

VOTE 1

Office of the Premier

Operational budget	R711 743 591
Remuneration of the Premier	R 2 260 409
Total amount to be appropriated	R714 004 000
Responsible Executive Authority	The Premier
Administering department	Office of the Premier
Accounting officer	Director-General: Office of the Premier

1. Overview

Vision

The vision of the Office of the Premier (OTP) is: *To be the centre of governance, providing leadership towards achieving KZN Vision 2035.*

Mission statement

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

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

Strategic objectives

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

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

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

- To realise the existence of functional public policy and strategic planning management systems and processes for the provincial government.
- To achieve co-ordinated provincial policies, strategies and programmes.
- To ensure the existence of governance conditions conducive to respect for human rights, and the promotion of science and technology.
- To realise enhanced government communication and governance, human resources development, state law advisory services and service delivery in and by the provincial administration.

- To have in place co-ordinated and aligned policies and plans of the three spheres of government and foreign governments and agencies.
- To achieve effectively monitored and evaluated government policies and programmes.
- To enhance and promote the status of the Zulu Monarch and to establish the necessary institutional arrangements in support of the Zulu Monarchy and members of the Royal family.

Core functions

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

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

Legislative mandate

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

- The Constitution of the Republic of South Africa, 1996
- Public Service Act, 1994, as amended
- Public Finance Management Act, 1999, as amended and Treasury Regulations
- Preferential Procurement Policy Framework Act, 2000
- KwaZulu-Natal Provincial Supply Chain Management Policy Framework, 2006
- KwaZulu-Natal Youth Commission Act, 2005
- Annual Division of Revenue Act (DORA)
- Public Service Regulations, 2001
- Labour Relations Act, 1995
- Employment Equity Act, 1998
- Basic Conditions of Employment Act, 1997
- Promotion of Access to Information Act, 2000
- Electronic Communications and Transactions Act, 2002
- State Information Technology Agency Act, 1999
- Promotion of Administrative Justice Act, 2000
- Promotion of Equality and Prevention of Unfair Discrimination Act, 2000
- Skills Development Act, 1998
- KwaZulu-Natal Royal Household Trust Act, 2018
- Traditional Leadership and Governance Framework Act, 2003
- KwaZulu-Natal Traditional Leadership and Governance Act, 2005
- Intergovernmental Relations Act, 2005

2. Review of the 2018/19 financial year

Section 2 provides a review of 2018/19, outlining the main achievements and progress made by the department during the year, as well as giving a brief discussion on challenges and new developments.

Provincial Planning Commission (PPC)

The functions of the PPC are similar to those of the National Planning Commission, and are to advise and make recommendations to the Premier and the Provincial Executive on a long-term strategic development perspective and vision of the province. A refined version of the PGDP and four quarterly implementation reports were presented to the Provincial Executive Council and approved. Substantial progress was made with enhancing the institutional framework to drive the implementation of the PGDP with the strengthening of 18 Action Work Groups (AWGs). Support was rendered to the eThekweni Metro and all 10 district municipalities in the drafting of their District Growth and Development Plans. Members of the PPC were also assigned to support various provincial departments, such as Health and Agriculture and Rural Development, to attend to specific challenges impacting negatively on the ability of the province to achieve its targets set for 2020. Progress on renewable energy projects was slow, due to challenges experienced within the national departments assigned with the responsibility.

Inter-governmental relations (IGR)

The main aim is to strengthen IGR in the province through collaboration to ensure integrated planning for improved service delivery. The IGR strategy primarily aims to create linkages between the IGR structures and stakeholders. With regard to linkages to other provinces, programmes were implemented in Mpumalanga to enhance service delivery and are ongoing while, in the Eastern Cape, a MOU was drafted and legal teams from both provinces are in consultation in this regard. In the Free State, ongoing consultations with the province are being conducted. The unit identified gaps in service delivery at provincial/international boundaries of the province. In this regard, an interprovincial forum was established that deals with issues relating to the borders of the province. Provinces affected include Free State, Mpumalanga and the Eastern Cape, as well as the international borders of Lesotho and Swaziland. For the remainder of 2018/19, the following, among others, are planned: frequent meetings of the Premier's Co-ordinating Forum (PCF), using the Committee of Heads of Department as a key forum for intra-governmental relations, as well as a second IGR Learning Network.

Monitoring and evaluation (M&E)

Both the departmental and provincial 2018/19 evaluation plans were reviewed. Progress on the PGDP is reported quarterly to the PPC and bi-annually to the Provincial Executive Council *Lekgotla*. The assessment focuses on progress made towards achieving targets set in the PGDP for 2020. The *Lekgotla* also provided an opportunity for the Provincial Executive Council to deliberate on a diagnostic assessment of the status of the respective functional areas of departments and to provide guidance on strategic performance areas, to be prioritised for implementation in the fourth quarter of 2018/19. Support was provided to all departments in conducting Management Performance Assessments using the Management Performance Assessments Tool (MPAT).

The approach of monitoring frontline service delivery programmes was changed to being more responsive to identify early warning signs. Several sites were visited to ensure that key issues are addressed. These include service centres and public facilities such as hospitals, schools and SASSA facilities. Sites are continuously monitored for a period of three years. Departments are also monitored quarterly on the basis of progress made with the implementation of their service delivery improvement plans (SDIP).

The Nerve Centre was upgraded in support of reporting on the PGDP, Quarterly Performance Reporting (QPR), as well as providing a strategic provincial calendar. The main focus was on migrating the current developed solutions to Dube TradePort to resolve the issue of accessibility of the system to all departments. Dube TradePort provides added business agility, centricity, and flexibility, while at the same time significantly reducing hosting costs required to support and maintain hardware and software.

Protection of human rights

The department co-ordinated the Gender, Disability, Senior Citizens, Children (GDCSC) and Ombudsperson activities which served as platforms to promote and monitor the implementation of human rights related policies by all government departments and municipalities. Capacity building sessions for

both government officials and the community were co-ordinated. International and national human rights calendar dates were celebrated including National Women's Day (August), International Children's Day (June), International Disability Day (December) and International Women's Day (March). The Office of the Ombudsperson and the Protection of Human Rights unit also made interventions on issues of violation of human rights. The ward-based profiling project on GDCSC activities was initiated in collaboration with COGTA and OSS, through which a concept document and a human rights based electronic profiling template were developed. The roll-out of the profiling project will commence in 2019/20.

Public service transformation

The department convened various strategic Human Resource Management and Development (HRM&D) forums with all provincial departments. These forums were effective learning platforms utilised to share best practices and knowledge among peers. The department convened an HR Summit for all provincial HR practitioners with the objective of finalising the HRM turnaround strategy. The purpose of the strategy is to reposition the role of human resource management as a strategic partner in achieving the strategic goals of the province. It is geared towards recognising the link between the PGDP and the role of HR as an enabler for service delivery.

HR policy compliance audits were conducted in 13 departments with a view to improving compliance. More needs to be done to encourage compliance with regard to increasing the number of women in senior management and the number of employees with disabilities, as well as generally improving the handling of disciplinary cases and grievances in provincial departments.

The Provincial Safety Health Environment Risk and Quality (SHERQ) Management Plans by all departments were co-ordinated. In this regard, the annual provincial SHERQ *Indaba* was convened to assess the level of health and safety compliance in all departments.

Identity and heritage of the province

In an effort to address the difficulties facing Amafa aKwaZulu-Natali (Amafa), most notably the history of resource constraints, the Premier announced during 2015/16 that the intention is to co-ordinate heritage in the province through the amalgamation of Amafa and the Heritage unit within OTP to form the KZN Amafa and Research Institute. The KZN Amafa and Research Institute Act (No. 5 of 2018) was passed in the Legislature and provincial proclamation No. 5 of 14 December 2018 was issued determining that the new entity will move to Vote 15: Arts and Culture (DAC) on 1 April 2019. In this document, the movement is indicated by the removal of all historical figures, with only those for 2018/19 still reflected in this chapter. The figures for previous years and the MTEF can be found in the chapter for DAC.

Operation Sukuma Sakhe (OSS)

There was continuous auditing of war-rooms to establish functionality and ascertain the support needed for war-rooms to be functional. Furniture and computers were continuously distributed to the war-rooms.

The Inkululeko Development project is an integrated multi-purpose and multi-sectoral project led by the Premier and aims to address the critical social malaise of rural communities, through integrating developments inter-departmentally, with the focus on revitalising rural areas. This will facilitate the creation of a rural development strategy, to be co-ordinated by DARD. This will contribute towards the improvement in the quality of education, health, sustainable livelihoods, job creation and the quality of life, thereby creating a dignified community.

