 Adjusted Appropriation relates to savings identified from *Software and other intangible assets* relating to the Computer Aided Designs software which is used by architects and engineers for drawings, which was not procured in 2015/16, and these savings were moved to this

category to cater for higher than anticipated costs of purchasing computers within Programme 3. The 2016/17 MTEF allocations are based on actual requirements.

Software and other intangible assets shows a decrease in the 2015/16 Adjusted Appropriation due to savings identified from the Computer Aided Designs software, used by architects and engineers for drawings and which aids architects to design 3D pictures relating to infrastructure and the savings were moved to *Machinery and equipment* to cater for higher than anticipated costs of purchasing computers within Programme 3. The increase in the Revised Estimate is ascribed to the unanticipated costs of purchasing Microsoft software licences for computers that were replaced.

The department wrote off various losses of R99 000 and R23 000 in 2012/13 and 2014/15, respectively, as reflected against *Payments for financial assets*.

Service delivery measures – Programme 3: Provision of Buildings, Structures and Equipment

The department has provided several service delivery measures for Programme 3, which are a mix of sectoral and non-sectoral measures, reflected in Table 14.19 below. Two performance indicators have no targets in 2017/18 and 2018/19, because DOPW does not budget for infrastructure on behalf of other client departments. These departments instruct DOPW in the form of their infrastructure plans or on an *ad hoc* basis.

Table 14.19 : Service delivery measures – Programme 3: Provision of Buildings, Structures and Equipment

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2015/16	2016/17	2017/18	2018/19	
1. Implementation of IDIP	• No. of IPIP finalised and approved by due date that respond to provincial depts. (that are implementing the IDMS) that submit approved IPMPs to DOPW	3	3	3	3	
	• No. of planned capital projects completed within agreed budget	12	20	-	-	
	• No. of planned maintenance projects completed within agreed budget	12	29	-	-	
2. Job creation in terms of EPWP	• No. of work opportunities	6 000	6 500	7 000	7 000	
	• No. of FTEs	850	900	950	950	
3. Implementation of NYS	• No. of learners trained on accredited modules	80	80	80	80	

7. Other programme information

7.1 Personnel numbers and costs

Tables 14.20 and 14.21 below illustrate personnel numbers and estimates, as well as various categories of workers within the department over the seven-year period.

The minimal decrease in the number of posts in 2013/14 was mainly due to staff turnover experienced by the department. The decline in 2014/15 can be ascribed to difficulty in the filling of vacant posts, which explains the further decrease in 2015/16. However, critical vacant OSD posts are anticipated to be filled over the 2016/17 MTEF, as can be seen by the increase from 31 March 2016 to 31 March 2017 of 100 posts. This accounts for the increase in the number of posts over the MTEF.

The significant decline in the number of posts from 2014/15 against Programme 2 was driven by termination of contracts relating to the Property Incubator programme trainees.

Programmes 1 and 2 personnel numbers remain constant over the MTEF, as all vacant non-OSD posts are frozen over the MTEF and the *Compensation of employees* budgets have accordingly been reduced. The bulk of posts under Programme 3 are OSD posts, hence the number of posts increases in 2016/17 by 100.

Table 14.20 : 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	1 019	983	917	917	917	917	917
2. Property Management	145	157	124	112	112	112	112
3. Provision of Buildings, Structures and Equipment	898	920	845	823	923	923	923
Total	2 062	2 060	1 886	1 852	1 952	1 952	1 952
Total personnel cost (R thousand)	438 487	489 093	505 875	545 450	584 239	623 058	666 946
Unit cost (R thousand)	213	237	268	295	299	319	342

Table 14.21 : 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)	2 062	2 060	1 886	2 034	1 852	1 852	1 952	1 952	1 952
Personnel cost (R thousands)	438 487	489 093	505 875	556 968	551 844	545 450	584 239	623 058	666 946
Human resources component									
Personnel numbers (head count)	149	180	150	159	159	159	159	159	159
Personnel cost (R thousands)	28 259	38 429	32 596	34 333	34 333	34 333	36 496	38 795	36 496
Head count as % of total for department	7.23	8.74	7.95	7.82	8.59	8.59	8.15	8.15	8.15
Personnel cost as % of total for department	6.44	7.86	6.44	6.16	6.22	6.29	6.25	6.23	5.47
Finance component									
Personnel numbers (head count)	124	119	120	127	127	127	127	127	127
Personnel cost (R thousands)	22 925	23 226	24 829	26 050	26 050	26 050	27 691	29 436	27 691
Head count as % of total for department	6.01	5.78	6.36	6.24	6.86	6.86	6.51	6.51	6.51
Personnel cost as % of total for department	5.23	4.75	4.91	4.68	4.72	4.78	4.74	4.72	4.15
Full time workers									
Personnel numbers (head count)	1 974	1 931	1 785	1 933	1 751	1 751	1 851	1 851	1 851
Personnel cost (R thousands)	409 419	455 557	479 560	530 653	525 529	519 135	557 924	596 743	640 631
Head count as % of total for department	95.73	93.74	94.64	95.03	94.55	94.55	94.83	94.83	94.83
Personnel cost as % of total for department	93.37	93.14	94.80	95.28	95.23	95.18	95.50	95.78	96.05
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)	88	129	101	101	101	101	101	101	101
Personnel cost (R thousands)	29 068	33 536	26 315	26 315	26 315	26 315	26 315	26 315	26 315
Head count as % of total for department	4.27	6.26	5.36	4.97	5.45	5.45	5.17	5.17	5.17
Personnel cost as % of total for department	6.63	6.86	5.20	4.72	4.77	4.82	4.50	4.22	3.95

7.2 Training

Tables 14.22 and 14.23 give a summary of departmental spending and information on training. Table 14.22 includes payments and estimates for all training items such as bursaries, skills development levy, as well as normal training costs.

Note that figures set out in Table 14.22 below reflect only expenditure relating to departmental official training, and should not be compared to those reflected in Table 14.B against the item training and development, which include expenditure for the EPWP Grant for Provinces and the Izandla Ziyagezana programme.

The fluctuating trend from 2012/13 to 2014/15 was due to training and staff development costs. The decrease in 2014/15 is due to the centralisation of the external bursaries budget under OTP which was decentralised to the department in 2015/16. This also accounts for the spike in 2015/16. The budget over the 2016/17 MTEF increases at an inflationary rate and it based on requirements by the Skills Development Act, that determines that departments budget at least one per cent their its salary expenses for staff training, which also gives credence to government policy on human resource development.

Table 14.22 : 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	4 274	3 198	1 501	3 564	3 262	2 778	3 412	3 710	3 822
Travel and subsistence	63	-	-	-	-	-	-	-	-
Payments on tuition	2 039	3 198	1 501	3 564	3 262	2 778	3 412	3 710	3 822
Other	2 172	-	-	-	-	-	-	-	-
2. Property Management	8	40	190	472	376	183	506	527	552
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	4	40	190	472	376	183	506	527	552
Other	4	-	-	-	-	-	-	-	-
3. Provision of Buildings, Structures and Equipment	506	630	1 244	2 429	1 230	559	2 644	2 766	2 912
Travel and subsistence	8	-	-	-	-	-	-	-	-
Payments on tuition	241	630	1 244	2 429	1 230	559	2 644	2 766	2 912
Other	257	-	-	-	-	-	-	-	-
Total	4 788	3 868	2 935	6 465	4 868	3 520	6 562	7 003	7 286

Table 14.23 illustrates the number of staff affected by the various training programmes and initiatives. It also includes a gender breakdown, an indication of the types of training, as well as details of the number of bursaries and learnerships. Training includes short courses for in-house staff, as well as internships in the various programmes.

Table 14.23 : Information on training: Public Works

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Number of staff	2 062	2 060	1 886	2 034	1 852	1 852	1 952	1 952	1 952
Number of personnel trained	746	1 805	1 422	818	745	745	867	954	954
of which									
Male	336	789	713	443	382	382	469	516	516
Female	410	1 016	709	375	363	363	398	438	438
Number of training opportunities	790	79	79	61	45	45	66	59	59
of which									
Tertiary	8	32	20	11	17	17	12	-	-
Workshops	98	22	20	28	23	23	30	32	32
Seminars	43	5	6	15	2	2	16	17	17
Other	641	20	33	7	3	3	8	10	10
Number of bursaries offered	65	27	20	55	54	54	60	65	65
Number of interns appointed	12	8	59	50	61	61	46	46	46
Number of learnerships appointed	1	1	-	1	1	1	1	-	-
Number of days spent on training	483	485	1 441	500	1 047	1 047	530	560	560

ANNEXURE – VOTE 14: PUBLIC WORKS

Table 14.A : Details of departmental receipts: Public Works

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	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	6 122	5 794	5 662	7 067	7 067	7 965	7 659	8 294	9 124
Sale of goods and services produced by dept. (excl. capital assets)	6 117	5 788	5 651	7 065	7 065	7 960	7 656	8 291	9 121
<i>Sales by market establishments</i>	3 969	3 935	4 285	4 899	4 899	6 207	4 963	5 415	5 955
<i>Administrative fees</i>	-	-	-	-	-	-	-	-	-
<i>Other sales</i>	2 148	1 853	1 366	2 166	2 166	1 753	2 693	2 876	3 166
Sale of scrap, waste, arms and other used current goods (excl. capital assets)	5	6	11	2	2	5	3	3	3
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	220	159	155	180	180	318	180	195	213
Interest	140	54	32	72	72	70	60	64	70
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	80	105	123	108	108	248	120	131	143
Sale of capital assets	15 908	10 875	12 103	220	220	2 620	240	4 520	290
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	15 908	10 875	12 103	220	220	2 620	240	4 520	290
Transactions in financial assets and liabilities	1 392	1 430	1 566	959	959	1 086	888	911	1 003
Total	23 642	18 258	19 486	8 426	8 426	11 989	8 967	13 920	10 630

Table 14.B : Payments and estimates by economic classification: Public Works

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	625 609	679 124	740 445	785 205	798 070	786 467	810 219	852 787	906 153
Compensation of employees	438 487	489 093	505 875	556 968	551 844	545 450	584 239	623 058	666 946
Salaries and wages	370 786	418 400	434 362	477 884	468 145	462 520	502 794	536 301	575 525
Social contributions	67 701	70 693	71 513	79 084	83 699	82 930	81 445	86 757	91 421
Goods and services	186 891	190 019	234 569	228 237	246 226	241 017	225 980	229 729	239 207
Administrative fees	140	251	657	661	844	1 010	769	786	836
Advertising	6 839	5 820	6 786	6 007	6 947	8 291	5 847	5 904	6 156
Assets less than the capitalisation threshold	1 137	928	1 745	1 195	1 379	1 165	779	607	324
Audit cost: External	4 252	5 388	7 395	4 241	5 909	5 909	4 373	4 472	4 696
Bursaries: Employees	611	338	409	412	412	412	374	300	300
Catering: Departmental activities	571	466	967	809	1 221	1 224	843	880	936
Communication (G&S)	9 169	10 498	10 276	8 678	9 540	9 630	9 611	10 024	10 325
Computer services	16 307	23 040	33 718	14 819	17 872	24 139	19 101	20 633	21 466
Cons & prof serv: Business and advisory services	319	286	302	338	349	435	273	286	300
Cons & prof serv: Infras and planning	158	376	107	407	407	407	228	240	240
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	1 064	231	894	1 316	1 164	987	1 519	1 609	1 620
Contractors	12 229	9 580	11 830	7 763	6 789	7 854	7 620	5 759	5 813
Agency and support / outsourced services	42 042	23 965	27 093	65 831	66 989	56 336	54 270	58 513	61 389
Entertainment	153	204	349	276	302	206	303	313	301
Fleet services (incl. govt motor transport)	8 177	11 035	11 773	10 763	10 969	11 484	11 442	11 847	12 385
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	14	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	43	52	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	92	47	-	-	-	-	-	-	-
Inventory: Materials and supplies	447	136	-	-	-	-	-	-	-
Inventory: Medical supplies	4	2	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	1 565	3 816	3 044	4 576	4 832	4 443	4 432	4 525	4 702
Consumable: Stationery, printing and office supplies	3 338	3 139	3 105	5 078	5 016	4 261	5 022	5 195	5 478
Operating leases	3 818	3 167	3 349	4 512	4 552	3 533	4 738	4 890	5 008
Property payments	42 122	58 729	59 129	56 201	66 049	66 795	59 902	62 665	66 381
Transport provided: Departmental activity	68	252	278	23	507	507	-	-	-
Travel and subsistence	15 737	14 397	13 525	16 230	16 237	14 865	15 766	16 106	16 596
Training and development	7 670	6 059	29 795	10 173	8 846	8 338	11 439	7 522	6 571
Operating payments	5 130	2 653	1 939	1 972	2 371	2 621	1 838	1 827	1 928
Venues and facilities	175	291	-	596	502	1	415	423	460
Rental and hiring	3 514	4 859	6 104	5 360	6 221	6 164	5 076	4 403	4 996
Interest and rent on land	231	12	1	-	-	-	-	-	-
Interest	231	12	1	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	405 705	476 375	524 694	512 556	524 084	547 614	539 960	567 628	600 351
Provinces and municipalities	396 112	467 068	512 835	507 255	515 566	538 951	534 154	562 119	594 699
Provinces	369	269	325	193	210	238	223	246	244
Provincial Revenue Funds	369	269	325	193	210	238	223	246	244
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	395 743	466 799	512 510	507 062	515 356	538 713	533 931	561 873	594 455
Municipalities	395 743	466 799	512 510	507 062	515 356	538 713	533 931	561 873	594 455
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	395	423	460	581	568	244	497	490	488
Social security funds	1	7	6	101	88	64	102	75	73
Entities receiving transfers	394	416	454	480	480	180	395	415	415
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	409	874	100	100	100	-	-	-
Households	9 198	8 475	10 525	4 620	7 850	8 319	5 309	5 019	5 164
Social benefits	7 482	6 653	10 195	2 281	5 511	6 701	2 862	2 450	2 446
Other transfers to households	1 716	1 822	330	2 339	2 339	1 618	2 447	2 569	2 718
Payments for capital assets	101 887	114 754	122 920	91 905	90 784	89 263	82 429	83 291	84 491
Buildings and other fixed structures	76 886	74 773	98 248	71 373	71 321	71 321	66 318	66 225	66 225
Buildings	76 886	74 773	98 248	71 373	71 321	71 321	66 318	66 225	66 225
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	21 108	34 747	20 211	16 199	15 292	11 990	12 111	13 066	14 266
Transport equipment	9 468	7 852	8 531	6 341	6 051	4 064	6 104	6 565	7 091
Other machinery and equipment	11 640	26 895	11 680	9 858	9 241	7 926	6 007	6 501	7 175
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	3 893	5 234	4 461	4 333	4 171	5 952	4 000	4 000	4 000
Payments for financial assets	110	-	23	-	-	-	-	-	-
Total	1 133 311	1 270 253	1 388 082	1 389 666	1 412 938	1 423 344	1 432 608	1 503 706	1 590 995

Table 14.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	257 520	289 021	301 177	327 433	330 479	325 747	339 378	360 684	383 029
Compensation of employees	197 989	226 839	235 025	259 803	261 000	258 159	268 384	286 820	306 398
Salaries and wages	165 327	191 684	199 508	221 217	218 706	215 316	228 786	244 976	262 576
Social contributions	32 662	35 155	35 517	38 586	42 294	42 843	39 598	41 844	43 822
Goods and services	59 359	62 174	66 152	67 630	69 479	67 588	70 994	73 864	76 631
Administrative fees	110	113	130	94	146	223	106	104	110
Advertising	4 525	3 349	4 582	3 772	3 971	4 302	3 521	3 578	3 719
Assets less than the capitalisation threshold	372	551	296	837	996	821	383	246	151
Audit cost: External	4 252	5 388	7 395	4 241	5 909	5 909	4 373	4 472	4 696
Bursaries: Employees	611	338	409	412	412	412	374	300	300
Catering: Departmental activities	504	389	807	184	589	686	186	190	206
Communication (G&S)	8 666	10 074	9 378	7 558	8 096	8 405	7 745	8 098	8 322
Computer services	12 106	13 072	14 191	11 644	14 697	14 491	15 725	17 084	17 726
Cons & prof serv: Business and advisory services	18	57	123	30	41	125	31	30	31
Cons & prof serv: Infras and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	598	227	689	700	692	680	917	966	985
Contractors	1 382	488	1 274	1 743	717	1 227	1 096	1 144	1 170
Agency and support / outsourced services	3 267	2 239	692	6 589	3 210	3 156	6 488	6 501	6 859
Entertainment	122	163	314	242	258	162	266	273	255
Fleet services (incl. govt motor transport)	6 222	8 157	8 394	8 141	8 141	7 939	8 629	8 967	9 376
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	1	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	33	28	-	-	-	-	-	-	-
Inventory: Materials and supplies	172	42	-	-	-	-	-	-	-
Inventory: Medical supplies	4	2	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medcas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	241	860	919	1 326	1 412	1 118	1 281	1 254	1 344
Consumable: Stationery, printing and office supplies	2 531	2 602	2 573	4 114	4 038	3 484	4 016	4 066	4 289
Operating leases	2 290	2 676	2 873	3 926	3 833	2 870	4 145	4 284	4 360
Property payments	1 075	2 418	1 665	1 338	1 338	1 196	1 528	1 654	1 813
Transport provided: Departmental activity	68	252	252	-	484	507	-	-	-
Travel and subsistence	5 927	5 928	5 468	6 416	6 031	5 335	5 883	6 012	6 131
Training and development	1 616	724	1 445	2 672	2 370	2 186	2 704	3 060	3 107
Operating payments	2 501	1 728	1 469	1 439	1 527	1 897	1 481	1 473	1 554
Venues and facilities	146	291	-	212	118	1	116	108	127
Rental and hiring	-	17	814	-	453	456	-	-	-
Interest and rent on land	172	8	-	-	-	-	-	-	-
Interest	172	8	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	5 164	4 450	5 858	4 217	5 406	5 245	4 364	4 351	4 475
Provinces and municipalities	369	269	325	193	210	238	223	246	244
Provinces	369	269	325	193	210	238	223	246	244
Provincial Revenue Funds	369	269	325	193	210	238	223	246	244
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	394	416	456	520	507	194	435	457	459
Social security funds	-	-	2	40	27	14	40	42	44
Entities receiving transfers	394	416	454	480	480	180	395	415	415
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	409	874	100	100	100	-	-	-
Households	4 401	3 356	4 203	3 404	4 589	4 713	3 706	3 648	3 772
Social benefits	2 685	1 534	4 203	1 065	2 250	3 095	1 259	1 079	1 054
Other transfers to households	1 716	1 822	-	2 339	2 339	1 618	2 447	2 569	2 718
Payments for capital assets	23 271	30 170	23 629	19 087	18 197	16 816	15 683	16 159	17 687
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	19 378	24 936	19 168	14 916	14 026	10 924	11 683	12 159	13 687
Transport equipment	9 468	7 852	8 531	6 341	6 051	4 064	6 104	6 565	7 091
Other machinery and equipment	9 910	17 084	10 637	8 575	7 975	6 860	5 579	5 594	6 596
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	3 893	5 234	4 461	4 171	4 171	5 892	4 000	4 000	4 000
Payments for financial assets	11	-	-	-	-	-	-	-	-
Total	285 966	323 641	330 664	350 737	354 082	347 808	359 425	381 194	405 191

Table 14.D : Payments and estimates by economic classification: Property Management

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	78 085	73 056	101 615	122 813	124 966	114 983	113 921	119 581	127 485
Compensation of employees	36 567	43 316	43 583	45 556	47 122	47 199	49 350	52 650	56 684
Salaries and wages	31 733	37 694	37 758	39 027	39 888	39 747	42 012	44 889	48 439
Social contributions	4 834	5 622	5 825	6 529	7 234	7 452	7 338	7 761	8 245
Goods and services	41 512	29 740	58 032	77 257	77 844	67 784	64 571	66 931	70 801
Administrative fees	19	119	518	557	688	771	653	672	715
Advertising	173	158	232	206	291	160	211	218	231
Assets less than the capitalisation threshold	75	6	21	101	126	72	113	105	112
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	21	14	3	18	25	20	19	19	20
Communication (G&S)	100	142	265	259	438	235	465	484	511
Computer services	135	5 238	16 435	228	228	6 674	236	250	250
Cons & prof serv: Business and advisory services	268	215	171	308	308	310	242	256	269
Cons & prof serv: Infras and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	466	1	205	616	472	307	602	643	635
Contractors	-	20	11	-	-	-	-	-	-
Agency and support / outsourced services	32 183	6 984	15 366	50 113	49 808	35 215	36 741	38 556	40 496
Entertainment	11	8	10	16	26	21	17	20	25
Fleet services (incl. govt motor transport)	55	45	32	81	81	44	90	96	105
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	4	1	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	35	416	207	407	408	342	396	501	534
Consumable: Stationery, printing and office supplies	278	11	16	54	54	37	36	40	45
Operating leases	903	11	82	113	269	260	133	163	188
Property payments	1 830	10 022	17 542	16 521	16 521	15 450	17 244	18 078	19 126
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	1 330	1 325	1 617	1 781	1 811	1 851	1 849	1 955	2 046
Training and development	7	40	192	472	376	183	506	527	552
Operating payments	76	122	98	59	159	168	61	70	77
Venues and facilities	29	-	-	100	100	-	-	-	-
Rental and hiring	3 514	4 842	5 009	5 247	5 655	5 664	4 957	4 278	4 864
Interest and rent on land	6	-	-	-	-	-	-	-	-
Interest	6	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	395 814	467 064	512 586	507 097	515 391	538 832	533 966	561 908	594 490
Provinces and municipalities	395 743	466 799	512 510	507 062	515 356	538 713	533 931	561 873	594 455
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	395 743	466 799	512 510	507 062	515 356	538 713	533 931	561 873	594 455
Municipalities	395 743	466 799	512 510	507 062	515 356	538 713	533 931	561 873	594 455
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	5	5	5	5	5	5
Social security funds	-	-	-	5	5	5	5	5	5
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	71	265	76	30	30	114	30	30	30
Social benefits	71	265	76	30	30	114	30	30	30
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	436	296	90	179	-	-	20	170	182
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	436	296	90	179	-	-	20	170	182
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	436	296	90	179	-	-	20	170	182
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	474 335	540 416	614 291	630 089	640 357	653 815	647 907	681 659	722 157

Table 14.E : Payments and estimates by economic classification: Provision of Buildings, Structures and Equipment

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	290 004	317 047	337 653	334 959	342 625	345 737	356 920	372 522	395 639
Compensation of employees	203 931	218 938	227 267	251 609	243 722	240 092	266 505	283 588	303 864
Salaries and wages	173 726	189 022	197 096	217 640	209 551	207 457	231 996	246 436	264 510
Social contributions	30 205	29 916	30 171	33 969	34 171	32 635	34 509	37 152	39 354
Goods and services	86 020	98 105	110 385	83 350	98 903	105 645	90 415	88 934	91 775
Administrative fees	11	19	9	10	10	16	10	10	11
Advertising	2 141	2 313	1 972	2 029	2 685	3 829	2 115	2 108	2 206
Assets less than the capitalisation threshold	690	371	1 428	257	257	272	283	256	61
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	46	63	157	607	607	518	638	671	710
Communication (G&S)	403	282	633	861	1 006	990	1 401	1 442	1 492
Computer services	4 066	4 730	3 092	2 947	2 947	2 974	3 140	3 299	3 490
Cons & prof serv: Business and advisory services	33	14	8	-	-	-	-	-	-
Cons & prof serv: Infras and planning	158	376	107	407	407	407	228	240	240
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	3	-	-	-	-	-	-	-
Contractors	10 847	9 072	10 545	6 020	6 072	6 627	6 524	4 615	4 643
Agency and support / outsourced services	6 592	14 742	11 035	9 129	13 971	17 965	11 041	13 456	14 034
Entertainment	20	33	25	18	18	23	20	20	21
Fleet services (incl. govt motor transport)	1 900	2 833	3 347	2 541	2 747	3 501	2 723	2 784	2 904
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	14	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	43	51	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	59	19	-	-	-	-	-	-	-
Inventory: Materials and supplies	271	93	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medias inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	1 289	2 540	1 918	2 843	3 012	2 983	2 755	2 770	2 824
Consumable: Stationery, printing and office supplies	529	526	516	910	924	740	970	1 089	1 144
Operating leases	625	480	394	473	450	403	460	443	460
Property payments	39 217	46 289	39 922	38 342	48 190	50 149	41 130	42 933	45 442
Transport provided: Departmental activity	-	-	26	23	23	-	-	-	-
Travel and subsistence	8 480	7 144	6 440	8 033	8 395	7 679	8 034	8 139	8 419
Training and development	6 047	5 295	28 158	7 029	6 100	5 969	8 229	3 935	2 912
Operating payments	2 553	803	372	474	685	556	296	284	297
Venues and facilities	-	-	-	284	284	-	299	315	333
Rental and hiring	-	-	281	113	113	44	119	125	132
Interest and rent on land	53	4	1	-	-	-	-	-	-
Interest	53	4	1	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	4 727	4 861	6 250	1 242	3 287	3 537	1 630	1 369	1 386
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1	7	4	56	56	45	57	28	24
Social security funds	1	7	4	56	56	45	57	28	24
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	4 726	4 854	6 246	1 186	3 231	3 492	1 573	1 341	1 362
Social benefits	4 726	4 854	5 916	1 186	3 231	3 492	1 573	1 341	1 362
Other transfers to households	-	-	330	-	-	-	-	-	-
Payments for capital assets	78 180	84 288	99 201	72 639	72 587	72 447	66 726	66 962	66 622
Buildings and other fixed structures	76 886	74 773	98 248	71 373	71 321	71 321	66 318	66 225	66 225
Buildings	76 886	74 773	98 248	71 373	71 321	71 321	66 318	66 225	66 225
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 294	9 515	953	1 104	1 266	1 066	408	737	397
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	1 294	9 515	953	1 104	1 266	1 066	408	737	397
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	162	-	60	-	-	-
Payments for financial assets	99	-	23	-	-	-	-	-	-
Total	373 010	406 196	443 127	408 840	418 499	421 721	425 276	440 853	463 647

Table 14.F : Payments and estimates by economic classification: Conditional grants

