

# Vote 3

## Provincial Treasury

	2018/19 To be appropriated	2019/20	2020/21
<b>MTEF allocations</b>	<b>R325 390 000</b>	<b>R343 127 000</b>	<b>R359 392 000</b>
Responsible MEC	Provincial Minister of Finance		
Administering Department	Provincial Treasury		
Accounting Officer	Head of Department and Head Official: Provincial Treasury		

### 1. Overview

#### Vision

Good financial governance.

#### Mission

To improve governance through:

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

#### Core functions and responsibilities

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

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

## **Main services**

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

Internally:

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

Transversally or Externally:

- conduct research and advise on the management of the provincial and municipal fiscal resources;
- promote effective resource allocation within the provincial and municipal budgets through research, analysis and advice;
- improve the conformance, credibility, sustainability and guide and monitor the efficient implementation of the provincial budget;
- guide and monitor the implementation of municipal budgets;
- institutionalise and standardise good practice methodologies, tools and systems for physical infrastructure delivery and maintenance of immovable assets;
- render an effective data and information management service;
- maintain and implement the supply chain and asset management strategy for the Province by providing policy direction and support, assistance and guidance to departments;
- provide policy guidance and facilitating the management of supply chain and asset management practices in municipalities;
- provide for the implementation, management and oversight of provincially operated financial systems and the migration to the Integrated Financial Management System (IFMS);
- improve the understanding and application of accounting standards and financial reporting within municipalities;
- improved application of accounting practices in line with the reporting frameworks, provincial consolidated financial statements tabled and improved financial governance; and
- develop, monitor and advise on norms and standards of corporate governance within municipalities and financial legislation in departments.

## **Demands and changes in service**

Funding amounting to R10.8 million in 2018/19, R11.394 million in 2019/20 and R12.021 million in 2020/21 will be transferred to the 30 municipalities within the Province. This is a continuation of the bursary programme that was introduced during the 2016/17 financial year. Over the last two financial years an amount of R3.36 million and R7.2 million in 2016/17 and 2017/18 respectively was made available to all municipalities to assist them in the introduction and implementation of the bursary programme.

## Acts, rules and regulations

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

- Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA)
- Local Government Municipal Finance Management Act, 2003 (Act 56 of 2003)
- Annual Division of Revenue Act
- Government Immovable Asset Management Act, 2007 (Act 19 of 2007)
- Intergovernmental Fiscal Relations Act, 1997 (Act 97 of 1997)
- Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005)
- Public Audit Act, 2004 (Act 25 of 2004)
- Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000)
- Provincial Tax Regulation Process Act, 2001 (Act 53 of 2001)
- Public Service Act, 1994 (Act 103 of 1994) as amended
- Annual Western Cape Appropriation Act
- Annual Western Cape Adjustments Appropriation Act(s)
- Western Cape Direct Charges Act, 2000 (Act 6 of 2000) as amended
- Western Cape Gambling and Racing Act, 1996 (Act 4 of 1996) as amended

## Budget decisions

The budget increased by R37.677 million from R287.713 million in 2017/18 (revised estimate) to R325.390 million in 2018/19, this equates to a nominal growth of 13.1 per cent.

The current (2017/18) budget was used as a basis, to which the following were added:

- Salary increases based on the assumptions of the 2015 Wage Agreement.
- Inflation on Goods and services estimated as 5.4 per cent in 2018/19 financial year.

The Provincial Treasury's 2018/19 budget aims to strengthen on fiscal gains made during the 2017/18 budget:

- Further roll-out of Provincial Financial Capacity Building to all departments and municipalities.
- Support the municipalities with further roll-out of the Financial Management Support Grant (FMSG), with emphasis on governance, cash management, revenue efficiency gains, In-Year Monitoring (IYM) and asset management.
- Further funding to the Western Cape Gambling and Racing Board (WCGRB) as a result of the loss of the Limited Payout Machine (LPM) operator fees.
- A third round of interns will be taken up in the Chartered Accountant (CA) Academy which started in the 2015/16 financial year.
- Budget implications of the organisation's response to the water crisis has been considered inclusive of emergency procurement arrangements.

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

The budget is aligned to contribute to Chapter 13 – Building a capable and developmental state of the National Development Plan. It also responds to National Outcome 9: A responsive, accountable, effective and efficient local government system; and National Outcome 12: An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship of the Medium Term Strategic Framework 2014 - 2019.

The budget provides for the resources to execute the key projects and activities to achieve Provincial Strategic Goal 5 (PSG 5): Embed Good Governance and Integrated Service Delivery through Partnerships and Spatial alignment of the Provincial Strategic Plan (PSP).

## **2. Review of the current financial year (2017/18)**

The following services within the Provincial Treasury were rendered to give effect to the policy priorities:

Effective financial resource allocation was promoted through socio-economic research conducted to inform budget policy; Provincial Economic Review and Outlook (PERO) and Municipal Economic Review and Outlook (MERO).

Conducted Fiscal Policy research and analysis informing the development of the provincial and local government's fiscal frameworks and budget policy.

Coordinated the Western Cape Medium Term Budget Policy Statement which provides the budget policy framework and budget priorities that support the Western Cape Government's policies, programmes and projects that drives service delivery within the Province.

Continued with strategic oversight of the Western Cape Gambling and Racing Board (WCGRB) to support good governance within the entity.

Maintained effective banking, cash and investment practices for the Province and execution of monitoring and support on cash management within municipalities.

Credibility and sustainability was ensured of the budget by exercising prudent provincial expenditure management.

Improved conformance, credibility and sustainability of municipal budgets was advocated through the Municipal Planning and Budgeting Process.

Reviewed the Integrated Workplan to streamline strategic and technical planning, budgeting and governance engagements between the Western Cape Government and Western Cape municipalities.

Assessed provincial budgets to improve the credibility and sustainability thereof and monitor the implementation of budgets to enhance accountability, efficiency and data integrity.

Fiscal consolidation as part of the Fiscal Strategy and therefore focused on expenditure control within budget limits and stringent management of personnel budgets.

Facilitated and co-ordinated the implementation of the MFMA in Provincial Treasury and municipalities to ensure that the objectives of the Local Government reform agenda is achieved.

Spearheaded the implementation of the MFMA through Inter-Governmental Relations (IGR) coordination between municipalities, provincial national departments and other related stakeholders.

Spearheaded the Infrastructure Delivery Management System (IDMS) to enhance efficiency in the delivery of infrastructure and value realised through the provincial asset base.

Monitored the infrastructure spending of designated departments and supported the Western Cape Ministerial Infrastructure Coordinating Committee (WCMICoCo), to improve efficient and effective delivery.

Assessed User Asset Management Plans (U-AMPs), Custodian Asset Management Plans (C-AMPs), as well as Concept Reports and Project Proposals of Departments (in terms of the Guidelines for Performance Based Incentive Process).

Managed security aspects and coordinated requests for information in terms of the Promotion of Access to Information Act, 2000 (PAIA) for the Provincial Treasury.

Managed datasets in support of Provincial Treasury's strategic goals and embraced and promoted special integration of information between the spheres of government.

Continued to focus on improving the integrity of data in the legacy systems to ensure smooth migration to the IFMS when implemented.

Provided training services in respect of transversal financial systems to all provincial departments and where required to other provincial and national departments.

Focused on using technology as an enabler to improve Supply Chain Management (SCM) performance.

Continued implementation of the central supplier database, improved efficiencies and governance on the e-procurement solution for quotations and the continuous building of the business intelligence competence to support procurement decision-making and better supply chain information management.

Procurement efficiencies and prudent procurement spending was supported by strategic sourcing methodologies in the procurement planning process to leverage efficiency gains and economies of scale through bulk consolidated buying initiatives and provincial transversal contracts for both travel and security to be finalised at the end of March 2018.

The District SCM Fora were established which provided the opportunity for municipalities to take ownership of SCM related issues in their district in collaboration with the relevant district municipalities. Performance Indicators have been aligned to give effect to the District Approach.

Local Government Supply Chain Unit has started with the process of developing an Asset Management Governance Framework for municipalities as a first phase, focusing on Asset Management Policies/Strategies and Business Processes.

Provincial Treasury's virtual cycle assessments were enhanced with the municipal self-assessments which were validated through the district visits. The approach covers the holistic SCM strategy that focus on governance, capacitation and training, technology and strategic procurement.

Supplier development initiatives held in both the provincial and local sphere through training interventions, information sessions, lekgotlas, conferences, workshops, information sessions and the maintenance of a supplier helpdesk.

Forged ahead with the conformance and performance agenda, repeatedly looking at the applicable financial laws, regulations and the municipal standard chart of accounts whilst also ensuring the completeness of record keeping of all transactions as required by Generally Recognised Accounting Practices (GRAP).

Assessed, reviewed (together with the trainings facilitated) and assisted in the prevention of irregularities and material financial misstatements in both the modified cash basis of accounting applied by departments and accrual basis of accounting applied by public entities.

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

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

Developed, and spearheaded, norms and standards and compliance with legislation, and further entrenched capacity building.

### **3. Outlook for the coming financial year (2018/19)**

Key areas of focus and delivery for the 2018/19 financial year mainly entail the continuing of key themes:

#### **Programme 2 - Sustainable Resource Management**

##### **Fiscal Policy**

Conduct research and analysis informing the development of the provincial and local government's fiscal frameworks and budget policy that includes sustainability of provincial and municipal revenue budgets.

Provide support initiatives, advice and guidance to departments and municipalities on revenue related and cash management matters through analysis and reporting on the in-year cash flow, investments and external borrowings for local government as well as revenue performance and cash management for the provincial government.

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

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

The Provincial Government Budget Office will focus on the alignment of policy, planning and budgeting processes with an emphasis on impact evaluations and assessments of budget priorities and spend.

Focus on the research, analysis and assessments to support provincial departments on budget policy matters and to inform the formulation of the provincial budget policy to recommend allocations in line with government's strategic priorities outlined in the Provincial Strategic Plan and other applicable national policies.

Coordinate the Provincial Economic Review and Outlook (PERO) and the Western Cape Medium Term Budget Policy Statement (WC MTBPS) and provide the economic, fiscal and policy context within which the provincial budget is formulated.

Through the Overview of Provincial Revenue and Expenditure, communicate the budget policy framework and budget priorities that support the delivery of the WCG's policies, programmes and projects that drives service delivery within the Province.

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

Provides research, advice and analysis on the regional and local economies to identify issues and trends which impact on local government planning, budget and fiscal policy matters.

Research and analysis culminates in the release of the annual Municipal Economic Review and Outlook (MERO) and the Socio-economic Profiles for Local Government (SEP-LG).

Guidance and advice is provided through the municipal planning and budgetary processes to promote evidenced-based budgeting.

Exercise oversight during the municipal budget process through recommendations to improve the responsiveness of the budgets to target socio-economic and policy objectives and coordination of the Local Government Expenditure Medium Term Committee engagements, including key initiatives to improve participatory budgeting practices such as Taking the Budget to the People.

### **Provincial Government Finance**

Assesses provincial budgets to improve the credibility and sustainability of the budget and for monitoring the implementation of budgets to enhance accountability, efficiency and data integrity. Fiscal consolidation is part of the Fiscal Strategy and therefore the focus will be on expenditure control within budget limits and stringent management of personnel budgets.

Improving on the efficiency of expenditure management in departments through an integrated approach with the Provincial Treasury Supply Chain Management unit.

Assist in the improvement of data integrity, specifically relating to the recording of expenditure.

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

Facilitate and co-ordinates the implementation of the MFMA in Provincial Treasury and municipalities. This is done to ensure that the objectives of the Local Government reform agenda with specific reference to implementation of the TCF Game Changers is achieved. Implementation of the MFMA will be driven through IGR coordination between municipalities, provincial national departments and other related stakeholders. Key responsibilities include monitoring, support and intervention, including being responsive to support particularly vulnerable municipalities, in respect of MFMA implementation, budget implementation and revenue and expenditure management.

Analyse and report on the in-year revenue and expenditure management for municipalities.