The Inkululeko Development project phase 1 at Ndumo is completed. To give effect to the project, OTP is responsible for championing all the Inkululeko Development projects and, as such, has established work groups to contribute to the overall objectives of the projects. The Mandla Mthethwa Comprehensive School, which was paid for by DOE, is complete and was handed over to the community on 4 September 2018. Project planning and scoping, as well as identification of anchor projects has commenced for the Inkululeko Development project phase 2, which will be conducted in uMzinyathi and uThukela districts, with a focus on Muden and Weenen, respectively.

Youth Development Fund

As announced in the 2018 State of the Province Address (SOPA), and the department's budget speech, the Youth Development Fund was established and R50 million was allocated to this in the Adjustments

Estimate. Subsequently, it has been decided that the fund will be administered by the KZN Growth Fund Trust under EDTEA and OTP will thus be transferring the funding to this entity. EDTEA has already commenced with the launch of the fund, and has called for applications *via* advertising in the press, as well as social media.

His Majesty, the King's activities

The King Support and Royal Household unit hosted 16 of His Majesty, the King's events, with a further six events planned for the remainder of the year. Events already hosted include:

- Hosting religious bodies including the Seventh Day Adventist Church Prayer, St. John's Apostolic Church Prayer and the Shembe Congregation Prayer at Enyokeni Palace, among others.
- Hosting cultural and heritage events including His Majesty the King's birthday, *Umkhosi Wesivivane* (First Fruits ceremony), the *Umkhosi Womhlanga* (Royal Reed Dance), the funerals of the Royal Prince of Kwasoksimbone and the Royal Prince of KwaDlamahlahla and *Umkhosi WeLembe* (King Shaka commemoration), among others.

Some of the King's activities/events for the remainder of the financial year include the opening of the KZN Provincial Legislature, the SOPA, the annual Umthayi Amarula Festival (*Umkhosi WaMaganu*) at Machobeni and KwaKhangela Palaces, *Ukukhonza* (Homage) by the Makhaya Clan at Enyokeni Palace and the opening of the Traditional House. The department also continued with renovations of the KwaKhangela Palace, with the tiling of the main house and guest houses completed.

The Royal Household Trust (RHT)

The RHT was established in 2009/10 as an entity in terms of the KZN Royal Household Trust Act, 2007, but is now governed by the KZN Royal Household Trust Act (Act No. 3 of 2018), which has repealed the earlier Act. The objective of the new Act is to outline the manner in which the RHT is to be managed, governed, staffed and financed. The overall aim is to ensure that governance and management of the RHT is improved. In delivering on its mandate in 2018/19, the RHT provided for the Queens' expenses, including travel and accommodation, as well as tuition fees, transportation and medical expenses for members of the Royal Family. The RHT also maintained the Royal palaces and managed some of the farming activities, such as providing feed and veterinary care for the King's cattle.

The RHT is also tasked to raise funds for the benefit of the Royal Household, but this activity experienced challenges in 2018/19 due to capacity constraints.

Amafa aKwaZulu-Natali (Amafa)

As mentioned earlier, the amalgamation of Amafa and the Heritage unit within OTP to form the KZN Amafa and Research Institute was finalised with the passing of the KZN Amafa and Research Institute Act (No. 5 of 2018) in the Legislature. As per provincial proclamation No. 5 of 14 December 2018, the new entity will move to DAC on 1 April 2019.

Amafa continued with its legislative mandate of assessing and issuing permit applications for alterations, repairs and demolition of qualifying built environment structures and archaeological-related work. Maintenance and project work at sites of historic significance were undertaken so as to preserve and/or conserve the existing heritage fabric of the province. The projects embarked on included, among others:

- The renovation of the Historic Museum and Orientation Centre, as well as the Community Heritage Participation Programme at Shiyane.
- The Donga reclamation project and renovations to the AV Centre at Isandlwana.
- The refurbishment at two sites of conflict and installation of orientation displays at Spioenkop.
- The marking of two ancestral sites (Nzama and Ndulinde) and the formalisation of two heritage liaison forums.
- The upgrade to AV equipment and lighting at the Ondini Museum.
- Outreach trips to 22 schools and the hosting of two celebration day events (Museums Day and Heritage Day).

KZN Gaming and Betting Board (KZNGBB)

The KZNGBB is responsible for the collection of gambling taxes for KZN, regulating the gambling industry, ensuring the roll-out of gaming and betting initiatives and protecting the interests of patrons and the public at large. Note that, in line with provincial proclamation No. 5 of 14 December 2018, this entity and departmental support staff will move to EDTEA on 1 April 2019. In this document, the movement is indicated by the removal of all historical figures, with only those for 2018/19 still reflected in this chapter. The figures for previous years and the MTEF can be found in the chapter for EDTEA.

The entity continued to regulate the industry in line with the KZN Gaming and Betting Act as amended and regulations. The amendments included specific provisions to address transformation of the industry, and created economic opportunities for the rural and previously disadvantaged individuals through rural horse racing. The amendments to the Act also provided more clarity in respect of Electronic Bingo Terminals, which were introduced during 2018/19, and required adjustments to the process for the collection and distribution of taxes, among others. The entity continued to grow the industry in a responsible manner, while protecting the interests of the public and ensuring no over-saturation of gambling activities. Through its licensing activities, the entity made major strides in achieving its transformation mandate by increasing black participation within the industry. The entity also introduced its Black Industrialist Programme with the objective of increasing black participation at all levels within the gambling industry. The socio-economic impact study, which analyses the impact of gambling within the province, was extended to 2018/19 due to amendments required by the new Board. Analysis of the study and development of the strategy will commence in 2019/20. In addition, the entity commenced with a saturation study aimed at determining the levels of saturation within the province. Phase 1 of the Gaming Regulators On-line Portal continued to operate during the year. This system automates licence application and payment processes. At the same time, Phase 2 of the system was in development, but there were delays, largely due to provisions in the new Act. The entity finally secured suitable office accommodation for its Pietermaritzburg operations.

3. Outlook for the 2019/20 financial year

Section 3 looks at the key focus areas of 2019/20, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments. The bulk of the department's budget allocation is for cross-cutting and transversal activities, such as OSS, Integrity Management, Youth Development, the Nerve Centre, support to His Majesty, the King, as well transfers to its public entity, the RHT. In 2019/20 and over the medium-term, the OTP will focus on the priorities listed below. Note that, as mentioned, the Gaming and Betting function (and KZNGBB), as well as the Heritage function (and Amafa) will move to EDTEA and DAC, respectively, on 1 April 2019.

Provincial Planning Commission (PPC)

Key focus areas of the PPC will still be the ongoing implementation of the PGDS and PGDP, as well as continued support of the AWGs with respect to reporting effectively on progress with implementation. The PPC will continue to support the relevant line function departments in pursuing key interventions, such as the formalisation of rural settlements, the establishment of community service centres, the implementation of the provincial HRD strategy, renewable energy opportunities, etc. A review of the KZN situational analysis will be done in preparation for the review of the PGDS which will be initiated in 2019/20. This will include sourcing desktop information on the 25-year review of the MTSF, 5-year review reports of departments and sourcing updated statistics and engagement with new planning models being proposed by the Department of Planning, Monitoring and Evaluation (DPME).

Policy and research co-ordination

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

Strategic planning

The department will provide support and guidance to all provincial departments and entities for the development of their 2019/20 APPs for tabling. Further support will be provided for the development of the five-year Strategic Plans 2020-2025 following the May elections, as well as the APPs for 2020/21.

Monitoring and evaluation

OTP will continue to provide guidance on, and co-ordinate the implementation of the Government Wide M&E system in the province. The eQPR system, and its alignment with performance information hosted in the Nerve Centre, will be further refined to improve the system and credibility of performance reporting and to improve access by oversight entities, such as DPME, the Provincial Legislature (Portfolio Committees), Provincial Treasury and the Auditor-General.

The immediate priority for the Nerve Centre in 2019/20 will be to broaden access to the system by training and capacitating all relevant stakeholders on using the system. Examples of these are AWG conveners/deputy conveners, IGR co-ordinators, as well as planning, monitoring and evaluation co-ordinators. Further enhancements to the Nerve Centre will be driven by user-demand and will focus on processes to improve the monitoring, evaluation and reporting capabilities of the province.

Inter-governmental relations

The 2019/20 MTEF will see the international strategy oriented towards not only ensuring KZN's domestic success, but also internationally, as a geo-political and economic player at the global level. Also, the department will be engaging in public education and promoting patriotism through awareness and respect for national symbols. In doing so, more partnerships with radio stations will be fostered as a medium for this public education.

Identity and heritage of the province

The KZN Amafa and Research Institute Act was promulgated on 14 December 2018. The process of the merger of Amafa and the OTP's Heritage unit is anticipated to be concluded early in the financial year, with the new entity to move to DAC on 1 April 2019.