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	5 292	3 000	3 167	3 057	3 056	3 056	4 471	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Salaries and wages	-	-	-	-	-	-	-	-	-
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	5 292	3 000	3 167	3 057	3 056	3 056	4 471	-	-
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Assets less than the capitalisation threshold	-	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication (G&S)	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Infras and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	-	-	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	-	-
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Training and development	5 292	3 000	3 167	3 057	3 056	3 056	4 471	-	-
Operating payments	-	-	-	-	-	-	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	402 443	-	-	-	-	-	-	-	-
Provinces and municipalities	402 443	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	402 443	-	-	-	-	-	-	-	-
Municipalities	402 443	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	407 735	3 000	3 167	3 057	3 056	3 056	4 471	-	-

Table 14.G : Payments and estimates by economic classification: EPWP Integrated Grant for Provinces (Prog 3: Prov. of Buildings, Structures and Equipment)

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	5 292	3 000	3 167	3 057	3 056	3 056	4 471	-	-
Goods and services	5 292	3 000	3 167	3 057	3 056	3 056	4 471	-	-
<i>Training and development</i>	5 292	3 000	3 167	3 057	3 056	3 056	4 471	-	-
Transfers and subsidies to	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	5 292	3 000	3 167	3 057	3 056	3 056	4 471	-	-

Table 14.H : Payments and estimates by economic classification: Devolution of Property Rate Funds grant (Prog. 2: Property Management)

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	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	402 443	-	-	-	-	-	-	-	-
Provinces and municipalities	402 443	-	-	-	-	-	-	-	-
Municipalities	402 443	-	-	-	-	-	-	-	-
Municipalities	402 443	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	402 443	-	-	-	-	-	-	-	-

Table 14.1 : Public Works - 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)	Total project cost	Expenditure to date from previous years	MTEF Forward estimates	
2016/17	2017/18				2016/17	2017/18							
R thousands													
Existing infrastructure assets													
of which:													
Maintenance and repair: Current													
Maintenance and repairs	Construction	Identified	eThekwini	Underground water services	01 April 2015	09 July 2016	Equitable share	Programme 3	Packaged prog	3 280	81	709	-
Maintenance and repairs	Construction	Identified	Msunduzi	Replacement of roof	05 January 2015	08 September 2015	Equitable share	Programme 3	Individual proj	5 500	212	2 450	-
Maintenance and repairs	Construction	Identified	Umlazi	Upgrading of the perimeter fence	15 January 2014	15 May 2016	Equitable share	Programme 3	Individual proj	1 700	-	1 310	-
Maintenance and repairs	Construction	Identified	Emmabuthi/Ladysmith	Additions to existing offices/space planning	30 June 2014	30 June 2015	Equitable share	Programme 3	Packaged prog	9 000	1 705	893	-
Maintenance and repairs	Construction	Identified	Emmabuthi/Ladysmith	Extension of the existing parking area	21 September 2015	21 March 2016	Equitable share	Programme 3	Individual proj	-	573	630	-
Maintenance and repairs	Construction	Identified	Emmabuthi/Ladysmith	Provision of stand-by generator	20 August 2015	20 November 2016	Equitable share	Programme 3	Individual proj	-	1 478	770	-
Maintenance and repairs	Design	Design	Umlazi	Upgrade 1st floor boardroom/space planning requirements	01 March 2014	30 August 2014	Equitable share	Programme 3	Individual proj	750	64	965	-
Maintenance and repairs	Design	Design	Umlazi	Upgrade and additions	30 October 2014	30 October 2015	Equitable share	Programme 3	Packaged prog	10 500	511	5 279	6 300
Maintenance and repairs	Construction	Identified	eThekwini	Space planning requirements	21 July 2015	23 February 2016	Equitable share	Programme 3	Packaged prog	-	965	-	-
Maintenance and repairs	Identified	Identified	Midlands	Provision of a stand-by generator	21 August 2015	21 November 2015	Equitable share	Programme 3	Individual proj	-	220	-	700
Maintenance and repairs	Identified	Identified	Midlands	Provision of a stand-by generator	22 August 2015	22 November 2015	Equitable share	Programme 3	Individual proj	-	220	-	700
Maintenance and repairs	Identified	Identified	Midlands	Provision of a stand-by generator	23 August 2015	23 November 2015	Equitable share	Programme 3	Individual proj	-	220	-	700
Maintenance and repairs	Identified	Identified	Midlands	Provision of a stand-by generator	01 November 2015	28 February 2016	Equitable share	Programme 3	Individual proj	-	165	-	850
Maintenance and repairs	Identified	Identified	Midlands	Construction of a guardhouse	30 July 2015	30 November 2015	Equitable share	Programme 3	Packaged prog	-	270	-	-
Maintenance and repairs	Identified	Identified	Midlands	Repairs for entrance gates, booms and overhead shelter	01 June 2015	30 November 2015	Equitable share	Programme 3	Packaged prog	-	320	-	-
Maintenance and repairs	Identified	Identified	Southern	Upgrades and additions	02 June 2016	02 June 2017	Equitable share	Programme 3	Packaged prog	-	-	16 722	8 535
Refurbishment and rehabilitation: Capital													
LA Complex - Umlazi Campus	Construction	Construction	Umlazi	Maintenance of electrical wiring and appliances	30 April 2012	30 April 2015	Equitable share	Programme 3	Packaged prog	40 259	17 519	18 903	20 390
LA Complex - Umlazi Campus	Hand over	Hand over	Umlazi	Maintenance contract for air conditioning	01 June 2012	31 May 2015	Equitable share	Programme 3	Packaged prog	13 059	10 230	1 309	-
LA Complex - Umlazi Campus	Hand over	Hand over	Umlazi	LA Building - Umlazi Campus	30 June 2015	30 June 2018	Equitable share	Programme 3	Packaged prog	11 500	7 158	3 388	4 477
LA Complex - Umlazi Campus	Priority List	Priority List	Umlazi	Prevention maintenance contract for electrical	01 March 2015	28 February 2018	Equitable share	Programme 3	Packaged prog	-	-	3 613	-
LA Complex - Umlazi Campus	Hand over	Hand over	Umlazi	Upgrade water valves, toilet revamp, roofs proofs	20 January 2015	20 January 2015	Equitable share	Programme 3	Packaged prog	13 200	-	7 319	3 440
LA Complex - Umlazi Campus	Hand over	Hand over	Umlazi	LA Building - Renew palisade fencing	01 April 2014	30 July 2014	Equitable share	Programme 3	Packaged prog	2 500	131	59	-
eThekwini regional office	Construction	Construction	eThekwini	Replacement of air conditioning in the south wing offices	19 January 2016	19 January 2016	Equitable share	Programme 3	Individual proj	-	-	2 345	800
eThekwini regional office	Construction	Construction	eThekwini	Installation of back up generator for the Mayville complex	19 January 2016	19 January 2016	Equitable share	Programme 3	Individual proj	-	-	650	-
New infrastructure assets: Capital													
of which:													
Umnziyathi sub-district office	Construction	Construction	Emmabuthi/Ladysmith	Construction of new office	31 January 2012	31 January 2014	Equitable share	Programme 3	Packaged prog	53 569	10 510	15 909	27 200
Southern region - offices	Construction	Construction	Msunduzi	Completion of contract	15 January 2015	18 September 2015	Equitable share	Programme 3	Packaged prog	14 500	9 148	3 000	10 500
Ilembe district offices	Hand over	Hand over	KwaDukuza	Construction of new office	13 July 2015	07 July 2016	Equitable share	Programme 3	Packaged prog	5 069	57	3 062	4 800
Southern region offices	Construction	Construction	Msunduzi	New canteen	09 February 2015	04 February 2016	Equitable share	Programme 3	Packaged prog	27 000	1 305	8 067	8 000
Infrastructure transfers													
of which:													
Infrastructure transfers: Current													
Infrastructure transfers: Capital													
Infrastructure: Payments for financial assets													
Infrastructure: Leases													
Total													
Capital Infrastructure										304 558	115 374	72 618	70 625
Current Infrastructure										304 558	106 450	66 218	66 225
										-	8 924	6 300	4 000

Table 14.J : Summary of transfers to local government (Property rates - Prog 2: Property Management)

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	195 659	239 185	235 715	221 809	224 809	239 744	242 000	249 018	263 458
Total: Ugu Municipalities	8 840	11 605	13 318	14 961	14 961	15 897	11 459	16 061	16 993
B KZN211 Vulamehlo	1 964	2 076	308	1 714	1 714	1 714	421	1 783	1 886
B KZN212 Umdoni	405	399	3 455	1 376	1 376	2 312	1 403	1 432	1 515
B KZN213 Umzumbe	1 782	2 227	3 232	3 744	3 744	3 744	3 075	3 895	4 121
B KZN214 uMuziwabantu	2 016	3 531	2 713	4 344	4 344	4 344	2 870	4 789	5 067
B KZN215 Ezinqoleni	138	207	199	239	239	239	205	254	269
B KZN216 Hibiscus Coast	2 535	3 165	3 411	3 544	3 544	3 544	3 485	3 908	4 135
C DC21 Ugu District Municipality	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	56 494	63 812	73 948	82 080	87 374	89 726	71 430	91 606	96 918
B KZN221 uMshwathi	5 524	6 526	8 344	16 683	16 683	16 683	5 638	18 746	19 833
B KZN222 uMngeni	5 554	5 752	7 060	7 350	7 350	7 350	5 945	8 103	8 573
B KZN223 Mpofana	68	-	99	105	105	510	103	109	115
B KZN224 Impendle	153	202	815	263	263	703	841	289	306
B KZN225 Msunduzi	44 662	50 698	57 196	56 993	62 287	63 399	58 000	63 646	67 337
B KZN226 Mkhambathini	526	591	-	630	630	630	390	655	693
B KZN227 Richmond	7	43	434	56	56	451	513	58	61
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	24 476	30 858	36 877	39 130	39 130	33 383	44 182	43 180	45 684
B KZN232 Ennambithi/Ladysmith	16 771	22 218	18 361	15 876	15 876	13 725	20 000	17 838	18 873
B KZN233 Indaka	1 050	1 301	1 656	1 729	1 729	3 258	1 764	1 799	1 903
B KZN234 Umtshezi	3 521	4 584	12 281	13 440	13 440	10 494	14 112	14 818	15 677
B KZN235 Okhahlamba	1 521	1 652	1 779	5 040	5 040	1 706	5 200	5 557	5 879
B KZN236 Imbabazane	1 613	1 103	2 800	3 045	3 045	4 200	3 106	3 168	3 352
C DC23 Uthukela District Municipality	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	17 925	20 920	25 675	26 718	26 718	24 556	27 723	28 773	30 441
B KZN241 Endumeni	8 000	8 841	7 634	7 707	7 707	6 980	8 170	8 660	9 162
B KZN242 Nquthu	4 341	5 144	8 539	8 971	8 971	7 659	9 151	9 334	9 875
B KZN244 Msinga	2 482	3 468	4 476	4 669	4 669	3 917	4 763	4 858	5 140
B KZN245 Umvoti	3 102	3 467	5 026	5 371	5 371	6 000	5 639	5 921	6 264
C DC24 Umzinyathi District Municipality	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	21 437	8 672	10 897	10 839	10 839	12 603	11 300	11 780	12 464
B KZN252 Newcastle	18 569	5 065	4 631	4 096	4 096	4 924	4 301	4 516	4 778
B KZN253 eMadlangeni	1 923	2 496	2 473	2 730	2 730	1 929	2 785	2 840	3 005
B KZN254 Dannhauser	945	1 111	3 793	4 013	4 013	5 750	4 214	4 424	4 681
C DC25 Amajuba District Municipality	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	20 725	25 210	47 688	36 543	36 543	37 427	37 647	41 519	43 928
B KZN261 eDumbe	4 631	2 431	1 471	3 150	3 150	3 150	2 500	3 277	3 467
B KZN262 uPhongolo	2 273	2 498	4 618	3 363	3 363	3 363	3 430	3 499	3 702
B KZN263 Abaqulusi	2 006	4 887	6 993	6 300	6 300	7 184	6 615	6 946	7 349
B KZN265 Nongoma	2 731	3 526	5 859	5 250	5 250	5 250	5 513	5 788	6 124
B KZN266 Ulundi	9 084	11 868	28 747	18 480	18 480	18 480	19 589	22 009	23 286
C DC26 Zululand District Municipality	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	11 838	14 786	21 835	23 397	23 397	23 759	22 572	24 980	26 429
B KZN271 Umhlabyalingana	6 708	8 458	10 731	10 272	10 272	9 609	11 798	11 325	11 982
B KZN272 Jozini	2 244	2 323	6 299	5 565	5 565	5 600	5 676	5 790	6 126
B KZN273 The Big 5 False Bay	1 047	1 717	1 855	2 100	2 100	2 100	2 142	2 185	2 312
B KZN274 Hlabisa	1 036	1 058	344	3 150	3 150	4 150	600	3 277	3 467
B KZN275 Mtubatuba	803	1 230	2 606	2 310	2 310	2 300	2 356	2 403	2 542
C DC27 Umkhanyakude District Municipality	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	13 204	20 099	24 986	23 832	23 832	31 001	29 610	25 819	27 316
B KZN281 Umfolozi	950	735	220	520	520	520	400	541	572
B KZN282 uMhlathuze	4 719	10 720	10 771	10 712	10 712	15 477	11 248	11 810	12 495
B KZN283 Ntambanana	254	350	617	840	840	840	857	874	925
B KZN284 uMlalazi	3 898	2 134	4 389	3 360	3 360	3 359	3 427	3 496	3 699
B KZN285 Mthorjaneni	1 741	2 230	2 126	2 625	2 625	2 625	2 678	2 731	2 889
B KZN286 Nkandla	1 642	3 930	6 863	5 775	5 775	8 180	11 000	6 367	6 736
C DC28 uThungulu District Municipality	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	13 303	14 830	6 041	15 818	15 818	11 544	20 057	16 598	17 561
B KZN291 Mandeni	3 809	3 536	1 988	728	728	773	757	787	833
B KZN292 KwaDukuza	6 226	3 712	1 030	5 418	5 418	2 135	7 800	5 748	6 081
B KZN293 Ndwedwe	471	1 876	1 879	1 352	1 352	400	6 000	1 407	1 489
B KZN294 Maphumulo	2 797	5 706	1 144	8 320	8 320	8 236	5 500	8 656	9 158
C DC29 Ilembe District Municipality	-	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	11 710	16 798	15 506	11 875	11 875	19 055	15 891	12 479	13 203
B KZN431 Ingwe	1 020	1 852	134	2 288	2 288	2 288	144	2 380	2 518
B KZN432 Kwa Sani	371	673	687	776	776	776	359	807	854
B KZN433 Greater Kokstad	7 365	8 091	7 284	816	816	7 096	8 200	849	898
B KZN434 Ubuhlebezwe	1 053	1 893	2 931	3 997	3 997	4 897	3 075	4 158	4 399
B KZN435 Umzimkhulu	1 901	4 289	4 470	3 998	3 998	3 998	4 113	4 285	4 534
C DC43 Harry Gwala District Municipality	-	-	-	-	-	-	-	-	-
Unallocated	132	24	24	60	60	18	60	60	60
Total	395 743	466 799	512 510	507 062	515 356	538 713	533 931	561 873	594 455

VOTE 15

Arts and Culture

Operational budget	R 786 650 423
MEC remuneration	R 1 821 577 ¹
Total amount to be appropriated	R 786 472 000
Responsible MEC	MEC for Arts, Culture, Sport and Recreation
Administering department	Arts and Culture
Accounting officer	Head: Arts and Culture

1. Overview

Vision

The vision of the department is: *Prosperity and social cohesion through arts and culture.*

Mission statement

The department's mission is to *Provide world class services in arts and culture for the people of KwaZulu-Natal by:*

- Developing and promoting arts and culture in the province and mainstreaming its role in socio-economic development.
- Supporting interventions to develop arts and culture capacity in the province.
- Implementing social cohesion and moral regeneration programmes that contribute to the transformation of society and nation building.
- Developing and promoting previously marginalised languages and enhancing the linguistic diversity of the province.
- Collecting, preserving and providing archival, museum, library and other forms of information resources.

Strategic objectives

Strategic policy direction:

The strategic policy of the department is to ensure the cultural advancement of all the people of the province, and to encourage and assist emergent artists and to safeguard the history of the province. The following represent the department's strategic goals:

- Sound corporate governance and achievement of service delivery outcomes.
- Support for emerging entrepreneurs in the arts and culture sectors in order to contribute toward the creation of sustainable livelihoods for the people of the province.
- Social transformation and development through support to the arts and culture sectors in the province.
- Equitable access to quality library, information archive and museum services for the people of KZN.

Among others, the following strategic objectives are aligned to the strategic goals of the department:

- An effective policy and internal control environment.

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

- Leveraging of stakeholder engagements and partnerships in support of the department's mandate.
- Effective management of the organisation and its resources.
- Implementation of interventions that grow the arts and culture industry in the province while contributing to job creation and poverty alleviation.

Core functions

The core functions of the department encompass the development and promotion of arts, culture, museum, archive and library services.

Legislative mandates

The department is governed by the following pieces of legislation and policy directives:

- The Constitution of the Republic of South Africa (Act No. 108 of 1996)
- Culture Promotion Act 1993 (Act No. 35 of 1993)
- Cultural Affairs Act 1989 (Act No. 65 of 1989)
- Cultural Institutions Act, (Act No. 119 of 1998)
- South African Geographical Names Council Act 1998 (Act No. 118 of 1998)
- National Language Policy Framework, 2003
- Pan South African Language Board Act 1995 (Act No. 59 of 1995)
- KwaZulu-Natal Parliamentary Official Languages Act 1998 (Act No. 10 of 1998)
- KwaZulu-Natal Libraries Act 1980 (Act No. 18 of 1980)
- Public Service Act 1994 (Act No. 103 of 1994, as amended) and Public Service Regulations of 2001
- Labour Relations Act 1995 (Act No. 66 of 1995)
- Employment Equity Act 1998 (Act No. 55 of 1998)
- Public Finance Management Act 1999 (Act No. 1 of 1999, as amended), and Treasury Regulations
- KZN Provincial Supply Chain Management Policy Framework of 2006
- Preferential Procurement Policy Framework Act 2000 (Act No. 5 of 2000)
- Intergovernmental Relations Framework Act 2005 (Act No. 13 of 2005)
- Natal Provincial Museum Ordinance (Ordinance 26 of 1973)
- KwaZulu-Natal Archives and Records Services Act (Act No. 8 of 2011)

It is envisaged that the hand-over process of the Provincial Languages Bill to the Legislature will be finalised in 2016/17. In the interim, the department is proceeding with certain requirements proposed by the Bill.

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 providing a brief discussion on challenges and new developments.

Arts and culture

The department successfully hosted a number of events, such as Reed Dance (*uMkhosi Womhlanga*), Freedom Day, Africa Day, King Shaka Celebrations and First Fruit Ceremony (*Umkhosi Woselwa*). The department recognised legends in various genres of arts for their achievements. Operation Sukuma Sakhe (OSS) programmes were undertaken in some districts in line with the war-room intervention programme. Moral regeneration programmes were undertaken in all correctional centres in the province. The department made progress on the arts and culture strategy in terms of the development of a diagnostic report, and the draft Arts and Culture strategy was completed. The conceptualisation of the Arts and

Culture Academy was completed and the feasibility study commenced. The feasibility study will concentrate on developing programmes/curriculum for the academy and the design of the academy. The Arts and Culture Academy will contribute to the creative industry where the creation of products and services is home-based as opposed to factory-based, and will focus on the development of practical and technical expertise of learners.

Language services

The department continued with its mandate of providing translation, interpreting and editing services to government institutions. More than 25 government institutions were assisted in developing their Institutional Language Policies. The Economics and Accounting term lists were standardised and were launched by the MEC at the 2015 Library, Language, Archives and Museum Conference. The Learn Another Language programme focused on isiZulu, French and sign language. The department promoted multilingualism through the Anton Lembede contest, International Translation Day, Youth Language Festival and International Mother Tongue Day. Literature was promoted through regional poetry competitions. The department established more than 10 new reading and writing clubs. The KZN Provincial Geographical Names were reviewed and proposals were submitted to the National Minister for approval. Interpreting equipment and a van were ordered in line with the implementation of some aspects of the KZN Provincial Languages Bill.

Museum services

Time-Travel events were conducted at the Mthwalume, Mpophomeni, Kokstad and Richmond museums. The Qhudeneni museum was opened to the public. The department digitised more than 3 000 artefacts and photographs in 2015/16. The department erected two plaques where two political activists, Griffiths Mlungisi Mxenge and Victoria Mxenge, were murdered in the 1960s. This was part of the Green Heritage Plaque programme. This programme involves identification places with historical interest and placing plaques there.

Library services

The bulk of the department's budget was allocated to transfers to local municipalities to address the Constitutional Schedule 5A function pertaining to libraries. The funding provides for operational costs of libraries in municipalities, such as staffing costs. In 2015/16, the department transferred additional funding to the eThekweni Metro from the Community Library Services grant, as the provinces's contribution to the construction of the Durban mega-library (hereafter referred to as the mega-library). The department anticipates completion of the mega-library in 2019/20. The department continued to roll out the construction of new libraries and provision of library material and ICT infrastructure. Updated library materials were provided to 180 libraries across the province. Monitoring and evaluation visits were undertaken to 100 libraries. Stock-taking was conducted in 55 public libraries. The department utilised the Community Library Services grant to continue the construction of the Vulamehlo, Manyiseni, Bilanyoni, and Ngwavuma libraries, as well as the purchase of library materials. Specialised services were provided for the blind, and the Family Literacy and Africa Ignite story-telling projects were funded as promotion of the culture of reading and library usage. Free access to the internet and SITA Library Information Management System (SLIMS) was provided to all libraries.

Archives

The department finalised the draft digitisation strategy. The department commenced assessing the new digitisation system used by the National Archives and Records Services. This system enables the user to easily access all digitised records. Successful community dialogues were held at the Albert Luthuli museum in September 2015 and February 2016. The Provincial Records Management policy was finalised and awareness campaigns were held towards the end of the financial year.

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 the challenges and proposed new developments. In 2016/17, the department will continue uphold its core mandate of ensuring cultural advance of all people in the province through hosting various cultural events and provision of reading and writing material. The bulk

of the department's budget allocation is against provincialisation, even though this budget was cut over the MTEF due to reasons discussed under Sections 5.2 and 5.3. In addition, the department will continue to construct libraries, art centres and museums over the MTEF.

Arts and culture

The department will upscale the implementation of the war-room intervention package, and continue with the hosting of main events, such as Reed Dance (*uMkhosi Womhlanga*), Freedom Day, Africa Day, King Shaka Celebrations and First Fruit Ceremony (*Umkhosi Woselwa*). The construction of the Arts and Culture Academy will commence in 2017/18. The department aims to establish strategic partnerships with all relevant stakeholders in order to improve the development and growth of the cultural and creative industries. Emphasis will be placed on programmes aimed at promoting moral regeneration and positive values.

Language services

The provision of translation, interpreting, editing and sign language services on request from government institutions will continue, as well as consultations on the KZN Languages Bill by the Portfolio Committee in 2016/17. Priority will be given to promotion of multilingualism through the celebration of the International Mother Tongue Day, International Translation Day, Youth Language Festival and the Anton Lembede Contest. Learning Another Language will focus on isiZulu, Sesotho and sign language. Reading and writing skills will be promoted through conducting workshops. In addition, reading and writing material will be distributed to reading and writing clubs. The department will develop and implement the Provincial Geographical Naming policy framework.

Museum services

The Port Shepstone museum will be completed in 2017/18. The department's museum collection will also be enhanced through the rolling out of digitisation field studios at provincial events and cultural festivals where community members will be encouraged to bring artefacts and objects of historical interest for digitisation or possible purchase. This initiative is to develop and fill gaps existing in the current collection. The department will also roll out several displays, with the major theme supporting the Zulu 200 Festivals, celebrating 200 years in 2016 since the reign of the first King Shaka. The department is targeting to design and place 50 plaques in places of heritage interest. The department will continue to promote museum services through provision of mobile museums and school visits.

Library services

The department will continue to provide professional guidance and support to public libraries which includes conducting monitoring, stocktaking, provision of library materials, such as e-books and audio visual material. The department will continue to transfer funds to the eThekweni Metro as a contribution toward the construction of the mega-library, which is anticipated to be completed in 2019/20.

Community Library Services conditional grant

The construction of the Manyiseni, Bilanyoni, Ngwavuma and Vulamehlo libraries will be completed in 2016/17. The department will commence with the construction of the Mzumbe, Kwanzimakwe, Dannhauser and Cwaka libraries. The department will continue to use the grant to purchase library materials for existing and new libraries, as well as staffing and operational costs for provincialised libraries, namely Qhudeni, Maphumulo, Nkungumathe and Ndumo. The grant will also fund the cost of internet connectivity and operating of SLIMS in all libraries. The department will promote the culture of reading through the support of the Family Literacy and Africa Ignite story-telling projects. The department will continue to provide specialised services for the blind.

Archives

The department will intensify awareness programmes within communities in an attempt to make Archives more attractive and known to communities. The department will launch the senior citizens' programme which will put emphasis on the contribution made by senior citizens in society and social transformation. The department will host the annual archives lecture.

4. Receipts and financing

4.1 Summary of receipts and financing

Table 15.1 provides the sources of funding for Vote 15 over the seven-year period 2012/13 to 2018/19. The table also compares actual and budgeted receipts against actual and budgeted payments. Details of departmental receipts are given in *Annexure – Vote 15: Arts and Culture*.

The department receives a provincial allocation in the form of equitable share and national conditional grant allocations in respect of the Community Library Services grant and the EPWP Integrated Grant for Provinces. It is noted that the EPWP Integrated Grant for Provinces was allocated in the 2012/13 Adjustments Estimate, therefore it is part of provincial cash resources as funds were received in 2012/13 (but related to 2011/12).