### **Infrastructure**

Focus on the institutionalisation of the Standard for Infrastructure Procurement and Delivery Management (SIPDM) and IDMS in Provincial Departments.

Roll-out and institutionalise the SIPDM and IDMS within the municipal sphere of government. The unit is responsible for monitoring the infrastructure spending of designated departments. The Unit furthermore supports the Western Cape Ministerial Infrastructure Coordinating Committee, under the chairmanship of the Provincial Minister of Finance, in pursuit of efficient and effective delivery of infrastructure in the Province.

The Western Cape Government's capacity to select, plan, appraise and build projects of an infrastructural nature will continue to be strengthened over the 2018 MTEF. This will be done through assessments of User Asset Management Plans (U-AMPs), Custodian Asset Management Plans (C-AMPs), as well as the reports required (in terms of the Guidelines for Performance Based Incentive grants for infrastructure).

### **Business Information and Data Management**

Managing the centralised filing system aiming for conformance to the Western Cape Archives and Records Service prescripts.

Managing of data sets in support of Provincial Treasury's strategic goals. The spatial integration of the data sets will be enhanced to promote the integration of information between spheres of government.

Mainstreaming Information Communication Technology (ICT) within the Department through the implementation of the Department of Public Service and Administration (DPSA) Corporate Governance of Information Communication Technology Policy Framework (CGICTPF) and the monitoring of the Strategic ICT Plan Initiatives.

Monitoring and facilitating the coordination of departmental and municipal MTEC processes and the related document flow.

Managing and maintaining the Provincial Treasury's database and the technical refinement of treasury publications and working papers.

### **Programme 3 – Asset Management**

#### **Supporting and Interlinked Financial Systems (SIFS)**

Maintenance of effective user account management to improve security of the systems.

Ensuring further development of integrated training interventions to promote the correct and optimal use of financial systems in accordance with system user profiles.

Put measures to improve the validity and veracity of system data.

Rendering credible and detailed system data and performing system data analysis for all Western Cape Government departments.

In preparation for the migration to the IFMS the focus will be on implementation readiness and system data cleanliness in the current provincially operated legacy financial systems.

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

Drive a centre-led approach for SCM and moveable asset management governance and performance requirements in the Province.

Continue in sustaining and enhancing its dynamic governance model and the SCM strategy for the Province through monitoring and evaluation functions already being performed as well as, through consistent impact assessments and the testing of gaps and key controls from a practical, efficiency gains and service delivery impact perspective.

Mainstream its focus on utilisation of technology as an enabler to improve SCM performance. Key focus will involve the continued implementation of the central supplier database, and an evidenced-based approach through improved efficiencies, governance requirements and enhancements on the e-procurement solution for quotations and the continuous building of the business intelligence competence to support procurement decision-making and better supply chain information management.

Procurement efficiencies and prudent procurement spending will continue to be supported by strategic sourcing methodologies in the procurement planning process to leverage efficiency gains and economies of scale through bulk/consolidated buying initiatives and potential transversal contracts. The linking of the budget to procurement planning has been a key project for the unit and the model will be developed further to address gaps and improvements to existing model.



Capacity development of both SCM practitioners and suppliers will be addressed. SCM skills and knowledge development of practitioners in institutions will be facilitated through bespoke training interventions, helpdesk support, assistance and guidance, road shows and the SCM Forum. Further mainstreaming of capacitation and development will be led through the four Focus Groups under the SCM Forum, i.e. SCM Policy and Governance; SCM Technology; SCM Capacitation and Development and the Demand Management Focus Groups. Various platforms will also be used to engage with suppliers and to ensure that they are capacitated and better equipped in understanding the provincial SCM environment and procurement requirements when doing business with the Western Cape Government.

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

Providing assistance and guidance in respect of good governance and performance in both SCM and asset management to all 30 Western Cape municipalities.

Focus on building data analytics and business intelligence competencies to support the municipalities, specific interventions will be undertaken to improve Data Governance and ultimately enhance procurement decision-making.

Training and Capacity Development Programme for both Supply Chain and Asset Management disciplines will continue in a structured format which includes, formal training interventions, informal bespoke interventions, SCM and AM forums and AM colloquiums.

## **Programme 4 – Financial Governance**

### **Local Government Accounting**

Assist municipalities to achieve accurate and complete recording of transactions as required by generally recognised accounting practices (GRAP), and conformance with applicable financial laws, regulations and the municipal standard chart of accounts. This would contribute to preventing material misstatements, irregularities and the deeper analysis of financial statements that could drive key policy decisions.

The directorate will further facilitate the implementation of Municipal Standard Chart of Accounts (mSCOA), which as has been stated before, is the biggest reform since the implementation of the MFMA.

### **Provincial Government Accounting and Compliance**

Ensure the complete and accurate recording and reporting of transactions as required in terms of the prescribed accounting frameworks. This contributes toward preventing irregularities and material financial misstatements in both the modified cash basis of accounting applied by departments and accrual basis of accounting applied by entities.

Coordinating and incrementally driving financial norms and standards, the unit also monitors and reports quarterly on the departmental CGRO (E-Gap) governance action plans to enable the improvement of financial management.

Continuously improve both governance and the application of the accounting framework through structured training programmes and the further enhancement of the e-GAP tool.

Progressively, the directorate will be implementing data analysis and data analytics, which continuously seeking to drive integration across the key programmes within Provincial Treasury.

## **Corporate Governance**

Coordinating the MGRO programme, which is an integral part of the annual Technical Integrated Municipal engagements, seeking to progressively drive the maturity criteria across various disciplines to achieve maturity in governance. A large part of the ensuing year will be to look at the performance criteria.

Being the central hub of information, continue to improve on all MFMA forums such as the Chief Risk Officer and Chief Audit Executive (CAE) fora which is used to drive norms and standards relating to risk management and internal audit practices. As for the accounting directorate, areas of continuous auditing, combined assurance and data analysis will dominate the 2018 - 2019 agenda.

Reviewing, assessing and proposing relevant financial legislation affecting mostly the two spheres of government and consequently, ensuring that stakeholders are informed, and to some extent, trained.

## **4. Reprioritisation**

The implications of the current fiscal constraint impacted on the budget of the Vote significantly over the 2018 MTEF period. The Department will again make provision for the Western Cape Youth Empowerment initiative through its funding of the transversal Financial Management Capacity Building programme. Due to the loss of the Limited Payout Machine (LPM) operator fees, the Western Cape Gambling and Racing Board will receive further funding of R12.000 million. The Goods and services budget was reduced by R6.327 million and this has the unintended consequence of reducing the scope of limiting the number or delaying certain projects to the later part of the MTEF period. The capital asset refresh period will be extended from three to four years.

## **5. Procurement**

During the 2018/19 financial year, the Department will be seeking a strategic partnership for the provision of a supplier management and electronic procurement solution. The acquisition is intended to support Government's overall strategy for improvement in value for money, competitiveness among suppliers and the provision of a convenient and accessible means to do business with Government. It is furthermore intended to maintain and build on the levels of policy standardisation and good governance that the WCG has progressively established since the inception of its SCM Modernisation drive. At the commodity level, the Department will identify appropriate transversal contract opportunities and adopt National Treasury's Strategic Sourcing Framework with a key focus on the areas of Demand and Contract Management. Planned improvements in the SCM function will include a benchmark review against the current DPSA structure, in order to align job descriptions to the framework for supply chain management and to assess responsiveness to an evolving SCM function and burgeoning compliance environment.

## 6. Receipts and financing

### Summary of receipts

Table 6.1 below depicts the sources of funding for the vote.

**Table 6.1 Summary of receipts**

Receipts R'000	Outcome						Medium-term estimate			
	Audited 2014/15	Audited 2015/16	Audited 2016/17	Main appro- priation 2017/18	Adjusted appro- priation 2017/18	Revised estimate 2017/18	% Change from Revised estimate 2017/18	2018/19	2019/20	2020/21
<b>Treasury funding</b>										
Equitable share	( 56 936)	( 104 922)	( 138 174)	48 742	29 151	28 271	45 442	60.74	47 851	49 986
Financing	10 560	25 108	52 500	6 167	6 167	6 167	( 100.00)			
Provincial Revenue Fund	10 560	25 108	52 500	6 167	6 167	6 167	( 100.00)			
<b>Total Treasury funding</b>	( 46 376)	( 79 814)	( 85 674)	54 909	35 318	34 438	45 442	31.95	47 851	49 986
<b>Departmental receipts</b>										
Tax receipts	519 340	553 914	572 789	498 141	498 141	498 141	539 017	8.21	568 852	598 029
Sales of goods and services other than capital assets	2 608	3 591	2 890	1 214	1 214	1 214	1 284	5.77	1 356	1 431
Transfers received				1	1	1	1		1	1
Fines, penalties and forfeits	309	295	38							
Interest, dividends and rent on land	6	3	25	1	1	1	1		1	1
Sales of capital assets	1		7							
Financial transactions in assets and liabilities	1 231	8 023	4 055	47	47	47	50	6.38	53	56
<b>Total departmental receipts</b>	523 495	565 826	579 804	499 404	499 404	499 404	540 353	8.20	570 263	599 518
<b>Total receipts (Treasury funding and departmental receipts)</b>	477 119	486 012	494 130	554 313	534 722	533 842	585 795	9.73	618 114	649 504
Own receipts - Provincial Treasury (allocated to other votes)	( 244 971)	( 245 625)	( 246 129)	( 246 129)	( 246 129)	( 246 129)	( 260 405)	5.80	( 274 987)	( 290 112)
<b>Total receipts (allocated to Vote 3)</b>	232 148	240 387	248 001	308 184	288 593	287 713	325 390	13.10	343 127	359 392

### Summary of receipts:

Total receipts allocated to Vote 3 increased by R37.677 million or 13.1 per cent from R287.713 million (revised estimate) in 2017/18 to R325.390 million in 2018/19. This is mainly as a result of the adjustments for salary increases of 8.4 per cent for 2018/19 (inclusive of a 2 per cent pay progression), as well as the financing of the Western Cape Gambling and Racing Board mainly due to the loss of the Limited Payout Machine (LPM) operator fees and the priority funding allocations that are ring-fenced for municipal financial management improvement and capacity building support grants.

### **Treasury funding of which:**

Equitable share allocations will amount to R45.442 million in 2018/19, R47.851 million in 2019/20 and R49.986 million in 2020/21.

Total departmental receipts for 2018/19 of R540.353 million will be allocated between the Department of the Premier (R260.405 million) and Provincial Treasury (R279.948 million) as part of the Governance and Administration Cluster.

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

The departmental own receipts increase from R499.404 million in 2017/18 (revised estimate) to R540.353 million in 2018/19. The main source of this income is in respect of gambling tax receipts.

Tax receipts, of which casino and horse racing taxes are the main contributors, increase by R40.876 million or 8.21 per cent from a revised estimate of R498.141 million in 2017/18 to R539.017 million in 2018/19. The projected tax receipts over the MTEF show increases of 5.5 per cent in 2019/20 and 5.1 per cent in 2020/21.

Sales of Goods and services (other than capital assets) comprises less than 0.2 per cent of the departmental receipts.

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

None.

## **7. Payment summary**

### **Key assumptions**

Adjustments for salary increases are based on the 2015 Wage agreement of 8.4 per cent for 2018/19 and 8.5 per cent for 2019/20 and 8.5 per cent for 2020/21, inclusive of a 2 per cent pay progression provision in each financial year. Adjustments for the majority of the non-personnel expenditure items, classified as Goods and services are based on CPI headline estimates of 5.4 per cent in 2018/19.

### **National and provincial priorities**

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

Provincially, both these national outcomes have been incorporated in the Provincial Strategic Goal 5 (PSG 5): Embed Good Governance and Integrated Service Delivery through Partnerships and Spatial Alignment.

## Programme summary

Table 7.1 indicates the budget or estimated expenditure per programme and Table 7.2 per economic classification. Details of the Government Financial Statistics (GFS) economic classifications are annexed hereto in Table A.2.