Protection of human rights

The department will continue to co-ordinate the GDCSC and Ombudsperson activities to promote and monitor the implementation of human rights related policies by all government departments and municipalities. This includes the roll-out of human rights awareness campaigns such as national Human Rights Day and 16 Days of Activism, Albinism Awareness campaign, the conducting of active ageing, inter-generational dialogues and child ambassador programmes, as well as co-ordinating gender-based violence campaigns, women empowerment programmes, etc. All these programmes are aimed at achieving one of government's main goals, namely ensuring that the quality of life of the vulnerable is improved. Furthermore, the department will co-ordinate and monitor the provincial catalytic programmes pertaining to GDSC. Human rights based profiling will be conducted through using available data in all war-rooms. The roll-out of the ward-based profiling project on GDCSC will commence in 2019/20.

Public service transformation

The department will continue to facilitate, integrate and monitor the implementation of HRM&D strategies, policies and projects through hosting of relevant strategic forums.

The implementation of the provincial HR turnaround strategy will be rolled out during 2019/20. Focus will be on training geared towards empowerment in all areas of HR to minimise HR audit related challenges and to address the objectives of the HR turnaround strategy, including repositioning the role of human resource management as a strategic partner in achieving the strategic goals of the province and the PGDP. The department will also develop a provincial strategy to improve equity targets in all departments through targeted programmes for women, youth and employees with disabilities.

Operation Sukuma Sakhe (OSS)

The department will focus its resources mainly on the functionality of war-rooms in as far as equipment is concerned to support ward teams. The equipment includes war-room furniture, computers and stationery. The department has audited the requirements of 143 war-rooms and will assist five war-rooms in an effort to align their activities with the Poverty Eradication Master Plan (PEMP). The department will also assist additional war-rooms with redundant furniture and equipment from within the department. OSS strategic workshops will be conducted to strengthen OSS. With regard to the Inkululeko Development project, the focus will be on the second phase, now called the Inkululeko Development Project Phase 2 in the uMzinyathi and uThukela districts, and will include the Umvoti Local Municipality, Weenen and Muden.

His Majesty, the King's activities

His Majesty, the King will partake in various important ceremonies and traditional functions of the province, such as the opening of the Provincial Legislature, opening of the Traditional House, and hosting various traditional events, such as the Reed Dance, First Fruits ceremony (*Umkhosi Woselwa*), *Amaganu* ceremonies, *Umkhosi woMama*, etc. His Majesty, the King will also continue to install *Amakhosi* statutorily and in terms of traditional customs.

The Royal Household Trust (RHT)

The RHT will continue to render its services to the Royal Household, including a much sharper focus on revenue generating activities. A revenue generating plan has been developed that will be implemented in 2019/20. This plan will take advantage of public-private partnerships as a catalyst for revenue generation. In the short- to medium-term, it is not expected that this plan will generate any income, as it will still be in the investment phase. Notwithstanding this, the RHT will continue to seek income generating opportunities that will eventually relieve the RHT's dependency on the provincial fiscus.

4. Reprioritisation

There were significant movements within *Goods and services*, with contractors increased by R27.770 million to address pressures in the Social Cohesion and Moral Regeneration programmes. The funding for this movement was sourced from various categories in *Goods and services* including advertising, computer services and consumable supplies. The primary rationale of the programme is to enhance Social Cohesion and Moral Regeneration programmes through community participation and involvement of different racial groups in a family oriented environment. Note that IGR is moved to Programme 1 from Programme 2 in 2019/20, as this unit reports directly to the Director-General. Included within the IGR sub-programme is the newly created Special Projects responsibility, which includes certain aspects of the Social Cohesion and Moral Regeneration programmes, including the enhancement of public campaigns through community participation in a family environment involving different race groups through sport, arts and culture, with a focus on women and youth.

All service delivery projects, as outlined in the departmental APP, will still proceed in 2019/20, but savings will be realised by scaling down various projects, particularly the scale of events, as well as implementing strict cost-cutting, to ensure that pressures experienced in 2018/19 are not repeated.

5. Procurement

The department will continue to implement the procurement plan for procurement exceeding R500 000 and the demand management plan for procurement below R500 000 for 2019/20, to ensure that the needs of the organisation are met. The department aims to reduce the turnaround time for procuring goods and services. Internal controls, contract management and inventory management will continue to be strengthened.

The department will also intensify its efforts to ensure that suppliers and service providers are paid within 30 days, in line with Treasury Regulation 8.2.3. All quotations and bids will be awarded in a manner which is fair, equitable, transparent, competitive and cost effective. The department intended to roll-out its own e-Procurement system in conjunction with Provincial Treasury, but this is currently on hold due to pending developments at National Treasury.

6. Receipts and financing

6.1 Summary of receipts and financing

Table 1.1 gives the sources of funding of Vote 1 from 2015/16 to 2021/22. The table also compares actual and budgeted receipts against actual and budgeted payments. The department receives a provincial allocation in the form of an equitable share.

The Gaming and Betting budget (KZNGBB and support staff), as well as the budget of the Heritage unit and Amafa are moved from Vote 1: Office of the Premier, effective from 1 April 2019 for the 2019/20 MTEF. This is in terms of provincial proclamation No. 5 of 14 December 2018. It must also be noted that the full allocations spent in 2018/19 with regard to these two entities and their support units is shown against Vote 1, with historical figures and budget over the MTEF shown against EDTEA and DAC, respectively, for comparative purposes. Similarly, the revenue budgets related to these two entities has moved from Vote 1 to EDTEA and DAC as well. This accounts for the significant increase in 2018/19, and the subsequent drop in 2019/20 for both own revenue and expenditure.

Table 1.1 : Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
Equitable share	626 624	596 138	632 309	773 397	773 397	773 397	708 072	753 902	795 394
Conditional grants	-	-	-	-	-	-	-	-	-
Total receipts	626 624	596 138	632 309	773 397	773 397	773 397	708 072	753 902	795 394
Total payments	627 660	611 369	634 484	787 137	854 292	854 292	714 004	753 902	795 394
Surplus/(Deficit) before financing	(1 036)	(15 231)	(2 175)	(13 740)	(80 895)	(80 895)	(5 932)	-	-
Financing									
of which									
Provincial roll-overs	-	8 000	1 313	-	3 076	3 076	-	-	-
Provincial cash resources	44 270	11 775	12 218	13 740	77 819	77 819	5 932	-	-
Surplus/(Deficit) after financing	43 234	4 544	11 356	-	-	-	-	-	-

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

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

Offsetting the above increase, was a suspension of R15.690 million in respect of the equitable share to 2016/17 with regard to the construction of the new Public Service Training Academy in Westville. However, the construction of this facility will no longer take place at this stage due to the fiscal consolidation imposed by National Treasury.

The 2015/16 budget was under-spent by R43.234 million due to the following:

- Under-expenditure of R6.369 million was mainly attributed to the moratorium on the filling of non-critical vacant posts.
- Under-spending of R3.631 million was as a result of fewer Integrity Management "I do right, even when nobody is watching" roadshows taking place than anticipated.
- The balance of R33.234 million was a result of the following:
 - Budgeted projects, such as the Citizen Satisfaction Survey, were not finalised with StatsSA as a result of administrative challenges that were experienced by StatsSA, resulting in the project not being implemented. In addition, the PGDS situational review was finalised later than originally anticipated due to the unsatisfactory work that was done by the service provider.
 - There were delays with appointing a suitable service provider for the preparation of a Provincial Evaluation Plan, which is an initiative of the DPME to measure impact assessments.

- o An amount of R1.200 million in respect of the Provincial Bursary Programme was not utilised due to delays in the receipt of entity forms from landlords in respect of student accommodation.
- o The PEMP funding was under-spent by R7.856 million. The bulk of the funds were allocated for *Compensation of employees*, but all 12 posts were filled later than originally anticipated.
- o The Royal Household sub-programme was under-spent. An amount of R3.413 million was not transferred to the RHT due to the fact that the RHT seemed to have sufficient budget to carry it through the fourth quarter at the time, in line with its cashflow projections.

In 2016/17, the department received provincial cash resources of R11.775 million for the PEMP operations centre, as well as funds for the carry-through of the above-budget 2015 wage agreement. However, the budget showed low growth in 2016/17 mainly ascribed to the fiscal consolidation budget cuts implemented by National Treasury. In addition, and as a result of the cuts, the amount of R15.690 million suspended from the 2015/16 budget was not allocated to the department in 2016/17 as the construction of the Training Academy was halted to partially fund the province's fiscal consolidation budget cuts. The department also received a roll-over of R8 million for the maintenance of the Royal palaces through Provincial Treasury as the implementing agent. The department under-spent its 2016/17 budget by R4.544 million, mainly attributed to under-spending against *Goods and services* against the PEMP due to the fact that the programme launches in some municipalities did not take place as anticipated as a result of a change in the vision and strategy of the PEMP. Also contributing was *Buildings and other fixed structures* with under-expenditure mainly related to the Royal palaces. In addition, *Compensation of employees* was under-spent because of vacant funded posts.