Table 15.1 : 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	420 205	558 929	601 902	613 296	619 023	619 023	617 810	648 275	685 664
Conditional grants	48 619	63 695	122 754	159 696	158 969	158 969	165 162	175 404	185 322
Community Library Services grant	48 619	63 145	122 754	157 696	157 569	157 569	163 162	175 404	185 322
EPWP Integrated Grant for Provinces	-	550	-	2 000	1 400	1 400	2 000	-	-
Total receipts	468 824	622 624	724 656	772 992	777 992	777 992	782 972	823 679	870 986
Total payments	479 744	698 686	710 027	783 914	808 770	808 770	786 472	857 179	870 986
Surplus/(Deficit) before financing	(10 920)	(76 062)	14 629	(10 922)	(30 778)	(30 778)	(3 500)	(33 500)	-
Financing									
of which									
Provincial roll-overs	-	-	-	-	19 856	19 856	-	-	-
Provincial cash resources	11 033	68 402	5 464	10 922	10 922	10 922	3 500	33 500	-
Surplus/(Deficit) after financing	113	(7 660)	20 093	-	-	-	-	-	-

The department received R11.033 million from provincial cash resources in 2012/13 for the following:

- R1.568 million recovered from the initial contractor for the building of the Mbazwana library, whose contract was terminated due to non-performance.
- R50 000 was from KZN Oils toward the department's service excellence awards.
- R410 000 was from the Hibiscus Coast Municipality for the installation of air-conditioning at the KwaNdwalane library.
- R5.404 million was allocated to assist the department with spending pressures associated with the department's main events such as the Reed Dance, Africa Day Celebrations, etc.
- R3.054 million was for the higher than anticipated 2012 wage agreement.
- R547 000 was in respect of the EPWP Integrated Grant for Provinces.

The department under-spent by a minimal R113 000 in 2012/13. This was mainly as a result of delays in the filling of budgeted vacant posts due to difficulty in finding suitable candidates.

In 2013/14, the department received provincial cash resources of R68.402 million as follows:

- R31.696 million for the Radio Frequency Identification (RFID) system for library books.
- R1 million from the uMgungundlovu District Municipality in respect of various arts and culture projects to be held within the district.
- R60 000 from KZN Oils as a donation toward the department's service excellence awards.
- R2.302 million and R3.162 million in respect of the transfer to The Playhouse Company and KZN Philharmonic Orchestra, respectively, to increase their budgets back to the original allocations (i.e. before the reductions due to the 2011 Census data updates of the equitable share formula).
- R29.182 million was received in respect of war-room packages. This was requested by the department as per the resolutions taken at the Cabinet Lekgotla held in February 2013.
- R1 million was received in respect of OSS initiatives, as identified by the MEC.

Furthermore, in 2013/14, R10.500 million was suspended from Provincial Treasury's Strategic Cabinet Initiatives Fund. Of this, R1 million was for the Amambazo: The Musical, R4.500 million for the KZN Philharmonic Orchestra's participation in the South African French Season, and R5 million for the King and Us project. This was added to the department's equitable share in 2013/14. The over-expenditure of R7.660 million was due to the department under-budgeting for various events which it hosts, such as the East Griqualand Festival, Africa Day Celebrations, First Fruit Ceremony (*Umkhosi Weswela*), etc.

In 2014/15, the department received additional funding of R5.464 million from provincial cash resources. Of this, R2.302 million was in respect of The Playhouse Company and R3.120 million was in respect of the KZN Philharmonic Orchestra in order to increase their transfers back to their original allocation. This has carry-through costs over the MTEF. Furthermore, the department's equitable share was increased by R25.008 million as follows:

- R11 million was suspended from Provincial Treasury in terms of the Strategic Cabinet Initiatives Fund. Of this, R1 million was for Amambazo: The Musical, R5 million for the National Choral Music Awards, and R5 million for the Royalty Soapie Awards.
- R2.008 million was suspended from the Department of Sport and Recreation (DOSR) in respect of the balance of the ministry funds that remained with the department after the two ministries were amalgamated in 2009. This was done to ease the administrative burden of having this budget split across two departments.
- R12 million was suspended from the Department of Economic Development, Tourism and Environmental Affairs (DEDTEA) for the movement of the KZN Music House to the department as a result of a directive from the Premier.

The department under-spent by R20.093 million in 2014/15, mainly as a result of challenges with the construction and upgrade of various libraries such as Ingwavuma, Bruntville, Bilanyoni and Manyiseni.

In the 2015/16 Adjusted Appropriation, the department received roll-overs of R19.856 million as follows:

- R500 000 was for the Royalty Soapie Awards. The department withheld these funds from the organisers in 2014/15 due to the close-out report not being received by the department by year-end.
- R5.157 million relates to the refurbishment of library depots, such as the Pinetown and Dundee library depots. There was a delay in the awarding of the tender for the refurbishment of these depots.
- R14.199 million was in respect of the Community Library Services grant. The department experienced challenges in 2014/15 with regard to the construction and upgrade of various libraries such as Ingwavuma, Bruntville, Manyiseni and Bilanyoni.

Offsetting the increase in the 2015/16 Adjusted Appropriation was a decrease of R727 000 against both conditional grants. National Treasury implemented Section 22(4) of the Division of Revenue Act and removed R127 000 from 2015/16 Community Library Services grant and R600 000 from EPWP Integrated Grant for Provinces allocations. These amounts relates to funds that were unspent in 2014/15. However, Provincial Treasury allocated back to the department a total of R727 000 from provincial cash resources to ensure that these grants are not compromised because of the reduction. This is therefore treated as an equitable share allocation which must be spent on activities related to the grant.

In addition, the department's allocation in respect of the construction of the Arts and Culture Academy was re-scheduled in order to meet the time-frames of the construction plan. This resulted in a decrease of R37 million in 2015/16, from the original allocation of R42.500 million. This R37 million was allocated over the outer years, with R3.500 million allocated in 2016/17 and R33.500 million in 2017/18. The balance of the funds against provincial cash resources relates to carry-through funding in respect of The Playhouse Company and the KZN Philharmonic Orchestra, in order to increase their transfers back to their original allocation.

In 2016/17, the department's allocation includes carry-through funding in respect of the above-budget 2015 wage agreement. In addition, included in the department's provincial cash resources are funds for the construction of the Arts and Culture Academy, as mentioned above. Furthermore, funding has been allocated for the EPWP Integrated Grant for Provinces in 2016/17, with no carry-through at this stage.

4.2 Departmental receipts collection

Table 15.2 below indicates the estimated departmental receipts for Vote 15. The main revenue sources of the department are fees in respect of the cultural hall and two campsites which fall under its control, as well as funds received from public libraries for lost/stolen library material.

Details of departmental receipts are presented in *Annexure – Vote 15: Arts and Culture*.

Table 15.2 : Summary of departmental receipts collection

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	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	277	458	677	527	527	544	568	602	643
Transfers received	1 060	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	92	52	106	72	72	135	77	81	87
Interest, dividends and rent on land	10	48	1	4	4	2	5	6	6
Sale of capital assets	-	1 970	-	60	60	60	64	68	73
Transactions in financial assets and liabilities	316	707	791	142	142	202	151	160	171
Total	1 755	3 235	1 575	805	805	943	865	917	980

Revenue collected against *Sale of goods and services other than capital assets* is in respect of rentals for hiring of the department's hall and campsites, rent from officials occupying state houses, parking, and commission on PERSAL deductions such as insurance premiums and garnishee orders. In 2015/16, the collection is anticipated to exceed the original projection due to the sale of tender documents due to various infrastructure projects within the department. The revenue from the campsites and the hall cannot be determined with accuracy as these are demand driven, hence the 2016/17 MTEF projections are based on inflationary increments.

Transfers received in 2012/13 relates to contributions from the Hibiscus Coast Municipality for an air conditioning unit at KwaNdwane, and from the uMgungundlovu District Municipality for arts and culture programmes undertaken by the department. These funds were made available to the department due to the lack of capacity in the municipalities to execute these programmes.

Fines, penalties and forfeits relates to fines collected by libraries for lost library material. The fluctuating trend from 2012/13 to the 2015/16 Revised Estimate is due to the difficulty in predicting the number of library related offences, such as lost books. The high collection in 2014/15 and the 2015/16 Revised Estimate was due to the expansion of the automated library system to more libraries. This improved the circulation control administration, and positively impacted on the collection of fines for lost library material. The revenue budget grows gradually over the MTEF.

Under the category of *Interest, dividends and rent on land*, revenue is collected in respect of interest bearing debt, such as staff debt. This category is difficult to project with accuracy due to its uncertain nature. In 2014/15, the collection of interest was against staff debts. The revenue budget shows low growth over the MTEF due to the uncertain nature of this category.

Revenue from *Sale of capital assets* is derived from the disposal of redundant assets such as vehicles and office equipment. The high 2013/14 collection was due to a higher than anticipated sale of vehicles. The department is projecting to auction vehicles over the MTEF in line with the disposal policy.

Transactions in financial assets and liabilities relate to the recovery of over-paid salaries of ex-employees and the recovery of staff debts. The high collection in 2014/15 was due to staff debt in respect of leave without pay, buy-back options of old cell phones, payment of private telephone calls and losses relating to departmental assets. Revenue projections over the MTEF are based on inflationary increments.

4.3 Donor funding – Nil

5. Payment summary

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

Further details are given in Section 6 below, as well as in the *Annexure – Vote 15: Arts and Culture*.

5.1 Key assumptions

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

- Provision has been made for the filling of vacant posts, while taking into account the moratorium on the filling of non-critical vacant posts. All inflation related increases are based on CPI projections.
- Provision was made for an inflationary wage adjustment of 7.2 per cent in 2016/17, 6.8 per cent in 2017/18 and 6.8 per cent in 2018/19. Provision was also made 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:
 - 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.
 - Departments' equitable share funded *Goods and services* budgets were cut by 2 per cent.
 - Departments' and public entities' hosting of events budgets were cut over the MTEF.
 - 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.
 - 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 15.3 shows the additional funding received by the department over the three MTEF periods: 2014/15, 2015/16 and 2016/17. Note that the table reflects only the provincial allocations and excludes additional allocations in respect of conditional grants.

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

The carry-through allocations for the 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.

In the 2014/15 MTEF, the department received additional funding with carry-through in respect of increases to The Playhouse Company and KZN Philharmonic Orchestra, in order to increase their transfers to their original allocations, as mentioned above. The department received substantial once-off funding in respect of the construction of the Arts and Culture Academy in 2015/16. Furthermore, the department received funding for previous years' wage agreements, and the allocation was reduced slightly due to the centralisation of the external bursaries budget under the Office of the Premier (OTP).

Table 15.3 : 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	6 364	49 753	7 797	8 187	8 662
Playhouse Company - return to pre-cut levels	2 302	2 302	2 407	2 527	2 674
Philharmonic Orchestra - return to pre-cut levels	3 162	3 120	3 263	3 426	3 625
Arts and Culture Academy	-	42 500	-	-	-
Carry-through of previous wage agreements	1 000	1 931	2 231	2 343	2 478
Centralisation of external bursaries budget under OTP	(100)	(100)	(104)	(109)	(116)
2015/16 MTEF period		(22 792)	18 417	49 163	16 571
KZN Music House shifted from DEDTEA		12 000	12 600	13 230	13 997
Joint Ministry funds moved from DOSR		2 108	2 213	2 324	2 459
Arts and Culture Academy - re-allocation of funding over 15/16 MTEF		(37 000)	3 500	33 500	-
Decentralisation of bursaries budget		100	104	109	115
2016/17 MTEF period			(33 816)	(35 932)	(38 227)
Above-budget 2015 wage agreement			5 357	5 741	6 172
Freezing all vacant non-OSD posts			(35 999)	(38 447)	(41 061)
Cutting events' budget			(50)	(50)	(50)
2% Goods and services cut			(3 124)	(3 176)	(3 288)
Total	6 364	26 961	(7 602)	21 418	(12 994)

The 2015/16 MTEF includes carry-through funds from DEDTEA in respect of the movement of the KZN Music House to the department as a result of a directive from the Premier. In addition, the department also received funds from DOSR for the balance of ministry funds which remained with the department after the two ministries were amalgamated in 2009, as previously mentioned. The department's allocation in respect of the construction of the Arts and Culture Academy was reduced by R37 million in 2015/16 due to the re-scheduling of funds to the outer years of the MTEF in order to meet the time frames of the construction plan. Furthermore, funds which were moved to OTP in respect of the centralisation of external bursaries budget, were moved back to the department.

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 non-OSD posts, and the departments' equitable share funded *Goods and services* budget was cut for events, as well as by 2 per cent over the MTEF.

However, it must be noted that the department was not able to reduce the full cut against *Compensation of employees* as it is needed to ensure adequate funding for currently filled posts. The information on PERSAL was not corrected by 31 January 2016 as required by PT (12) of 2015/16 which meant that the cut was calculated using a higher head count number. The existing *Compensation of employees*, budget caters for filled posts only and therefore the cut could not be effected against this category. Instead, the department cut *Transfers and subsidies to: Provinces and municipalities* against the eThekweni Metro in respect of provincialisation. The impact of this cut is that the department will scale down on the operational costs of and appointment of staff in respect of the eThekweni Metro. These cuts are further commented on in Section 5.3 below.

Offsetting these cuts over the 2016/17 MTEF to some extent, is the fact that the department received additional funding for the carry-through costs of the above-budget 2015 wage agreement.

5.3 Summary by programme and economic classification

Tables 15.4 and 15.5 provide a summary of payments and budgeted estimates by programme and economic classification, respectively, for the period 2012/13 to 2018/19.

The programmes of the department are largely aligned to the uniform programme and budget structure for the Arts and Culture sector, although Programme 2 excludes the Heritage Resource Services sub-programme which falls under OTP in KZN. It should be noted that the sector includes Sport and Recreation, which is a separate department in KZN.

There is a steady increase over the seven-year period, as explained below the tables. The department is liable for the repayment of over-expenditure from 2014/15, resulting in a first charge against the department's budget in 2015/16 and 2016/17, and this is reflected under Programme 1: Administration against *Payments for financial assets*. This is shown below the total in Tables 15.4 and 15.5 below.

Table 15.4 : Summary of payments and estimates by programme: Arts and Culture

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Administration	86 930	105 176	116 316	113 504	124 794	124 794	134 546	137 290	146 033
2. Cultural Affairs	141 002	181 180	192 927	198 740	201 188	201 188	205 351	247 986	227 465
3. Library and Archive Services	251 812	412 330	400 784	471 670	482 788	482 788	446 575	471 903	497 488
Total	479 744	698 686	710 027	783 914	808 770	808 770	786 472	857 179	870 986
Unauth. Exp. (1st charge) not available for spending	-	-	-	(3 830)	(3 830)	(3 830)	(3 830)	-	-
Baseline available for spending after 1st charge	479 744	698 686	710 027	780 084	804 940	804 940	782 642	857 179	870 986

Table 15.5 : Summary of payments and estimates and by economic classification: Arts and Culture

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
Current payments	249 889	328 272	341 827	354 453	361 106	361 106	410 497	433 647	467 632
Compensation of employees	131 087	148 138	166 307	194 498	187 517	185 062	214 041	231 854	251 149
Goods and services	118 802	180 134	175 520	159 955	173 553	176 008	196 456	201 793	216 483
Interest and rent on land	-	-	-	-	36	36	-	-	-
Transfers and subsidies to:	187 296	301 944	297 265	326 812	332 799	332 799	283 998	300 377	312 532
Provinces and municipalities	150 485	260 011	224 629	271 547	273 556	273 556	230 719	240 946	251 564
Departmental agencies and accounts	6 721	7 057	7 445	7 787	7 787	7 787	8 176	8 585	9 082
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	1 575	1 945	36 635	-	23 550	23 550	7 650	8 420	8 420
Non-profit institutions	27 530	31 505	26 764	47 478	25 685	25 685	36 653	41 426	42 266
Households	985	1 426	1 792	-	2 221	2 221	800	1 000	1 200
Payments for capital assets	42 387	68 353	70 923	98 819	111 035	111 035	88 147	123 155	90 822
Buildings and other fixed structures	35 460	42 825	54 014	88 479	98 535	98 535	82 000	115 780	85 690
Machinery and equipment	6 927	25 216	16 726	10 340	12 500	12 500	6 147	7 375	5 132
Heritage assets	-	312	183	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	172	117	12	3 830	3 830	3 830	3 830	-	-
Total	479 744	698 686	710 027	783 914	808 770	808 770	786 472	857 179	870 986
Unauth. Exp. (1st charge) not available for spending	-	-	-	(3 830)	(3 830)	(3 830)	(3 830)	-	-
Baseline available for spending after 1st charge	479 744	698 686	710 027	780 084	804 940	804 940	782 642	857 179	870 986

The increase against Programme 1: Administration in 2013/14 relates to payment for vehicles and a departmental server, ordered in 2012/13 but delivered in 2013/14. Also, the department received R1 million in 2013/14 in respect of OSS, for projects identified by the MEC. Spending in 2014/15 includes payments for interns which were previously decentralised to Programmes 2 and 3, increased security and cleaning costs, as well as additional funds from DOSR in respect of the balance of the ministry funds, as mentioned. The increase in the 2015/16 Adjusted Appropriation relates to additional funding for the above-budget 2015 wage agreement. In addition, funds were reprioritised from Programme 3 for audit fees, implementation of the sharepoint and automated workflows IT programme, anti-xenophobia campaign and the department's cleaning contract which was higher than budgeted for. The increase over the MTEF includes carry-through funds for the above-budget 2015 wage agreement.

Programme 2: Cultural Affairs in 2013/14 included spending on various transfers such as Amambazo: The Musical, KZN Philharmonic Orchestra's participation in the South African French Season, as well as funds in respect of the war-room packages. Furthermore, the department received additional funding in respect of The Playhouse Company and KZN Philharmonic Orchestra in order to increase their budgets to their original allocations. The increased spending in 2014/15 was mainly attributed to payments for commitments from 2013/14, such as The King and Us, and musical instruments, events/projects which exceeded their budget, such as the Reed Dance, and those which were under-budgeted for, such as the hosting of the Ugu Jazz Festival. The slight increase in the 2015/16 Adjusted Appropriation is due to the

department receiving a roll-over of R500 000 for the Royalty Soapie Awards, as previously mentioned. In addition, the department reprioritised funds from Programme 3 for the implementation of the KZN Provincial Languages Bill and the introduction of various new transfer payments, such as the Apartheid museum and the Usiba Writers Guild. The increase over the 2016/17 MTEF includes the re-scheduled funding in respect of the construction of the Arts and Culture Academy, with the bulk of the funding now being allocated in 2017/18. This explains the reduction in 2018/19.

The increased spending in 2013/14 against Programme 3: Library and Archive Services relates to spending on the RFID system for library books, as well as the war-room package programme, in respect of largely once-off funding. The decrease in 2014/15 is due to the reprioritisation of funds to Programmes 1 and 2 for the centralisation of the internship budget under Programme 1 and to offset spending pressures related to payments for commitments from 2013/14 and events/projects which exceeded the budget under Programme 2. The increase in the 2015/16 Adjusted Appropriation is due to the roll-over received in respect of the refurbishment of library depots, construction and upgrade of various libraries, as previously mentioned. The decrease over the MTEF compared to the 2015/16 Main Appropriation is due to the implementation of the budget cuts against *Goods and services* in respect of events and the 2 per cent reduction. In addition, the reduction resulting from the freezing of all vacant non-OSD posts was implemented against Programme 3 under *Transfers and subsidies to: Provinces and municipalities* due to the department being unable to reduce *Compensation of employees*, as mentioned above.

Compensation of employees reflects strong growth from 2012/13 to 2013/14 due to the carry-through costs of previous wage agreements, as well as the filling of posts. The decrease in the 2015/16 Adjusted Appropriation mainly relates to delays in the filling of budgeted vacant posts due to lengthy recruitment processes. The department reprioritised funds to *Goods and services* and *Transfers and subsidies to: Households*. The department will review the allocation against *Compensation of employees* in-year and over the MTEF, taking into consideration the recent cuts and freezing of all vacant non-OSD posts. It must be noted that the department was unable to lower expenditure on *Compensation of employees* over the MTEF by freezing all vacant non-OSD posts, as the information on PERSAL was not corrected by 31 January as required by PT (12) of 2015/16, which meant that the cut was calculated using a higher head count number. The existing *Compensation of employees* budget caters for filled posts only and therefore the cut could not be effected against this category. Instead, the department cut *Transfers and subsidies to: Provinces and municipalities* against the eThekweni Metro in respect of provincialisation. The increase over the MTEF provides for inflationary growth and the carry-through of wage adjustments.

Goods and services includes the costs of the main events hosted by the department and the acquisition of library materials for public libraries. The increase in 2013/14 includes spending on the RFID system for library books. The 2013/14 amount includes once-off funding in respect of the RFID system, war-room packages, as well as OSS initiatives, and this accounts for the decrease in 2014/15. Spending in 2014/15 includes higher than anticipated audit fees, as well as increased security and cleaning costs of the department's district offices. The increased spending in 2014/15 is also due to payments for commitments from 2013/14, such as The King and Us, and musical instruments, events/projects which exceeded their budget, such as the Reed Dance, and those which were under-budgeted for, such as the hosting of the Ugu Jazz Festival. The increase in the 2015/16 Adjusted Appropriation is due to the reprioritisation of funds from *Compensation of employees* and *Buildings and other fixed structures* for audit fees which were under-budgeted for and the implementation of the sharepoint and automated workflows IT programme. In addition, the increase was in respect of an anti-xenophobia campaign which was not anticipated and the department's cleaning contract which was higher than budgeted for. The increase over the MTEF includes the payment of audit fees, implementation of the sharepoint and automated IT programme, maintenance of the department's existing infrastructure, hosting of departmental events/projects, such as World AIDS Day and Women's Day, as well as payment of municipal services as part of the provincialisation strategy. Furthermore, the allocation over the MTEF includes conditional grant funding in respect of the purchase of library material, connectivity costs for internet access and the costs of implementing the SLIMS library control system. Offsetting the increase to some extent, is the reduction in the *Goods and services* equitable share funding in respect of the events' budget, as well as the 2 per cent cut over the MTEF against items such as travel and subsistence and contractors.

Spending against *Interest and rent on land* in 2015/16 relates to overdue accounts in respect of fleet services management accounts.

Transfers and subsidies to: Provinces and municipalities reflects transfers made to municipalities for library building projects, museum subsidies, and for the provincialisation of libraries and museums. The increased spending in 2013/14 is attributed to increases in provincialisation funding, as well as the adjustment of salaries for cyber cadets in affiliated public libraries. The decrease in 2014/15 is largely due to the department's decision to withhold transfers to the eThekweni Metro in respect of provincialisation of libraries and the construction of the mega-library. Due to spending pressures as a result of commitments from the previous year, such as The King and Us project and the payment of musical instruments in respect of the war-room packages, events/projects which exceeded the budget, such as the Reed Dance, and those which were under-budgeted for, such as the hosting of the Ugu Jazz Festival, the department decided to withhold transfers to the Metro in respect of the provincialisation funding. Furthermore, the contract for the construction of the mega-library between the Metro and the appointed contractor was terminated as a result of an appeal submitted by one of the tenderers. These funds were reprioritised to *Goods and services*, *Transfers and subsidies to: Non-profit institutions* and *Machinery and equipment*. The slight increase in the 2015/16 Adjusted Appropriation is attributed to the reprioritisation of funds from *Goods and services*, *Transfers and subsidies to: Non-profit institutions* and *Buildings and other fixed structures* for motor vehicle licences which were under-budgeted for, incorporation of the Vukani Museum, as well as the appointment of staff and operational costs of the Maqongqo library at Mkhambathini Municipality and Aquadene library at uMhlathuze Municipality. In addition, the increase catered for the new transfer to eThekweni Metro who is now responsible for the management of the Stable Theatre, as well as the reclassification of transfers from *Transfers and subsidies to: Non-profit institutions* due to some organisations not being non-profit organisations in terms of Section 21 of the Companies Act. The MTEF allocation decreases by R35.999 million in 2016/17, R38.447 million in 2017/18 and R41.061 million in 2018/19 over the MTEF due to a reduction in the provincialisation funding. This reduction was necessitated by the freezing of all vacant non-OSD posts, as mentioned previously. The department was unable to effect the full cut against *Compensation of employees* as it is needed to ensure adequate funding for currently filled posts, and hence the cut was effected against the eThekweni Metro in respect of provincialisation. The impact of this cut is that the department will scale down on the operational costs of and appointment of staff at eThekweni Metro.

Transfers and subsidies to: Departmental agencies and accounts reflects transfer payments made to The Playhouse Company. The increase over the 2016/17 MTEF is due to inflationary increments.

Transfers and subsidies to: Public corporations and private enterprises reflects transfers to various organisations which assist the department in implementing its arts and culture programmes. During the 2014/15 audit, it was discovered that some of the transfers made by the department against *Transfers and subsidies to: Non-profit institutions* were not to non-profit organisations in terms of Section 21 of the Companies Act, hence the reclassification to this category in the 2015/16 Adjusted Appropriation. Comparative figures were adjusted accordingly for prior and ensuing years. The MTEF allocations relate to transfers to Amantshontsho Ka Maskandi, PMB Jazz and Umgababa Youth Festival, etc.

Transfers and subsidies to: Non-profit institutions covers transfers made to the KZN Philharmonic Orchestra, arts councils, art centres, as well as museums managed by Boards of Trustees. In addition, support is provided to various art organisations. The decrease in the 2015/16 Adjusted Appropriation is attributed to the reclassification of funds to *Goods and services* and *Transfers and subsidies to: Public corporations and private enterprises* due to audit queries raised by the A-G, as mentioned above. The allocation over the MTEF provides for the continuation of transfers to the KZN Philharmonic Orchestra, arts councils, art centres, museums managed by Boards of Trustees, as well as various art organisations.

Transfers and subsidies to: Households relates to staff exit costs, which are difficult to budget for due to their unpredictable nature.

Buildings and other fixed structures fluctuates over the seven-year period. The substantial increase in 2014/15 compared to 2012/13 and 2013/14 is attributed to the provision for the upgrade of four regional library depots, library head office buildings and various libraries such as Mpofana, Umtshezi, Hibiscus

Coast and Abaqulusi. The increase in the 2015/16 Adjusted Appropriation is attributed to the roll-over in respect of equitable share and the Community Library Services grant for the refurbishment of library depots, such as the Pinetown and Dundee library depots and the construction and upgrade of various libraries, such as Ngwavuma, Bruntville, Manyiseni and Bilanyoni. The 2016/17 MTEF allocations provide for the construction of the Arts and Culture Academy, renovations of the RS Skinner campsite, construction of the Port Shepstone museum, as well as upgrading of various art centres, such as uThungulu, Mbazwana, and Osizweni.