**Table 7.1 Summary of payments and estimates**

Programme R'000	Outcome						Medium-term estimate			
	Audited 2014/15	Audited 2015/16	Audited 2016/17	Main appro- piation 2017/18	Adjusted appro- piation 2017/18	Revised estimate 2017/18	% Change from Revised estimate			
							2018/19	2017/18	2019/20	2020/21
1. Administration	44 218	47 749	49 537	64 825	60 298	59 898	61 161	2.11	65 933	68 858
2. Sustainable Resource Management	101 491	108 379	111 431	140 563	135 872	135 270	159 486	17.90	164 739	173 428
3. Asset Management	55 732	53 472	54 106	59 820	52 943	52 940	62 524	18.10	66 222	68 175
4. Financial Governance	30 707	30 787	32 927	42 976	39 480	39 605	42 219	6.60	46 233	48 931
<b>Total payments and estimates</b>	<b>232 148</b>	<b>240 387</b>	<b>248 001</b>	<b>308 184</b>	<b>288 593</b>	<b>287 713</b>	<b>325 390</b>	<b>13.10</b>	<b>343 127</b>	<b>359 392</b>

Note: Programme 1: MEC total remuneration package: R1 977 795 with effect from 1 April 2017.

## Summary by economic classification

**Table 7.2 Summary of payments and estimates by economic classification**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2014/15	Audited 2015/16	Audited 2016/17	Main appro- piation 2017/18	Adjusted appro- piation 2017/18	Revised estimate 2017/18	% Change from Revised estimate			
							2018/19	2017/18	2019/20	2020/21
<b>Current payments</b>	193 043	197 077	208 985	249 657	225 571	224 691	250 434	11.46	271 857	285 847
Compensation of employees	137 911	148 038	157 405	185 665	173 074	172 194	192 055	11.53	214 927	230 548
Goods and services	55 132	49 039	51 580	63 992	52 497	52 497	58 379	11.20	56 930	55 299
<b>Transfers and subsidies to</b>	35 241	38 595	35 814	53 867	57 703	57 703	71 124	23.26	68 138	70 943
Provinces and municipalities	21 800	29 147	21 554	33 966	33 966	33 966	38 311	12.79	34 280	37 510
Departmental agencies and accounts	10 409	5 247	9 912	16 411	19 711	19 711	29 346	48.88	30 640	30 215
Non-profit institutions	100									
Households	2 932	4 201	4 348	3 490	4 026	4 026	3 467	( 13.88)	3 218	3 218
<b>Payments for capital assets</b>	3 778	4 610	3 077	4 660	5 255	5 255	3 832	( 27.08)	3 132	2 602
Machinery and equipment	3 753	4 014	3 039	4 619	5 214	5 214	3 792	( 27.27)	3 092	2 562
Software and other intangible assets	25	596	38	41	41	41	40	( 2.44)	40	40
<b>Payments for financial assets</b>	86	105	125		64	64		( 100.00)		
<b>Total economic classification</b>	<b>232 148</b>	<b>240 387</b>	<b>248 001</b>	<b>308 184</b>	<b>288 593</b>	<b>287 713</b>	<b>325 390</b>	<b>13.10</b>	<b>343 127</b>	<b>359 392</b>

## Infrastructure payments

None.

## Departmental Public Private Partnership (PPP) projects

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

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

## Transfers

### Transfers to public entities

**Table 7.3 Summary of departmental transfers to public entities**

Public entities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2017/18	2019/20	2020/21
Western Cape Gambling and Racing Board	10 406	5 244	9 908	16 407	19 707	19 707	29 342	48.89	30 636	30 211
<b>Total departmental transfers to public entities</b>	10 406	5 244	9 908	16 407	19 707	19 707	29 342	48.89	30 636	30 211

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

### Transfers to other entities

**Table 7.4 Summary of departmental transfers to other entities**

Entities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2017/18	2019/20	2020/21
Departmental Agencies and Accounts other: SABC- Radio & TV license	3	3	4	4	4	4	4		4	4
<b>Total departmental transfers to other entities</b>	3	3	4	4	4	4	4		4	4

## Transfers to local government

**Table 7.5 Summary of departmental transfers to local government by category**

Departmental transfers R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2017/18	2019/20	2020/21
Category A	300	300	120	240	470	470	590	25.53	230	
Category B	17 635	23 512	14 934	5 760	28 565	28 565	17 854	(37.50)	8 329	
Category C	3 865	5 335	6 500	1 200	4 895	4 895	3 400	(30.54)	1 400	
Unallocated				26 766	36	36	16 467	45 641.67	24 321	37 510
<b>Total departmental transfers to local government</b>	<b>21 800</b>	<b>29 147</b>	<b>21 554</b>	<b>33 966</b>	<b>33 966</b>	<b>33 966</b>	<b>38 311</b>	<b>12.79</b>	<b>34 280</b>	<b>37 510</b>

### Earmarked allocation:

Support initiatives to municipalities to improve financial governance introduced during 2011/12 will continue over the MTEF, amounting to R16.999 million, R17.929 million and R18.915 million in 2018/19, 2019/20 and 2020/21 respectively for diverse financial support to municipalities. Some amounts are unallocated at this stage and will be shifted in the respective Adjusted Estimates that will be based on the outcomes and recommendations of Integrated Municipal Engagements (e.g. Municipal Governance Review and Outlook (MGRO), Integrated Development Plans (IDP) and Local Government Medium Term Expenditure Committee (LG MTEC)) processes.

## 8. Programme description

### Programme 1: Administration

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

#### Analysis per sub-programme

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

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

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

to provide strategic and operational management support services

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

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

## Policy developments

No specific policy changes are currently being considered.

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

None.

## Strategic goal as per Strategic Plan

### Programme 1: Administration

Efficient and effective departmental governance support services.

## Strategic objectives as per Annual Performance Plan

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

To provide ministerial support services.

### Sub-programme 1.2: Management Services

To improve corporate management processes.

### Sub-programme 1.3: Financial Management

To provide financial administrative services to the Department.

**Table 8.1 Summary of payments and estimates – Programme 1: Administration**

Sub-programme R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18		2018/19	2019/20	2020/21
1. Office of the Minister	5 698	6 199	5 660	6 512	6 511	6 506	6 828	4.95	7 164	7 488
2. Management Services	13 993	17 688	20 115	30 148	26 826	26 729	29 294	9.60	32 843	34 749
3. Financial Management	24 527	23 862	23 762	28 165	26 961	26 663	25 039	(6.09)	25 926	26 621
<b>Total payments and estimates</b>	<b>44 218</b>	<b>47 749</b>	<b>49 537</b>	<b>64 825</b>	<b>60 298</b>	<b>59 898</b>	<b>61 161</b>	<b>2.11</b>	<b>65 933</b>	<b>68 858</b>

Note: Sub-programme 1.1: MEC total remuneration package: R1 977 795 with effect from 1 April 2017.

Sub-programme 1.3: Corporate Services and Sub-programme 1.5: Internal Audit as per the National Treasury uniform budget and programme structure, is not utilised as it is centralised with the Department of the Premier (Corporate Services Centre/CSC).



**Table 8.1.1 Summary of payments and estimates by economic classification – Programme 1: Administration**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2014/15	Audited 2015/16	Audited 2016/17	Main appro- priation 2017/18	Adjusted appro- priation 2017/18	Revised estimate 2017/18	% Change from Revised estimate			
							2018/19	2017/18	2019/20	2020/21
<b>Current payments</b>	37 483	39 786	43 743	57 016	51 481	51 081	<b>54 107</b>	5.92	59 579	63 034
Compensation of employees	25 124	29 869	33 339	43 404	39 558	39 158	<b>43 091</b>	10.04	48 522	51 943
Goods and services	12 359	9 917	10 404	13 612	11 923	11 923	<b>11 016</b>	(7.61)	11 057	11 091
<b>Transfers and subsidies to</b>	2 871	3 844	2 676	3 298	3 498	3 498	<b>3 222</b>	(7.89)	3 222	3 222
Departmental agencies and accounts	3	3	4	4	4	4	<b>4</b>		4	4
Non-profit institutions	100									
Households	2 768	3 841	2 672	3 294	3 494	3 494	<b>3 218</b>	(7.90)	3 218	3 218
<b>Payments for capital assets</b>	3 778	4 014	2 993	4 511	5 255	5 255	<b>3 832</b>	(27.08)	3 132	2 602
Machinery and equipment	3 753	4 014	2 955	4 470	5 214	5 214	<b>3 792</b>	(27.27)	3 092	2 562
Software and other intangible assets	25		38	41	41	41	<b>40</b>	(2.44)	40	40
<b>Payments for financial assets</b>	86	105	125		64	64		(100.00)		
<b>Total economic classification</b>	<b>44 218</b>	<b>47 749</b>	<b>49 537</b>	<b>64 825</b>	<b>60 298</b>	<b>59 898</b>	<b>61 161</b>	2.11	65 933	68 858

**Details of transfers and subsidies**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2014/15	Audited 2015/16	Audited 2016/17	Main appro- priation 2017/18	Adjusted appro- priation 2017/18	Revised estimate 2017/18	% Change from Revised estimate			
							2018/19	2017/18	2019/20	2020/21
<b>Transfers and subsidies to (Current)</b>	2 871	3 844	2 676	3 298	3 498	3 498	<b>3 222</b>	(7.89)	3 222	3 222
Departmental agencies and accounts	3	3	4	4	4	4	<b>4</b>		4	4
Departmental agencies (non-business entities)	3	3	4	4	4	4	<b>4</b>		4	4
Other	3	3	4	4	4	4	<b>4</b>		4	4
Non-profit institutions	100									
Households	2 768	3 841	2 672	3 294	3 494	3 494	<b>3 218</b>	(7.90)	3 218	3 218
Social benefits	415	18	18	268	368	368		(100.00)		
Other transfers to households	2 353	3 823	2 654	3 026	3 126	3 126	<b>3 218</b>	2.94	3 218	3 218

**Expenditure trends analysis**

The programme increased by R1.263 million from R59.898 million in 2017/18 (revised estimate) to R61.161 million in 2018/19, this equates to a nominal growth of 2.11 per cent. The growth from the 2017/18 (revised estimate) of R59.898 million to R68.858 million in 2020/21 reflects an annual average growth of 4.76 per cent over the three-year period. The growth relates to the salary cost of living adjustment and the extension of the asset refresh period from three years to four years.

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

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

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

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

to provide management and administrative support to the programme

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

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

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

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

to promote effective financial resource allocation, by providing socio-economic and policy research, analysis and advice that informs the preparation of the provincial budget, as well as the monitoring of budget implementation and performance

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

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

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

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

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

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

to drive the implementation of the MFMA and assist and guide municipalities to prepare budgets and monitor the implementation thereof towards sustainable local government

##### ***Infrastructure***

to promote the delivery of new and maintenance of existing physical infrastructure

##### ***Business Information and Data Management***

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

## Policy developments

Policy developments that will receive further attention in 2018/19 are:

A key objective of Provincial Treasury is to continue to balance public finances and maintain fiscal stability within the new constrained fiscal environment with the emphasis on appropriate management of fiscal risks, such as the drought and where possible, strengthening fiscal consolidation and building up of reserves for contingencies. A specific strategy adopted by Provincial Treasury for the 2018/19 to 2020/21 MTEF, is to build on previous initiatives to improve fiscal discipline such as containing the wage bill and to maintain personnel ceilings over the 2018 MTEF.

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

None.

## Strategic goals as per Strategic Plan

### Programme 2: Sustainable Resource Management

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

## Strategic objectives as per Annual Performance Plan

### Sub-programme 2.1: Programme Support

To provide management and administrative support to Programme 2 - Sustainable Resource Management.

### Sub-programme 2.2: Fiscal Policy

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

### Sub-programme 2.3: Budget Management

#### *Provincial Government Budget Office*

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

#### *Local Government Budget Office*

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

### Sub-programme 2.4: Public Finance

#### *Provincial Government Finance*

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

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

To guide and monitor the implementation of municipal budgets.

### *Infrastructure*

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

**Business Information and Data Management**

To render an effective data and information management service.