In 2017/18, the following adjustments are noted:

- R1.313 million was approved as a roll-over from 2016/17 and relates to the roll-over of funds of R8 million from 2015/16 to 2016/17, which could not be entirely spent in 2016/17 as a result of delays that were experienced with renovations at KwaKhangela Palace.
- The PEMP operations centre received funding from provincial cash resources amounting to R12.218 million and R12.919 million in 2017/18 and 2018/19, linked to contract posts which align to the Premier's term of office.

The department under-spent its 2017/18 budget by R11.356 million, mainly due to under-spending against *Machinery and equipment* and *Buildings and other fixed structures*. The department was only able to secure additional office accommodation for new posts and existing staff at year-end, thus spending on office furniture, vehicles and equipment was delayed. In addition, the Terry Street parking project at head office was delayed due to inclement weather, and there were delays in the Queens' rondavels project at Enyokeni Palace caused by challenges experienced with design and project specifications.

In 2018/19, the following adjustments are noted:

- The department received R12.919 million in 2018/19 for the carry-through of PEMP operational costs, from provincial cash resources, as mentioned. This funding was for a finite period only (2015/16 to 2018/19), and the carry-through costs are thus removed from the baseline in 2019/20.
- The KZNGBB managed to secure office accommodation, thus R767 000 was allocated in 2017/18 (not shown in Table 1.1), with carry-through of R821 000 in 2018/19 specifically for transfer to the KZNGBB for its new lease. However, the latter amount was erroneously allocated in 2018/19 as this amount formed part of a lump-sum of R20.033 million which was allocated for transfer to the entity in the 2017/18 Adjustments Estimate. As such, R821 000 was removed from provincial cash resources in the 2018/19 Adjustments Estimate.
- In 2020/21, R6.886 million was allocated to the equitable share, being funding allocated for the carry-through costs of the above-budget wage agreement.

In the 2018/19 Adjusted Appropriation, allocations from provincial cash resources were as follows:

- R3.076 million was rolled over from 2017/18, with R390 000 for the Moerane Commission of Inquiry in respect of invoices that were received late in 2017/18 and R2.686 million for the completion of the Terry Street parking project that was delayed due to inclement weather.
- R50 million was allocated to the equitable share for the Youth Development Fund.
- R1 million was allocated from provincial cash resources for urgent roof repairs of the Moses Mabhida building, with carry-through funding of R5.932 million in 2019/20.
- R7 million was allocated from provincial cash resources for pressures resulting from the Moerane Commission of Inquiry.
- R6.900 million was allocated from provincial cash resources for relocation payments to approximately 110 staff dating back to 2008, when government departments were relocated from Ulundi to Pietermaritzburg.

The department is projecting a balanced budget at the end of 2018/19, as per the December 2018 IYM.

In the 2019/20 MTEF, the department's equitable share is reduced due to the previously mentioned function shift of the Gaming and Betting unit and KZNGBB to EDTEA and the Heritage unit and Amafa to DAC. In addition, the department receives an amount R5.932 million for carry-through costs related to repairs to the Moses Mabhida building, as mentioned.

6.2 Departmental receipts

Table 1.2 reflects details of departmental receipts per main category over the seven-year period: 2015/16 to 2021/22. Details of the department's revenue are reflected in *Annexure – Vote 1: Office of the Premier*.

Table 1.2 : Summary of departmental receipts collection

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
Tax receipts	-	-	-	600 285	600 285	600 884	-	-	-
Casino taxes	-	-	-	518 570	518 570	519 169	-	-	-
Horse racing taxes	-	-	-	81 715	81 715	81 715	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	149	191	175	273	273	178	288	304	321
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	23	8	30	1	1	9	1	1	1
Sale of capital assets	535	-	-	535	535	1 368	840	966	1 019
Transactions in financial assets and liabilities	423	267	955	44	44	185	47	50	53
Total	1 130	466	1 160	601 138	601 138	602 624	1 176	1 321	1 394

As mentioned, the budget and revenue collected by KZNGBB is suspended from Vote 1 and allocated to Vote 4: EDTEA in accordance with provincial proclamation No. 5 of 14 December 2018. Accordingly, historic figures have been restated and the 2019/20 MTEF revenue streams for *Casino taxes* and *Horse racing taxes* are now reported under EDTEA.

In line with this movement, Vote 1 reports on the 2018/19 performance for *Tax receipts* as follows:

- *Casino taxes*, which includes Limited Pay-out Machines (LPMs) and Bingo gaming revenue, is expected to be marginally over-collected at the end of 2018/19 at R519.169 million. This resulted from the additional roll-out of LPMs and electronic bingo terminals, as well as the completion of the expansion of the Suncoast Casino.
- *Horse racing taxes*, which includes sports betting revenue, is projected to be fully collected by the end of the financial year at R81.715 million.

Sale of goods and services other than capital assets mainly comprises revenue from commission on PERSAL deductions such as insurance premiums and garnishee orders and tender fees. The revenue trend fluctuates over the period due to the uncertain nature of this category. The growth over the MTEF is fairly high and is based on the 2018/19 budget rather than the Revised Estimate. The department needs to revise the budget in the next budget process, taking into account the historic revenue trend of this category.

Interest, dividends and rent on land is derived from interest on staff debts. The revenue collection fluctuates between 2015/16 and the 2018/19 Revised Estimate and the budget is constant over the MTEF due to the unpredictable nature of this source of revenue.

Sale of capital assets is derived from the sale of redundant assets, such as motor vehicles and equipment. The high collection in the 2018/19 Revised Estimate is due to a motor vehicle auction held towards the end of 2017/18 and the revenue was received in April 2018. Revenue collected against this category depends on factors such as the asset disposal policy, size of the fleet and the price received at the auction, hence the unpredictable trend over the seven-year period.

Transactions in financial assets and liabilities is in respect of recoveries from previous financial years, such as staff debts. The collection fluctuates over the seven years in line with the quantum of staff debts.

6.3 Agency funding

Tables 1.3 and 1.4 reflect the details of agency funding for the period 2015/16 to 2021/22.

Table 1.3 : Details of agency funding receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
Agency funding	21 700	8 870	19 288	-	-	14 067	-	-	-
NSF	3 900	5 908	6 695	-	-	2 203	-	-	-
MERSETA	11 200	2 962	12 593	-	-	11 864	-	-	-
Work Integrated Learning (SSETA)	5 800	-	-	-	-	-	-	-	-
Work Integrated Learning (PSETA)	800	-	-	-	-	-	-	-	-
Total	21 700	8 870	19 288	-	-	14 067	-	-	-

Table 1.4 : Details of agency funding payments and estimates

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
Agency funding	21 700	13 823	16 554	5 500	5 500	14 067	-	-	-
NSF	3 900	6 350	4 266	-	-	2 203	-	-	-
MERSETA	11 200	7 473	12 288	5 500	5 500	11 864	-	-	-
Work Integrated Learning (SSETA)	5 800	-	-	-	-	-	-	-	-
Work Integrated Learning (PSETA)	800	-	-	-	-	-	-	-	-
Total	21 700	13 823	16 554	5 500	5 500	14 067	-	-	-

The department receives agency receipts in respect of the National Skills Fund (NSF) and the Manufacturing, Engineering and Related Services Sector Education and Training Authority (MERSETA)

During 2018/19, the department, through the Training Academy, received funding of R2.203 million from the NSF. The NSF project implements learnerships, apprenticeships and skills programmes for the training of unemployed youth, in areas such as toolmaking and digital television installation. The amount of R2.203 million will be used to cover the cost of the remaining activities in the project planned to be finalised in March 2019. The contract between OTP and the NSF ends in March 2019 and no further training programmes are anticipated in 2019/20.

MERSETA was one of 23 SETAs that were established in terms of the Skills Development Act passed by the South African Parliament in 1998. MERSETA began functioning in 2000 and was established to play a central role in terms of ensuring that the National Skills Development Strategy of South Africa was fulfilled. The department received R11.864 million in 2018/19 for training apprentices in various trades such as fitting and turning, electricians, spray painting, petrol and diesel mechanics. The increase in the Revised Estimate when compared to budget is due to additional funding granted by the donor to wind up and complete the project in 2018/19. The training programme is anticipated to be completed by March 2019 and no further training programmes are anticipated in 2019/20, as this stage.

The aim of the Work Integrated Learning (SSETA and PSETA funded projects) was to support 215 students from TVET colleges with a stipend of R1 500 per student per month for 12 to 18 months. These projects, aimed at supporting the development of a policy on accreditation, started in April 2015 and were completed in early 2016/17.

7. Payment summary

This section provides information pertaining to the Vote as a whole at an aggregated level, including payments and budgeted estimates by programme and economic classification. Further details are given in Section 8, as well as in the *Annexure – Vote 1: Office of the Premier*.