The increased spending against *Machinery and equipment* in 2013/14 was attributed to the payment for eight vehicles ordered in 2012/13 but delivered in 2013/14, as well as the purchase of musical instruments in respect of the war-room packages programme. The decrease in 2014/15 relates to the shifting of funds to *Goods and services* due to a change in SCOA classifications, whereby minor assets, such as office equipment, furniture and computer equipment, were moved to *Goods and services*. The increase in the 2015/16 Adjusted Appropriation is attributed to the reprioritisation of funds from *Goods and services* for the purchase of motor vehicles. The MTEF allocation fluctuates and provides for the replacement of computers and furniture for staff appointed in prioritised posts, and includes the Community Library Services grant allocations for the upgrading of computer equipment in public libraries.

Heritage assets relates to the purchase of museum artefacts. Spending in 2013/14 and 2014/15 relates to the purchase of historic South African artefacts, such as a Zulu axe, spear, knobkerrie, as well as a war shield. The artefacts were placed in provincial museums.

Spending against *Payments for financial assets* relates to the write-off of staff debts. In addition, the amounts in 2015/16 and 2016/17 are in respect of the first charge, as previously explained.

5.4 Summary of conditional grant payments and estimates

Tables 15.6 and 15.7 show the amounts allocated to the department in respect of the Community Library Services grant and the EPWP Integrated Grant for Provinces.

Table 15.6 : Summary of conditional grants payments and estimates by name

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Community Library Services grant	48 633	63 440	108 428	157 696	171 768	171 768	163 162	175 404	185 322
EPWP Integrated Grant for Provinces	547	1 032	-	2 000	1 400	1 400	2 000	-	-
Total	49 180	64 472	108 428	159 696	173 168	173 168	165 162	175 404	185 322

Table 15.7 : Summary of conditional grants payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	14 399	14 814	40 459	37 768	39 041	39 041	53 893	57 578	67 720
Compensation of employees	-	-	4 245	9 588	5 110	5 110	10 480	11 349	12 291
Goods and services	14 399	14 814	36 214	28 180	33 931	33 931	43 413	46 229	55 429
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	23 889	24 814	19 600	52 228	53 228	53 228	40 404	41 701	43 000
Provinces and municipalities	22 769	23 572	16 409	49 111	50 111	50 111	37 075	38 222	39 372
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	1 120	1 242	3 191	3 117	3 117	3 117	3 329	3 479	3 628
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	10 892	24 844	48 369	69 700	80 899	80 899	70 865	76 125	74 602
Buildings and other fixed structures	8 847	23 169	45 379	65 700	76 899	76 899	69 000	72 280	73 000
Machinery and equipment	2 045	1 675	2 990	4 000	4 000	4 000	1 865	3 845	1 602
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	49 180	64 472	108 428	159 696	173 168	173 168	165 162	175 404	185 322

Note that the historical figures set out in Table 15.6 below reflect actual expenditure per grant, and should not be compared to those reflected in Table 15.1, which represent the actual receipts for each grant. Details of conditional grants are given in *Annexure – Vote 15: Arts and Culture*.

The Community Library Services grant increases strongly over the seven-year period. The increase in the 2015/16 Adjusted Appropriation is attributed to the roll-over of R14.199 million received in respect of the construction and upgrade of various libraries, such as Ngwavuma, Bruntville, Manyiseni and Bilanyoni. National Treasury implemented Section 22(4) of the DORA and removed an amount of R127 000 from the Community Library Services grant. This amount relates to funds that were unspent in 2014/15. Provincial Treasury allocated back this amount as equitable share which must be spent on activities related to the grant.

The EPWP Integrated Grant for Provinces was allocated from 2012/13 to 2016/17 and has not been allocated over the outer years of the MTEF, at this stage. The department did not spend the 2014/15 grant allocation due to challenges in identifying an infrastructure project to utilise the funds timeously. In the 2015/16 Main Appropriation, the department allocated the grant funding for the construction of the Howick and Clermont art centres under *Buildings and other fixed structures*, however, the department experienced delays in the appointment of architects. The department changed the purpose of the funds to the appointment of a service provider to train volunteers to assist with the various infrastructure projects under *Goods and services*, such as the construction of the Bilanyoni and Bruntville libraries. In addition, the department appointed volunteers to assist in oral history interviews, recording and implementation of the war-room intervention programme. The decrease in the 2015/16 Adjusted Appropriation is due to National Treasury implementing Section 22(4) of the DORA. An amount of R600 000 was removed from this grant relating to funds that were unspent in 2014/15. Provincial Treasury allocated back this amount as equitable share to be spent on activities related to the grant.

Compensation of employees caters for the appointment of staff for libraries as part of provincialisation, as well as staff to oversee the administration of the Community Library Services grant. The decrease in the 2015/16 Adjusted Appropriation is attributed to delays in the filling of budgeted vacant posts, such as librarians, library assistants, library processors and general workers at the Nkungamathe, Qhudeni and Maphumulo libraries. These funds were reprioritised to *Goods and services*. The increase over the MTEF is due to inflationary increments.

The spending against *Goods and services* mainly relates to the purchase of library material, connectivity costs for internet access and the costs of implementing the SLIMS library control systems. The substantial increase in 2014/15 is due to the reprioritisation of funds from *Transfers and subsidies to: Provinces and municipalities* for the procurement of library books which were under-budgeted for. The increase in the 2015/16 Adjusted Appropriation is attributed to the reprioritisation of funds from *Compensation of employees* for the purchase of library books for the newly constructed Maphumulo, Qhudeni, and Nkungamathe libraries. In addition, the department reprioritised funds from *Buildings and other fixed structures* relating to the EPWP Integrated Grant for Provinces. These funds catered for the appointment of a service provider to train volunteers to assist with the various infrastructure projects, such as the construction of the Bilanyoni and Bruntville libraries. In addition, the department appointed volunteers to assist in oral history interviews, recording and implementation of the war-room intervention programme. The increase over the MTEF relates to the purchase of library materials for existing and new libraries, staff and operational costs for provincialised libraries, as well as such as Qhudeni, Maphumulo, Nkungamathe and Ndumo. In addition, the increase is for the costs of internet connectivity and SLIMS. The 2016/17 allocation includes the EPWP Integrated Grant for Provinces allocation for the appointment of a service provider to train volunteers to assist with various infrastructure projects. No funds have been allocated in respect of the EPWP Integrated Grant for Provinces over the outer years, at this stage. The increase over the MTEF is attributed to inflationary increments.

Spending against *Transfers and subsidies to: Provinces and municipalities* relates to transfers to the eThekweni Metro in respect of the construction of the mega-library. The decrease in 2014/15 is due to the reprioritisation of these funds to *Goods and services*, as previously mentioned. Transfers in respect of the construction of the mega-library were withheld in 2014/15 due to the termination of an agreement between the Metro and the appointed contractor as a result of an appeal submitted by one of the tenderers,

as previously mentioned. The increase in the 2015/16 Adjusted Appropriation is attributed to the reprioritisation of funds from *Buildings and other fixed structures* for the appointment of staff and operational costs of the Maqongqo library at Mkhambathini Municipality, and Aquadene library at uMhlathuze Municipality. The increase over the 2016/17 MTEF is due to the ongoing transfers to the Metro in respect of the construction of the mega-library, as well as transfers to municipalities for payment of mobile library units and salaries of cyber cadets.

Transfers and subsidies to: Non-profit institutions caters for transfer payments in respect of the Family Literacy project, SA Library for the Blind and Africa Ignite. The increase in spending in 2014/15 is attributed to an increase in transfers in respect of Africa Ignite as a result of the expansion of the story-telling project. The increase over the 2016/17 MTEF is inflation related.

With regard to *Buildings and other fixed structures*, the high in spending in 2013/14 includes the construction of the Nkungumathe, Vulamehlo, Qhuden, Maphumulo and Ndulinde libraries, as well as upgrades to libraries such as KwaMbonambi, Mtunzini, Howick, Maqongqo and Port Shepstone libraries. The increase in the 2015/16 Adjusted Appropriation is attributed to the roll-over received against the Community Library Services grant for the construction and upgrade of various libraries, such as Ingwavuma, Bruntville, Manyiseni and Bilanyoni. The increase was mitigated by the reprioritisation of funds relating to the EPWP Integrated Grant for Provinces due to delays in the construction of the Howick and Clermont art centres as a result of delays in the appointment of architects. The department reprioritised these funds to *Goods and services*, as mentioned above. The 2016/17 allocation includes the completion of various libraries, such as Manyiseni, Bilanyoni, Ngwavuma and Vulamehlo. The allocation over the MTEF includes the commencement of the construction of the Mzumbe, Kwanzimakwe, Dannhauser and Cwaka libraries.

Spending against *Machinery and equipment* fluctuates over the seven-year period and relates to the purchase of mobile library buses and upgrading of computer equipment in libraries. The allocation over the MTEF relates to the ongoing conversion to the new SLIMS system and upgrading of computer equipment in public libraries. The substantial increase in 2017/18 can be attributed to the purchase of new equipment and mobile library buses for completed libraries.

5.5 Summary of infrastructure payments and estimates

Table 15.8 below shows the amounts allocated by the department in respect of infrastructure spending, including both capital and current expenditure. Further details of the projects to be managed appear in the *Annexure – Vote 15: Arts and Culture*.

Table 15.8 : Summary of infrastructure payments and estimates by category

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
R thousand	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Existing infrastructure assets	14 401	15 753	8 001	8 779	10 936	11 736	9 500	6 000	16 000
Maintenance and repair: Current	-	-	-	-	-	800	2 000	2 000	2 000
Upgrades and additions: Capital	9 438	10 588	4 170	7 500	4 500	4 500	7 500	4 000	6 500
Refurbishment and rehabilitation: Capital	4 963	5 165	3 831	1 279	6 436	6 436	-	-	7 500
New infrastructure assets: Capital	21 059	27 072	46 013	79 700	87 599	87 599	74 500	111 780	71 690
Infrastructure transfers	18 176	-	2 452	30 000	30 800	30 000	15 000	15 250	15 262
Infrastructure transfers: Current	-	-	-	-	800	-	-	-	-
Infrastructure transfers: Capital	18 176	-	2 452	30 000	30 000	30 000	15 000	15 250	15 262
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	-	-	-	-	-	-	-	-	-
Total	53 636	42 825	56 466	118 479	129 335	129 335	99 000	133 030	102 952
Capital infrastructure	53 636	42 825	56 466	118 479	128 535	128 535	97 000	131 030	100 952
Current infrastructure	-	-	-	-	800	800	2 000	2 000	2 000

Maintenance and repair: Current relates to the maintenance of the department's existing infrastructure. The increase in the 2015/16 Revised Estimate relates to the current maintenance of museum buildings, as well as repair of the roof of the collection centre. The department inadvertently allocated these funds against *Infrastructure transfers: Current* in the 2015/16 Adjusted Appropriation. The allocation over the MTEF relates to maintenance of the existing infrastructure, such as libraries, archives and depots.

The spending against *Upgrades and additions: Capital* in 2012/13 includes upgrades to the Ndulinde and Dannhauser libraries. The increase in 2013/14 includes upgrades to the Utrecht museum. The decrease in 2014/15 is attributed to the reprioritisation of funds to *Refurbishment and rehabilitation: Capital* for renovations to the RS Skinner campsite. The decrease in the 2015/16 Adjusted Appropriation is due to the movement of funds to *Goods and services* and *Transfers and subsidies to: Non-profit institutions*, as mentioned above. The increase in 2016/17 and over the MTEF is in respect of the upgrade of various art centres, such as uThungulu, Mbazwana and Osizweni.

Refurbishment and rehabilitation: Capital includes provision for renovations to the RS Skinner campsite. The increase in the 2015/16 Adjusted Appropriation is attributed to the roll-over received in respect of the refurbishment of library depots, such as the Pinetown and Dundee library depots. The allocation in 2018/19 is for the refurbishment of district offices.

Spending against *New infrastructure assets: Capital* fluctuates over the seven-year period. The substantial increase in 2014/15 is due to the provision for the construction of the Port Shepstone museum, Umzinyathi art centre, and various library building projects such as uMuziwabantu, Newcastle, Vulamehlo, uMngeni and Umzombe. The increase in the 2015/16 Adjusted Appropriation is attributed to the roll-over in respect of the construction of various libraries, such as Imbali, Charlestown, Bilanyoni and Manyiseni. This increase was mitigated by the decrease as a result of delays in the construction of the Howick and Clermont art centres, which were funded from the EPWP Integrated Grant for Provinces. In addition, the department experienced delays with various infrastructure projects, such as the Port Shepstone museum and Charlestown library. These funds were moved to *Goods and services* and *Transfers and subsidies to: Provinces and municipalities*. The allocation over the MTEF provides for the construction of the Arts and Culture Academy, of which the bulk of the funding has been allocated in 2017/18. This explains the decrease in 2018/19. Furthermore, the allocation over the MTEF provides for the completion and construction of libraries, such as Manyiseni, Bilanyoni, Mzombe and Kwanzimakwe.

Spending against *Infrastructure transfers: Current* in the 2015/16 Adjusted Appropriation relates to the current maintenance of museum buildings, as well as repair of the roof of the collection centre. The decrease in the 2015/16 Revised Estimate is due to the correction of a misallocation, as mentioned above.

Infrastructure transfers: Capital reflects transfers to municipalities for the building of libraries and museums. The low spending in 2014/15 compared to 2015/16 is due to the termination of a contract between the department and the Metro in respect of the construction of the mega-library as a result of an appeal submitted by one of the tenderers. The decrease over the MTEF relates to the decrease in transfers in respect of the mega-library to R15 million in each year of the MTEF as a result of the slow progress of the construction of the mega-library. The minimal increase from 2017/18 onward relates to transfers to uMngeni Municipality for the construction of the Royal Tembe Museum in 2017/18 and 2018/19.

5.6 Summary of Public Private Partnerships – Nil

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

Table 15.9 below reflects the transfers made to The Playhouse Company, which is listed as a national public entity, and resides under Programme 2. The Playhouse Company is a cultural institution promulgated under the Cultural Institutions Act, No. 119 of 1998. Its primary mandate is to develop and promote artistic works that are representative of the diverse South African artistic and cultural heritage. The department entered into an agreement with the entity based on projects which The Playhouse Company embarked on and which are linked to the mandate of the department. The increase over the 2016/17 MTEF is due to inflationary increments.

Table 15.9 : Summary of departmental transfers to public entities

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
The Playhouse Company	6 721	7 057	7 445	7 787	7 787	7 787	8 176	8 585	9 082
Total	6 721	7 057	7 445	7 787	7 787	7 787	8 176	8 585	9 082

5.8 Transfers to other entities

Table 15.10 provides a breakdown of transfers made to other entities. The institutions fall within the categories *Transfers and subsidies to: Public corporations and private enterprises* and *Transfers and subsidies to: Non-profit institutions*. A brief explanation is provided in the paragraphs below.

KZN Philharmonic Orchestra

Funding is provided to the KZN Philharmonic Orchestra, which is a non-profit institution committed to ensuring the development of artists through nurturing local talent and skills and providing cultural entertainment. The increase in 2013/14 includes additional funding allocated to this entity in order to increase its budget to its original allocation, as well as additional funding in respect of the KZN Philharmonic Orchestra's participation in the South African French Season. This explains the decrease in 2014/15. The increase from 2015/16 and over the MTEF is due to inflationary increments.

Community art centres

The department continues to fund community art centres, which contribute to the development and training of artists. The funds in respect of transfer payments to the Ewushini, Gobhela, Khula and Rorkes Drift art centres were shifted to *Goods and services* in the 2015/16 Adjusted Appropriation due to these organisations not complying to the departmental transfer policy, such as the submission of audited close-out reports. In addition, the department shifted funds to *Transfers and subsidies to: Provinces and municipalities* in respect of transfers to the eThekweni Metro for the management of the Stable Theatre. The department will continue funding existing art centres, with inflationary increases over the MTEF.

Arts and culture support

Arts and culture support funding is provided to various organisations to assist in providing a platform for emerging artists. The department enters into MOUs with these institutions and detailed business plans are provided. It is noted that Africa Ignite is budgeted for in both Programmes 2 and 3. Africa Ignite provides reading promotion programmes on behalf of the department, budgeted for against Programme 2, and story-telling programmes budgeted for against Programme 3. The department will no longer transfer funds to Africa Ignite in respect of reading promotion programmes, hence there is no budget over the MTEF. The substantial increase in 2014/15 is attributed to various increases and introduction of transfers, such as the National Choral Music Awards, Amambazo: The Musical, Royalty Soapie Awards, the KZN Music House and PMB Jazz Festival. The increase in the 2015/16 Adjusted Appropriation is due to the introduction of various new transfer payments, such as Usiba Writers' Guild, Hip Hop Festival and KZN Music Imbizo. The allocation over the MTEF fluctuates mainly as a result of the agreements reached between the department and the organisations. The decrease in allocation in 2016/17 is attributed to the decrease in various transfers, such as Ugu Jazz Festival, KZN Music House, and Ushaka Marine, for various reasons.

Arts Councils

The amount reflected under Arts Councils is transferred to properly constituted arts, culture and craft organisations that develop and preserve arts and culture in the province. The allocation rises steadily over the seven-year period and shows an inflationary increase over the 2016/17 MTEF.

Museum subsidies

Funding is provided to non-profit institutions to cover operational and staffing costs for museums. The museums listed under this category are managed by a Board of Trustees and a large portion of the funding transferred to them is utilised to cover the salaries paid to curators. The increase in spending in 2013/14 can be attributed to increased transfers in respect of the DCO Matiwane and Mpophomeni community museums, and the 1860 Heritage Centre: Documentation Centre. The decrease in the 2015/16 Adjusted Appropriation is due to the reprioritisation of funds to *Transfers and subsidies to: Provinces and municipalities* for the incorporation of the Vukani museum. The decrease was mitigated by the reprioritisation of funds from *Buildings and other fixed structures* to this category for the introduction of a new transfer payment in respect of the Apartheid museum. The decrease in 2016/17 is attributed to the discontinuation of transfers that were once off to the Vukani and Apartheid museums. The increase in the outer years of the MTEF includes transfers to the Royal Tembe museum.

Table 15:10 : Summary of departmental transfers to other entities

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation 2015/16	Revised Estimate	Medium-term Estimates		
		2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
KZN Philharmonic Orchestra	2.1 Arts and Culture	9 236	14 196	10 230	10 700	10 700	10 700	11 245	11 457	12 151
Claims against the department	2.1 Arts and Culture	-	201	-	-	-	-	-	-	-
Community art centres		4 246	3 641	2 914	3 201	2 227	2 227	3 490	3 728	3 913
BAT art centre	2.1 Arts and Culture	1 745	1 780	1 817	1 853	1 853	1 853	1 951	1 988	2 087
Catalina Theatre	2.1 Arts and Culture	100	158	166	200	200	200	220	240	252
Ewushini art centre	2.1 Arts and Culture	150	158	166	250	-	-	300	350	367
Gobhela art centre	2.1 Arts and Culture	192	202	213	224	-	-	236	250	263
Jambo art centre	2.1 Arts and Culture	150	158	166	174	174	174	183	200	210
Khula art centre	2.1 Arts and Culture	174	183	193	250	-	-	300	350	367
Rorkes Drift art centre	2.1 Arts and Culture	174	183	193	250	-	-	300	350	367
Stable Theatre	2.1 Arts and Culture	1 561	819	-	-	-	-	-	-	-
Arts and culture support		8 264	6 545	42 730	27 157	30 137	30 137	23 760	28 365	28 014
Sakhisizwe Organisation	1.2 Corporate Services	220	220	220	220	220	220	220	220	220
Ugu Jazz Festival	1.2 Corporate Services	900	-	3 635	3 000	3 000	3 000	1 600	1 600	1 600
Umgababa Youth Festival	1.2 Corporate Services	250	-	600	250	250	250	250	250	250
Clash of Choirs	1.2 Corporate Services	-	-	150	-	-	-	-	-	-
Gumba Festival	1.2 Corporate Services	-	-	500	-	350	350	400	500	500
Durban Picnic Day	1.2 Corporate Services	-	-	250	-	-	-	-	-	-
March in the Park	1.2 Corporate Services	-	-	350	-	-	-	-	-	-
Uthungulu Last Dance	1.2 Corporate Services	-	-	400	-	600	600	600	1 000	1 000
Prayer against road accidents	1.2 Corporate Services	-	-	250	-	-	-	-	-	-
Amcor Dam Festival	1.2 Corporate Services	-	-	200	-	200	200	200	250	250
Africa Ignite	2.1 Arts and Culture	-	1 027	-	500	500	500	-	-	-
Amambazo: The Musical	2.1 Arts and Culture	-	1 945	2 000	1 000	1 000	1 000	-	-	-
Amantshontsho Ka Maskandi Awards	2.1 Arts and Culture	675	-	-	-	-	-	1 600	1 600	1 600
Art in the Park	2.1 Arts and Culture	50	50	50	50	50	50	50	50	50
Arts and Culture Awards	2.1 Arts and Culture	-	-	-	1 500	-	-	-	-	-
Audio Describe	2.1 Arts and Culture	40	-	-	-	-	-	-	-	-
Centre for Creative Arts UKZN	2.1 Arts and Culture	100	-	100	100	100	100	100	100	100
Crown Gospel Music Awards	2.1 Arts and Culture	250	-	-	-	-	-	-	-	-
Dolosfees Festival	2.1 Arts and Culture	-	70	70	70	70	70	70	70	70
Durban International Blues Festival	2.1 Arts and Culture	-	-	100	100	100	100	100	100	100
Durban School of Music	2.1 Arts and Culture	-	-	-	500	500	500	650	650	650
East Griqualand Festival	2.1 Arts and Culture	-	-	-	350	-	-	350	350	350
Federation of Community Art Centres	2.1 Arts and Culture	-	-	200	-	-	-	-	-	-
Fodo Cultural Village	2.1 Arts and Culture	80	80	80	80	80	80	80	80	80
Hilton Arts Festival	2.1 Arts and Culture	100	100	100	100	100	100	100	100	100
Inter-cultural food tasting	2.1 Arts and Culture	100	100	-	100	100	100	100	100	100
Khandampevu Productions	2.1 Arts and Culture	120	120	120	120	120	120	120	120	120
KwaCulture	2.1 Arts and Culture	-	150	150	150	-	-	150	150	150
KZN African Film Festival (Ekaya)	2.1 Arts and Culture	556	561	584	600	600	600	1 145	1 200	700
KZN Music House	2.1 Arts and Culture	-	-	12 000	12 000	12 000	12 000	8 600	12 230	12 230
KZN Youth Wind Band	2.1 Arts and Culture	-	-	150	150	150	150	-	-	-
Love to Live	2.1 Arts and Culture	80	80	80	80	80	80	80	80	80
Midlands Experience	2.1 Arts and Culture	-	-	200	1 670	-	-	-	-	-
MTN Jazz Festival	2.1 Arts and Culture	500	-	-	-	-	-	-	-	-
National Annual Choral Music Awards	2.1 Arts and Culture	-	-	5 000	-	-	-	-	-	-
Orchid Festival	2.1 Arts and Culture	-	-	-	100	-	-	-	-	-
PANSA Young Performers	2.1 Arts and Culture	-	-	300	300	300	300	316	316	316
PMB Jazz Festival	2.1 Arts and Culture	-	-	1 500	-	1 000	1 000	1 000	1 000	1 000
Royalty Soapie Awards	2.1 Arts and Culture	-	-	4 500	-	500	500	-	-	-
The King and Us	2.1 Arts and Culture	-	-	5 000	-	-	-	-	-	-
Twist Theatre Development	2.1 Arts and Culture	100	100	-	-	-	-	-	-	-
Ushaka Marine	2.1 Arts and Culture	540	600	600	600	600	600	300	300	300
Die Ventersfees	2.1 Arts and Culture	-	-	-	250	250	250	250	250	250
Wildsfees Festival	2.1 Arts and Culture	80	100	100	100	100	100	100	100	100
Beads Festival	2.1 Arts and Culture	-	-	-	-	500	500	500	600	600
Maskandi Festival	2.1 Arts and Culture	-	-	-	-	1 600	1 600	500	500	500
Indondo Awards	2.1 Arts and Culture	-	-	-	-	-	-	100	150	150
Indoni	2.1 Arts and Culture	-	-	-	-	-	-	500	500	500
Midmar Dam Festival	2.1 Arts and Culture	-	-	-	-	200	200	200	250	250
Kwadabeka Cultural Festival	2.1 Arts and Culture	-	-	-	-	-	-	100	120	120
Usiba Writers' Guild	2.1 Arts and Culture	-	-	-	-	150	150	-	-	-
Hip Hop Festival	2.1 Arts and Culture	-	-	-	-	500	500	-	-	-
Impucuzeko Training	2.1 Arts and Culture	-	-	-	-	400	400	-	-	-
KZN Music Imbizo	2.1 Arts and Culture	-	-	-	-	350	350	-	-	-
Love my City	2.1 Arts and Culture	-	-	-	-	200	200	-	-	-
Phuzekhemisi Music Festival	2.1 Arts and Culture	-	-	-	-	200	200	-	-	-
Africa Ignite	3.4 Com. Library Serv.	2 403	-	1 980	1 625	1 625	1 625	1 787	1 882	1 976
Family Literacy project	3.4 Com. Library Serv.	220	242	266	500	500	500	500	500	500
SA Library for the Blind	3.4 Com. Library Serv.	900	1 000	945	992	992	992	1 042	1 097	1 152
Arts Councils	2.1 Arts and Culture	1 593	1 745	1 798	1 888	1 888	1 888	1 988	2 026	2 127
Museum subsidies		5 766	7 122	5 727	4 532	4 283	4 283	3 820	4 270	4 481
Amazwi Abesifazane	2.4 Museum Services	-	-	150	158	-	-	166	175	184
Baynesfield Museum	2.4 Museum Services	270	284	299	299	200	200	210	220	231
Comrades House Museum	2.4 Museum Services	270	284	299	299	250	250	262	276	290
DCO Mafiwane	2.4 Museum Services	270	1 084	849	299	299	299	314	331	347
Deutsche Schule Hermannsburg	2.4 Museum Services	270	284	299	299	250	250	262	276	290
East Griqualand Museum Trust	2.4 Museum Services	270	284	299	299	250	250	262	276	290
1860 Heritage Centre Doc Centre	2.4 Museum Services	150	284	799	299	299	299	314	331	347
Himeville Museum	2.4 Museum Services	270	284	299	299	299	299	314	331	347
KwaCulture	2.4 Museum Services	-	1 899	-	-	-	-	-	-	-
Macrorie House Museum	2.4 Museum Services	371	284	299	299	250	250	262	276	290
Mazisi Kunene Museum	2.4 Museum Services	270	284	299	299	250	250	262	276	290
Mpopopheni Community Museum	2.4 Museum Services	2 245	701	299	299	250	250	262	276	290
Natal Arts Trust	2.4 Museum Services	30	30	30	30	30	30	30	30	30
Phansi Museum	2.4 Museum Services	270	284	299	299	200	200	210	220	231
Project Gateway	2.4 Museum Services	-	-	150	158	158	158	166	175	184
Richmond, Byrne and District Museum	2.4 Museum Services	270	284	299	299	200	200	210	220	231
Royal Tembe	2.4 Museum Services	-	-	-	-	-	-	-	250	262
Utrecht Museum	2.4 Museum Services	270	284	299	299	299	299	314	331	347
Apartheid Museum	2.4 Museum Services	-	-	-	-	500	500	-	-	-
Vukani Museum	2.4 Museum Services	270	284	460	299	299	299	-	-	-
Total		29 105	33 450	63 399	47 478	49 235	49 235	44 303	49 846	50 686

5.9 Transfers to local government

Tables 15.11 and 15.12 provide a summary of transfers made to local government. Details of the amounts per grant type and per municipality are given in *Annexure – Vote 15: Arts and Culture*. It is noted that the tables do not include funding for motor vehicle licences, as this funding is not paid to a municipality.