**Table 8.2 Summary of payments and estimates – Programme 2: Sustainable Resource Management**

Sub-programme R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2017/18	2019/20	2020/21
1. Programme Support	5 402	5 858	6 152	8 937	6 973	6 980	8 049	15.32	9 385	9 923
Programme Support	5 402	5 858	6 152	8 937	6 973	6 980	8 049	15.32	9 385	9 923
2. Fiscal Policy	20 245	14 594	21 432	29 735	31 745	31 431	43 685	38.99	45 918	46 055
Fiscal Policy	9 839	9 350	11 524	13 328	12 038	11 724	14 343	22.34	15 282	15 844
Western Cape Gambling and Racing Board	10 406	5 244	9 908	16 407	19 707	19 707	29 342	48.89	30 636	30 211
3. Budget Management	15 327	17 479	17 038	19 665	17 977	18 003	19 867	10.35	21 751	23 074
Provincial Government Budget Office	7 660	8 236	8 010	9 499	8 370	8 394	9 733	15.95	10 408	10 974
Local Government Budget Office	7 667	9 243	9 028	10 166	9 607	9 609	10 134	5.46	11 343	12 100
4. Public Finance	60 517	70 448	66 809	82 226	79 177	78 856	87 885	11.45	87 685	94 376
Provincial Government Finance	8 558	8 410	9 182	10 119	10 263	10 253	10 904	6.35	11 647	12 440
Local Government Finance Group 1	7 643	9 025	9 388	10 875	9 295	9 258	10 472	13.11	11 211	12 000
Local Government Finance Group 2	28 671	35 126	27 510	41 471	41 365	41 330	46 376	12.21	42 916	46 783
Infrastructure	6 333	7 604	7 207	8 417	8 031	7 894	8 313	5.31	9 262	9 935
Business Information and Data Management	9 312	10 283	13 522	11 344	10 223	10 121	11 820	16.79	12 649	13 218
<b>Total payments and estimates</b>	<b>101 491</b>	<b>108 379</b>	<b>111 431</b>	<b>140 563</b>	<b>135 872</b>	<b>135 270</b>	<b>159 486</b>	<b>17.90</b>	<b>164 739</b>	<b>173 428</b>

Note: Sub-programme 2.2: Economic Analysis as per the National Treasury uniform budget and programme structure, is subsumed as part of the Budget Office function.

**Earmarked allocation:**

Included in Sub-programme 2.4.2: Local Government Finance (Group 2) is an earmarked allocation amounting to R16.999 million, R17.929 million and R18.915 million in 2018/19, 2019/20 and 2020/21 respectively for diverse financial support to municipalities to improve financial governance introduced during 2011/12 and will continue over the MTEF, specifically to support the most vulnerable municipalities. Some amounts are unallocated at this stage and will be shifted in the respective Adjusted Estimates that will be based on the outcomes and recommendations of Integrated Municipal Engagements (e.g. Municipal Governance Review and Outlook (MGRO), Integrated Development Plans (IDP) and Local Government Medium Term Expenditure Committee (LG MTEC)) processes. (Also see Table 8.2.1 on the next page.)

**Table 8.2.1 Summary of payments and estimates by economic classification – Programme 2: Sustainable Resource Management**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2014/15	Audited 2015/16	Audited 2016/17	Main appro- piation 2017/18	Adjusted appro- piation 2017/18	Revised estimate 2017/18	% Change from Revised estimate			
							2018/19	2017/18	2019/20	2020/21
<b>Current payments</b>	69 193	73 806	79 951	90 190	82 142	81 540	<b>91 584</b>	12.32	99 823	105 707
Compensation of employees	57 808	60 461	62 301	72 026	69 690	69 088	<b>75 560</b>	9.37	84 997	91 426
Goods and services	11 385	13 345	17 650	18 164	12 452	12 452	<b>16 024</b>	28.69	14 826	14 281
<b>Transfers and subsidies to</b>	32 298	34 573	31 480	50 373	53 730	53 730	<b>67 902</b>	26.38	64 916	67 721
Provinces and municipalities	21 800	29 147	21 554	33 966	33 966	33 966	<b>38 311</b>	12.79	34 280	37 510
Departmental agencies and accounts	10 406	5 244	9 908	16 407	19 707	19 707	<b>29 342</b>	48.89	30 636	30 211
Households	92	182	18		57	57	<b>249</b>	336.84		
<b>Total economic classification</b>	101 491	108 379	111 431	140 563	135 872	135 270	<b>159 486</b>	17.90	164 739	173 428

**Details of transfers and subsidies**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2014/15	Audited 2015/16	Audited 2016/17	Main appro- piation 2017/18	Adjusted appro- piation 2017/18	Revised estimate 2017/18	% Change from Revised estimate			
							2018/19	2017/18	2019/20	2020/21
<b>Transfers and subsidies to (Current)</b>	32 298	34 573	31 480	50 373	53 730	53 730	<b>67 902</b>	26.38	64 916	67 721
Provinces and municipalities	21 800	29 147	21 554	33 966	33 966	33 966	<b>38 311</b>	12.79	34 280	37 510
Municipalities	21 800	29 147	21 554	33 966	33 966	33 966	<b>38 311</b>	12.79	34 280	37 510
Municipal bank accounts	21 800	29 147	21 554	33 966	33 966	33 966	<b>38 311</b>	12.79	34 280	37 510
Departmental agencies and accounts	10 406	5 244	9 908	16 407	19 707	19 707	<b>29 342</b>	48.89	30 636	30 211
Departmental agencies (non-business entities)	10 406	5 244	9 908	16 407	19 707	19 707	<b>29 342</b>	48.89	30 636	30 211
Western Cape Gambling and Racing Board	10 406	5 244	9 908	16 407	19 707	19 707	<b>29 342</b>	48.89	30 636	30 211
Households	92	182	18		57	57	<b>249</b>	336.84		
Social benefits	92	182	18		57	57	<b>249</b>	336.84		

## **Expenditure trends analysis**

The programme increased by R24.216 million from R135.270 million in 2017/18 (revised estimate) to R159.486 million in 2018/19, this equates to a nominal growth of 17.90 per cent. The growth from 2017/18 (revised estimate) of R135.270 million to R173.428 million in 2020/21 reflects an annual average growth of 8.64 per cent over the three-year period. The growth relates to financing of the Western Cape Gambling and Racing Board mainly due to the loss of the Limited Payout Machine (LPM) operator fees and the priority funding allocations that are ring-fenced for municipal financial management improvement and capacity building support grants.

## **Programme 3: Asset Management**

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

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

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

to provide management and administrative support to the programme

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

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

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

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

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

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

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

## **Policy developments**

Policy developments that will receive further attention in 2018/19 are:

In line with National Treasury efforts, improve procurement policy planning to support departments and municipalities to promote budget planning, efficiency in spending, strategic sourcing and provide structured support programmes to improve supply chain management governance.

Support the development and implementation of an economic procurement policy in conjunction with the Department of Economic Development and Tourism and the Department of the Premier for the Province that speaks to SMME development through the utilisation of procurement as a lever.

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

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

Will be determined as per commodity specific strategies already in place that will be utilised in provincial procurement processes.

## Strategic goals as per Strategic Plan

### Programme 3: Asset Management

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

## Strategic objectives as per Annual Performance Plan

### Sub-programme 3.1: Programme Support

To provide management and administrative support to Programme 3 - Asset Management.

### Sub-programme 3.2: Supply Chain Management

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

To maintain and implement the supply chain and asset management strategy for the Province by providing policy direction and support, assistance and guidance to departments.

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

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

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

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

**Table 8.3 Summary of payments and estimates – Programme 3: Asset Management**

Sub-programme R'000	Outcome						Medium-term estimate			
				Main appro- priation  2017/18	Adjusted appro- priation  2017/18	Revised estimate  2017/18	% Change from Revised estimate			
	Audited	Audited	Audited							
	2014/15	2015/16	2016/17				2018/19	2017/18	2019/20	2020/21
1. Programme Support	3 577	3 664	4 217	4 772	4 205	4 072	3 493	(14.22)	4 709	4 993
2. Supply Chain Management	20 799	19 269	18 191	28 141	22 742	22 755	27 550	21.07	29 860	29 969
Supply Chain Management: Provincial Government	14 327	12 514	11 681	20 663	16 102	16 100	18 958	17.75	21 268	20 772
Supply Chain Management: Local Government	6 472	6 755	6 510	7 478	6 640	6 655	8 592	29.11	8 592	9 197
3. Supporting and Interlinked Financial Systems	31 356	30 539	31 698	26 907	25 996	26 113	31 481	20.56	31 653	33 213
<b>Total payments and estimates</b>	55 732	53 472	54 106	59 820	52 943	52 940	62 524	18.10	66 222	68 175

Note: Sub-programme 3.2: Asset Management and Sub-programme 3.3: Liabilities Management as per the National Treasury uniform budget and programme structure, have been subsumed within the Sub-programme Supply Chain Management.

**Table 8.3.1 Summary of payments and estimates by economic classification – Programme 3: Asset Management**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2014/15	Audited 2015/16	Audited 2016/17	Main appro- piation 2017/18	Adjusted appro- piation 2017/18	Revised estimate 2017/18	% Change from Revised estimate			
							2018/19	2017/18	2019/20	2020/21
<b>Current payments</b>	55 686	53 310	52 448	59 624	52 516	52 513	<b>62 524</b>	19.06	66 222	68 175
Compensation of employees	29 810	32 454	34 153	38 298	35 166	35 163	<b>38 803</b>	10.35	42 895	46 056
Goods and services	25 876	20 856	18 295	21 326	17 350	17 350	<b>23 721</b>	36.72	23 327	22 119
<b>Transfers and subsidies to</b>	46	162	1 658	196	427	427	( 100.00)			
Households	46	162	1 658	196	427	427	( 100.00)			
<b>Total economic classification</b>	55 732	53 472	54 106	59 820	52 943	52 940	<b>62 524</b>	18.10	66 222	68 175

**Details of transfers and subsidies**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2014/15	Audited 2015/16	Audited 2016/17	Main appro- piation 2017/18	Adjusted appro- piation 2017/18	Revised estimate 2017/18	% Change from Revised estimate			
							2018/19	2017/18	2019/20	2020/21
<b>Transfers and subsidies to (Current)</b>	46	162	1 658	196	427	427	(100.00)			
Households	46	162	1 658	196	427	427	(100.00)			
Social benefits	46	162	1 658	196	427	427	(100.00)			

**Expenditure trends analysis**

The programme increased by R9.584 million from R52.940 million in 2017/18 (revised estimate) to R62.524 million in 2018/19 which equates to a nominal growth of 18.10 per cent. The growth from 2017/18 (revised estimate) of R52.940 million to R68.175 million in 2020/21 reflects an annual average growth of 8.80 per cent over the three-year period. The growth relates to the continued development of strategic sourcing methodologies, maintenance of the central supplier database and the migration to the LOGIS project.



## Programme 4: Financial Governance

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

### Analysis per sub-programme

#### **Sub-programme 4.1: Programme Support**

to provide management and administrative support to the programme

#### **Sub-programme 4.2: Accounting Services**

##### **Local Government Accounting**

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

##### **Provincial Government Accounting and Compliance**

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

#### **Sub-programme 4.3: Corporate Governance**

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

### Policy developments

Policy developments that will receive further attention in 2018/19 are:

Continued improvement will be maintained on the initiatives that have been introduced under the banners of the LG MTEC and PG MTEC processes, CGRO and MGRO. These initiatives, which are aimed at supporting the National Development Plan, National Outcomes 9 and 12 and PSG 5, will be further refined during the 2018 MTEF. The Back to Basics (B2B) approach, adopted by National Department of Cooperative Governance and Traditional Affairs, National Treasury Financial Management Capability Maturity Model principles and fundamentals are already embedded in the MGRO.

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

None.

### Strategic goals as per Strategic Plan

#### **Programme 4: Financial Governance**

To embed good governance through financial management improvement and capacity building initiatives for departments, entities and municipalities.

## Strategic objectives as per Annual Performance Plan

### Sub-programme 4.1: Programme Support

To provide management and administrative support to Programme 4 – Financial Governance.