7.1 Key assumptions

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

- All inflation related increases are based on CPI projections.
- Provision was not adequately made for an inflationary wage adjustment of 6.3, 6.5 and 6.5 per cent over the 2019/20 MTEF, as well as the 1.5 per cent pay progression. This will be reviewed in-year, as *Compensation of employees* is currently growing by 8.8 per cent, 7.6 per cent and 5.5 per cent over the MTEF.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2018/19, will continue to be adhered to over the 2019/20 MTEF, in conjunction with National Treasury Instruction Note 03 of 2017/18: Cost-containment measures.
- Note that historical and MTEF figures for the Gaming and Betting and Heritage function shifts have been moved to EDTEA and DAC, respectively.

7.2 Additional provincial and equitable share allocations: 2017/18 to 2019/20 MTEF

Table 1.5 shows additional provincial and equitable share funding received by the department over the 2017/18, 2018/19 and 2019/20 MTEF periods.

The carry-through allocations for the outer year (i.e. 2021/22) are based on the incremental percentage used in the 2019/20 MTEF.

Table 1.5 : Summary of additional provincial and equitable share allocations for the 2017/18 to 2019/20 MTEF

R thousand	2017/18	2018/19	2019/20	2020/21	2021/22
2017/18 MTEF period	(3 767)	(4 214)	(13 111)	(13 832)	(14 593)
Removal of Poverty Eradication Master Plan operations centre	-	-	(13 642)	(14 392)	(15 184)
PES and Provincial Own Revenue reductions	(2 734)	(3 125)	(5 543)	(5 848)	(6 169)
Budget cuts to fund remuneration of <i>Izinduna</i>	(1 033)	(1 089)	(1 149)	(1 212)	(1 279)
Additional funding from National Treasury	-	-	7 223	7 620	8 039
2018/19 MTEF period		-	-	6 886	7 265
Above-budget wage agreement		-	-	6 886	7 265
2019/20 MTEF period			(107 685)	(120 797)	(127 413)
Repairs to Moses Mabhida building			5 932	-	-
Gaming and Betting function shift to EDTEA			(49 512)	(53 162)	(56 086)
Heritage function shift to DAC			(63 462)	(66 953)	(70 635)
Budget cut for remuneration of public office bearers			(643)	(682)	(692)
Total	(3 767)	(4 214)	(120 796)	(127 743)	(134 741)

Note that, in the previous *EPRE*, this table included additional funding in respect of the KZNGBB's office accommodation at the Marine Building, and this is now shown in the chapter for EDTEA.

With regard to the 2017/18 MTEF, the following changes were made to the department's budget:

- In 2017/18, there was a reduction of the PES allocation due to data updates of the PES formula, as well as fiscal framework reductions. In addition, the budget databases submitted by departments in preparation for the September 2017 MTECs indicated a downward revision of the Provincial Own Revenue numbers. As such, the department's budget was cut by R2.734 million, with carry-through.
- As determined by the Provincial Executive Council on 2 November 2016, the remuneration of *Izinduna* was to commence in KZN. It was agreed that the remuneration be funded by COGTA providing 50 per cent of the amount needed for the remuneration of the *Izinduna* from within their baseline through reprioritisation, while the balance of 50 per cent be cut proportionately from all remaining Votes. As such, R1.033 million with carry-through was deducted from the OTP.

- Offsetting these cuts to some extent, was additional funding of R7.223 million provided by National Treasury in 2019/20 with carry-through.

With regard to the 2018/19 MTEF, the department received additional funding from National Treasury of R6.886 million in 2020/21, with carry-through, for the above-budget wage agreement. These funds were allocated proportionately across all Votes.

In the 2019/20 MTEF, the following changes are made to the department's budget:

- The department receives an amount R5.932 million in 2019/20 being carry-through costs related to repairs to the Moses Mabhida building, as mentioned.
- The department's equitable share is reduced due to the previously mentioned function shift of the Gaming and Betting function to EDTEA and the Heritage function to DAC.
- The department's budget was cut by R643 000 in 2019/20, with carry-through. In this regard, the President announced that there would be minimal or no annual salary increases in 2018/19 for public office bearers. In the case of provincial executives, Premiers, MECs and Speakers did not receive salary increases, while MPLs received a 2.5 per cent increase. The savings realised from this announcement were cut from provinces in line with fiscal consolidation efforts.

7.3 Summary by programme and economic classification

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

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
1. Administration	105 363	98 883	107 807	102 326	103 030	95 947	138 137	145 347	153 370
2. Institutional Development	307 693	298 227	292 579	410 377	482 830	473 056	362 365	381 310	402 284
3. Policy and Governance	214 604	214 259	234 098	274 434	268 432	285 289	213 502	227 245	239 740
Total	627 660	611 369	634 484	787 137	854 292	854 292	714 004	753 902	795 394
Unauth. Exp. (1st charge) not available for spending	(2 500)	(2 194)	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	625 160	609 175	634 484	787 137	854 292	854 292	714 004	753 902	795 394

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
Current payments	548 736	519 106	574 867	648 417	708 520	708 344	650 084	693 986	732 185
Compensation of employees	224 750	248 647	268 766	323 028	306 346	300 119	326 671	351 518	370 880
Goods and services	323 986	270 459	306 101	325 389	402 174	408 225	323 413	342 468	361 305
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	46 582	59 022	46 176	116 923	118 124	118 283	42 616	44 960	47 432
Provinces and municipalities	76	136	80	60	105	131	63	66	70
Departmental agencies and accounts	24 002	22 977	19 869	94 954	94 339	94 339	19 086	20 136	21 243
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	27	-	-	-	-	-	-	-
Households	22 504	35 882	26 227	21 909	23 680	23 813	23 467	24 758	26 119
Payments for capital assets	29 575	31 001	13 354	21 797	27 423	27 423	21 304	14 956	15 777
Buildings and other fixed structures	2 271	16 823	1 710	5 729	10 415	10 415	9 796	4 071	4 294
Machinery and equipment	27 153	14 178	11 644	11 249	12 189	12 278	11 508	10 885	11 483
Heritage assets	-	-	-	4 819	4 819	4 730	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	151	-	-	-	-	-	-	-	-
Payments for financial assets	2 767	2 240	87	-	225	242	-	-	-
Total	627 660	611 369	634 484	787 137	854 292	854 292	714 004	753 902	795 394
Unauth. Exp. (1st charge) not available for spending	(2 500)	(2 194)	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	625 160	609 175	634 484	787 137	854 292	854 292	714 004	753 902	795 394

The structure of the department consists of three programmes, and does not conform fully to the generic programme structure of the sector at this stage, but National Treasury approval was received in July 2018 for the deviation. Unique to KZN, following the signing of the proclamation to combine the former Vote 10: Royal Household (DRH) with Vote 1, the budget of the Royal Household was added to Vote 1's budget as a sub-programme under Programme 3: Policy and Governance, effective from 1 April 2015. As mentioned, the sub-programme: Gaming and Betting in Programme 2 (along with KZNGBB) and the sub-programme: Heritage in Programme 3 (along with Amafa) have moved to EDTEA and DAC, respectively, and this is in line with the uniform programme structure for provinces. The prior years and the 2019/20 MTEF have been restated in these two departments' chapters, with the 2018/19 figures still reported in this chapter. There were also internal movements in 2018/19 due to the movement of certain of the responsibilities from Programme 3 to Programme 2, with the Youth Development function moved from the Premier's Priority Programmes sub-programme in Programme 3 to the Special Programmes sub-programme in Programme 2. The other internal movement was the Security Services function moved from the sub-programme: Strategic Human Resources to the sub-programme: Special Programmes within Programme 2. Historical figures have not been restated for either of these movements as the department does not keep records at this level. Note also that the sub-programme: IGR has been moved to Programme 1 and this was approved by National Treasury.

There were budget cuts in the 2016/17 and 2017/18 MTEF processes, and these were implemented proportionately across all programmes, as well as most economic classifications, resulting in fluctuations over the period, with a significant reduction in 2016/17.

The spending against Programme 1: Administration decreased in 2016/17 as OTP agreed to redirect the funds allocated for the development of the Luwamba Wellness Centre towards the running of the Integrity Management unit, which is in Programme 2. The allocation for 2017/18 was also reduced due to budget cuts. The projected under-spending in the 2018/19 Revised Estimate is a result of the reprioritisation of funds from *Goods and services* administrative items in order to address pressures in Programme 3 related to the Social Cohesion and Moral Regeneration programmes, resulting in high growth in 2019/20. Also impacting on the high growth in 2019/20 is the movement of the IGR sub-programme to Programme 1. Growth in this programme over the two outer years of the MTEF is inflationary only.