Table 15.11 : Summary of departmental transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Category A	93 363	158 845	119 205	159 762	160 534	160 534	114 327	119 599	123 925
Category B	55 459	99 431	103 567	109 870	111 077	111 077	114 351	119 195	125 370
Category C	1 562	1 639	1 729	1 815	1 815	1 815	1 911	2 022	2 139
Unallocated	-	-	-	-	-	-	-	-	-
Total	150 384	259 915	224 501	271 447	273 426	273 426	230 589	240 816	251 434

Table 15.12 : Summary of departmental transfers to local government by grant name

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Art Centres (Operational costs)	2.2 Arts and Culture	1 562	1 639	1 729	1 815	2 587	2 587	3 822	4 044	4 278
Museum subsidies	2.4 Museum Services	10 049	9 593	8 181	7 935	8 142	8 142	8 887	9 353	9 819
Provincialisation of libraries	3.2 Library Services	116 004	225 111	198 182	212 586	212 586	212 586	180 805	189 197	197 965
Community Library Services grant	3.3 Community Library	22 769	23 572	16 409	49 111	50 111	50 111	37 075	38 222	39 372
Total		150 384	259 915	224 501	271 447	273 426	273 426	230 589	240 816	251 434

A portion of the Community Library Services grant is paid to municipalities to assist at local level with the costs of cyber cadets and the acquisition of library material. These allocations fall under both Categories A and B.

Transfers to Category A and B are aimed at assisting municipalities with the operational and staffing costs of museums. Museum subsidies are allocated over both categories. The substantial increase from 2013/14 in respect of Category A relates to a transfer to the eThekweni Metro for the construction of the mega-library, as well as funds for the provincialisation of museums.

The allocations to Category A, which relate to transfers to the eThekweni Metro, are for the operational costs of libraries in that area, as well as museum subsidies. The increase in 2015/16 relates to increased transfers to the eThekweni Metro in respect of the management of the Stable Theatre, as mentioned above. The allocations over the MTEF relates to the ongoing transfers to the Metro for the construction of the mega-library and management of the Stable Theatre. The decrease over the MTEF is due to a reduction in the provincialisation funding. This reduction was necessitated by the freezing of all vacant non-OSD posts. The department was unable to reduce the full cut against *Compensation of employees* as it is needed to ensure adequate funding for currently filled posts, as mentioned above, and hence the cut was effected against the eThekweni Metro in respect of provincialisation. The impact of this cut is that the department will scale down on the operational costs and appointment of staff at eThekweni Metro.

Category B consists of transfers to museums and libraries in respect of provincialisation. The increase from 2012/13 and over the 2016/17 MTEF is due to provincialisation transfers for public libraries and museums, as well as staffing costs in respect of libraries. The increase in the 2015/16 Adjusted Appropriation relates to the reprioritisation of funds from *Goods and services* and *Buildings and other fixed structures* for the incorporation of the Vukani museum at uMlalazi Municipality, as well as the appointment of staff and operational costs of the Maqonqo library at Mkhambathini Municipality and Aquadene library at uMhlathuze Municipality. The increase over the MTEF is due to inflationary increments.

Category C caters for transfers to the Zululand District Municipality in respect of art centre subsidies for the Indonsa art centre. The increase over the 2016/17 MTEF is due to inflationary increments.

5.10 Transfers and subsidies

Table 15.13 gives a summary of spending on *Transfers and subsidies* by programme and main category.

Table 15.13 : Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16	2015/16	2015/16	2016/17	2017/18	2018/19
1. Administration	1 194	1 076	3 453	570	938	938	1 400	1 600	1 800
Provinces and municipalities	101	96	128	100	130	130	130	130	130
Motor vehicle licences	101	96	128	100	130	130	130	130	130
Public corporations and private enterprises	250	-	2 900	-	250	250	250	250	250
Durban Picnic Day	-	-	250	-	-	-	-	-	-
March in the Park	-	-	350	-	-	-	-	-	-
Uthungulu Last Dance	-	-	400	-	-	-	-	-	-
Prayer against road accidents	-	-	250	-	-	-	-	-	-
Armco Dam	-	-	200	-	-	-	-	-	-
Umgababa Youth Festival	250	-	600	-	250	250	250	250	250
Midlands Music Festival	-	-	200	-	-	-	-	-	-
Clash of Choirs	-	-	150	-	-	-	-	-	-
Gumba Festival	-	-	500	-	-	-	-	-	-
Non-profit institutions	220	220	220	470	220	220	220	220	220
Sakhisizwe Organisation	220	220	220	220	220	220	220	220	220
Umgababa Youth Festival	-	-	-	250	-	-	-	-	-
Households	623	760	205	-	338	338	800	1 000	1 200
Staff exit costs	623	760	205	-	338	338	-	-	-
Bursaries to non-employees	-	-	-	-	-	-	800	1 000	1 200
2. Cultural Affairs	43 604	50 853	75 309	61 428	65 786	65 786	61 389	67 879	69 767
Provinces and municipalities	11 611	11 232	9 910	9 750	10 729	10 729	12 709	13 397	14 097
Museum subsidies	10 049	9 593	8 181	7 935	8 142	8 142	8 887	9 353	9 819
Operational costs for art centres	1 562	1 639	1 729	1 815	2 587	2 587	3 822	4 044	4 278
Departmental agencies and accounts	6 721	7 057	7 445	7 787	7 787	7 787	8 176	8 585	9 082
The Playhouse Company	6 721	7 057	7 445	7 787	7 787	7 787	8 176	8 585	9 082
Public corporations and private enterprises	1 575	1 945	33 735	-	23 300	23 300	7 400	8 170	8 170
National Choral Music Awards	-	-	5 000	-	-	-	-	-	-
KZN Music House	-	-	12 000	-	12 000	12 000	-	-	-
Ugu Jazz Festival	900	-	3 635	-	3 000	3 000	1 600	1 600	1 600
Royalty Soapie Awards	-	-	4 500	-	500	500	-	-	-
Amambazo: The Musical	-	1 945	2 000	-	1 000	1 000	-	-	-
PMB Jazz Festival	-	-	1 500	-	1 000	1 000	1 000	1 000	1 000
The King and Us	-	-	5 000	-	-	-	-	-	-
Durban Blues Festival	-	-	100	-	100	100	100	100	100
Amantshontsho Ka Maskandi	675	-	-	-	1 600	1 600	1 600	1 600	1 600
Uthungulu Last Dance	-	-	-	-	200	200	600	1 000	1 000
Ushaka Marine	-	-	-	-	600	600	-	-	-
Impuzuzeko Maskandi Festival	-	-	-	-	400	400	500	500	500
Hip Hop Festival	-	-	-	-	500	500	-	-	-
Beads Festival	-	-	-	-	500	500	500	600	600
Midmar Festival	-	-	-	-	600	600	200	250	250
Indondo Awards	-	-	-	-	-	-	100	150	150
Indoni	-	-	-	-	-	-	500	500	500
Kwadabeka Cultural Festival	-	-	-	-	-	-	100	120	120
Armco Dam	-	-	-	-	200	200	200	250	250
Love my City	-	-	-	-	200	200	-	-	-
Gumba Festival	-	-	-	-	200	200	400	500	500
Phuzekhemesi Music Festival	-	-	-	-	350	350	-	-	-
Musim Imbizo	-	-	-	-	350	350	-	-	-
Non-profit institutions	23 537	30 043	23 353	43 891	22 348	22 348	33 104	37 727	38 418
KZN Philharmonic Orchestra	9 236	14 196	10 230	10 700	10 700	10 700	11 245	11 457	12 151
Museums subsidies	5 766	7 122	5 727	4 532	4 283	4 283	3 820	4 270	4 481
Transfers to Art Centres	4 246	3 641	2 914	3 201	2 227	2 227	4 635	4 928	4 613
Claims against the state	-	201	-	-	-	-	-	-	-
Arts and Culture support to:	2 696	3 138	2 684	23 570	3 250	3 250	11 416	15 046	15 046
Africa Ignite	-	1 027	-	500	500	500	-	-	-
Amambazo: Musical Production	-	-	-	1 000	-	-	-	-	-
Audio Describe	40	-	-	-	-	-	-	-	-
Art in the Park	50	50	50	50	50	50	50	50	50
Centre for Creative Arts (UKZN)	100	-	100	100	100	100	100	100	100
Crown Gospel Awards	250	-	-	-	-	-	-	-	-
Dolosfees Festival	-	70	70	70	70	70	70	70	70
Durban International Blues Festival	-	-	-	100	-	-	-	-	-
Federation of Community Art Centres	-	-	200	-	-	-	-	-	-
Fodo Cultural Village	80	80	80	80	80	80	80	80	80
Hilton Arts Festival	100	100	100	100	100	100	100	100	100
Inter-cultural food tasting	100	100	-	100	100	100	100	100	100
Khandampevu Productions	120	120	120	120	120	120	120	120	120
KwaCulture	-	150	150	150	-	-	150	150	150
KZN Youth Wind Band	-	-	150	150	150	150	-	-	-
KZN African Film Festival	556	561	584	600	600	600	-	-	-
Love to Live	80	80	80	80	80	80	80	80	80
MTN Jazz Festival	500	-	-	-	-	-	-	-	-
Orchid Festival	-	-	-	100	-	-	-	-	-
PANSA Young Performers	-	-	300	300	300	300	316	316	316
Twist Theatre Development	100	100	-	-	-	-	-	-	-
Ushaka Marine	540	600	600	600	-	-	300	300	300
Wildfees	80	100	100	100	100	100	100	100	100
Arts and Culture Awards	-	-	-	1 500	-	-	-	-	-
KZN Music House	-	-	-	12 000	-	-	8 600	12 230	12 230
Durban School of Music	-	-	-	500	500	500	650	650	650
East Griqualand Festival	-	-	-	350	-	-	350	350	350
Die Ventersfees	-	-	-	250	250	250	250	250	250
Midlands Experience	-	-	-	1 670	-	-	-	-	-
Ugu Jazz Festival	-	-	-	3 000	-	-	-	-	-
Transfers to Art Councils	1 593	1 745	1 798	1 888	1 888	1 888	1 988	2 026	2 127
Households	160	576	866	-	1 622	1 622	-	-	-
Staff exit costs	160	576	866	-	1 622	1 622	-	-	-
3. Library and Archive Services	142 498	250 015	218 503	264 814	266 075	266 075	221 209	230 898	240 965
Provinces and municipalities	138 773	248 683	214 591	261 697	262 697	262 697	217 880	227 419	237 337
Community Library Services grant	22 769	23 572	16 409	49 111	50 111	50 111	37 075	38 222	39 372
Provincialisation of libraries	116 004	225 111	198 182	212 586	212 586	212 586	180 805	189 197	197 965
Non-profit institutions	3 523	1 242	3 191	3 117	3 117	3 117	3 329	3 479	3 628
Africa Ignite	2 403	-	1 980	1 625	1 625	1 625	1 787	1 882	1 976
Family Literacy Project	220	242	266	500	500	500	500	500	500
SA Library for Blind	900	1 000	945	992	992	992	1 042	1 097	1 152
Households	202	90	721	-	261	261	-	-	-
Staff exit costs	202	90	721	-	261	261	-	-	-
Total	187 296	301 944	297 265	326 812	332 799	332 799	283 998	300 377	312 532

A brief explanation of the transfers is provided below. The total amount transferred fluctuates over the seven-year period.

Transfers and subsidies under Programme 1 fluctuates over the seven-year period, largely due to the nature of transfers made, for example:

- *Provinces and municipalities* relates to funding for motor vehicle licences.
- *Public corporations and private enterprises* relates to transfers to organisations which do not meet the definition of non-profit organisation in terms of Section 21 of the Companies Act. The department re-classified these transfers from *Non-profit institutions*. These transfers were all introduced in 2014/15 excluding transfers to the Umgababa Youth Festival. The allocation over the MTEF relates to transfers in respect of the Umgababa Youth Festival.
- *Non-profit institutions* relates to transfers to the Sakhisizwe Organisation. The department re-classified transfers to the Umgababa Youth Festival to *Public corporations and private enterprises*, as mentioned. The department will continue to transfer funds to the Sakhisizwe Organisation over the 2016/17 MTEF.
- *Households* caters for staff exits and external bursaries which are budgeted for over the MTEF.

Transfers and subsidies under Programme 2 fluctuate markedly over the seven-year period, as follows:

- *Provinces and municipalities* relates to subsidies paid to municipalities for the operational costs of museums as part of the provincialisation transfers. The increase in the 2015/16 Adjusted Appropriation is attributed to the reprioritisation of funds from *Goods and services* for the incorporation of the Vukani museum at uMlalazi Municipality, as well as the transfer to the eThekweni Metro who are now responsible for the management of the Stable Theatre. The increase over the MTEF is due to inflationary increments.
- *Departmental agencies and accounts* relates to the subsidy paid to The Playhouse Company. The increase over the 2016/17 MTEF is due to inflationary increments.
- *Public corporations and private enterprises* relates to transfers to organisations which do not meet the definition of non-profit organisations in terms of Section 21 of the Companies Act. During the 2015/16 Adjustments Estimate, the department re-classified these transfers from *Non-profit institutions* and comparative figures were adjusted accordingly. The increase in the 2015/16 Adjusted Appropriation includes funds rolled over from 2014/15 in respect of the Royalty Soapie Awards. The 2016/17 allocation provides for ongoing transfers to various organisations, such as Ugu Jazz Festival, Impucuzeko Maskandi Festival, Hip Hop Festival and Gumba Festival.
- *Non-profit institutions* covers transfers made to the KZN Philharmonic Orchestra, arts councils, art centres and museums managed by Boards of Trustees. In addition, support is provided to various art organisations. The decrease in the 2015/16 Adjusted Appropriation is attributed to the reclassification of funds to *Goods and services* and *Transfers and subsidies to: Public corporations and private enterprises* due to audit queries raised by the A-G, as mentioned above. The allocation over the MTEF provides for the continuation of transfers to the KZN Philharmonic Orchestra, arts councils, art centres, museums managed by Boards of Trustees, as well as various art organisations.

Transfers and subsidies under Programme 3 increase over the seven years except for 2014/15, as follows:

- *Provinces and municipalities* relates to a number of transfers made in respect of the provincialisation of libraries and the Community Library Services grant which is used for the construction of libraries, the expansion of the library material collection and greater emphasis placed on ICT and library promotion projects. The increase in the 2015/16 Adjusted Appropriation is attributed to the reprioritisation of funds from *Buildings and other fixed structures* for the appointment of staff and operational costs of the Maqonqo library at Mkhambathini Municipality, and Aquadene library at uMhlathuze Municipality. The decrease over the MTEF is due to the reduction of transfers to the eThekweni Metro for provincialisation, as mentioned above.

- *Non-profit institutions* caters for transfer payments to Africa Ignite, the Family Literacy project and SA Library for the Blind. The increase in 2014/15 is attributed to the increase in transfers to Africa Ignite. The department will continue to transfer funds to Africa Ignite, the Family Literacy project and SA Library for the Blind over the 2016/17 MTEF.
- *Households* caters for staff exits, which are difficult to predict, accounting for the fluctuations.

6. Programme description

The services rendered by this department are categorised under three programmes, as discussed in greater length below. The programmes are largely aligned to the uniform programme and budget structure of the sector. The payments and budgeted estimates for each programme are summarised in terms of economic classification, details of which are given in *Annexure – Vote 15: Arts and Culture*.

6.1 Programme 1: Administration

The purpose of this programme is to provide for effective management and administration of the department and to ensure effective and efficient use of financial and human resources. This programme complies with the structure set for the sector and comprises two sub-programmes.

Tables 15.14 and 15.15 summarise payments and estimates relating to the programme for the period 2012/13 to 2018/19. There is a generally steady increase against Programme 1 over the seven-year period. The budget decreases by R1.180 million, R1.232 million and R1.344 million over the MTEF against *Goods and services* as a result of the MTEF cuts in respect of events and the 2 per cent reduction, as mentioned above.

Table 15.14 : Summary of payments and estimates by sub-programme: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Office of the MEC	11 743	14 525	16 984	15 125	17 185	17 185	14 908	15 873	16 956
2. Corporate Services	75 187	90 651	99 332	98 379	107 609	107 609	119 638	121 417	129 077
Total	86 930	105 176	116 316	113 504	124 794	124 794	134 546	137 290	146 033
Unauth. Exp. (1st charge) not available for spending	-	-	-	(3 830)	(3 830)	(3 830)	(3 830)	-	-
Baseline available for spending after 1st charge	86 930	105 176	116 316	109 674	120 964	120 964	130 716	137 290	146 033

Table 15.15 : Summary of payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	85 256	100 226	110 966	108 100	117 881	117 881	128 636	135 010	143 553
Compensation of employees	45 513	54 370	59 008	62 526	65 188	64 973	69 665	75 448	81 710
Goods and services	39 743	45 856	51 958	45 574	52 657	52 872	58 971	59 562	61 843
Interest and rent on land	-	-	-	-	36	36	-	-	-
Transfers and subsidies to:	1 194	1 076	3 453	570	938	938	1 400	1 600	1 800
Provinces and municipalities	101	96	128	100	130	130	130	130	130
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	2 900	-	250	250	250	250	250
Non-profit institutions	470	220	220	470	220	220	220	220	220
Households	623	760	205	-	338	338	800	1 000	1 200
Payments for capital assets	308	3 757	1 897	1 004	2 145	2 145	680	680	680
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	308	3 757	1 897	1 004	2 145	2 145	680	680	680
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	172	117	-	3 830	3 830	3 830	3 830	-	-
Total	86 930	105 176	116 316	113 504	124 794	124 794	134 546	137 290	146 033
Unauth. Exp. (1st charge) not available for spending	-	-	-	(3 830)	(3 830)	(3 830)	(3 830)	-	-
Baseline available for spending after 1st charge	86 930	105 176	116 316	109 674	120 964	120 964	130 716	137 290	146 033

The increase in 2013/14 against the sub-programme: Office of the MEC is due to spending in respect of OSS initiatives, as identified by the MEC. The increase in 2014/15 is largely attributed to additional funding received from DOSR in respect of the balance of ministry funds that remained with the department after the two ministries were amalgamated in 2009. The 2015/16 Adjusted Appropriation is due to additional funding received in respect of the above-budget 2015 wage agreement, with carry-through costs over the 2016/17 MTEF.

The high spending in 2013/14 against the sub-programme: Corporate Services relates to payment for vehicles and the departmental server, ordered in 2012/13 but delivered in 2013/14. The increase in 2014/15 is due to the reprioritisation of funds from Programme 3 for higher than anticipated audit fees, as well as increased security and cleaning costs for the department's district offices and art centres. Furthermore, funds were shifted from Programmes 2 and 3 to this sub-programme for centralisation of the internship budget. The increase in the 2015/16 Adjusted Appropriation is due to additional funding received in respect of the above-budget 2015 wage agreement. In addition, funds were reprioritised from Programme 3 to provide for audit fees which were under-budgeted for, implementation of the sharepoint and automated IT programme, anti-xenophobia campaign and the department's cleaning contract. The increase over the MTEF provides for inflationary growth and the carry-through of wage adjustments.

The growth in *Compensation of employees* from 2012/13 to 2013/14 is due to annual wage agreements, as well as the filling of posts. The increase in 2014/15 includes the shifting of funds from Programmes 2 and 3 for the centralisation of the internship budget, as mentioned. The increase in the 2015/16 Adjusted Appropriation is due to additional funding for the above-budget 2015 wage agreement, with carry through over the MTEF. The department will review the allocation against *Compensation of employees* in-year and over the MTEF, taking into consideration the recent cut and freezing of all vacant non-OSD posts.

The increase in 2013/14 against *Goods and services* relates to OSS initiatives. Furthermore, the increase was due to additional radio adverts as a result of an increase in the number of events and projects undertaken by the department which were more than budgeted for. The increase in 2014/15 was due to the reprioritisation of funds from Programme 3 for higher than anticipated audit fees, as well as increased security and cleaning costs, as previously mentioned. Furthermore, the increase was due to additional funds received from DOSR, being the balance of ministry funds. The increase in the 2015/16 Adjusted Appropriation is due to the reprioritisation of funds from Programme 3 under *Goods and services* and *Buildings and other fixed structures* for audit fees which were under-budgeted for, implementation of the sharepoint and automated IT programme, anti-xenophobia campaign and the department's cleaning contract. The increase over the 2016/17 MTEF can be attributed to inflationary increments.

Interest and rent on land in 2015/16 relates to overdue accounts in respect of fleet services management.

Transfers and subsidies to: Provinces and municipalities relates to motor vehicle licences.

Public corporations and private enterprises relates to transfers to organisations which do not meet the definition of non-profit organisations in terms of Section 21 of the Companies Act. The department re-classified these transfers from *Non-profit institutions*. These transfers were all introduced in 2014/15 excluding transfers to the Umgababa Youth Festival. The allocation over the MTEF relates to transfers in respect of the Umgababa Youth Festival.

Non-profit institutions relates to transfers to Sakhisizwe Organisation. The department re-classified transfers in respect of the Umgababa Youth Festival to *Public corporations and private enterprises*, as mentioned. The department will continue to transfer funds to Sakhisizwe Organisation for the provision of music and traditional dance classes over the 2016/17 MTEF.

Transfers and subsidies to: Households caters for staff exit costs, as well as external bursaries.

The high spending against *Machinery and equipment* in 2013/14 relates to payment for vehicles and a departmental server ordered in 2012/13 but delivered in 2013/14. The increase in the 2015/16 Adjusted Appropriation can be attributed to the reprioritisation of funds from *Goods and services* from all programmes for the purchase of motor vehicles. The constant budget over the MTEF is mainly for the upgrading and replacement of obsolete computer equipment for the department as a whole.

Payments for financial assets relates to write-off of irrecoverable staff debts. The amounts in 2015/16 and 2016/17 are in respect of the first charge relating to 2013/14 unauthorised expenditure.

6.2 Programme 2: Cultural Affairs

The purpose of this programme is to provide for projects and interventions in the arts, culture, language and museum services. The aim is to provide an environment conducive to the celebration, nourishment and growth of these sectors.

This programme complies with the structure set for the sector, except for the fact that there is no Heritage Resource Services sub-programme, as this function falls under Vote 1: Office of the Premier in this province.

The main aim of the Arts and Culture sub-programme is to ensure cultural diversity and the advancement of artistic disciplines into viable industries.

The aim of the Museum Services sub-programme is to act as the custodian of tangible and intangible heritage to preserve, protect, conserve and appreciate for future generations.

The focus of the Language Services sub-programme is the promotion of multi-lingualism and development of historically marginalised languages, and the facilitation of access to government information and services through translation, interpretation and ensuring respect for language rights.

Tables 15.16 and 15.17 summarise payments and estimates from 2012/13 to 2018/19. The spending and budget against Programme 2 increases from 2012/13 to 2017/18, as explained below the tables. The programme's budget decreases by R1.260 million in each year of the MTEF against *Goods and services* as a result of the cuts in respect of events and the 2 per cent reduction, as mentioned above.

Table 15.16 : Summary of payments and estimates by sub-programme: Cultural Affairs

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Management	3 199	4 467	4 063	5 707	5 650	5 650	6 112	6 577	7 071
2. Arts and Culture	101 974	128 305	147 012	146 616	148 062	148 062	153 938	192 192	169 735
3. Museum Services	26 380	34 294	29 427	32 626	32 331	31 588	28 901	31 725	32 009
4. Language Services	9 449	14 114	12 425	13 791	15 145	15 888	16 400	17 492	18 650
Total	141 002	181 180	192 927	198 740	201 188	201 188	205 351	247 986	227 465

Table 15.17 : Summary of payments and estimates by economic classification: Cultural Affairs

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	76 240	112 358	102 552	114 697	115 068	115 068	129 453	135 357	143 758
Compensation of employees	40 333	44 168	51 041	64 583	59 679	57 439	69 504	75 321	81 623
Goods and services	35 907	68 190	51 511	50 114	55 389	57 629	59 949	60 036	62 135
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	43 604	50 853	75 309	61 428	65 786	65 786	61 389	67 879	69 767
Provinces and municipalities	11 611	11 232	9 910	9 750	10 729	10 729	12 709	13 397	14 097
Departmental agencies and accounts	6 721	7 057	7 445	7 787	7 787	7 787	8 176	8 585	9 082
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	1 575	1 945	33 735	-	23 300	23 300	7 400	8 170	8 170
Non-profit institutions	23 537	30 043	23 353	43 891	22 348	22 348	33 104	37 727	38 418
Households	160	576	866	-	1 622	1 622	-	-	-
Payments for capital assets	21 158	17 969	15 066	22 615	20 334	20 334	14 509	44 750	13 940
Buildings and other fixed structures	17 581	10 839	5 247	19 779	16 479	16 479	13 000	43 500	12 690
Machinery and equipment	3 577	6 818	9 636	2 836	3 855	3 855	1 509	1 250	1 250
Heritage assets	-	312	183	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	141 002	181 180	192 927	198 740	201 188	201 188	205 351	247 986	227 465

The expenditure from 2012/13 to 2013/14 against the sub-programme: Management is due to the higher than budgeted wage agreements. The MTEF allocations show an inflationary increase.