### Sub-programme 4.2: Accounting Services

#### Local Government Accounting

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

#### Provincial Government Accounting and Compliance

Improved application of accounting practices in line with the reporting frameworks, provincial consolidated financial statements tabled and improved financial governance.

### Sub-programme 4.3: Corporate Governance

To develop, monitor and advise on norms and standards of corporate governance within municipalities and financial legislation in departments.

**Table 8.4 Summary of payments and estimates – Programme 4: Financial Governance**

Sub-programme R'000	Outcome						Medium-term estimate			
	Audited 2014/15	Audited 2015/16	Audited 2016/17	Main appro- priation 2017/18	Adjusted appro- priation 2017/18	Revised estimate 2017/18	% Change from Revised estimate		2019/20	2020/21
							2018/19	2017/18		
1. Programme Support	3 307	1 506	4 493	7 429	6 399	6 375	9 039	41.79	9 848	10 109
Programme Support	3 307	1 506	1 616	2 413	2 273	2 253	3 308	46.83	3 469	3 632
CA Academy			2 877	5 016	4 126	4 122	5 731	39.03	6 379	6 477
2. Accounting Services	16 101	17 479	17 084	21 083	19 550	19 561	20 442	4.50	21 976	23 413
Provincial Government Accounting and Compliance	8 623	10 712	9 669	10 699	10 291	10 316	10 983	6.47	11 765	12 565
Local Government Accounting	7 478	6 767	7 415	10 384	9 259	9 245	9 459	2.31	10 211	10 848
3. Corporate Governance	11 299	11 802	11 350	14 464	13 531	13 669	12 738	(6.81)	14 409	15 409
<b>Total payments and estimates</b>	<b>30 707</b>	<b>30 787</b>	<b>32 927</b>	<b>42 976</b>	<b>39 480</b>	<b>39 605</b>	<b>42 219</b>	<b>6.60</b>	<b>46 233</b>	<b>48 931</b>

Note: Sub-programme 4.3: Norms and Standards and Sub-programme 4.4: Risk Management as per the National Treasury uniform budget and programme structure, have been subsumed within the Sub-programme Corporate Governance.

Sub-programme 4.5: Provincial Internal Audit as per the National Treasury uniform budget and programme structure, was shifted to the Department of the Premier during the 2010/11 financial year.

**Table 8.4.1 Summary of payments and estimates by economic classification – Programme 4: Financial Governance**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2017/18	2019/20	2020/21
<b>Current payments</b>	30 681	30 175	32 843	42 827	39 432	39 557	<b>42 219</b>	6.73	46 233	48 931
Compensation of employees	25 169	25 254	27 612	31 937	28 660	28 785	<b>34 601</b>	20.20	38 513	41 123
Goods and services	5 512	4 921	5 231	10 890	10 772	10 772	<b>7 618</b>	( 29.28)	7 720	7 808
<b>Transfers and subsidies to</b>	26	16			48	48		( 100.00)		
Households	26	16			48	48		( 100.00)		
<b>Payments for capital assets</b>		596	84	149						
Machinery and equipment			84	149						
Software and other intangible assets		596								
<b>Total economic classification</b>	30 707	30 787	32 927	42 976	39 480	39 605	<b>42 219</b>	6.60	46 233	48 931

**Details of transfers and subsidies**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2017/18	2019/20	2020/21
<b>Transfers and subsidies to (Current)</b>	26	16			48	48		(100.00)		
Households	26	16			48	48		(100.00)		
Social benefits	26	16			48	48		(100.00)		

**Expenditure trends analysis**

The programme increased by R2.614 million from R39.605 million in 2017/18 (revised estimate) to R42.219 million in 2018/19, this equates to a nominal growth of 6.60 per cent. The growth from 2017/18 (revised estimate) of R39.605 million to R48.931 million in 2020/21 reflects an annual average growth of 7.30 per cent over the three-year period. The growth relates to the salary cost of living adjustment.

## 9. Other programme information

### Personnel numbers and costs

**Table 9.1 Personnel numbers and costs**

Cost in R million	Actual						Revised estimate				Medium-term expenditure estimate						Average annual growth over MTEF		
	2014/15		2015/16		2016/17		2017/18				2018/19		2019/20		2020/21		2017/18 to 2020/21		
	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Filled posts	Additional posts	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel growth rate	Costs growth rate	% Costs of Total
<b>Salary level</b>																			
1 – 6	24	3 880	42	4 745	37	7 367	24	84	108	15 005	108	17 076	109	20 218	93	22 020	(4.9%)	13.6%	9.2%
7 – 10	208	69 230	201	74 907	185	78 636	161	12	173	81 193	194	91 157	188	100 942	191	108 060	3.4%	10.0%	47.1%
11 – 12	66	41 331	63	44 665	60	46 220	57	1	58	48 056	65	51 952	65	58 729	65	63 315	3.9%	9.6%	27.4%
13 – 16	19	21 727	20	21 650	23	24 786	21	1	22	27 208	26	30 320	26	34 428	26	36 504	5.7%	10.3%	15.9%
Other	1	1 743	1	2 071	7	396	( 19)	32	13	732	32	1 550	12	610	12	649	(2.6%)	(3.9%)	0.4%
<b>Total</b>	<b>318</b>	<b>137 911</b>	<b>327</b>	<b>148 038</b>	<b>312</b>	<b>157 405</b>	<b>244</b>	<b>130</b>	<b>374</b>	<b>172 194</b>	<b>425</b>	<b>192 055</b>	<b>400</b>	<b>214 927</b>	<b>387</b>	<b>230 548</b>	<b>1.1%</b>	<b>10.2%</b>	<b>100.0%</b>
<b>Programme</b>																			
Administration	76	25 124	82	29 869	81	33 339	35	108	143	39 158	169	43 091	149	48 522	136	51 943	(1.7%)	9.9%	22.6%
Sustainable Resource Management	125	57 808	118	60 461	109	62 301	109		109	69 088	120	75 560	120	84 997	120	91 426	3.3%	9.8%	39.7%
Asset Management	63	29 810	72	32 454	68	34 153	59	5	64	35 163	73	38 803	68	42 895	68	46 056	2.0%	9.4%	20.1%
Financial Governance	54	25 169	55	25 254	54	27 612	41	17	58	28 785	63	34 601	63	38 513	63	41 123	2.8%	12.6%	17.7%
<b>Total</b>	<b>318</b>	<b>137 911</b>	<b>327</b>	<b>148 038</b>	<b>312</b>	<b>157 405</b>	<b>244</b>	<b>130</b>	<b>374</b>	<b>172 194</b>	<b>425</b>	<b>192 055</b>	<b>400</b>	<b>214 927</b>	<b>387</b>	<b>230 548</b>	<b>1.1%</b>	<b>10.2%</b>	<b>100.0%</b>
<b>Employee dispensation classification</b>																			
Public Service Act appointees not covered by OSDs			327	148 038		157 405	272		272	158 239	301	175 277	296	195 269	296	209 921	2.9%	9.9%	91.2%
Others such as interns, EPWP, learnerships, etc							102		102	13 955	124	16 778	104	19 658	91	20 627	(3.7%)	13.9%	8.8%
<b>Total</b>			<b>327</b>	<b>148 038</b>		<b>157 405</b>	<b>374</b>		<b>374</b>	<b>172 194</b>	<b>425</b>	<b>192 055</b>	<b>400</b>	<b>214 927</b>	<b>387</b>	<b>230 548</b>	<b>1.1%</b>	<b>10.2%</b>	<b>100.0%</b>

<sup>1</sup> Personnel numbers includes all filled posts together with those posts additional to the approved establishment.

## Training

**Table 9.2 Information on training**

Description	Outcome						Medium-term estimate			
	2014/15	2015/16	2016/17	Main appropriation 2017/18	Adjusted appropriation 2017/18	Revised estimate 2017/18	% Change from Revised estimate 2018/19	2017/18	2019/20	2020/21
Number of staff	318	327	312	379	374	374	425	13.64	400	387
Number of personnel trained	277	287	297	312	312	254	330	29.96	330	348
of which										
Male	128	120	136	141	141	115	149	29.72	149	157
Female	149	167	161	171	171	139	181	30.16	181	191
Number of training opportunities	529	603	558	580	580	589	613	4.14	613	648
of which										
Tertiary	49	39	52	53	53		56		56	59
Workshops	273	250	287	298	298	200	315	57.64	315	333
Seminars	13	11	15	16	16	4	17	316.59	17	18
Other	194	303	204	213	213	385	225	(41.47)	225	238
Number of bursaries offered	24	27	28	29	38	38	35	(7.89)	35	35
Number of interns appointed	16	14	16	17	49	49	60	22.45	60	60
Number of days spent on training	600	867	740	780	780	1 473	825	(43.98)	825	871
<b>Payments on training by programme</b>										
1. Administration	631	589	584	1 185	1 146	1 146	1 231	7.42	1 285	1 319
2. Sustainable Resource Management	488	290	241	720	697	697	756	8.46	850	914
3. Asset Management	201	248	230	383	352	352	388	10.23	429	461
4. Financial Governance	331	148	395	722	395	395	515	30.38	547	572
<b>Total payments on training</b>	<b>1 651</b>	<b>1 275</b>	<b>1 450</b>	<b>3 010</b>	<b>2 590</b>	<b>2 590</b>	<b>2 890</b>	<b>11.58</b>	<b>3 111</b>	<b>3 266</b>

## Reconciliation of structural changes

None.

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Table A.1 Specification of receipts

Receipts R'000	Outcome						Medium-term estimate			
	Audited 2014/15	Audited 2015/16	Audited 2016/17	Main appro- piation 2017/18	Adjusted appro- piation 2017/18	Revised estimate 2017/18	% Change from Revised estimate 2018/19	2017/18	2019/20	2020/21
<b>Tax receipts</b> (Casino and LGM taxes)	519 340	553 914	572 789	498 141	498 141	498 141	539 017	8.21	568 852	598 029
Casino and LGM taxes	478 819	513 252	524 384	470 141	470 141	470 141	509 401	8.35	537 572	565 028
Horse racing taxes	40 521	40 662	48 405	28 000	28 000	28 000	29 616	5.77	31 280	33 001
Other taxes (Liquor licence fees)								5.77		
<b>Sales of goods and services other than capital assets</b>	2 608	3 591	2 890	1 214	1 214	1 214	1 284	5.77	1 356	1 431
Sales of goods and services produced by department (excluding capital assets)	2 606	3 589	2 888	1 213	1 213	1 213	1 283	5.77	1 355	1 430
Administrative fees	2 580	3 556	2 860	1 201	1 201	1 201	1 271	5.83	1 342	1 416
Other	2 580	3 556	2 860	1 201	1 201	1 201	1 271	5.83	1 342	1 416
Other sales	26	33	28	12	12	12	12		13	14
Commission on insurance	26	26	28							
Other		7		12	12	12	12		13	14
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	2	2	2	1	1	1	1		1	1
<b>Transfers received from</b>				1	1	1	1		1	1
Households and non-profit institutions				1	1	1	1		1	1
<b>Fines, penalties and forfeits</b>	309	295	38							
<b>Interest, dividends and rent on land</b>	6	3	25	1	1	1	1		1	1
Interest	6	3	25	1	1	1	1		1	1
<b>Sales of capital assets</b>	1		7							
Other capital assets	1		7							
<b>Financial transactions in assets and liabilities</b>	1 231	8 023	4 055	47	47	47	50	6.38	53	56
Recovery of previous year's expenditure	1 074	1 238	1 737							
Unallocated credits		9	14							
Cash surpluses	64	6 701	2 171							
Other	93	75	133	47	47	47	50	6.38	53	56
<b>Total departmental receipts</b>	523 495	565 826	579 804	499 404	499 404	499 404	540 353	8.20	570 263	599 518