Programme 2: Institutional Development shows a significant increase in the 2018/19 Main Appropriation due to the historical restatement of figures for the Gaming and Betting sub-programme related to the move of this function to EDTEA, as mentioned. The programme reflects an increase in the 2018/19 Adjusted Appropriation as a result of the once-off allocation of funding for the Youth Development Fund, as announced by the Premier in the SOPA, as well as internal reprioritisation for the Social Cohesion and Moral Regeneration programmes. Also impacting on the increase in 2018/19 are the figures for the Gaming and Betting function that are reflected in that year only, as mentioned, accounting for the decrease over the 2019/20 MTEF, as well as the movement of the IGR sub-programme to Programme 1. The once-off allocation in 2018/19 for the Youth Development Fund also accounts for the reduction in 2019/20. Growth over the two outer years of the MTEF is inflationary only.

Programme 3: Policy and Governance was affected by the fiscal consolidation cuts in 2016/17, hence the slightly negative growth in 2016/17. However, additional funding was received and spent for the PEMP in this programme, with carry-through from 2015/16 to 2018/19. The growth in 2017/18 includes funds for the PGDS review, Citizen Satisfaction Survey, the PPC, OSS, HIV and AIDS programmes, His Majesty, the King's support, and human rights campaigns. The programme shows a significant increase in the 2018/19 Main Appropriation due to the historical restatement of figures for the Heritage sub-programme related to the move of this function (and Amafa) to DAC, as mentioned. The decrease in the 2018/19 Adjusted Appropriation is due to vacant posts, and enforced savings against *Goods and services* to offset pressures related to the Social Cohesion and Moral Regeneration programmes in Programme 2. These programmes are co-funded from both Programme 2 and 3. However, in the 2018/19 Revised Estimate, the pressure for the Social Cohesion and Moral Regeneration programmes is now in Programme 3, and savings from Programmes 1 and 2 are to be reprioritised for this pressure. The major decrease in 2019/20 is a result of the movement of the Heritage sub-programme to DAC, as well as the movement of the Youth Development function from this programme to Programme 2. Historical figures for this latter movement

have not been restated as the department does not keep records at this level. Growth over the two outer years of the MTEF is inflationary only.

Compensation of employees grew strongly in the early years due to the ongoing implementation of the new organisational structure. However, the department will not be in a position to fully implement the new organisational structure as anticipated due to insufficient funding over the 2019/20 MTEF. There was significant reprioritisation during the 2018/19 MTEF from *Goods and services* to *Compensation of employees* to cater for the phased in filling of 56 critical vacant posts. These were subsequently reduced to 20 posts, of which 14 were approved for filling. The funding over the MTEF allows for limited filling of between 15 and 20 posts, depending on the levels filled. The department is reducing the number of interns and contract posts (e.g. relating to the Moerane Commission of Inquiry) from 2019/20, which will contribute to the affordability of the planned posts. Note that a total of 14 staff are impacted by the movement of the Gaming and Betting (six) and Heritage (eight) functions to EDTEA and DAC, respectively. In addition, the department received funding in 2020/21 for the carry-through costs of the wage agreement, as mentioned. The budget grows sufficiently in 2019/20 to allow for this minimal filling of posts, but does not grow sufficiently over the two outer years, and this will be addressed in the next budget process.

Goods and services decreases from 2015/16 to 2016/17, mainly due to the deduction of R2.781 million relating to previous years' irregular expenditure, as well as the shifting of funds in respect of the Training Academy to *Buildings and other fixed structures*, for the costs of a feasibility study and drafting of plans for a new building, prior to the 2016/17 MTEF cuts. The decrease in 2016/17, as well as the below inflationary growth in 2017/18, are also ascribed to the budget cuts. The category reflects an increase in the 2018/19 Adjusted Appropriation as a result of the once-off allocation of funding for the Youth Development Fund, as announced by the Premier in the SOPA, as well as internal reprioritisation for the Social Cohesion and Moral Regeneration programmes. Pressures in the Social Cohesion and Moral Regeneration programmes account for the projected over-spending in the 2018/19 Revised Estimate. These largely once-off amounts account for the negative growth in 2019/20, as well as the impact of the movement of the Gaming and Betting and Heritage functions to EDTEA and DAC, respectively. Growth over the two outer years of the MTEF is inflationary only.

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

- *Provinces and municipalities* generally caters for the payment of motor vehicle licences. The higher growth in 2016/17 is as a result of vehicle registrations in the ICT sub-programme. The erratic trend in 2018/19 and 2019/20 is due to new vehicles being licensed and redundant vehicles removed from the system for 2019/20. The lower baseline over the MTEF is in line with the planned scrapping of redundant vehicles, with steady growth over the remainder of the MTEF.
- *Departmental agencies and accounts* caters for transfers to the RHT. The amounts in 2015/16 include once-off costs for the amalgamation of DRH and the OTP, as well as the transfer to the RHT. The OTP reprioritised a further R4 million for the RHT in 2015/16 to cater for outstanding invoices that required payment, accounting for the dip in 2016/17. Note that the significantly higher amounts in the 2018/19 columns include transfers for KZNGBB and Amafa, with historical and MTEF figures restated to EDTEA and DAC, respectively. The 2019/20 MTEF provides for inflationary growth only in transfers to the department's only remaining public entity, namely RHT.
- With regard to *Non-profit institutions*, in 2016/17, a sponsorship of R27 000 was given to the KZN Law Society for a function to honour the appointment of members of the judiciary.
- *Households* consists of staff exit costs, medical aid contributions for ex-parliamentarians (PARMED), the Provincial Bursary Programme, etc. The fluctuations relate to staff exit costs, which are difficult to accurately predict. It must be noted, though, that there was once-off reprioritisation of R14 million to this category in 2016/17 with carry-through for bursaries in response to the "fees must fall" movement by students countrywide. The increase in the 2018/19 Adjusted Appropriation relates to reprioritisation for under-funded staff exit costs. The amount budgeted over the 2019/20 MTEF provides for staff exit costs, bursaries and medical aid contributions for ex-parliamentarians (PARMED).

With regard to *Buildings and other fixed structures*, the construction of the Training Academy was halted in 2016/17 to partially fund the province's fiscal consolidation budget cuts, and funding in this regard was withdrawn, as mentioned. However, an unbudgeted amount of R10.905 million was spent against this category in 2016/17, related to the feasibility study and the preparation of plans in respect of the Training Academy. The department also received a roll-over of R8 million for the maintenance of the Royal palaces through Provincial Treasury as the implementing agent. The reduction in 2017/18 was mainly ascribed to the previously mentioned budget cuts relating to the Training Academy, where the funding to construct a new facility was cut from the department's baseline. The Terry Street parking was paid for in 2018/19, with a roll-over from 2017/18 in this regard accounting for the increase in the 2018/19 Adjusted Appropriation. The budget over the MTEF provides for various projects including the renovations to the roof and pool in respect of the Premier's Parkside residence, roof repairs at the Moses Mabhida building, as well as renovations to Royal palaces. The roof repairs at the Moses Mabhida building project has carry-through funding of R5.932 million in 2019/20, hence the reduction in 2020/21.

Machinery and equipment relates to the purchase of essential office furniture and equipment for new appointments and the purchase of official vehicles. The high spending in 2015/16 was due to the upgrades to the Provincial Executive Council offices for the installation of security systems, asset tracking devices, as well as departmental vehicles. This once-off expenditure accounts for the decrease in 2016/17. The further drop in 2017/18 relates to the fact that the department did not purchase any furniture in 2017/18. The increase in the 2018/19 Adjusted Appropriation relates to reprioritised funding to purchase vehicles for the Office of the Director-General and Communication Services, accounting for the slight decrease in 2019/20. The MTEF caters for the replacement of departmental vehicles, including the Queens' vehicles, which are replaced on a needs basis and are not planned for replacement in the 2019/20 MTEF.

Heritage assets relates to the building of memorials and tombstones for struggle veterans, as determined by the Premier. Note that the historical and MTEF figures are restated in the chapter for DAC.

Software and other intangible assets caters for software upgrades for the department in general, and the Nerve Centre in particular. No spending is currently planned in this regard over the MTEF, and this will be reviewed in-year.

Payments for financial assets is attributed to the first charge for the DRH for the repayment of over-expenditure prior to the amalgamation with OTP and debts written off. The final instalment of the first charge was paid in 2016/17.

7.4 Summary of conditional grant payments and estimates – Nil

7.5 Summary of infrastructure payments and estimates

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

Table 1.8 : Summary of infrastructure payments and estimates by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
Existing infrastructure assets	2 271	7 284	3 339	4 489	6 489	6 489	13 521	7 874	8 307
Maintenance and repair: Current	-	1 366	1 629	2 317	2 317	2 317	3 725	3 803	4 013
Upgrades and additions: Capital	-	-	-	-	-	-	503	1 029	1 086
Refurbishment and rehabilitation: Capital	2 271	5 918	1 710	2 172	4 172	4 172	9 293	3 042	3 208
New infrastructure assets: Capital	-	10 905	-	3 557	6 243	6 243	-	-	-
Infrastructure transfers	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Current	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital	-	-	-	-	-	-	-	-	-
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	-	-	-	12 456	12 456	12 456	12 169	14 840	15 656
Non infrastructure¹	-	-	-	-	-	-	-	-	-
Total	2 271	18 189	3 339	20 502	25 188	25 188	25 690	22 714	23 963
<i>Capital infrastructure</i>	2 271	16 823	1 710	5 729	10 415	10 415	9 796	4 071	4 294
<i>Current infrastructure</i>	-	1 366	1 629	14 773	14 773	14 773	15 894	18 643	19 669

1. Non infrastructure is a stand-alone item, and is therefore excluded from Capital infrastructure and Current infrastructure, but it is included in the overall total

With regard to *Maintenance and repair: Current*, the 2019/20 MTEF allocations provide for the maintenance work of the administrative offices, as well as the Royal palaces.