The increased spending against the sub-programme: Arts and Culture in 2013/14 can be attributed to the introduction and increase of various transfers, such as Amambazo: The Musical, KZN Philharmonic Orchestra, The Playhouse Company, as well as funds in respect of the war-room packages. The increase in 2014/15 can be attributed to the reprioritisation of funds from Programme 3 for commitments from the previous year such as The King and Us project, events/projects which exceeded the budget such as the Reed Dance and those which were under-budgeted for such as the hosting of the Ugu Jazz Festival. The increase in the 2015/16 Adjusted Appropriation includes the roll-over of R500 000 in respect of the Royalty Soapie Awards. The increase over the 2016/17 MTEF includes additional funding for the construction of the Arts and Culture Academy, with substantial funding being allocated in 2017/18, hence the peak in that year. The EPWP Integrated Grant for Provinces is allocated in 2016/17 only, at this stage.

Spending against the sub-programme: Museum Services in 2012/13 includes the purchase of mobile museums. The allocation over the 2016/17 MTEF provides for the provincialisation of museums, as well as construction and renovations to museums.

The Language Services sub-programme reflects generally steady growth. The substantial increase in 2013/14 relates to the war-room packages programme which was allocated once-off additional funding. The decrease in 2014/15 is attributed to the shifting of funds to Programme 1 under *Compensation of employees* for the centralisation of the internship budget. The increase in the 2015/16 Adjusted Appropriation is due to the reprioritisation of funds from Programme 3 for the implementation of the KZN Provincial Languages Bill. The increase over the 2016/17 MTEF is due to inflationary increments.

Spending against *Compensation of employees* from 2012/13 to 2013/14 includes the annual wage agreements with carry-through, as well as the filling of posts, as previously mentioned. The decrease in the 2015/16 Adjusted Appropriation is due to delays in filling vacant posts. These funds were reprioritised to *Goods and services* and *Transfers and subsidies to: Households*.

The substantial increase in 2013/14 against *Goods and services* can be attributed to spending on the war-room packages which was once-off. Spending in 2014/15 includes payments for commitments from 2013/14, such as the musical instruments, events/projects which exceeded their budget, such as the Reed Dance. The increase in the 2015/16 Adjusted Appropriation is due to the reprioritisation of the EPWP Integrated Grant for Provinces funds from *Buildings and other fixed structures* for the appointment of a service provider to train volunteers to assist with various infrastructure projects, as well as to assist in oral history interviews, recording and implementation of the war-room intervention programme. In addition, funds were used for the current maintenance of the museum buildings, including the repair of the collection centre's roof. The increase over the MTEF is attributed to inflationary increments.

Transfers and subsidies to: Provinces and municipalities relates to transfers made to municipalities in respect of museum subsidies and the operational costs of the Indonsa art centre. The increase in the 2015/16 Adjusted Appropriation is attributed to the reprioritisation of funds from *Goods and services* for the incorporation of the Vukani museum at uMlalazi Municipality, as well as the transfer to the eThekweni Metro who are now responsible for the management of the Stable Theatre. The increase over the MTEF is due to inflationary increments.

Transfers and subsidies to: Departmental agencies and accounts reflects the transfer payments made to The Playhouse Company. The increase over the 2016/17 MTEF is due to inflationary increments.

Transfers and subsidies to: Public corporations and private enterprises relates to transfers to organisations which do not meet the definition of non-profit organisations in terms of Section 21 of the Companies Act. The department re-classified these transfers from *Non-profit institutions* and comparative figures were adjusted accordingly. The increase in the 2015/16 Adjusted Appropriation includes funds rolled over from 2014/15 in respect of the Royalty Soapie Awards. The 2016/17 MTEF allocation provides for ongoing transfers to various organisations, such as Ugu Jazz Festival, Impucuzeko Maskandi Festival, Hip Hop Festival and Gumba Festival.

Transfers and subsidies to: Non-profit institutions covers transfers made to the KZN Philharmonic Orchestra, arts councils, art centres and museums managed by Boards of Trustees. In addition, support is provided to various art organisations. The decrease in the 2015/16 Adjusted Appropriation is attributed to the reclassification of funds to *Goods and services* and *Transfers and subsidies to: Public corporations and private enterprises* due to audit queries raised by the A-G, as mentioned above. The allocation over the MTEF provides for the continuation of transfers to the KZN Philharmonic Orchestra, arts councils, art centres, museums managed by Boards of Trustees, as well as various art organisations.

The allocation to *Transfers and subsidies to: Households* relates to staff exits.

The substantial increase against *Buildings and other fixed structures* in the 2015/16 Main Appropriation is due to additional funding in respect of the EPWP Integrated Grant for Provinces for the construction of the Howick and Clermont art centres. The decrease in the 2015/16 Adjusted Appropriation is due to the reprioritisation of funds to *Goods and services* as a result of delays in the construction of the Howick and Clermont art centres due to delays in the appointment of architects. In addition, the department experienced challenges with regard to the construction of the Port Shepstone museum. The 2016/17 MTEF allocation provides for the construction of the Arts and Culture Academy, with substantial funding in 2017/18, renovations of the RS Skinner campsite, construction of the Port Shepstone museum, as well as upgrading of various art centres, such as uThungulu, Mbazwana and Osizweni.

The significant increase against *Machinery and equipment* in 2013/14 relates to the payment for vehicles ordered in 2012/13 but only received and paid for in 2013/14, as well as purchase of musical instruments, such as drums in respect of the war-room packages programme. The increase in 2014/15 is due to the reprioritisation of funds from *Compensation of employees* and Programme 3 under *Transfers and subsidies to: Provinces and municipalities* for payment of musical instruments and vehicles ordered in 2013/14 but delivered in 2014/15. The increase in the 2015/16 Adjusted Appropriation is attributed to the reprioritisation of funds from *Goods and services* for the purchase of motor vehicles. The allocation over the MTEF provides for the replacement of computers and furniture.

Heritage assets relates to the purchase of museum artefacts. Spending in 2013/14 and 2014/15 includes the purchase of historic South African artefacts, such as a Zulu axe, spear, knobkerrie, as well as a war shield. The artefacts were placed in provincial museums.

Service delivery measures – Programme 2: Cultural Affairs

Table 15.18 illustrates the service delivery measures relevant to Programme 2. It is noted that, from 2015/16, there are no longer sector measures. However, the department is using some of the former sector measures, and has included some new measures which are shown as “New”, with targets set from 2016/17.

Table 15.18 : Service delivery measures: Programme 2: Cultural Affairs

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2015/16	2016/17	2017/18	2018/19
1 Arts and Culture					
1.1 To implement interventions that advance artistic disciplines into viable industries	<ul style="list-style-type: none"> No. of community structures supported No. of artists trained No. guidelines documents/procedure manuals developed No. of exchange programmes facilitated 	18 2 040 15 2	29 2 040 16 2	29 2 040 16 2	29 2 040 16 2
1.2 To implement interventions that enhance social cohesion and inclusion in the province	<ul style="list-style-type: none"> No. of awareness or promotional projects rolled out to communities 	104	53	53	53
1.3 To implement interventions that grow the arts and culture industry in the province and contribute to job creation and poverty alleviation	<ul style="list-style-type: none"> No. of national and historic days celebrated No. of SMMEs provided with support per annum 	10 New	13 66	13 66	13 66
1.4 To improve the quality of education in the arts, culture and heritage sector	<ul style="list-style-type: none"> No. of schools where arts, culture and heritage progs are rolled out 	New	52	52	52

Table 15.18 : Service delivery measures: Programme 2: Cultural Affairs

Outputs		Performance indicators	Estimated performance	Medium-term targets		
			2015/16	2016/17	2017/18	2018/19
2	Language Services					
2.1	To implement interventions that promote multilingualism, redress past linguistic imbalances and develop previously marginalised languages in the province	<ul style="list-style-type: none">No. of language co-ordinating structures supportedNo. of literary exhibitions conductedNo. interpreting services conducted including sign languageNo. of govt. institutions assisted towards the development of institutional language policyNo. of technical term lists developedNo. of multilingualism promotion progs implementedNo. of pages translated into the relevant languages of the province including sign language	60 1 30 New New 2 New	61 1 20 8 2 4 2 300	71 1 25 8 2 4 2 320	76 1 30 7 2 4 2 350
3	Museum Services					
3.1	To provide oversight of the provincial museum landscape to drive transformation	<ul style="list-style-type: none">No. of affiliated museums provided with provincial fundingNo. of brochures and publications producedNo. of outreach progs conductedNo. of school visits undertaken by Museum ServicesNo. of collection items digitisedNo. of training sessions offered to museumsNo. of museums renovatedNo. of exhibitions/displays stagedNo. of geographical names submitted to the KZN Provincial Geographic Naming Committee	43 4 25 50 3 000 3 2 2 20	44 1 4 70 3 000 4 2 2 100	44 1 4 70 3 000 4 2 2 105	44 1 4 70 3 000 4 2 2 110

6.3 Programme 3: Library and Archive Services

The aim of this programme is to provide library and information services, as well as archive services.

The Library Services sub-programme caters for the provision of a public library service to affiliated municipal public libraries throughout the province. The aim of this sub-programme is the improvement of libraries, as well as the access to them by all communities, by building, upgrading and automating public libraries, as well as developing and sustaining a reading culture.

The central function of the Archives sub-programme is to acquire, preserve and manage public and non-public records in order to ensure public access to the nation's archival heritage. This includes the acquisition and preservation of public records with historical value, ensuring accessibility of records and promotion of their utilisation, the proper management and care of all public records, and the collection of records with potential provincial value and significance.

This programme includes the Community Library Services conditional grant as a sub-programme, which is additional to the sector structure.

Tables 15.19 and 15.20 below summarise payments and estimates relating to these functions for the period 2012/13 to 2018/19.

The programme's budget decreases by R37.844 million, R40.514 million, R43.461 million over the MTEF. This is mainly against *Goods and services* and *Transfers and subsidies to: Provinces and municipalities* as a result of freezing of all vacant non-OSD posts, the reduction of the *Goods and services* budget in respect of events and the 2 per cent reduction, as mentioned above. It must be noted that the department effected the cut against *Compensation of employees* against *Transfers and subsidies to: Provinces and municipalities*, as mentioned above.

Table 15.19 : Summary of payments and estimates by sub-programme: Library and Archive Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
1. Management	1 558	2 183	2 083	1 511	1 497	1 497	1 621	1 744	1 875
2. Library Services	186 218	321 868	268 374	286 823	284 291	284 291	251 813	264 644	278 112
3. Archives	15 403	24 839	21 899	25 640	25 105	25 105	29 979	30 111	32 179
4. Community Library Services grant	48 633	63 440	108 428	157 696	171 895	171 895	163 162	175 404	185 322
Total	251 812	412 330	400 784	471 670	482 788	482 788	446 575	471 903	497 488

Table 15.20 : Summary of payments and estimates by economic classification: Library and Archive Services

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	88 393	115 688	128 309	131 656	128 157	128 157	152 408	163 280	180 321
Compensation of employees	45 241	49 600	56 258	67 389	62 650	62 650	74 872	81 085	87 816
Goods and services	43 152	66 088	72 051	64 267	65 507	65 507	77 536	82 195	92 505
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	142 498	250 015	218 503	264 814	266 075	266 075	221 209	230 898	240 965
Provinces and municipalities	138 773	248 683	214 591	261 697	262 697	262 697	217 880	227 419	237 337
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	3 523	1 242	3 191	3 117	3 117	3 117	3 329	3 479	3 628
Households	202	90	721	-	261	261	-	-	-
Payments for capital assets	20 921	46 627	53 960	75 200	88 556	88 556	72 958	77 725	76 202
Buildings and other fixed structures	17 879	31 986	48 767	68 700	82 056	82 056	69 000	72 280	73 000
Machinery and equipment	3 042	14 641	5 193	6 500	6 500	6 500	3 958	5 445	3 202
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	12	-	-	-	-	-	-
Total	251 812	412 330	400 784	471 670	482 788	482 788	446 575	471 903	497 488

The Management sub-programme is responsible for monitoring and management of various projects within sub-programmes which are demand driven, hence the fluctuation over the seven-year period.

The sub-programme: Library Services includes the funding received for the provincialisation of public libraries. The increase in 2013/14 can be attributed to spending on the installation of the RFID system for which once-off funding was allocated, as previously mentioned. This explains the decrease in 2014/15. In addition, the decrease in 2014/15 is attributed to the department's decision to withhold transfers from the eThekweni Metro in respect of provincialisation funds, as well as the construction of the mega-library, as previously mentioned. These funds were reprioritised to Programmes 1 and 2 in that year, as explained above. The decrease in the 2015/16 Adjusted Appropriation is attributed to the department reprioritising funds to Programme 1 due to the department over-budgeting for the refurbishment of the Pinetown and Dundee library depots, as well as challenges experienced with regard to the construction of the Charlestown library due to lengthy SCM processes. The decrease was mitigated by the receipt of a roll-over from 2014/15 against the equitable share for the refurbishment of library depots, such as the Pinetown and Dundee library depots. The significant decrease from 2015/16 to 2016/17 is due to the reduction of the provincialisation funding at the eThekweni Metro, as mentioned above.

The sub-programme: Archives increases over the seven-year period, apart from 2014/15. The increase in 2013/14 is inclusive of once-off additional funding received in respect of war-room packages for the recording of oral history, purchasing of memory boxes for the memory box project and the acquisition of transcribing equipment, etc. This explains the decrease in 2014/15. The increase over the MTEF is due to inflationary increments.

The Community Library Services grant sub-programme increases over the period, apart from 2016/17. The significant increase from 2013/14 is due to an increase in conditional grant funding which was used for the construction of libraries, the expansion of the library material collection and greater emphasis

placed on ICT and library promotion projects. The increase in the 2015/16 Adjusted Appropriation is due to the receipt of a roll-over from 2014/15 against the Community Library Services grant for the construction and upgrade of various libraries such as Ngwavuma, Bruntville, Manyiseni and Bilanyoni.

Compensation of employees increases steadily over the seven-year period. The decrease in the 2015/16 Adjusted Appropriation is attributed to delays in the filling of budgeted vacant posts, such as librarians, library assistants, library processors and general workers at the Nkungamathe, Qhudeni, and Maphumulo libraries. These funds were reprioritised to *Goods and services*. The increase over the MTEF is due to inflationary increments.

Spending against *Goods and services* relates to the acquisition of library materials. The significant increase in 2013/14 is due to once-off additional funding in respect of the installation of the RFID system and war-room packages. The increase in 2014/15 can be attributed to the reprioritisation of funds from *Transfers and subsidies to: Provinces and municipalities* for the installation of the RFID system for library books and for the purchase of library books which were under-budgeted for. The increase in the 2015/16 Adjusted Appropriation is due to the reprioritisation of funds from *Goods and services* for the purchase of library books for the newly constructed Maphumulo, Qhudeni and Nkungamathe libraries, as well as increased internet connectivity costs for libraries. The allocation over the 2016/17 MTEF provides for the ongoing purchase of library materials, and is dependent on the number of libraries completed over the MTEF.

Transfers and subsidies to: Provinces and municipalities relates to a number of transfers made in respect of the provincialisation of libraries and the Community Library Services grant which is used for the construction of libraries, the expansion of library material collection and increased focus on ICT and library promotion projects. The increase in the 2015/16 Adjusted Appropriation is attributed to the reprioritisation of funds from *Buildings and other fixed structures* for the appointment of staff and operational costs of the Maqonqo library at Mkhambathini Municipality, and Aquadene library at uMhlathuze Municipality. The decrease from 2015/16 to the 2016/17 MTEF is due to the reduction of the provincialisation funding at the eThekweni Metro. The impact of this cut is that the department will scale down on the operational costs and appointment of staff at eThekweni Metro.

Transfers and subsidies to: Non-profit institutions caters for transfer payments to Africa Ignite, the Family Literacy project and SA Library for the Blind. The increase in 2014/15 is attributed to the increase in transfers to Africa Ignite. The department will continue to transfer funds to Africa Ignite, the Family Literacy project and SA Library for the Blind over the 2016/17 MTEF.

The allocation to *Transfers and subsidies to: Households* relates to staff exit costs.

Spending against *Buildings and other fixed structures* includes the completion of the Mbazwana library, as previously mentioned. The increase in spending in 2013/14 includes the construction of the Nkungumathe, Vulamehlo, Qhudeni, Maphumulo and Ndulinde libraries, as well as upgrades to libraries such as KwaMbonambi, Mtunzini, Howick, Maqongqo and Port Shepstone libraries. The increase in the 2015/16 Adjusted Appropriation is attributed to the roll-over received against the Community Library Services grant for the construction and upgrade of various libraries, such as Ingwavuma, Bruntville, Manyiseni and Bilanyoni. In addition, the department experienced challenges with regard to the construction of the Charlestown library due to lengthy SCM processes and the refurbishment of the Pinetown and Dundee library which was over-budgeted for. These funds were reprioritised to Programmes 1 and 2 and within Programme 3 against *Goods and services* and *Transfers and subsidies to: Provinces and municipalities*. The 2016/17 allocation provides for the completion of various libraries, such as Manyiseni, Bilanyoni, Ngwavuma and Vulamehlo. The allocation over the MTEF includes the commencement of construction of Mzumbe, Kwanzimakwe, Dannhauser and Cwaka libraries.

Spending against *Machinery and equipment* fluctuates over the seven-year period and relates to the purchase of mobile library buses and upgrading of computer equipment in libraries. The allocation over the MTEF relates to the ongoing conversion to the new SLIMS system and upgrading of computer equipment in public libraries. The substantial increase in 2017/18 can be attributed to the purchase of new equipment and furniture for completed libraries.

Service delivery measures – Programme 3: Library and Archive Services

Table 15.21 reflects service delivery measures for Programme 3. It is noted that, from 2015/16, there are no longer sector measures, although the department is still using some of the former sector measures.

Table 15.21 : Service delivery measures: Programme 3: Library and Archives Services

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2015/16	2016/17	2017/18	2018/19
1 Library Services					
1.1 To provide library and information services that are free, equitable and accessible	<ul style="list-style-type: none"> No. of library materials procured No. of monitoring visits done No. of libraries under construction No. of existing library buildings upgraded No. of promotional projects conducted No. of modular libraries established No. of community libraries provided with funding 	150 000 100 2 4 4 1 221	170 000 100 2 2 4 2 222	180 000 100 2 2 4 2 222	200 000 100 2 2 4 2 222
2 Archives Services					
2.1 To provide archival and records management services for records of national and provincial significance	<ul style="list-style-type: none"> No. of promotional interventions on national symbols No. of records classification systems evaluated and approved No. of govt. bodies inspected No. of records management training courses presented No. of inventories compiled or updated No. of data coded entries submitted to National Automated Archival Information Retrieval System (NAAIRS) database No. of oral history projects undertaken No. of oral history interviews transcribed and documented 	18 New 110 20 New 4 800 210 52	21 8 120 24 3 5 500 210 52	21 8 120 24 3 6 050 210 52	27 8 120 24 3 6 050 250 52

7. Other programme information**7.1 Personnel numbers and costs**

Table 15.22 provides details of the personnel numbers per programme.

Table 15.23 provides details of the personnel numbers and costs of the department over the seven-year period. Most of the posts within the Human Resources and Finance components have now been filled to ensure effective service delivery.

The budget for *Compensation of employees* has been determined by the department using the zero-based method. The actual salary scales have been used in respect of filled posts. Although there is a slight increase in personnel numbers in the 2015/16 Revised Estimate, there is a reduction in the personnel cost due to the posts being filled late.

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, as mentioned above. In order to effect these cuts in the province, expenditure on *Compensation of employees* has been lowered by freezing all non-OSD posts, and the departments' equitable share funded *Goods and services* budget have been cut for events, as well as by 2 per cent over the MTEF. However, it must be noted that the department was not able to reduce *Compensation of employees* to ensure adequate funding against this category for filled posts. The information on PERSAL was not corrected by 31 January 2016 as required by PT (12) of 2015/16. The existing *Compensation of employees* budget caters for filled posts only and therefore the cut could not be effected against this category. Instead, the department cut *Transfers and subsidies to: Provinces and*

municipalities against the eThekweni Metro in respect of provincialisation and the department's contribution to the mega-library, and this has been explained earlier in the report.

Prior to 2014/15, interns which are reflected against *Contract workers* in Table 15.23 were paid against *Goods and services*, hence there are no figures from 2011/12 to 2013/14. From 2014/15, interns are reflected against *Part-time workers*. The number of posts for all programmes remains the same over the outer years of the MTEF due to the freezing of all vacant non-OSD posts.

Table 15.22 : 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	138	183	178	199	199	199	199
2. Cultural Affairs	128	126	129	177	177	177	177
3. Library and Archive Services	199	218	210	268	268	268	268
Total	465	527	517	644	644	644	644
Total provincial personnel cost (R thousand)	131 087	148 138	166 307	185 062	214 041	231 854	251 149
Unit cost (R thousand)	282	281	322	287	332	360	390

Table 15.23 : 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				2016/17	2017/18	2018/19
Total for the department									
Personnel numbers (head count)	465	527	517	642	642	644	644	644	644
Personnel cost (R thousands)	131 087	148 138	166 307	194 498	187 517	185 062	214 041	231 854	251 149
Human resources component									
Personnel numbers (head count)	40	38	41	46	46	46	46	46	46
Personnel cost (R thousands)	11 099	11 506	12 070	14 648	14 070	14 070	16 400	17 762	19 236
Head count as % of total for department	8.60	7.21	7.93	7.17	7.17	7.14	7.14	7.14	7.14
Personnel cost as % of total for department	8.47	7.77	7.26	7.53	7.50	7.60	7.66	7.66	7.66
Finance component									
Personnel numbers (head count)	40	41	45	45	45	45	45	45	45
Personnel cost (R thousands)	12 499	13 868	14 833	16 487	16 887	16 887	17 953	19 443	21 046
Head count as % of total for department	8.60	7.78	8.70	7.01	7.01	6.99	6.99	6.99	6.99
Personnel cost as % of total for department	9.53	9.36	8.92	8.48	9.01	9.13	8.39	8.39	8.38
Full time workers									
Personnel numbers (head count)	465	527	470	601	601	603	603	603	603
Personnel cost (R thousands)	131 087	148 138	163 863	192 366	185 385	182 930	211 909	229 722	249 017
Head count as % of total for department	100.00	100.00	90.91	93.61	93.61	93.63	93.63	93.63	93.63
Personnel cost as % of total for department	100.00	100.00	98.53	98.90	98.86	98.85	99.00	99.08	99.15
Part-time workers									
Personnel numbers (head count)	-	-	-	41	41	41	41	41	41
Personnel cost (R thousands)	-	-	-	2 132	2 132	2 132	2 132	2 132	2 132
Head count as % of total for department	-	-	-	6.39	6.39	6.37	6.37	6.37	6.37
Personnel cost as % of total for department	-	-	-	1.10	1.14	1.15	1.00	0.92	0.85
Contract workers									
Personnel numbers (head count)	-	-	47	-	-	-	-	-	-
Personnel cost (R thousands)	-	-	2 444	-	-	-	-	-	-
Head count as % of total for department	-	-	9.09	-	-	-	-	-	-
Personnel cost as % of total for department	-	-	1.47	-	-	-	-	-	-

7.2 Training

Table 15.24 and 15.25 provide details of expenditure on training by the department over the seven years. The department is complying with the requirement of the Skills Development Act, which requires that it budgets at least 1 per cent of its salary expenses on training.

The funding for training and development of staff in Programme 1 from 2013/14 to 2014/15 excludes external bursaries as these were centralised under OTP. The substantial increase from 2015/16 onward is due to the movement of external bursaries back to the department, as previously mentioned. Programme 3 includes the SLIMS training of public library librarians and the provision of the literacy training and reading promotion projects at all public libraries.

The decrease in 2012/13 reflects that the department optimised training opportunities that are offered by the Provincial Public Service Training Academy for training programmes, such as customer care, diversity management, coaching and mentoring, etc., which are not costly. The funding over the MTEF caters for skills development through annual Workplace Skills Plans.

The department will continue placing emphasis on the appointment of both interns and learnerships. In addition, bursaries are being awarded in order to address skills shortages in the arts and culture sector.