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2017/18	2019/20	2020/21
<b>Current payments</b>	193 043	197 077	208 985	249 657	225 571	224 691	250 434	11.46	271 857	285 847
Compensation of employees	137 911	148 038	157 405	185 665	173 074	172 194	192 055	11.53	214 927	230 548
Salaries and wages	121 867	130 376	138 723	164 727	153 239	152 495	170 162	11.59	190 487	204 293
Social contributions	16 044	17 662	18 682	20 938	19 835	19 699	21 893	11.14	24 440	26 255
Goods and services	55 132	49 039	51 580	63 992	52 497	52 497	58 379	11.20	56 930	55 299
of which										
Administrative fees	175	206	530	430	443	443	100	(77.43)	100	100
Advertising	490	882	539	822	1 139	1 139	950	(16.59)	950	950
Minor Assets	232	315	293	584	290	290	270	(6.90)	270	270
Audit cost: External	5 181	5 488	4 736	5 152	5 057	5 057	5 050	(0.14)	5 050	5 050
Bursaries: Employees	498	510	531	751	751	751	800	6.52	800	800
Catering: Departmental activities	371	360	520	630	1 038	1 038	780	(24.86)	780	780
Communication (G&S)	891	529	568	847	835	835	843	0.96	843	843
Computer services	5 222	5 304	9 145	8 590	6 980	6 980	8 208	17.59	7 707	6 907
Consultants and professional services: Business and advisory services	30 212	23 780	22 498	29 289	19 905	19 905	25 757	29.40	24 606	23 616
Contractors	345	356	439	541	570	570	519	(8.95)	514	514
Agency and support/outourced services	122	259	31							
Entertainment	105	105	113	210	196	196	200	2.04	200	200
Fleet services (including government motor transport)	930	1 075	901	1 080	1 080	1 080	983	(8.98)	983	983
Consumable supplies	216	144	185	223	233	233	236	1.29	227	228
Consumable: Stationery, printing and office supplies	2 595	2 317	1 534	2 158	2 430	2 430	2 183	(10.16)	2 183	2 183
Operating leases	250	407	393	378	378	378	398	5.29	398	398
Property payments				1 000	6	6		(100.00)		
Transport provided: Departmental activity	4	3		4	4	4	4		4	4
Travel and subsistence	4 791	4 913	5 173	5 794	5 975	5 975	6 019	0.74	6 020	6 021
Training and development	1 153	765	919	2 259	1 839	1 839	2 090	13.65	2 311	2 466
Operating payments	299	474	1 400	1 702	1 676	1 676	1 546	(7.76)	1 541	1 543
Venues and facilities	1 050	847	1 132	1 548	1 672	1 672	1 443	(13.70)	1 443	1 443
<b>Transfers and subsidies to</b>	35 241	38 595	35 814	53 867	57 703	57 703	71 124	23.26	68 138	70 943
Provinces and municipalities	21 800	29 147	21 554	33 966	33 966	33 966	38 311	12.79	34 280	37 510
Municipalities	21 800	29 147	21 554	33 966	33 966	33 966	38 311	12.79	34 280	37 510
Municipal bank accounts	21 800	29 147	21 554	33 966	33 966	33 966	38 311	12.79	34 280	37 510
Departmental agencies and accounts	10 409	5 247	9 912	16 411	19 711	19 711	29 346	48.88	30 640	30 215
Departmental agencies (non-business entities)	10 409	5 247	9 912	16 411	19 711	19 711	29 346	48.88	30 640	30 215
Western Cape Gambling and Racing Board	10 406	5 244	9 908	16 407	19 707	19 707	29 342	48.89	30 636	30 211
Other	3	3	4	4	4	4	4		4	4
Non-profit institutions	100									
Households	2 932	4 201	4 348	3 490	4 026	4 026	3 467	(13.88)	3 218	3 218
Social benefits	579	378	1 694	464	900	900	249	(72.33)		
Other transfers to households	2 353	3 823	2 654	3 026	3 126	3 126	3 218	2.94	3 218	3 218
<b>Payments for capital assets</b>	3 778	4 610	3 077	4 660	5 255	5 255	3 832	(27.08)	3 132	2 602
Machinery and equipment	3 753	4 014	3 039	4 619	5 214	5 214	3 792	(27.27)	3 092	2 562
Transport equipment	1 217	1 663	1 387	1 408	1 408	1 408	1 330	(5.54)	1 330	1 000
Other machinery and equipment	2 536	2 351	1 652	3 211	3 806	3 806	2 462	(35.31)	1 762	1 562
Software and other intangible assets	25	596	38	41	41	41	40	(2.44)	40	40
<b>Payments for financial assets</b>	86	105	125		64	64		(100.00)		
<b>Total economic classification</b>	232 148	240 387	248 001	308 184	288 593	287 713	325 390	13.10	343 127	359 392

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2017/18	2019/20	2020/21
<b>Current payments</b>	37 483	39 786	43 743	57 016	51 481	51 081	54 107	5.92	59 579	63 034
Compensation of employees	25 124	29 869	33 339	43 404	39 558	39 158	43 091	10.04	48 522	51 943
Salaries and wages	22 273	26 512	29 864	39 584	35 840	35 484	39 063	10.09	44 095	47 203
Social contributions	2 851	3 357	3 475	3 820	3 718	3 674	4 028	9.64	4 427	4 740
Goods and services	12 359	9 917	10 404	13 612	11 923	11 923	11 016	(7.61)	11 057	11 091
of which										
Administrative fees	171	204	526	430	430	430	100	(76.74)	100	100
Advertising	357	432	340	663	668	668	672	0.60	672	672
Minor Assets	232	315	293	584	290	290	270	(6.90)	270	270
Audit cost: External	2 943	3 620	3 236	3 118	3 073	3 073	3 323	8.14	3 323	3 323
Bursaries: Employees	498	510	531	751	751	751	800	6.52	800	800
Catering: Departmental activities	106	74	113	170	265	265	200	(24.53)	200	200
Communication (G&S)	259	121	143	188	188	188	194	3.19	194	194
Computer services	1 055	920	1 852	1 803	1 499	1 499	1 196	(20.21)	1 196	1 196
Consultants and professional services: Business and advisory services	3 251	396	99	901	751	751	174	(76.83)	174	174
Contractors	193	203	230	287	308	308	263	(14.61)	263	263
Agency and support/outourced services	14		1							
Entertainment	23	25	34	44	44	44	44		44	44
Fleet services (including government motor transport)	930	1 075	901	1 080	1 080	1 080	983	(8.98)	983	983
Consumable supplies	126	81	89	109	125	125	135	8.00	126	126
Consumable: Stationery, printing and office supplies	594	509	534	541	600	600	596	(0.67)	596	596
Operating leases	250	407	393	378	378	378	398	5.29	398	398
Property payments				1 000	6	6		(100.00)		
Transport provided: Departmental activity	4	3		4	4	4	4		4	4
Travel and subsistence	1 142	709	795	757	806	806	998	23.82	999	999
Training and development	133	79	53	434	395	395	431	9.11	485	519
Operating payments	64	71	222	185	239	239	205	(14.23)	200	200
Venues and facilities	14	163	19	185	23	23	30	30.43	30	30
<b>Transfers and subsidies to</b>	2 871	3 844	2 676	3 298	3 498	3 498	3 222	(7.89)	3 222	3 222
Departmental agencies and accounts	3	3	4	4	4	4	4		4	4
Departmental agencies (non-business entities)	3	3	4	4	4	4	4		4	4
Other	3	3	4	4	4	4	4		4	4
Non-profit institutions	100									
Households	2 768	3 841	2 672	3 294	3 494	3 494	3 218	(7.90)	3 218	3 218
Social benefits	415	18	18	268	368	368		(100.00)		
Other transfers to households	2 353	3 823	2 654	3 026	3 126	3 126	3 218	2.94	3 218	3 218
<b>Payments for capital assets</b>	3 778	4 014	2 993	4 511	5 255	5 255	3 832	(27.08)	3 132	2 602
Machinery and equipment	3 753	4 014	2 955	4 470	5 214	5 214	3 792	(27.27)	3 092	2 562
Transport equipment	1 217	1 663	1 387	1 408	1 408	1 408	1 330	(5.54)	1 330	1 000
Other machinery and equipment	2 536	2 351	1 568	3 062	3 806	3 806	2 462	(35.31)	1 762	1 562
Software and other intangible assets	25		38	41	41	41	40	(2.44)	40	40
<b>Payments for financial assets</b>	86	105	125		64	64		(100.00)		
<b>Total economic classification</b>	44 218	47 749	49 537	64 825	60 298	59 898	61 161	2.11	65 933	68 858



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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2014/15	Audited 2015/16	Audited 2016/17	Main appro- piation 2017/18	Adjusted appro- piation 2017/18	Revised estimate 2017/18	% Change from Revised estimate			
							2018/19	2017/18	2019/20	2020/21
<b>Current payments</b>	69 193	73 806	79 951	90 190	82 142	81 540	<b>91 584</b>	12.32	99 823	105 707
Compensation of employees	57 808	60 461	62 301	72 026	69 690	69 088	<b>75 560</b>	9.37	84 997	91 426
Salaries and wages	51 319	53 416	54 833	63 342	61 332	60 820	<b>66 417</b>	9.20	74 761	80 417
Social contributions	6 489	7 045	7 468	8 684	8 358	8 268	<b>9 143</b>	10.58	10 236	11 009
Goods and services	11 385	13 345	17 650	18 164	12 452	12 452	<b>16 024</b>	28.69	14 826	14 281
of which										
Administrative fees	4	1	4							
Advertising	126	423	199	106	419	419	<b>278</b>	(33.65)	278	278
Audit cost: External	1 335	866	783	1 008	958	958	<b>877</b>	(8.46)	877	877
Catering: Departmental activities	112	122	202	230	230	230	<b>200</b>	(13.04)	200	200
Communication (G&S)	179	181	196	307	295	295	<b>308</b>	4.41	308	308
Computer services	187	327	92	205	97	97	<b>103</b>	6.19	103	103
Consultants and professional services: Business and advisory services	5 079	6 847	11 666	10 191	3 986	3 986	<b>8 001</b>	100.73	6 709	6 099
Contractors	88	66	93	118	118	118	<b>120</b>	1.69	120	120
Agency and support/outsourced services	93	238	30							
Entertainment	52	56	55	108	98	98	<b>100</b>	2.04	100	100
Consumable supplies	46	32	47	66	57	57	<b>53</b>	(7.02)	53	54
Consumable: Stationery, printing and office supplies	1 509	1 436	661	1 089	1 302	1 302	<b>1 091</b>	(16.21)	1 091	1 091
Travel and subsistence	1 694	2 038	2 047	2 539	2 773	2 773	<b>2 711</b>	(2.24)	2 711	2 711
Training and development	488	290	241	720	697	697	<b>756</b>	8.46	850	914
Operating payments	183	349	1 029	1 218	1 143	1 143	<b>1 098</b>	(3.94)	1 098	1 098
Venues and facilities	210	73	305	259	279	279	<b>328</b>	17.56	328	328
<b>Transfers and subsidies to</b>	<b>32 298</b>	<b>34 573</b>	<b>31 480</b>	<b>50 373</b>	<b>53 730</b>	<b>53 730</b>	<b>67 902</b>	26.38	64 916	67 721
Provinces and municipalities	21 800	29 147	21 554	33 966	33 966	33 966	<b>38 311</b>	12.79	34 280	37 510
Municipalities	21 800	29 147	21 554	33 966	33 966	33 966	<b>38 311</b>	12.79	34 280	37 510
Municipal bank accounts	21 800	29 147	21 554	33 966	33 966	33 966	<b>38 311</b>	12.79	34 280	37 510
Departmental agencies and accounts	10 406	5 244	9 908	16 407	19 707	19 707	<b>29 342</b>	48.89	30 636	30 211
Departmental agencies (non-business entities)	10 406	5 244	9 908	16 407	19 707	19 707	<b>29 342</b>	48.89	30 636	30 211
Western Cape Gambling and Racing Board	10 406	5 244	9 908	16 407	19 707	19 707	<b>29 342</b>	48.89	30 636	30 211
Households	92	182	18		57	57	<b>249</b>	336.84		
Social benefits	92	182	18		57	57	<b>249</b>	336.84		
<b>Total economic classification</b>	<b>101 491</b>	<b>108 379</b>	<b>111 431</b>	<b>140 563</b>	<b>135 872</b>	<b>135 270</b>	<b>159 486</b>	17.90	164 739	173 428