Upgrades and additions: Capital funding in the 2019/20 MTEF relates to upgrades at the Enyokeni, KwaKhangela and Dlamahlahla palaces, including the construction of the Queens' rondavels.

Refurbishment and rehabilitation: Capital reflects expenditure related to projects at the Royal palaces, Parkside and the Moses Mabhida building. The significant increase in 2016/17 was due to the roll-over of R8 million towards the renovations of the Royal palaces. The expenditure in 2017/18 relates to a further roll-over of the funding for the Royal palaces. The 2018/19 funding includes a tiling project at Enyokeni Palace. The increase in the 2018/19 Adjusted Appropriation includes funding reprioritised for higher than expected costs of the tiling project at Enyokeni Palace, as well as funding for roof repairs at the Moses Mabhida building. The MTEF provides for the completion of existing projects, such as the Ingwavuma Palace projects and the Royal Household office renovations in Nongoma, roof and pool renovations at the Premier's Parkside residence, as well as finalising the roof repairs at the Moses Mabhida building, with the latter accounting for the reduced budget in 2020/21. Note that the department previously categorised the Moses Mabhida building project as *Upgrades and additions: Capital*, but this has now been corrected to *Refurbishment and rehabilitation: Capital*, hence the change from the 2018/19 EPRE.

New infrastructure assets: Capital spending in 2016/17 relates to the feasibility study and the preparation of plans in respect of the Training Academy. As mentioned, funds for the construction of the Training Academy were removed from the department's baseline due to the province's fiscal consolidation budget cuts in 2016/17. The funding in 2018/19 includes the Terry Street parking facility that was developed alongside the Moses Mabhida building. The increase in the 2018/19 Adjusted Appropriation includes a roll-over for this project. Note that the department previously categorised the Terry Street parking project as *Upgrades and additions: Capital*, but this has now been corrected to *New infrastructure assets: Capital*, hence the change from the 2018/19 EPRE.

Infrastructure leases relates to the lease of buildings for use by the department. The increase in 2018/19 is due to the addition of a new office building in Pietermaritz Street which the department has leased, with a view to moving from more expensive accommodation in the Invesco Centre. Once the move is completed, the department will review this allocation in-year, with a view to reprioritising any savings to other areas.

7.6 Summary of Public Private Partnerships – Nil

7.7 Transfers to public entities (listed i.t.o. Schedule 3 of the PFMA) and other entities

Over the 2019/20 MTEF, the OTP will exercise oversight over one public entity, namely the RHT. As mentioned, the department previously exercised oversight over two other entities, namely Amafa and KZNGBB. The prior years' and the 2019/20 MTEF figures have been adjusted accordingly and are now reported on in the chapters for DAC and EDTEA, respectively. Note that the name of the new entity incorporating the Heritage unit and Amafa is the KZN Amafa and Research Institute.

Table 1.9 illustrates transfers made to RHT over the seven years under review. The financial summary received from the RHT is given in *Annexure – Vote 1: Office of the Premier*.

Table 1.9 : Summary of departmental transfers to public entities (listed i.t.o. Schedule 3 of the PFMA) and other entities

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
Transfers to public entities	24 002	22 977	19 869	94 954	94 339	94 339	19 086	20 136	21 243
Amafa Prog. 3.4: Heritage	-	-	-	33 989	33 989	33 989	-	-	-
KZNGBB Prog. 2.7: Gaming and Betting	-	-	-	42 925	42 310	42 310	-	-	-
Royal Household Trust Prog. 3.3: Royal Household	24 002	22 977	19 869	18 040	18 040	18 040	19 086	20 136	21 243
Transfers to other entities	-	27	-	-	-	-	-	-	-
KZN Law Society Prog. 2.4: Legal Services	-	27	-	-	-	-	-	-	-
Total	24 002	22 977	19 869	94 954	94 339	94 339	19 086	20 136	21 243

Although there is no trend analysis given under this department for the KZNGBB, it is noted that the budget for the entity was reduced by R821 000 in the 2018/19 Adjustments Estimate, which was erroneously allocated in 2018/19 as this amount formed part of a lump-sum of R20.033 million which was allocated for transfer to the entity in the 2017/18 Adjustments Estimate. As such, R821 000 was removed from the budgeted transfer. In addition, an amount of R206 000 was shifted from *Goods and services* for transfer to the entity in the 2018/19 Adjustments Estimate. This was due to incorrect budgeting for the computer services costs of the entity.

The RHT was established in 2009/10 as an entity in terms of the KZN Royal Household Trust Act, 2007, but is now governed by the KZN Royal Household Trust Act, 2018. The entity was registered as a Schedule 3C provincial public entity during 2012/13. In 2011/12, 2012/13 and 2013/14 (not visible in the table), funds were transferred to the RHT to cater for the set-up costs of the Trust, remuneration of the Trustees, as well as various costs of the RHT, which were administered by the Trust. This included municipal costs, fuel, food supplies, etc., relating to the Queens and other members of the Royal family. During 2015/16, an additional amount of R4 million was reprioritised from within Vote 1 to the RHT to cater for outstanding invoices from 2014/15, contributing to the decrease in 2016/17. Also affecting the decrease was the previously mentioned fiscal consolidation cuts, mitigated to some extent by a once-off increase in transfer of R7.810 million in 2016/17 to the RHT for operational expenses, accounting for the further decrease in 2017/18. The 2017/18 expenditure included a once-off allocation of R2 million for operational spending pressures, including higher costs for cattle feed due to the drought. This accounts for the small decrease in the 2018/19 Main Appropriation. The budget over the 2019/20 MTEF provides for the various operational costs of the RHT and increases are inflationary only.

In 2016/17, a sponsorship of R27 000 was given to the KZN Law Society for a function to honour the appointment of members of the judiciary.

7.8 Transfers to local government

The department makes no transfer payments to local government, although it does pay motor vehicle licence fees against this category, which are not a direct transfer to a municipality. Therefore, the table reflecting transfers to local government is excluded.

7.9 Transfers and subsidies

Table 1.10 summarises transfers by programme and main category over the seven-year period.

Table 1.10 : Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
1. Administration	1 099	2 486	1 024	1 182	1 182	990	1 248	1 317	1 389
Households	1 099	2 486	1 024	1 182	1 182	990	1 248	1 317	1 389
Staff exit costs	94	1 552	-	-	-	-	-	-	-
PARMED	1 005	934	1 024	1 182	1 182	990	1 248	1 317	1 389
2. Institutional Development	21 316	33 350	24 959	63 712	63 860	63 962	22 282	23 507	24 800
Provinces and municipalities	76	136	80	60	105	131	63	66	70
Motor vehicle licences	76	136	80	60	105	131	63	66	70
Departmental agencies and accounts	-	-	-	42 925	42 310	42 310	-	-	-
KZNGBB	-	-	-	42 925	42 310	42 310	-	-	-
Non-profit institutions	-	27	-	-	-	-	-	-	-
KZN Law Society	-	27	-	-	-	-	-	-	-
Households	21 240	33 187	24 879	20 727	21 445	21 521	22 219	23 441	24 730
Staff exit costs	455	446	54	3	721	796	3	3	3
Provincial Bursary Programme	20 785	32 741	24 825	20 724	20 724	20 725	22 216	23 438	24 727
3. Policy and Governance	24 167	23 186	20 193	52 029	53 082	53 331	19 086	20 136	21 243
Departmental agencies and accounts	24 002	22 977	19 869	52 029	52 029	52 029	19 086	20 136	21 243
Amafa	-	-	-	33 989	33 989	33 989	-	-	-
RHT	24 002	22 977	19 869	18 040	18 040	18 040	19 086	20 136	21 243
Households	165	209	324	-	1 053	1 302	-	-	-
Staff exit costs	165	209	324	-	1 053	1 302	-	-	-
Total	46 582	59 022	46 176	116 923	118 124	118 283	42 616	44 960	47 432

The motor vehicle licence budget is in Programme 2. The increase in this category in the 2018/19 Adjusted Appropriation relates to reprioritisation to address under-budgeting for vehicle licences. The lower baseline over the MTEF is in line with planned scrapping of redundant vehicles. The erratic trend in 2018/19 and 2019/20 is due to new vehicles being licensed and redundant vehicles removed from the system for 2019/20. The lower baseline over the MTEF is in line with planned scrapping of redundant vehicles, with steady growth over the remainder of the MTEF.