Table 15.24 : 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	811	660	498	1 734	1 207	1 346	2 008	2 110	2 215
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	811	660	498	1 734	1 207	1 346	2 008	2 110	2 215
Other	-	-	-	-	-	-	-	-	-
2. Cultural Affairs	33	487	8	358	467	474	103	107	111
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	33	487	8	358	467	474	103	107	111
Other	-	-	-	-	-	-	-	-	-
3. Library and Archive Services	46	1 109	143	1 312	1 831	1 753	649	681	710
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	46	1 109	143	1 312	1 831	1 753	649	681	710
Other	-	-	-	-	-	-	-	-	-
Total	890	2 256	649	3 404	3 505	3 573	2 760	2 898	3 036

Table 15.25 : Information on training: Arts and Culture

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	465	527	517	642	642	644	644	644	644
Number of personnel trained	230	294	305	305	305	305	305	305	305
of which									
Male	96	111	115	115	115	115	115	115	115
Female	134	183	190	190	190	190	190	190	190
Number of training opportunities	506	294	296	296	296	296	296	296	296
of which									
Tertiary	53	40	40	40	40	40	40	40	40
Workshops	150	50	50	50	50	50	50	50	50
Seminars	9	20	20	20	20	20	20	20	20
Other	294	184	186	186	186	186	186	186	186
Number of bursaries offered	10	63	63	63	63	63	63	63	63
Number of interns appointed	34	50	51	51	51	51	51	51	51
Number of learnerships appointed	-	40	41	41	41	41	41	41	41
Number of days spent on training	200	200	202	202	202	202	202	202	202

ANNEXURE – VOTE 15: ARTS AND CULTURE

Table 15.A : Details of departmental receipts: Arts and Culture

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	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	277	458	677	527	527	544	568	602	643
Sale of goods and services produced by department (excluding capital assets)	277	458	671	527	527	544	568	602	643
Sales by market establishments	120	289	351	385	385	425	409	435	465
Administrative fees	-	-	-	-	-	-	-	-	-
Other sales	157	169	320	142	142	119	159	167	178
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	-	-	6	-	-	-	-	-	-
Transfers received from:	1 060	-	-	-	-	-	-	-	-
Other governmental units	1 000	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	60	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	92	52	106	72	72	135	77	81	87
Interest, dividends and rent on land	10	48	1	4	4	2	5	6	6
Interest	10	48	1	4	4	2	5	6	6
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	1 970	-	60	60	60	64	68	73
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	-	1 970	-	60	60	60	64	68	73
Transactions in financial assets and liabilities	316	707	791	142	142	202	151	160	171
Total	1 755	3 235	1 575	805	805	943	865	917	980

Table 15.B : Payments and estimates by economic classification: Arts and Culture

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	249 889	328 272	341 827	354 453	361 106	361 106	410 497	433 647	467 632
Compensation of employees	131 087	148 138	166 307	194 498	187 517	185 062	214 041	231 854	251 149
Salaries and wages	112 595	128 186	145 128	169 211	161 954	159 799	185 972	201 452	218 222
Social contributions	18 492	19 952	21 179	25 287	25 563	25 263	28 069	30 402	32 927
Goods and services	118 802	180 134	175 520	159 955	173 553	176 008	196 456	201 793	216 483
Administrative fees	129	945	1 242	531	1 462	1 792	634	650	674
Advertising	5 133	6 895	2 251	3 828	7 277	7 900	6 252	4 840	4 814
Assets less than the capitalisation threshold	19 828	23 876	39 240	27 690	29 189	28 643	40 893	45 705	55 185
Audit cost: External	1 488	2 059	3 110	2 030	3 030	3 096	4 048	4 130	4 240
Bursaries: Employees	150	130	208	433	433	125	210	221	232
Catering: Departmental activities	675	1 193	1 099	1 197	1 511	1 312	2 251	2 364	2 428
Communication (G&S)	4 501	4 795	4 327	4 908	4 723	4 800	5 547	5 825	6 108
Computer services	9 834	10 725	13 310	14 313	15 785	14 332	16 885	17 433	17 800
Cons & prof serv: Business and advisory services	541	2 137	10 099	354	1 790	854	2 504	2 606	2 682
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	168	67	75	100	400	315	200	210	221
Contractors	8 384	20 456	14 165	9 286	8 821	11 073	15 036	13 191	13 614
Agency and support / outsourced services	8 542	10 796	7 587	8 621	9 507	8 841	10 715	11 132	11 597
Entertainment	46	16	190	125	133	93	257	266	277
Fleet services (including government motor transport)	2 857	3 952	4 779	3 807	5 603	5 572	2 979	3 103	3 206
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	29	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	59	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	3 195	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	139	-	-	-	64	64	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	1 548	389	-	791	878	-	-	-
Consumable supplies	249	3 963	3 733	4 502	4 364	4 773	8 800	9 114	9 369
Consumable: Stationery, printing and office supplies	4 859	20 613	8 155	10 208	6 612	6 202	6 494	6 821	7 065
Operating leases	11 018	9 884	12 210	14 050	12 304	12 072	13 659	14 333	14 778
Property payments	5 326	7 670	9 974	9 751	12 808	12 851	12 201	11 288	11 730
Transport provided: Departmental activity	5 338	10 271	7 067	8 126	8 884	11 180	11 491	11 587	11 841
Travel and subsistence	18 182	24 608	21 251	20 151	22 813	23 576	19 211	19 690	20 326
Training and development	890	2 256	649	3 404	3 505	3 573	2 760	2 898	3 036
Operating payments	2 257	1 709	870	1 522	2 427	2 408	1 956	2 356	2 155
Venues and facilities	1 662	2 017	1 928	5 036	4 486	2 447	3 545	3 407	3 879
Rental and hiring	3 352	7 553	7 612	5 982	4 831	7 207	7 928	8 623	9 226
Interest and rent on land	-	-	-	-	36	36	-	-	-
Interest	-	-	-	-	36	36	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	187 296	301 944	297 265	326 812	332 799	332 799	283 998	300 377	312 532
Provinces and municipalities	150 485	260 011	224 629	271 547	273 556	273 556	230 719	240 946	251 564
Provinces	101	96	128	100	130	130	130	130	130
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	101	96	128	100	130	130	130	130	130
Municipalities	150 384	259 915	224 501	271 447	273 426	273 426	230 589	240 816	251 434
Municipalities	150 384	259 915	224 501	271 447	273 426	273 426	230 589	240 816	251 434
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	6 721	7 057	7 445	7 787	7 787	7 787	8 176	8 585	9 082
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	6 721	7 057	7 445	7 787	7 787	7 787	8 176	8 585	9 082
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	1 825	1 945	36 635	-	23 550	23 550	7 650	8 420	8 420
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	1 825	1 945	36 635	-	23 550	23 550	7 650	8 420	8 420
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	1 825	1 945	36 635	-	23 550	23 550	7 650	8 420	8 420
Non-profit institutions	27 280	31 505	26 764	47 478	25 685	25 685	36 653	41 426	42 266
Households	985	1 426	1 792	-	2 221	2 221	800	1 000	1 200
Social benefits	875	1 003	1 785	-	1 503	1 504	-	-	-
Other transfers to households	110	423	7	-	718	717	800	1 000	1 200
Payments for capital assets	42 387	68 353	70 923	98 819	111 035	111 035	88 147	123 155	90 822
Buildings and other fixed structures	35 460	42 825	54 014	88 479	98 535	98 535	82 000	115 780	85 690
Buildings	35 460	42 825	54 014	88 479	98 535	98 535	82 000	115 780	85 690
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	6 927	25 216	16 726	10 340	12 500	12 500	6 147	7 375	5 132
Transport equipment	3 311	7 046	4 929	900	3 392	3 111	1 050	200	1 430
Other machinery and equipment	3 616	18 170	11 797	9 440	9 108	9 389	5 097	7 175	3 702
Heritage assets	-	312	183	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	172	117	12	3 830	3 830	3 830	3 830	-	-
Total	479 744	698 686	710 027	783 914	808 770	808 770	786 472	857 179	870 986
Unauth. Exp. (1st charge) not available for spending	-	-	-	(3 830)	(3 830)	(3 830)	(3 830)	-	-
Baseline available for spending after 1st charge	479 744	698 686	710 027	780 084	804 940	804 940	782 642	857 179	870 986

Table 15.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	2015/16	2015/16	2016/17	2017/18	2018/19
Current payments	85 256	100 226	110 966	108 100	117 881	117 881	128 636	135 010	143 553
Compensation of employees	45 513	54 370	59 008	62 526	65 188	64 973	69 665	75 448	81 710
Salaries and wages	39 643	47 924	52 114	54 398	56 714	56 714	60 609	65 640	71 087
Social contributions	5 870	6 446	6 894	8 128	8 474	8 259	9 056	9 808	10 623
Goods and services	39 743	45 856	51 958	45 574	52 657	52 872	58 971	59 562	61 843
Administrative fees	1	297	550	121	590	697	267	276	294
Advertising	3 391	2 165	1 483	1 721	5 121	5 043	4 747	3 261	3 173
Assets less than the capitalisation threshold	186	123	288	830	73	117	688	724	751
Audit cost: External	1 488	2 059	3 110	2 030	3 030	3 096	4 048	4 130	4 240
Bursaries: Employees	150	130	208	433	433	125	210	221	232
Catering: Departmental activities	272	415	501	537	537	375	353	372	390
Communication (G&S)	1 991	2 232	1 997	2 427	2 255	2 319	3 006	3 166	3 331
Computer services	2 576	3 198	5 213	3 581	3 874	2 636	5 560	5 838	6 149
Cons & prof serv: Business and advisory services	178	444	612	84	1 284	273	553	580	609
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	168	67	75	100	400	315	200	210	221
Contractors	2 949	6 279	2 789	769	579	873	3 523	3 368	3 537
Agency and support / outsourced services	1 177	1 167	669	537	537	622	347	364	378
Entertainment	25	12	159	90	90	54	194	202	213
Fleet services (including government motor transport)	792	1 067	3 460	1 501	2 297	2 675	888	932	978
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Leamer and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	3	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	109	230	333	620	315	1 006	412	435	457
Consumable: Stationery, printing and office supplies	1 536	775	1 207	1 662	1 311	1 386	1 074	1 127	1 166
Operating leases	10 303	9 302	11 685	11 687	11 687	11 399	12 430	13 050	13 444
Property payments	3 483	4 413	6 817	5 561	7 895	8 459	8 684	9 054	9 418
Transport provided: Departmental activity	78	167	607	-	-	555	373	387	399
Travel and subsistence	6 493	7 943	8 342	8 926	8 656	8 806	8 049	8 366	8 773
Training and development	811	660	498	1 734	1 207	1 346	2 008	2 110	2 215
Operating payments	245	581	282	231	344	350	383	403	422
Venues and facilities	19	722	90	292	142	142	116	121	129
Rental and hiring	1 319	1 408	983	100	-	203	858	865	924
Interest and rent on land	-	-	-	-	36	36	-	-	-
Interest	-	-	-	-	36	36	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 194	1 076	3 453	570	938	938	1 400	1 600	1 800
Provinces and municipalities	101	96	128	100	130	130	130	130	130
Provinces	101	96	128	100	130	130	130	130	130
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	101	96	128	100	130	130	130	130	130
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	250	-	2 900	-	250	250	250	250	250
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	250	-	2 900	-	250	250	250	250	250
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	250	-	2 900	-	250	250	250	250	250
Non-profit institutions	220	220	220	470	220	220	220	220	220
Households	623	760	205	-	338	338	800	1 000	1 200
Social benefits	623	760	205	-	338	338	-	-	-
Other transfers to households	-	-	-	-	-	-	800	1 000	1 200
Payments for capital assets	308	3 757	1 897	1 004	2 145	2 145	680	680	680
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	308	3 757	1 897	1 004	2 145	2 145	680	680	680
Transport equipment	-	1 444	963	-	1 491	1 491	-	-	380
Other machinery and equipment	308	2 313	934	1 004	654	654	680	680	300
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	172	117	-	3 830	3 830	3 830	3 830	-	-
Total	86 930	105 176	116 316	113 504	124 794	124 794	134 546	137 290	146 033
Unauth. Exp. (1st charge) not available for spending	-	-	-	(3 830)	(3 830)	(3 830)	(3 830)	-	-
Baseline available for spending after 1st charge	86 930	105 176	116 316	109 674	120 964	120 964	130 716	137 290	146 033

Table 15.D : Payments and estimates by economic classification: Cultural Affairs

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	76 240	112 358	102 552	114 697	115 068	115 068	129 453	135 357	143 758
Compensation of employees	40 333	44 168	51 041	64 583	59 679	57 439	69 504	75 321	81 623
Salaries and wages	34 980	38 160	44 449	56 187	51 891	49 736	60 222	65 266	70 734
Social contributions	5 353	6 008	6 592	8 396	7 788	7 703	9 282	10 055	10 889
Goods and services	35 907	68 190	51 511	50 114	55 389	57 629	59 949	60 036	62 135
Administrative fees	14	544	539	117	440	663	185	192	198
Advertising	1 018	3 249	295	1 311	1 214	1 388	1 116	1 171	1 218
Assets less than the capitalisation threshold	349	1 845	2 432	735	645	763	932	940	934
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	285	452	176	73	507	544	1 104	1 158	1 181
Communication (G&S)	1 396	1 289	1 142	1 153	1 154	1 187	1 263	1 317	1 366
Computer services	27	68	44	329	329	-	22	27	31
Cons & prof serv: Business and advisory services	348	508	497	270	317	392	1 781	1 851	1 893
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	5 218	13 269	10 486	8 014	7 492	8 883	9 429	7 627	7 762
Agency and support / outsourced services	7 188	9 219	6 557	7 230	8 334	7 886	10 048	10 432	10 866
Entertainment	17	1	31	28	28	24	48	49	49
Fleet services (including government motor transport)	1 017	1 623	593	1 537	1 598	1 197	1 317	1 373	1 406
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	29	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	59	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	130	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	73	2 945	3 128	2 651	3 151	2 869	2 951	3 109	3 272
Consumable: Stationery, printing and office supplies	1 339	1 649	1 319	1 570	1 267	1 096	1 462	1 538	1 613
Operating leases	330	299	195	212	256	241	466	482	498
Property payments	865	1 322	1 374	1 216	2 296	1 965	724	760	788
Transport provided: Departmental activity	5 126	10 082	6 323	7 746	8 354	10 095	10 888	10 958	11 199
Travel and subsistence	8 679	12 295	9 371	7 763	10 402	10 173	8 366	8 479	8 707
Training and development	33	487	8	358	467	474	103	107	111
Operating payments	225	388	406	278	519	494	325	342	357
Venues and facilities	214	588	199	2 194	1 794	268	784	823	864
Rental and hiring	1 957	6 068	6 396	5 329	4 825	6 998	6 635	7 301	7 822
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	43 604	50 853	75 309	61 428	65 786	65 786	61 389	67 879	69 767
Provinces and municipalities	11 611	11 232	9 910	9 750	10 729	10 729	12 709	13 397	14 097
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	11 611	11 232	9 910	9 750	10 729	10 729	12 709	13 397	14 097
Municipalities	11 611	11 232	9 910	9 750	10 729	10 729	12 709	13 397	14 097
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	6 721	7 057	7 445	7 787	7 787	7 787	8 176	8 585	9 082
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	6 721	7 057	7 445	7 787	7 787	7 787	8 176	8 585	9 082
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	1 575	1 945	33 735	-	23 300	23 300	7 400	8 170	8 170
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	1 575	1 945	33 735	-	23 300	23 300	7 400	8 170	8 170
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	1 575	1 945	33 735	-	23 300	23 300	7 400	8 170	8 170
Non-profit institutions	23 537	30 043	23 353	43 891	22 348	22 348	33 104	37 727	38 418
Households	160	576	866	-	1 622	1 622	-	-	-
Social benefits	50	153	859	-	904	905	-	-	-
Other transfers to households	110	423	7	-	718	717	-	-	-
Payments for capital assets	21 158	17 969	15 066	22 615	20 334	20 334	14 509	44 750	13 940
Buildings and other fixed structures	17 581	10 839	5 247	19 779	16 479	16 479	13 000	43 500	12 690
Buildings	17 581	10 839	5 247	19 779	16 479	16 479	13 000	43 500	12 690
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3 577	6 818	9 636	2 836	3 855	3 855	1 509	1 250	1 250
Transport equipment	2 604	2 602	793	900	1 901	1 620	-	-	-
Other machinery and equipment	973	4 216	8 843	1 936	1 954	2 235	1 509	1 250	1 250
Heritage assets	-	312	183	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	141 002	181 180	192 927	198 740	201 188	201 188	205 351	247 986	227 465

Table 15.E : Payments and estimates by economic classification: Library and Archive Services

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	88 393	115 688	128 309	131 656	128 157	128 157	152 408	163 280	180 321
Compensation of employees	45 241	49 600	56 258	67 389	62 650	62 650	74 872	81 085	87 816
Salaries and wages	37 972	42 102	48 565	58 626	53 349	53 349	65 141	70 546	76 401
Social contributions	7 269	7 498	7 693	8 763	9 301	9 301	9 731	10 539	11 415
Goods and services	43 152	66 088	72 051	64 267	65 507	65 507	77 536	82 195	92 505
Administrative fees	114	104	153	293	432	432	182	182	182
Advertising	724	1 481	473	796	942	1 469	389	408	423
Assets less than the capitalisation threshold	19 293	21 908	36 520	26 125	28 471	27 763	39 273	44 041	53 500
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	118	326	422	587	467	393	794	834	857
Communication (G&S)	1 114	1 274	1 188	1 328	1 314	1 294	1 278	1 342	1 411
Computer services	7 231	7 459	8 053	10 403	11 582	11 696	11 303	11 568	11 620
Cons & prof serv: Business and advisory services	15	1 185	8 990	-	189	189	170	175	180
Cons & prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	217	908	890	503	750	1 317	2 084	2 196	2 315
Agency and support / outsourced services	177	410	361	854	636	333	320	336	353
Entertainment	4	3	-	7	15	15	15	15	15
Fleet services (including government motor transport)	1 048	1 262	726	769	1 708	1 700	774	798	822
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	3 195	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	6	-	-	-	64	64	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	1 548	389	-	791	878	-	-	-
Consumable supplies	67	788	272	1 231	898	898	5 437	5 570	5 640
Consumable: Stationery, printing and office supplies	1 984	18 189	5 629	6 976	4 034	3 720	3 958	4 156	4 286
Operating leases	385	283	330	2 151	361	432	763	801	836
Property payments	978	1 935	1 783	2 974	2 617	2 427	2 793	1 474	1 524
Transport provided: Departmental activity	134	22	137	380	530	530	230	242	243
Travel and subsistence	3 010	4 370	3 538	3 462	3 755	4 597	2 796	2 845	2 846
Training and development	46	1 109	143	1 312	1 831	1 753	649	681	710
Operating payments	1 787	740	182	1 013	1 564	1 564	1 248	1 611	1 376
Venues and facilities	1 429	707	1 639	2 550	2 550	2 037	2 645	2 463	2 886
Rental and hiring	76	77	233	553	6	6	435	457	480
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	142 498	250 015	218 503	264 814	266 075	266 075	221 209	230 898	240 965
Provinces and municipalities	138 773	248 683	214 591	261 697	262 697	262 697	217 880	227 419	237 337
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	138 773	248 683	214 591	261 697	262 697	262 697	217 880	227 419	237 337
Municipalities	138 773	248 683	214 591	261 697	262 697	262 697	217 880	227 419	237 337
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	3 523	1 242	3 191	3 117	3 117	3 117	3 329	3 479	3 628
Households	202	90	721	-	261	261	-	-	-
Social benefits	202	90	721	-	261	261	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	20 921	46 627	53 960	75 200	88 556	88 556	72 958	77 725	76 202
Buildings and other fixed structures	17 879	31 986	48 767	68 700	82 056	82 056	69 000	72 280	73 000
Buildings	17 879	31 986	48 767	68 700	82 056	82 056	69 000	72 280	73 000
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3 042	14 641	5 193	6 500	6 500	6 500	3 958	5 445	3 202
Transport equipment	707	3 000	3 173	-	-	-	1 050	200	1 050
Other machinery and equipment	2 335	11 641	2 020	6 500	6 500	6 500	2 908	5 245	2 152
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	12	-	-	-	-	-	-
Total	251 812	412 330	400 784	471 670	482 788	482 788	446 575	471 903	497 488

Table 15.F : Payments and estimates by economic classification: Conditional grants

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	14 399	14 814	40 459	37 768	39 041	39 041	53 893	57 578	67 720
Compensation of employees	-	-	4 245	9 588	5 110	5 110	10 480	11 349	12 291
Salaries and wages	-	-	3 754	8 341	4 446	4 446	9 118	9 874	10 693
Social contributions	-	-	491	1 247	664	664	1 362	1 475	1 598
Goods and services	14 399	14 814	36 214	28 180	33 931	33 931	43 413	46 229	55 429
Administrative fees	106	20	34	-	-	-	10	10	10
Advertising	51	15	34	200	284	284	100	105	105
Assets less than the capitalisation threshold	8 890	6 288	26 254	11 000	15 478	15 478	28 653	33 162	42 362
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	47	109	157	100	100	100	355	373	373
Communication (G&S)	-	-	-	-	-	-	-	-	-
Computer services	4 804	5 637	7 968	10 000	11 139	11 139	10 334	10 551	10 551
Cons and prof serv: Business & advisory services	-	-	-	-	-	-	-	-	-
Cons and prof serv: Infrastructure and planning	-	-	-	-	-	-	-	-	-
Cons and prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons and prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons and prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	10	101	132	-	1 490	1 490	2 000	-	-
Agency & support/outourced services	65	219	185	-	40	40	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. GMT)	-	9	-	-	-	-	300	300	300
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Material and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Medas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	1 548	-	-	-	-	-	-	-
Consumable supplies	-	244	23	500	503	503	100	105	105
Consumable: Stationery, printing and office supplies	5	125	104	500	500	500	100	105	105
Operating leases	108	1	-	1 890	-	-	100	105	105
Property payments	86	81	630	150	731	731	467	490	490
Transport provided: Departmental activity	112	-	37	-	150	150	200	210	210
Travel and subsistence	111	237	304	1 300	976	976	289	303	303
Training and development	4	105	119	1 200	1 200	1 200	105	110	110
Operating payments	-	-	7	700	700	700	-	300	-
Venues and facilities	-	75	-	640	640	640	300	-	300
Rental and hiring	-	-	226	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	23 889	24 814	19 600	52 228	53 228	53 228	40 404	41 701	43 000
Provinces and municipalities	22 769	23 572	16 409	49 111	50 111	50 111	37 075	38 222	39 372
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	22 769	23 572	16 409	49 111	50 111	50 111	37 075	38 222	39 372
Municipalities	22 769	23 572	16 409	49 111	50 111	50 111	37 075	38 222	39 372
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	1 120	1 242	3 191	3 117	3 117	3 117	3 329	3 479	3 628
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	10 892	24 844	48 369	69 700	80 899	80 899	70 865	76 125	74 602
Buildings and other fixed structures	8 847	23 169	45 379	65 700	76 899	76 899	69 000	72 280	73 000
Buildings	8 847	23 169	45 379	65 700	76 899	76 899	69 000	72 280	73 000
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 045	1 675	2 990	4 000	4 000	4 000	1 865	3 845	1 602
Transport equipment	-	223	1 246	-	-	-	-	-	-
Other machinery and equipment	2 045	1 452	1 744	4 000	4 000	4 000	1 865	3 845	1 602
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	49 180	64 472	108 428	159 696	173 168	173 168	165 162	175 404	185 322

Table 15.G : Payments and estimates by economic classification: Community Library Services grant (Prog 3: Library and Archive Services)

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	14 399	14 814	40 459	37 768	37 641	37 641	51 893	57 578	67 720
Compensation of employees	-	-	4 245	9 588	5 110	5 110	10 480	11 349	12 291
Salaries and wages	-	-	3 754	8 341	4 446	4 446	9 118	9 874	10 693
Social contributions	-	-	491	1 247	664	664	1 362	1 475	1 598
Goods and services	14 399	14 814	36 214	28 180	32 531	32 531	41 413	46 229	55 429
Administrative fees	106	20	34	-	-	-	10	10	10
Advertising	51	15	34	200	284	284	100	105	105
Assets less than the capitalisation threshold	8 890	6 288	26 254	11 000	15 478	15 478	28 653	33 162	42 362
Catering: Departmental activities	47	109	157	100	100	100	355	373	373
Computer services	4 804	5 637	7 968	10 000	11 139	11 139	10 334	10 551	10 551
Contractors	10	101	132	-	90	90	-	-	-
Agency & support/outourced services	65	219	185	-	40	40	-	-	-
Fleet services (incl. GMT)	-	9	-	-	-	-	300	300	300
Inventory: Other supplies	-	1 548	-	-	-	-	-	-	-
Consumable supplies	-	244	23	500	503	503	100	105	105
Consumable: Stationery, printing and office supplies	5	125	104	500	500	500	100	105	105
Operating leases	108	1	-	1 890	-	-	100	105	105
Property payments	86	81	630	150	731	731	467	490	490
Transport provided: Departmental activity	112	-	37	-	150	150	200	210	210
Travel and subsistence	111	237	304	1 300	976	976	289	303	303
Training and development	4	105	119	1 200	1 200	1 200	105	110	110
Operating payments	-	-	7	700	700	700	-	300	-
Venues and facilities	-	75	-	640	640	640	300	-	300
Rental and hiring	-	-	226	-	-	-	-	-	-
Transfers and subsidies to	23 889	24 814	19 600	52 228	53 228	53 228	40 404	41 701	43 000
Provinces and municipalities	22 769	23 572	16 409	49 111	50 111	50 111	37 075	38 222	39 372
Municipalities	22 769	23 572	16 409	49 111	50 111	50 111	37 075	38 222	39 372
Municipalities	22 769	23 572	16 409	49 111	50 111	50 111	37 075	38 222	39 372
Non-profit institutions	1 120	1 242	3 191	3 117	3 117	3 117	3 329	3 479	3 628
Payments for capital assets	10 345	23 812	48 369	67 700	80 899	80 899	70 865	76 125	74 602
Buildings and other fixed structures	8 300	22 137	45 379	63 700	76 899	76 899	69 000	72 280	73 000
Buildings	8 300	22 137	45 379	63 700	76 899	76 899	69 000	72 280	73 000
Machinery and equipment	2 045	1 675	2 990	4 000	4 000	4 000	1 865	3 845	1 602
Transport equipment	-	223	1 246	-	-	-	-	-	-
Other machinery and equipment	2 045	1 452	1 744	4 000	4 000	4 000	1 865	3 845	1 602
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	48 633	63 440	108 428	157 696	171 768	171 768	163 162	175 404	185 322

Table 15.H : Payments and estimates by economic classification: EPWP Integrated Grant for Provinces (Prog 2: Cultural Affairs)

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	-	-	-	-	1 400	1 400	2 000	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	1 400	1 400	2 000	-	-
Contractors	-	-	-	-	1 400	1 400	2 000	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	547	1 032	-	2 000	-	-	-	-	-
Buildings and other fixed structures	547	1 032	-	2 000	-	-	-	-	-
Buildings	547	1 032	-	2 000	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	547	1 032	-	2 000	1 400	1 400	2 000	-	-