## Annexure A to Vote 3

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main appro- priation	Adjusted appro- priation	Revised estimate	% Change from Revised estimate			
	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2017/18	2019/20	2020/21
<b>Current payments</b>	55 686	53 310	52 448	59 624	52 516	52 513	<b>62 524</b>	19.06	66 222	68 175
Compensation of employees	29 810	32 454	34 153	38 298	35 166	35 163	<b>38 803</b>	10.35	42 895	46 056
Salaries and wages	26 135	28 301	29 690	33 437	30 620	30 649	<b>33 827</b>	10.37	37 256	40 004
Social contributions	3 675	4 153	4 463	4 861	4 546	4 514	<b>4 976</b>	10.23	5 639	6 052
Goods and services	25 876	20 856	18 295	21 326	17 350	17 350	<b>23 721</b>	36.72	23 327	22 119
of which										
Administrative fees		1			13	13		(100.00)		
Advertising	7	27		53	52	52		(100.00)		
Catering: Departmental activities	153	61	61	80	193	193	<b>190</b>	(1.55)	190	190
Communication (G&S)	338	162	159	238	238	238	<b>231</b>	(2.94)	231	231
Computer services	3 843	4 057	7 193	6 553	5 375	5 375	<b>6 893</b>	28.24	6 392	5 592
Consultants and professional services: Business and advisory services	19 189	14 103	8 362	11 261	8 350	8 350	<b>13 838</b>	65.72	13 909	13 469
Contractors	30	44	64	75	82	82	<b>73</b>	(10.98)	68	68
Agency and support/outsourced services	15	7								
Entertainment	14	11	10	28	26	26	<b>26</b>		26	26
Consumable supplies	30	22	37	30	31	31	<b>30</b>	(3.23)	30	30
Consumable: Stationery, printing and office supplies	335	247	285	357	358	358	<b>326</b>	(8.94)	326	326
Travel and subsistence	990	1 286	1 333	1 369	1 316	1 316	<b>1 208</b>	(8.21)	1 208	1 208
Training and development	201	248	230	383	352	352	<b>388</b>	10.23	429	461
Operating payments	14	6	12	11	89	89	<b>84</b>	(5.62)	84	84
Venues and facilities	717	574	549	888	875	875	<b>434</b>	(50.40)	434	434
<b>Transfers and subsidies to</b>	46	162	1 658	196	427	427		(100.00)		
Households	46	162	1 658	196	427	427		(100.00)		
Social benefits	46	162	1 658	196	427	427		(100.00)		
<b>Total economic classification</b>	55 732	53 472	54 106	59 820	52 943	52 940	<b>62 524</b>	18.10	66 222	68 175

## Annexure A to Vote 3

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2014/15	Audited 2015/16	Audited 2016/17	Main appro- piation 2017/18	Adjusted appro- piation 2017/18	Revised estimate 2017/18	% Change from Revised estimate			
							2018/19	2017/18	2019/20	2020/21
<b>Current payments</b>	30 681	30 175	32 843	42 827	39 432	39 557	<b>42 219</b>	6.73	46 233	48 931
Compensation of employees	25 169	25 254	27 612	31 937	28 660	28 785	<b>34 601</b>	20.20	38 513	41 123
Salaries and wages	22 140	22 147	24 336	28 364	25 447	25 542	<b>30 855</b>	20.80	34 375	36 669
Social contributions	3 029	3 107	3 276	3 573	3 213	3 243	<b>3 746</b>	15.51	4 138	4 454
Goods and services	5 512	4 921	5 231	10 890	10 772	10 772	<b>7 618</b>	(29.28)	7 720	7 808
<i>of which</i>										
Audit cost: External	903	1 002	717	1 026	1 026	1 026	<b>850</b>	(17.15)	850	850
Catering: Departmental activities		103	144	150	350	350	<b>190</b>	(45.71)	190	190
Communication (G&S)	115	65	70	114	114	114	<b>110</b>	(3.51)	110	110
Computer services	137		8	29	9	9	<b>16</b>	77.78	16	16
Consultants and professional services: Business and advisory services	2 693	2 434	2 371	6 936	6 818	6 818	<b>3 744</b>	(45.09)	3 814	3 874
Contractors	34	43	52	61	62	62	<b>63</b>	1.61	63	63
Agency and support/outsourced services		14								
Entertainment	16	13	14	30	28	28	<b>30</b>	7.14	30	30
Consumable supplies	14	9	12	18	20	20	<b>18</b>	(10.00)	18	18
Consumable: Stationery, printing and office supplies	157	125	54	171	170	170	<b>170</b>		170	170
Travel and subsistence	965	880	998	1 129	1 080	1 080	<b>1 102</b>	2.04	1 102	1 103
Training and development	331	148	395	722	395	395	<b>515</b>	30.38	547	572
Operating payments	38	48	137	288	205	205	<b>159</b>	(22.44)	159	161
Venues and facilities	109	37	259	216	495	495	<b>651</b>	31.52	651	651
<b>Transfers and subsidies to</b>	26	16			48	48		(100.00)		
Households	26	16			48	48		(100.00)		
Social benefits	26	16			48	48		(100.00)		
<b>Payments for capital assets</b>		596	84	149						
Machinery and equipment			84	149						
Other machinery and equipment			84	149						
Software and other intangible assets		596								
<b>Total economic classification</b>	30 707	30 787	32 927	42 976	39 480	39 605	<b>42 219</b>	6.60	46 233	48 931

## Annexure A to Vote 3

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

R thousand	Audited outcome		Actual outcome 2016/17	Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term receipts estimate		
	2014/15	2015/16					2018/19	2019/20	2020/21
<b>Revenue</b>									
<b>Non-tax revenue</b>	59 239	50 545	50 989	58 104	54 271	54 271	64 937	68 200	69 856
Sale of goods and services other than capital assets	36 540	34 704	40 027	40 767	33 634	33 634	34 545	36 514	38 595
Entity revenue other than sales	1 293	1 229	1 054	930	930	930	1 050	1 050	1 050
Transfers received	21 406	14 612	9 908	16 407	19 707	19 707	29 342	30 636	30 211
<b>Total revenue before deposits into the PRF</b>	59 239	50 545	50 989	58 104	54 271	54 271	64 937	68 200	69 856
<b>Total revenue</b>	59 239	50 545	50 989	58 104	54 271	54 271	64 937	68 200	69 856
<b>Expenses</b>									
<b>Current expense</b>	41 756	43 130	45 014	53 838	53 375	53 375	60 140	64 083	64 912
Compensation of employees	31 284	35 049	37 480	41 548	41 548	41 548	44 186	46 778	49 913
Goods and services	10 472	8 081	7 534	12 290	11 827	11 827	15 954	17 304	14 999
<b>Payments for capital assets</b>	852	2 354	390	4 266	896	896	4 797	4 117	4 945
<b>Total expenses</b>	42 608	45 484	45 404	58 104	54 271	54 271	64 937	68 200	69 857
<b>Surplus / (Deficit)</b>	16 631	5 061	5 585	(0)	(0)	(0)		0	(0)
<b>Adjustments for Surplus/(Deficit)</b>									
Approval to retain Accumulated Surplus in transfers	(11 000)	(9 368)							
Net of Gain on asset disposal & loss on actuarial valuations		(43)	(153)						
Capital assets	853	2 354	389						
Depreciation & Amortisation	(1 415)	(1 201)	(1 153)						
<b>Surplus/(deficit) after adjustments</b>	5 069	(3 197)	4 668	(0)	(0)	(0)		0	(0)
<b>Cash flow from investing activities</b>	(838)	(2 336)	(261)	(1 003)	(1 003)	(1 003)	(1 062)	(1 124)	(1 186)
<b>Acquisition of Assets</b>	(853)	(2 355)	(390)	(1 023)	(1 023)	(1 023)	(1 082)	(1 144)	(1 207)
Furniture and Office equipment	(853)	(2 355)	(355)	(1 023)	(1 023)	(1 023)	(1 082)	(1 144)	(1 207)
Computer Software			(35)						
<b>Other flows from Investing Activities</b>	15	19	129	20	20	20	20	20	21
Proceeds from sale of PPE	15	19	129	20	20	20	20	20	21
<b>Cash flow from financing activities</b>	3 743	(5 112)	(1 608)	2 037	2 037	2 037	2 037	2 037	2 149
Other	3 743	(5 112)	(1 608)	2 037	2 037	2 037	2 037	2 037	2 149
<b>Net increase / (decrease) in cash and cash equivalents</b>	2 905	(7 448)	(1 869)	1 034	1 034	1 034	975	913	963
<b>Balance Sheet Data</b>									
<b>Carrying Value of Assets</b>	1 936	3 074	2 257	1 458	1 458	1 458	1 771	1 871	1 974
Computer equipment	744	2 047	1 364	650	650	650	750	750	791
Furniture and Office equipment	783	669	592	400	400	400	450	450	475
Other Machinery and equipment	190	207	188	130	130	130	150	150	158
Transport Assets	55	27		180	180	180	300	400	422
Computer Software	111	79	46	70	70	70	100	100	106
Service and Operating Rights	6	5							
Other Intangibles	47	40	67	28	28	28	21	21	22
<b>Cash and Cash Equivalents</b>	35 454	24 601	27 588	18 379	18 379	18 379	19 004	19 004	20 049
Bank	18 882	6 404	8 790	2 100	2 100	2 100	3 000	3 000	3 165
Cash on Hand	4	4	4	4	4	4	4	4	4
Other	16 568	18 193	18 794	16 275	16 275	16 275	16 000	16 000	16 880
<b>Receivables and Prepayments</b>	1 432	3 082	2 467	478	478	478	470	470	496
Trade Receivables	1 392	2 891	1 885	458	458	458	450	450	475
Prepaid Expenses	40	191	582	20	20	20	20	20	21
<b>Inventory</b>	35	30	45						
Other	35	30	45						
<b>Total Assets</b>	38 857	30 787	32 357	20 315	20 315	20 315	21 245	21 345	22 519
<b>Capital and Reserves</b>	25 999	9 061	8 017	368	368	368	368	368	368
Accumulated Reserves	9 368	4 000	2 432	368	368	368	368	368	368
Surplus / (Deficit)	16 631	5 061	5 585	(0)	(0)	(0)		0	(0)
<b>Post Retirement Benefits</b>	1 837	2 035	2 539						
Present value of Funded obligations	1 837	2 035	2 539						
<b>Trade and Other Payables</b>	10 234	5 465	8 664	3 672	3 672	3 672	5 245	5 345	5 639
Trade Payables	10 234	5 465	8 664	3 672	3 672	3 672	5 245	5 345	5 639
<b>Provisions</b>	850	1 130							
Other	850	1 130							
<b>Funds Managed (e.g. Poverty Alleviation Fund)</b>	16 568	18 158	18 721	16 275	16 275	16 275	16 000	16 000	16 880
Other	16 568	18 158	18 721	16 275	16 275	16 275	16 000	16 000	16 880

Note: For 2016/17 Transfer received includes an amount of R4 million retention of surplus fund from 2015/16.

## Annexure A to Vote 3

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

Municipalities R'000	Outcome						Medium-term estimate			
	Audited 2014/15	Audited 2015/16	Audited 2016/17	Main appro- piation 2017/18	Adjusted appro- piation 2017/18	Revised estimate 2017/18	% Change from Revised estimate			
							2018/19	2017/18	2019/20	2020/21
<b>Total departmental transfers/grants</b>										
<b>Category A</b>	300	300	120	240	470	470	590	25.53	230	
City of Cape Town	300	300	120	240	470	470	590	25.53	230	
<b>Category B</b>	17 635	23 512	14 934	5 760	28 565	28 565	17 854	(37.50)	8 329	
Matzikama	990	1 455	340	240	770	770	690	(10.39)	330	
Cederberg	750	1 313	340	240	1 220	1 220	840	(31.15)	480	
Bergrivier	820	1 062	120	240	570	570	690	21.05	330	
Saldanha Bay	1 700	530	340	240	870	870	1 140	31.03	280	
Swartland	510	50	340	240	1 000	1 000	790	(21.00)	330	
Witzenberg	822	1 050	2 340	240	570	570	690	21.05	330	
Drakenstein	600	300	120	240	495	495	615	24.24	255	
Stellenbosch		250	340	240	495	495	615	24.24	255	
Breede Valley	1 057	1 130	554	240	650	650	640	(1.54)	280	
Langeberg	443	50	340	240	570	570	690	21.05	330	
Theewaterskloof	1 337	1 245	340	240	920	920	690	(25.00)	330	
Overstrand	514	1 300		240	520	520	640	23.08	280	
Cape Agulhas	810	857	340	240	570	570	690	21.05	330	
Swellendam	956	1 050	220	240	570	570	690	21.05	330	
Kannaland	500	1 050	1 340	240	3 370	3 370	690	(79.53)	330	
Hessequa	1 190	353	120	240	570	570	690	21.05	330	
Mossel Bay			340	240	520	520	640	23.08	280	
George	500	50	340	240	495	495	615	24.24	255	
Oudtshoorn	450	3 211	3 240	240	3 520	3 520	1 140	(67.61)	780	
Bitou	449	50	340	240	1 570	1 570	690	(56.05)	330	
Knysna	500	300	120	240	2 520	2 520	1 209	(52.02)	564	
Laingsburg	450	2 271	340	240	1 770	1 770	690	(61.02)	330	
Prince Albert	300	3 535	2 340	240	1 670	1 670	690	(58.68)	330	
Beaufort West	1 987	1 050	340	240	2 770	2 770	690	(75.09)	330	
<b>Category C</b>	3 865	5 335	6 500	1 200	4 895	4 895	3 400	(30.54)	1 400	
West Coast District Municipality	800	1 000	1 240	240	520	520	640	23.08	280	
Cape Winelands District Municipality	1 025	1 385	1 040	240	720	720	840	16.67	280	
Overberg District Municipality	910	1 750	1 940	240	1 020	1 020	640	(37.25)	280	
Eden District Municipality	830	650	340	240	620	620	640	3.23	280	
Central Karoo District Municipality	300	550	1 940	240	2 015	2 015	640	(68.24)	280	
<b>Unallocated</b>				26 766	36	36	16 467		24 321	37 510
<b>Total transfers to local government</b>	21 800	29 147	21 554	33 966	33 966	33 966	38 311	12.79	34 280	37 510

Note: Support initiatives to municipalities to improve financial governance and management introduced during 2011/12 will continue over the MTEF, specially support to the most vulnerable municipalities. Over the MTEF, R38.311 million in 2018/19 (of which R16.999 million is earmarked), R34.280 million in 2019/20 (of which R17.929 million is earmarked) and R37.510 million in 2020/21 (of which R18.915 million is earmarked) have been reserved for diverse financial support to municipalities. Some amounts are unallocated at this stage for the Financial Management Support Grant and will be shifted in the respective Adjusted Estimates that will be based on the outcomes and recommendations of Integrated Municipal Engagement (e.g. Municipal Governance Review and Outlook (MGRO), Integrated Development Plans (IDP) and Local Government Medium Term Expenditure Committee (LG MTEC)) processes). The amounts in 2019/20 and 2020/21 for the Financial Management Capacity Building Grant are unallocated at this stage and will be allocated in the respective Main Estimates.

## Annexure A to Vote 3

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

Municipalities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2017/18	2019/20	2020/21
<b>Financial Management Support Grant</b>	21 800	29 147	18 194	26 766	26 766	26 766	27 511	2.78	22 886	25 489
<b>Category A</b>	300	300			230	230	230		230	
City of Cape Town	300	300			230	230	230		230	
<b>Category B</b>	17 635	23 512	12 294		22 805	22 805	9 214	(59.60)	8 329	
Matzikama	990	1 455	220		530	530	330	(37.74)	330	
Cederberg	750	1 313	220		980	980	480	(51.02)	480	
Bergrivier	820	1 062			330	330	330		330	
Saldanha Bay	1 700	530	220		630	630	780	23.81	280	
Swartland	510	50	220		760	760	430	(43.42)	330	
Witzenberg	822	1 050	2 220		330	330	330		330	
Drakenstein	600	300			255	255	255		255	
Stellenbosch		250	220		255	255	255		255	
Breede Valley	1 057	1 130	434		410	410	280	(31.71)	280	
Langeberg	443	50	220		330	330	330		330	
Theewaterskloof	1 337	1 245	220		680	680	330	(51.47)	330	
Overstrand	514	1 300			280	280	280		280	
Cape Agulhas	810	857	220		330	330	330		330	
Swellendam	956	1 050	220		330	330	330		330	
Kannaland	500	1 050	1 220		3 130	3 130	330	(89.46)	330	
Hessequa	1 190	353			330	330	330		330	
Mossel Bay			220		280	280	280		280	
George	500	50	220		255	255	255		255	
Oudtshoorn	450	3 211	3 120		3 280	3 280	780	(76.22)	780	
Bitou	449	50	220		1 330	1 330	330	(75.19)	330	
Knysna	500	300			2 280	2 280	849	(62.76)	564	
Laingsburg	450	2 271	220		1 530	1 530	330	(78.43)	330	
Prince Albert	300	3 535	2 220		1 430	1 430	330	(76.92)	330	
Beaufort West	1 987	1 050	220		2 530	2 530	330	(86.96)	330	
<b>Category C</b>	3 865	5 335	5 900		3 695	3 695	1 600	(56.70)	1 400	
West Coast District Municipality	800	1 000	1 120		280	280	280		280	
Cape Winelands District Municipality	1 025	1 385	920		480	480	480		280	
Overberg District Municipality	910	1 750	1 820		780	780	280	(64.10)	280	
Eden District Municipality	830	650	220		380	380	280	(26.32)	280	
Central Karoo District Municipality	300	550	1 820		1 775	1 775	280	(84.23)	280	
<b>Unallocated</b>				26 766	36	36	16 467		12 927	25 489

Note: Support initiatives to municipalities to improve financial governance and management introduced during 2011/12 will continue over the MTEF, specially support to the most vulnerable municipalities. Over the MTEF, R27.511 million in 2018/19 (of which R16.999 million is earmarked), R22.886 million in 2019/20 (of which R17.929 million is earmarked) and R25.489 million in 2020/21 (of which R18.915 million is earmarked) have been reserved for diverse financial support to municipalities. Some amounts are unallocated at this stage and will be shifted in the respective Adjusted Estimates that will be based on the outcomes and recommendations of Integrated Municipal Engagements (e.g. Municipal Governance Review and Outlook (MGRO), Integrated Development Plans (IDP) and Local Government Medium Term Expenditure Committee (LG MTEC)) processes.

## Annexure A to Vote 3

Table A.4.2 Transfers to local government by transfers/grant type, category and municipality

Municipalities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2017/18	2019/20	2020/21
<b>Financial Management Capacity Building Grant</b>			3 360	7 200	7 200	7 200	10 800	50.00	11 394	12 021
<b>Category A</b>			120	240	240	240	360	50.00		
City of Cape Town			120	240	240	240	360	50.00		
<b>Category B</b>			2 640	5 760	5 760	5 760	8 640	50.00		
Matzikama			120	240	240	240	360	50.00		
Cederberg			120	240	240	240	360	50.00		
Bergvriër			120	240	240	240	360	50.00		
Saldanha Bay			120	240	240	240	360	50.00		
Swartland			120	240	240	240	360	50.00		
Witzenberg			120	240	240	240	360	50.00		
Drakenstein			120	240	240	240	360	50.00		
Stellenbosch			120	240	240	240	360	50.00		
Breede Valley			120	240	240	240	360	50.00		
Langeberg			120	240	240	240	360	50.00		
Theewaterskloof			120	240	240	240	360	50.00		
Overstrand				240	240	240	360	50.00		
Cape Agulhas			120	240	240	240	360	50.00		
Swellendam				240	240	240	360	50.00		
Kannaland			120	240	240	240	360	50.00		
Hessequa			120	240	240	240	360	50.00		
Mossel Bay			120	240	240	240	360	50.00		
George			120	240	240	240	360	50.00		
Oudtshoorn			120	240	240	240	360	50.00		
Bitou			120	240	240	240	360	50.00		
Knysna			120	240	240	240	360	50.00		
Laingsburg			120	240	240	240	360	50.00		
Prince Albert			120	240	240	240	360	50.00		
Beaufort West			120	240	240	240	360	50.00		
<b>Category C</b>			600	1 200	1 200	1 200	1 800	50.00		
West Coast District Municipality			120	240	240	240	360	50.00		
Cape Winelands District Municipality			120	240	240	240	360	50.00		
Overberg District Municipality			120	240	240	240	360	50.00		
Eden District Municipality			120	240	240	240	360	50.00		
Central Karoo District Municipality			120	240	240	240	360	50.00		
<b>Unallocated</b>									11 394	12 021

Note: Support initiatives to municipalities to improve financial governance and management introduced during 2011/12 will continue over the MTEF, specially support to the most vulnerable municipalities. Over the MTEF, R10.800 million in 2018/19, R11.394 million in 2019/20 and R12.021 million in 2020/21 have been reserved for diverse financial support to municipalities. The amounts in 2019/20 and 2020/21 are unallocated at this stage and will be allocated in the respective Main Estimates.

## Annexure A to Vote 3

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

Municipalities R'000	Outcome			Main appro- priation 2017/18	Adjusted appro- priation 2017/18	Revised estimate 2017/18	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2014/15	2015/16	2016/17				2018/19	2017/18	2019/20	2020/21
Cape Town Metro	232 148	240 387	248 001	308 184	288 593	287 713	325 390	13.10	343 127	359 392
<b>Total provincial expenditure by district and local</b>	<b>232 148</b>	<b>240 387</b>	<b>248 001</b>	<b>308 184</b>	<b>288 593</b>	<b>287 713</b>	<b>325 390</b>	<b>13.10</b>	<b>343 127</b>	<b>359 392</b>

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

Municipalities R'000	Outcome			Main appro- priation 2017/18	Adjusted appro- priation 2017/18	Revised estimate 2017/18	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2014/15	2015/16	2016/17				2018/19	2017/18	2019/20	2020/21
Cape Town Metro	44 218	47 749	49 537	64 825	60 298	59 898	61 161	2.11	65 933	68 858
<b>Total provincial expenditure by district and local</b>	<b>44 218</b>	<b>47 749</b>	<b>49 537</b>	<b>64 825</b>	<b>60 298</b>	<b>59 898</b>	<b>61 161</b>	<b>2.11</b>	<b>65 933</b>	<b>68 858</b>

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

Municipalities R'000	Outcome			Main appro- priation 2017/18	Adjusted appro- priation 2017/18	Revised estimate 2017/18	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2014/15	2015/16	2016/17				2018/19	2017/18	2019/20	2020/21
Cape Town Metro	101 491	108 379	111 431	140 563	135 872	135 270	159 486	17.90	164 739	173 428
<b>Total provincial expenditure by district and local</b>	<b>101 491</b>	<b>108 379</b>	<b>111 431</b>	<b>140 563</b>	<b>135 872</b>	<b>135 270</b>	<b>159 486</b>	<b>17.90</b>	<b>164 739</b>	<b>173 428</b>



## Annexure A to Vote 3

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

Municipalities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2017/18	2019/20	2020/21
Cape Town Metro	55 732	53 472	54 106	59 820	52 943	52 940	62 524	18.10	66 222	68 175
Total provincial expenditure by district and local	55 732	53 472	54 106	59 820	52 943	52 940	62 524	18.10	66 222	68 175

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

Municipalities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2014/15	2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2017/18	2019/20	2020/21
Cape Town Metro	30 707	30 787	32 927	42 976	39 480	39 605	42 219	6.60	46 233	48 931
Total provincial expenditure by district and local municipality	30 707	30 787	32 927	42 976	39 480	39 605	42 219	6.60	46 233	48 931