Table 15.1 : Arts and Culture - Payments of infrastructure by category

Table 13.1 : Arts and Culture - Payments on 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)	Total project cost	Expenditure to date from previous years	Total available		MTEF Forward estimates	
				Date: Start	Date: Finish						2016/17	2017/18	2017/18	2018/19
R thousands														
Existing infrastructure assets														
of which:														
Maintenance and repair: Current	Various	Various	Current maintenance and repairs	01 April 2016	31 March 2019	Equitable share	Programme 1	Packaged prog	6 000	800	2 000	2 000	2 000	2 000
Upgrades and additions: Capital									14 428	1 413	6 500	4 000	6 500	6 500
Upgrade of art centre	Various	uMhlathuze	Upgrade of art centre (uThungulu)	01 April 2016	31 March 2019	Equitable share	Programme 2	Packaged prog	2 000	-	3 500	4 000	4 000	2 500
Upgrade of library	Various	Unzinkulu	Upgrade of library (Unzinkulu)	01 April 2018	31 March 2019	Equitable share	Programme 3	Packaged prog	6 000	-	-	-	-	4 000
Upgrade of library	Feasibility	eMladlangeni	Upgrade of library (Utrecht)	01 April 2016	31 March 2017	Conditional grant	Programme 3	Packaged prog	1 000	-	1 000	-	-	-
Upgrade of library	Feasibility	Mhambathini	Upgrade of library (Mapongop)	01 April 2016	31 March 2017	Conditional grant	Programme 3	Packaged prog	2 500	-	2 000	-	-	-
Refurbishment and rehabilitation: Capital									7 500	-	-	-	-	7 500
Rehabilitation of offices	Various	eThekweni Metro	Rehabilitation of offices (Margaret Mncadi)	01 April 2018	31 March 2019	Equitable share	Programme 2	Packaged prog	7 500	-	-	-	-	7 500
New infrastructure assets: Capital									305 866	-	75 500	111 780	-	71 690
of which:														
Construction of library	Various	Vulamehlo	Construction of library (Vulamehlo)	01 April 2012	31 March 2017	Conditional grant	Programme 3	Packaged prog	33 927	-	4 000	-	-	-
Construction of library	Various	Jozini	Construction of library (Manyeni)	01 April 2013	31 March 2018	Conditional grant	Programme 3	Packaged prog	13 400	-	6 300	700	-	-
Construction of museum	Various	Hibiscus Coast	Construction of museum (Port Shepstone)	01 April 2012	31 March 2018	Equitable share	Programme 2	Packaged prog	3 039	-	3 000	4 000	-	-
Upgrade of library	Various	Mpodana	Upgrade of library (Buntville)	01 April 2014	31 March 2017	Conditional grant	Programme 3	Packaged prog	3 000	-	2 000	-	-	-
Construction of library	Various	Newcastle	Construction of library (Charlestown)	01 April 2014	31 March 2016	Conditional grant	Programme 3	Packaged prog	8 000	-	2 000	-	-	-
Construction of library	Various	eDumbe	Construction of library (Blanyoni)	01 April 2014	31 March 2018	Conditional grant	Programme 3	Packaged prog	10 000	-	6 000	2 000	-	-
Construction of library	Various	Msunduzi	Construction of library (Imbali)	01 April 2014	31 March 2018	Conditional grant	Programme 3	Packaged prog	30 000	-	22 000	11 000	-	-
Construction of library	Various	uMzizwabantu	Construction of library (Harding)	01 April 2015	31 March 2018	Conditional grant	Programme 3	Packaged prog	13 000	-	-	3 000	-	17 000
Construction of library	Various	Hibiscus Coast	Upgrade of library (Port Shepstone)	01 April 2014	31 March 2018	Conditional grant	Programme 3	Packaged prog	10 000	-	14 009	28 991	-	-
Construction of museum	Various	Endumeni	Construction of museum (Isandlwana)	01 April 2015	31 March 2019	Equitable share	Programme 2	Packaged prog	3 000	-	-	-	-	2 690
Construction of library	Various	Msunduzi	Construction of library (Vulindlela)	01 April 2016	31 March 2019	Conditional grant	Programme 3	Packaged prog	20 000	-	-	2 589	9 411	-
Construction of library	Various	Ndwebhe	Construction of library (Ndwebhe)	01 April 2016	31 March 2019	Conditional grant	Programme 3	Packaged prog	20 000	-	-	5 000	7 000	-
Construction of library	Various	Ubulhebezwe	Construction of library (Highflats)	01 April 2016	31 March 2019	Conditional grant	Programme 3	Packaged prog	20 000	-	-	2 000	10 000	-
Construction of library	Various	Jozini	Construction of library (Ingwevuna)	01 April 2014	31 March 2017	Conditional grant	Programme 3	Packaged prog	8 000	-	3 000	-	-	-
Construction of arts academy	Various	Msunduzi	Construction of provincial arts academy	01 April 2014	31 March 2018	Equitable share	Programme 2	Packaged prog	42 500	-	3 500	33 500	-	-
Construction of library	Various	Jozini	Construction of library (Mkuzi)	01 April 2016	31 March 2019	Equitable share	Programme 3	Packaged prog	20 000	-	-	-	-	11 589
Construction of library	Various	Hibiscus Coast	Construction of library (Nzimakwe)	Ongoing	31 March 2018	Conditional grant	Programme 3	Packaged prog	8 000	-	3 691	5 000	-	-
Construction of library	Various	Meliga	Construction of library (Misinga Top)	01 April 2016	31 March 2019	Conditional grant	Programme 3	Packaged prog	20 000	-	-	5 000	7 000	-
Construction of library	Various	Newcastle	Construction of library (Dannhauser)	01 April 2016	31 March 2019	Conditional grant	Programme 3	Packaged prog	20 000	-	-	5 000	7 000	-
Construction of library	Various	Hibiscus Coast	Construction of library (KwaXolo)	Ongoing	31 March 2018	Conditional grant	Programme 3	Packaged prog	-	-	3 000	2 000	-	-
Construction of art centre	Various	eThekweni	Construction of art centre (Clermont)	Ongoing	Ongoing	Equitable share	Programme 2	Packaged prog	-	-	15 000	15 250	-	15 262
Infrastructure transfers									60 512	-	15 000	15 250	-	15 262
of which:														
Infrastructure transfers: Current									-	-	-	-	-	-
Infrastructure transfers: Capital									60 512	-	15 000	15 250	-	15 262
Construction of library	Various	eThekweni	Construction of mega-library (Metro)	01 April 2011	31 March 2019	Conditional grant	Programme 3	Packaged prog	60 000	-	15 000	15 000	15 000	15 000
Construction of museum	Various	uMngeni	Construction of museum (Royal Tembe)	01 April 2017	31 March 2019	Equitable share	Programme 2	Packaged prog	512	-	-	250	262	262
Infrastructure: Payments for financial assets									-	-	-	-	-	-
Infrastructure: Leases									-	-	-	-	-	-
Total									394 306	2 213	99 000	133 030	-	102 952
Capital infrastructure									388 306	1 413	97 000	131 020	-	100 952
Current infrastructure									6 000	800	2 000	2 000	-	2 000

Table 15.J : Summary of transfers to local government

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	93 363	158 845	119 205	159 762	160 534	160 534	114 327	119 599	123 925
Total: Ugu Municipalities	6 642	13 342	13 393	14 474	14 474	14 474	14 734	15 356	16 154
B KZN211 Vulamehlo	-	-	-	-	-	-	-	-	-
B KZN212 Umdoni	2 247	4 476	4 658	4 939	4 939	4 939	5 019	5 227	5 499
B KZN213 Umzumbe	-	-	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	351	634	661	723	723	723	738	771	810
B KZN215 Ezinqoleni	346	634	661	723	723	723	738	771	810
B KZN216 Hibiscus Coast	3 698	7 598	7 413	8 089	8 089	8 089	8 239	8 587	9 035
C DC21 Ugu District Municipality	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	14 583	29 080	29 959	31 446	31 946	31 946	28 409	29 594	31 393
B KZN221 uMshwathi	454	777	811	877	877	877	894	932	979
B KZN222 uMngeni	1 475	3 485	2 903	3 142	3 142	3 142	3 201	3 335	3 506
B KZN223 Mpofana	555	1 109	1 012	1 094	1 094	1 094	1 122	1 170	1 230
B KZN224 Impendle	341	634	661	723	723	723	738	771	810
B KZN225 Msunduzi	11 054	21 645	23 080	23 989	23 989	23 989	20 296	21 136	22 514
B KZN226 Mkhambathini	301	653	681	744	1 244	1 244	1 264	1 318	1 375
B KZN227 Richmond	403	777	811	877	877	877	894	932	979
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	3 998	8 683	8 570	9 506	9 506	9 506	9 704	10 124	10 647
B KZN232 Emnambithi/Ladysmith	1 773	3 735	3 849	4 132	4 132	4 132	4 210	4 388	4 615
B KZN233 Indaka	263	514	535	744	744	744	760	795	836
B KZN234 Umtshezi	1 162	2 686	2 378	2 677	2 677	2 677	2 737	2 856	3 005
B KZN235 Okhahlamba	470	1 091	997	1 076	1 076	1 076	1 103	1 153	1 212
B KZN236 Imbabazane	330	657	811	877	877	877	894	932	979
C DC23 Uthukela District Municipality	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	3 373	6 555	6 719	6 936	6 936	6 936	7 590	7 916	8 284
B KZN241 Endumeni	1 661	3 410	3 564	3 507	3 507	3 507	4 083	4 257	4 436
B KZN242 Nquthu	737	1 288	1 362	1 488	1 488	1 488	1 521	1 586	1 668
B KZN244 Msinga	359	653	681	744	744	744	760	795	836
B KZN245 Umvoti	616	1 204	1 112	1 197	1 197	1 197	1 226	1 278	1 344
C DC24 Umzinyathi District Municipality	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	4 153	6 912	6 902	7 900	7 900	7 900	8 042	8 382	8 817
B KZN252 Newcastle	3 619	5 644	5 580	6 454	6 454	6 454	6 566	6 840	7 197
B KZN253 eMadlangeni	267	634	661	723	723	723	738	771	810
B KZN254 Dannhauser	267	634	661	723	723	723	738	771	810
C DC25 Amajuba District Municipality	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	4 862	8 184	8 401	9 127	9 127	9 127	10 705	11 189	11 723
B KZN261 eDumbe	500	939	981	1 052	1 052	1 052	1 073	1 118	1 177
B KZN262 uPhongolo	540	1 011	1 046	1 292	1 292	1 292	1 323	1 379	1 451
B KZN263 Abaqulusi	1 565	3 116	3 103	3 295	3 295	3 295	3 681	3 835	3 994
B KZN265 Nongoma	245	634	661	723	723	723	738	771	810
B KZN266 Ulundi	450	845	881	950	950	950	1 979	2 064	2 152
C DC26 Zululand District Municipality	1 562	1 639	1 729	1 815	1 815	1 815	1 911	2 022	2 139
Total: Umkhanyakude Municipalities	5 929	6 296	7 937	6 955	6 955	6 955	7 251	7 555	7 946
B KZN271 Umhlabuyalingana	1 334	1 420	1 476	1 566	1 566	1 566	1 592	1 657	1 742
B KZN272 Jozini	836	886	926	997	997	997	1 016	1 059	1 114
B KZN273 The Big 5 False Bay	600	630	655	677	677	677	864	901	947
B KZN274 Hlabisa	838	905	926	997	997	997	1 016	1 059	1 114
B KZN275 Mtubatuba	2 321	2 455	3 954	2 718	2 718	2 718	2 763	2 879	3 029
C DC27 Umkhanyakude District Municipality	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	6 748	12 417	13 227	14 167	14 874	14 874	16 402	17 101	17 883
B KZN281 Umfolozi	177	372	661	723	723	723	1 417	1 477	1 540
B KZN282 uMhlathuze	3 538	6 850	6 987	7 475	7 975	7 975	8 375	8 724	9 089
B KZN283 Ntambanana	335	634	661	723	723	723	738	771	810
B KZN284 uMlalazi	1 647	3 269	3 572	3 800	4 007	4 007	4 396	4 587	4 824
B KZN285 Mthonjaneni	351	634	661	723	723	723	738	771	810
B KZN286 Nkandla	700	658	685	723	723	723	738	771	810
C DC28 uThungulu District Municipality	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	3 646	5 469	5 682	6 278	6 278	6 278	7 419	7 734	8 101
B KZN291 Mandeni	676	1 602	1 798	1 964	1 964	1 964	2 513	2 621	2 733
B KZN292 KwaDukuza	2 606	3 214	3 203	3 570	3 570	3 570	3 641	3 794	3 992
B KZN293 Ndwedwe	364	653	681	744	744	744	1 265	1 319	1 376
B KZN294 Maphumulo	-	-	-	-	-	-	-	-	-
C DC29 Ilembe District Municipality	-	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	3 087	4 132	4 506	4 896	4 896	4 896	6 006	6 266	6 561
B KZN431 Ingwe	1 350	939	981	1 052	1 052	1 052	1 578	1 645	1 715
B KZN432 Kwa Sani	249	454	661	723	723	723	738	771	810
B KZN433 Greater Kokstad	-	-	-	-	-	-	-	-	-
B KZN434 Ubuhlebezwe	778	1 461	1 522	1 654	1 654	1 654	1 687	1 759	1 850
B KZN435 Umzimkhulu	351	625	661	723	723	723	738	771	810
C DC43 Harry Gwala District Municipality	359	653	681	744	744	744	1 265	1 320	1 376
Unallocated	-	-	-	-	-	-	-	-	-
Total	150 384	259 915	224 501	271 447	273 426	273 426	230 589	240 816	251 434

Table 15.K : Transfers to local government - Museum subsidies

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	4 547	3 865	4 133	4 390	4 390	4 390	4 623	4 868	5 111
Total: Ugu Municipalities	268	568	302	317	317	317	334	352	370
B KZN216 Hibiscus Coast	268	568	302	317	317	317	334	352	370
Total: uMgungundlovu Municipalities	589	1 552	1 164	712	712	712	750	789	827
B KZN222 uMngeni	134	784	151	166	166	166	175	184	193
B KZN223 Mpofana	134	284	151	166	166	166	175	184	193
B KZN225 Msunduzi	321	484	862	380	380	380	400	421	441
Total: Uthukela Municipalities	536	1 136	604	649	649	649	684	720	756
B KZN232 Emnambithi/Ladysmith	134	284	151	166	166	166	175	184	193
B KZN234 Umtshezi	268	568	302	317	317	317	334	352	370
B KZN235 Okhahlamba	134	284	151	166	166	166	175	184	193
Total: Umzinyathi Municipalities	455	768	763	546	546	546	575	605	635
B KZN241 Endumeni	321	484	612	380	380	380	400	421	442
B KZN245 Umvoti	134	284	151	166	166	166	175	184	193
Total: Amajuba Municipalities	1 268	568	302	317	317	317	334	352	370
B KZN252 Newcastle	1 268	568	302	317	317	317	334	352	370
Total: Zululand Municipalities	134	284	151	166	166	166	175	184	193
B KZN263 Abaqulusi	134	284	151	166	166	166	175	184	193
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	268	568	611	672	879	879	1 237	1 299	1 364
B KZN282 uMhlathuze	134	284	151	166	166	166	175	184	193
B KZN284 uMlalazi	134	284	460	506	713	713	1 062	1 115	1 171
Total: Ilembe Municipalities	1 134	284	151	166	166	166	175	184	193
B KZN292 KwaDukuza	1 134	284	151	166	166	166	175	184	193
Total: Harry Gwala Municipalities	850	-	-	-	-	-	-	-	-
B KZN431 Ingwe	850	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	10 049	9 593	8 181	7 935	8 142	8 142	8 887	9 353	9 819

Table 15.L : Transfers to local government - Operational costs of art centres

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	-	-	-	-	772	772	1 911	2 022	2 139
Total: Zululand Municipalities	1 562	1 639	1 729	1 815	1 815	1 815	1 911	2 022	2 139
C DC26 Zululand District Municipality	1 562	1 639	1 729	1 815	1 815	1 815	1 911	2 022	2 139
Unallocated	-	-	-	-	-	-	-	-	-
Total	1 562	1 639	1 729	1 815	2 587	2 587	3 822	4 044	4 278

Table 15.M : Transfers to municipalities - Provincialisation of libraries

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	73 316	139 980	109 322	119 622	119 622	119 622	86 738	91 333	94 980
Total: Ugu Municipalities	5 458	11 460	11 950	12 331	12 331	12 331	12 477	12 981	13 661
B KZN212 Umdoni	1 960	4 116	4 280	4 429	4 429	4 429	4 482	4 662	4 906
B KZN214 uMuziwabantu	245	514	535	553	553	553	559	583	613
B KZN215 Ezinqoleni	245	514	535	553	553	553	559	583	613
B KZN216 Hibiscus Coast	3 008	6 316	6 600	6 796	6 796	6 796	6 877	7 153	7 529
Total: uMgungundlovu Municipalities	12 166	26 476	27 475	28 971	28 971	28 971	25 625	26 666	28 324
B KZN221 uMshwathi	454	657	685	707	707	707	715	744	782
B KZN222 uMngeni	1 134	2 461	2 500	2 636	2 636	2 636	2 668	2 774	2 919
B KZN223 Mpofana	336	705	735	758	758	758	768	798	840
B KZN224 Impendle	245	514	535	553	553	553	559	583	613
B KZN225 Msunduzi	9 507	20 968	21 800	23 057	23 057	23 057	19 315	20 103	21 431
B KZN226 Mkhambathini	177	514	535	553	553	553	885	920	957
B KZN227 Richmond	313	657	685	707	707	707	715	744	782
Total: Uthukela Municipalities	3 222	6 909	7 170	7 434	7 434	7 434	7 522	7 826	8 234
B KZN232 Ennambithi/Ladysmith	1 520	3 192	3 300	3 435	3 435	3 435	3 476	3 615	3 804
B KZN233 Indaka	245	514	535	553	553	553	559	583	613
B KZN234 Umtshezi	894	1 878	1 950	2 020	2 020	2 020	2 045	2 127	2 239
B KZN235 Okhahlamba	318	668	700	719	719	719	727	757	796
B KZN236 Imbabazane	245	657	685	707	707	707	715	744	782
Total: Umzinyathi Municipalities	2 350	4 932	5 140	5 307	5 307	5 307	5 696	5 924	6 193
B KZN241 Endumeni	1 234	2 590	2 700	2 787	2 787	2 787	3 146	3 272	3 402
B KZN242 Nquthu	490	1 028	1 070	1 106	1 106	1 106	1 119	1 163	1 224
B KZN244 Msinga	245	514	535	553	553	553	559	583	613
B KZN245 Umvoti	381	800	835	861	861	861	872	906	954
Total: Amajuba Municipalities	2 600	5 744	5 970	6 733	6 733	6 733	6 813	7 089	7 460
B KZN252 Newcastle	2 246	4 716	4 900	5 627	5 627	5 627	5 695	5 923	6 234
B KZN253 eMadlangeni	177	514	535	553	553	553	559	583	613
B KZN254 Dannhauser	177	514	535	553	553	553	559	583	613
Total: Zululand Municipalities	2 618	5 498	5 725	5 914	5 914	5 914	6 965	7 243	7 564
B KZN261 eDumbe	381	800	835	861	861	861	872	906	954
B KZN262 uPhongolo	422	886	920	952	952	952	965	1 002	1 055
B KZN263 Abaqulusi	1 234	2 592	2 700	2 789	2 789	2 789	3 148	3 274	3 405
B KZN265 Nongoma	245	514	535	553	553	553	559	583	613
B KZN266 Ulundi	336	706	735	759	759	759	1 421	1 478	1 537
Total: Umkhanyakude Municipalities	5 408	5 677	5 905	6 105	6 105	6 105	6 177	6 426	6 762
B KZN271 Umhlabyalingana	1 238	1 300	1 350	1 396	1 396	1 396	1 413	1 469	1 545
B KZN272 Jozini	730	766	800	827	827	827	837	871	917
B KZN273 The Big 5 False Bay	600	630	655	677	677	677	685	713	750
B KZN274 Hlabisa	730	766	800	827	827	827	837	871	917
B KZN275 Mtubatuba	2 110	2 215	2 300	2 378	2 378	2 378	2 405	2 502	2 633
Total: uThungulu Municipalities	5 239	10 486	11 060	11 434	11 434	11 434	12 651	13 161	13 747
B KZN281 Umfolozi	177	372	535	553	553	553	1 059	1 101	1 145
B KZN282 uMhlathuze	2 784	5 846	6 080	6 289	6 289	6 289	6 947	7 224	7 514
B KZN283 Ntambanana	245	514	535	553	553	553	559	583	613
B KZN284 uMlalazi	1 298	2 726	2 840	2 933	2 933	2 933	2 968	3 087	3 249
B KZN285 Mthonjaneni	245	514	535	553	553	553	559	583	613
B KZN286 Nkandla	490	514	535	553	553	553	559	583	613
Total: Ilembe Municipalities	2 016	4 566	4 755	4 901	4 901	4 901	5 611	5 834	6 107
B KZN291 Mandeni	490	1 362	1 420	1 454	1 454	1 454	1 797	1 869	1 944
B KZN292 KwaDukuza	1 281	2 690	2 800	2 894	2 894	2 894	2 929	3 045	3 206
B KZN293 Ndwedwe	245	514	535	553	553	553	885	920	957
Total: Harry Gwala Municipalities	1 611	3 383	3 710	3 834	3 834	3 834	4 530	4 714	4 933
B KZN431 Ingwe	381	800	835	861	861	861	1 198	1 246	1 296
B KZN432 Kwa Sani	159	334	535	553	553	553	559	583	613
B KZN433 Greater Kokstad	581	1 221	1 270	1 314	1 314	1 314	1 329	1 382	1 454
B KZN434 Ubuhlebezwe	245	514	535	553	553	553	559	583	613
B KZN435 Umzimkhulu	245	514	535	553	553	553	885	920	957
Unallocated	-	-	-	-	-	-	-	-	-
Total	116 004	225 111	198 182	212 586	212 586	212 586	180 805	189 197	197 965

Table 15.N : Transfers to local government - Community Library Services grant

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	15 500	15 000	5 750	35 750	35 750	35 750	21 055	21 376	21 695
Total: Ugu Municipalities	916	1 314	1 141	1 826	1 826	1 826	1 923	2 023	2 123
B KZN212 Umdoni	287	360	378	510	510	510	537	565	593
B KZN214 uMuziwabantu	106	120	126	170	170	170	179	188	197
B KZN215 Ezinqoleni	101	120	126	170	170	170	179	188	197
B KZN216 Hibiscus Coast	422	714	511	976	976	976	1 028	1 082	1 136
Total: uMgungundlovu Municipalities	1 828	1 052	1 320	1 763	2 263	2 263	2 034	2 139	2 242
B KZN221 uMshwathi	-	120	126	170	170	170	179	188	197
B KZN222 uMngeni	207	240	252	340	340	340	358	377	394
B KZN223 Mpofana	85	120	126	170	170	170	179	188	197
B KZN224 Impendle	96	120	126	170	170	170	179	188	197
B KZN225 Msunduzi	1 226	193	418	552	552	552	581	612	642
B KZN226 Mkhambathini	124	139	146	191	691	691	379	398	418
B KZN227 Richmond	90	120	126	170	170	170	179	188	197
Total: Uthukela Municipalities	240	638	796	1 423	1 423	1 423	1 498	1 578	1 657
B KZN232 Emnambithi/Ladysmith	119	259	398	531	531	531	559	589	618
B KZN233 Indaka	18	-	-	191	191	191	201	212	223
B KZN234 Umtshezi	-	240	126	340	340	340	358	377	396
B KZN235 Okhahlamba	18	139	146	191	191	191	201	212	223
B KZN236 Imbabazane	85	-	126	170	170	170	179	188	197
Total: Umzinyathi Municipalities	568	855	816	1 083	1 083	1 083	1 319	1 387	1 456
B KZN241 Endumeni	106	336	252	340	340	340	537	564	592
B KZN242 Nquthu	247	260	292	382	382	382	402	423	444
B KZN244 Msinga	114	139	146	191	191	191	201	212	223
B KZN245 Umvoti	101	120	126	170	170	170	179	188	197
Total: Amajuba Municipalities	285	600	630	850	850	850	895	941	987
B KZN252 Newcastle	105	360	378	510	510	510	537	565	593
B KZN253 eMadlangeni	90	120	126	170	170	170	179	188	197
B KZN254 Dannhauser	90	120	126	170	170	170	179	188	197
Total: Zululand Municipalities	548	763	796	1 232	1 232	1 232	1 654	1 740	1 827
B KZN261 eDumbe	119	139	146	191	191	191	201	212	223
B KZN262 uPhongolo	118	125	126	340	340	340	358	377	396
B KZN263 Abaqulusi	197	240	252	340	340	340	358	377	396
B KZN265 Nongoma	-	120	126	170	170	170	179	188	197
B KZN266 Ulundi	114	139	146	191	191	191	558	586	615
Total: Umkhanyakude Municipalities	521	619	2 032	850	850	850	1 074	1 129	1 184
B KZN271 Umhlabyalingana	96	120	126	170	170	170	179	188	197
B KZN272 Jozini	106	120	126	170	170	170	179	188	197
B KZN273 The Big 5 False Bay	-	-	-	-	-	-	179	188	197
B KZN274 Hlabisa	108	139	126	170	170	170	179	188	197
B KZN275 Mtubatuba	211	240	1 654	340	340	340	358	377	396
Total: uThungulu Municipalities	1 241	1 363	1 556	2 061	2 561	2 561	2 514	2 641	2 772
B KZN281 Umfolozi	-	-	126	170	170	170	358	376	395
B KZN282 uMhlathuze	620	720	756	1 020	1 520	1 520	1 253	1 316	1 382
B KZN283 Ntambanana	90	120	126	170	170	170	179	188	197
B KZN284 uMlalazi	215	259	272	361	361	361	366	385	404
B KZN285 Mthonjaneni	106	120	126	170	170	170	179	188	197
B KZN286 Nkandla	210	144	150	170	170	170	179	188	197
Total: Ilembe Municipalities	496	619	776	1 211	1 211	1 211	1 633	1 716	1 801
B KZN291 Mandeni	186	240	378	510	510	510	716	752	789
B KZN292 KwaDukuza	191	240	252	510	510	510	537	565	593
B KZN293 Ndwedwe	119	139	146	191	191	191	380	399	419
Total: Harry Gwala Municipalities	626	749	796	1 062	1 062	1 062	1 476	1 552	1 628
B KZN431 Ingwe	119	139	146	191	191	191	380	399	419
B KZN432 Kwa Sani	90	120	126	170	170	170	179	188	197
B KZN433 Greater Kokstad	197	240	252	340	340	340	358	377	396
B KZN434 Ubuhlebezwe	106	111	126	170	170	170	179	188	197
B KZN435 Umzimkhulu	114	139	146	191	191	191	380	400	419
Unallocated	-	-	-	-	-	-	-	-	-
Total	22 769	23 572	16 409	49 111	50 111	50 111	37 075	38 222	39 372