Programme 1 reflects transfers against *Households* for social benefits relating to staff exit costs, as well as medical aid contributions for ex-parliamentarians.

Programmes 2 and 3 house the bulk of the *Transfers and subsidies* budget:

- *Departmental agencies and accounts* relates to transfers made to the RHT. The trends are discussed in detail in Section 7.7. Note that transfers to KZNGBB and Amafa are now the responsibility of EDTEA and DAC, respectively, and the prior years' and the 2019/20 MTEF figures have been adjusted accordingly and are now reported on in the chapters for those departments.
- The amount reflected against *Non-profit institutions* relates to a sponsorship of R27 000 to the KZN Law Society, as previously explained.
- The category *Households* caters for bursaries and staff exit costs. It must be noted that, although the Provincial Bursary Programme was decentralised back to the departments from which the funds were originally moved, a portion of the budget remains for the external bursaries administered by the OTP, but now administered under Programme 2. During 2015/16, the department undertook a once-off shift from *Compensation of employees* to this category, as a result of the discontinuation of the Youth Ambassadors' programme stipends, to cater for the in-year spending pressure in respect of bursaries. It must also be noted that the bursaries function was moved from Programme 3 to Programme 2 from 2018/19 onward, with historical figures restated. The department reprioritised an additional R14 million to this category in 2016/17 with carry-through for bursaries in response to the "fees must fall" movement by students countrywide. In 2018/19, this category was reduced by R5 million to cater for operational costs for the Youth Development function. The 2019/20 MTEF reflects steady growth from the lower base.

8. Programme description

The services rendered by this department are, as per the generic sector structure, categorised under three programmes, the details of which are discussed below. However, the department does not conform fully to the generic programme structure of the sector at this stage, but National Treasury approval has been obtained for the deviation, as mentioned. Note that there is greater compliance with the generic sector structure following the movement of the Gaming and Betting and the Heritage functions to EDTEA and DAC, respectively. The amounts for each programme are summarised in terms of economic classification, with details given in *Annexure – Vote 1: Office of the Premier*.

8.1 Programme 1: Administration

The purpose of this programme is to provide administrative support to the Premier, Provincial Executive Council and the Director-General in fulfilling their legislative and oversight functions and in promoting good corporate governance. The department does not fully conform to the generic programme structure of the sector at this stage partly due to the exclusion of the Programme Support sub-programme. Note also that the sub-programme: Intergovernmental Relations (IGR) has been moved to Programme 1 and this was approved by National Treasury. Historical trends have been restated for comparative purposes.

The objectives of this programme are as follows:

- To provide logistical, administrative and advisory support to the Premier in executing the constitutional mandate and statutory duties.
- To render secretariat support services to the Provincial Executive Council, clusters, and key provincial committees.

- To provide operational support to the Director-General in strategically managing the province.
- To provide financial management support and advisory services.
- To improve inter- and intra-governmental relations and promote effective co-operative governance through implementation of the IGR Act, 2005).

Tables 1.11 and 1.12 reflect a summary of payments and estimates relating to this programme, by sub-programme and economic classification, for the period 2015/16 to 2021/22.

Table 1.11 : Summary of payments and estimates by sub-programme: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
1. Premier Support	38 124	35 866	25 102	27 751	25 901	27 186	28 570	30 809	32 532
2. Executive Council Support	7 961	9 546	9 792	10 264	8 364	8 541	8 482	9 154	9 657
3. Director-General Support	13 424	9 743	13 534	14 458	18 098	17 509	15 171	16 351	17 250
4. Financial Management	33 551	29 712	41 741	49 853	50 667	42 711	53 562	55 365	58 410
5. Intergovernmental Relations	12 303	14 016	17 638	-	-	-	32 352	33 668	35 521
Total	105 363	98 883	107 807	102 326	103 030	95 947	138 137	145 347	153 370

Table 1.12 : Summary of payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
Current payments	101 528	94 963	106 245	99 880	100 584	93 693	135 028	142 489	150 355
Compensation of employees	63 367	64 383	64 772	66 878	59 135	58 118	86 148	90 825	95 848
Goods and services	38 161	30 580	41 473	33 002	41 449	35 575	48 880	51 664	54 507
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	1 099	2 486	1 024	1 182	1 182	990	1 248	1 317	1 389
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 099	2 486	1 024	1 182	1 182	990	1 248	1 317	1 389
Payments for capital assets	2 710	1 434	538	1 264	1 264	1 264	1 861	1 541	1 626
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 563	1 434	538	1 264	1 264	1 264	1 861	1 541	1 626
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	147	-	-	-	-	-	-	-	-
Payments for financial assets	26	-	-	-	-	-	-	-	-
Total	105 363	98 883	107 807	102 326	103 030	95 947	138 137	145 347	153 370

The sub-programme: Premier Support provides technical, administrative and advisory support to the Premier in executing his constitutional mandate. The decrease in 2017/18 is primarily attributed to the once-off internal reprioritisation of R5 million for the Moerane Commission of Inquiry into political killings in KZN, during 2016/17, as well as fiscal consolidation cuts. In 2017/18, the expenditure for the Moerane Commission of Inquiry was reflected under the Financial Management sub-programme. The growth over the 2019/20 MTEF is mainly inflationary, with 2020/21 growth slightly above inflation to fund existing posts, with funding not adequate in the outer year, at this stage.

The sub-programme: Executive Council Support renders secretariat support services to the Provincial Executive Council. The reduction in the 2018/19 Adjusted Appropriation relates largely to vacant posts, with funding reprioritised to Programmes 2 and 3 to address in-year pressures in respect of the Social Cohesion and Moral Regeneration programmes. The inflationary growth over the MTEF is mainly ascribed to the weekly Provincial Executive Council meetings, clusters, as well as the bi-annual Provincial Executive Council *Lekgotla*.

The Director-General Support sub-programme provides operational support to the Director-General in strategically managing the province. The decrease in 2016/17 was due to cost-cutting, particularly against consultants. The above inflation increase from 2016/17 to 2017/18 was due to the inclusion of the newly created Internal Control and Organisational Risk Management Directorate under this programme. The

increase in the 2018/19 Adjusted Appropriation relates largely to higher than expected travel and subsistence costs for international trips, accounting for the decrease in 2019/20. The higher than inflation growth in 2020/21 is as a result of funding for filling some vacant posts, however, the funding is not adequate in the outer year, at this stage. The outer year growth is inflationary only.

The Financial Management sub-programme provides financial management support and advisory services to the Premier and Director-General in fulfilling their legislative and oversight functions and in promoting good corporate governance. The above inflationary growth in 2017/18 was primarily due to the internal reprioritisation of funds for the Moerane Commission of Inquiry, which provided a final report in 2018/19, as well as procurement of financial management reporting tools for the OTP, which enables the OTP to scan all payment vouchers and link to transactions in Emapp (an in-house system that draws data from BAS into Excel format). The slight increase in the 2018/19 Adjusted Appropriation was due to additional funding allocated for the costs of the Moerane Commission of Inquiry, mitigated to some extent by vacant posts, with funding reprioritised to Programmes 2 and 3 to address in-year pressures related to the Social Cohesion and Moral Regeneration programmes. The projected under-spending in the 2018/19 Revised Estimate is a result of reprioritisation from *Goods and services* administrative items in order to address pressures in Programme 3. The above inflationary growth in 2019/20 is attributed to the filling of critical vacant posts, but provision has not been adequately made for the carry-through costs over the 2019/20 MTEF, and this will be addressed in the next budget process. There is inflationary growth in the outer year.

The IGR sub-programme was moved from Programme 2 to Programme 1 over the MTEF. Historical figures were restated for comparative purposes. The purpose of this sub-programme is to improve inter- and intra-governmental relations and promote effective co-operative governance through implementation of the IGR Act. The unit co-ordinates with all departments to ensure effective delivery of all MTSF outcomes. Funds were reprioritised over the 2019/20 MTEF to this sub-programme for the newly created Special Projects responsibility, which includes certain aspects of the Social Cohesion and Moral Regeneration programmes, as mentioned. The growth over the 2019/20 MTEF is mainly inflationary.

Compensation of employees sees a reduction in the 2018/19 Adjusted Appropriation, and this relates to the previously mentioned vacant posts, with funding reprioritised to Programmes 2 and 3 to address in-year pressures related to the Social Cohesion and Moral Regeneration programmes. The significantly high growth of 48.2 per cent in 2019/20 is attributed to the planned filling of 17 critical vacant posts, but provision has not been adequately made for the carry-through costs over the 2019/20 MTEF, and this will be addressed in the next budget process.

The high growth in *Goods and services* in 2017/18 is mainly ascribed to the internal reprioritisation of funds for the Moerane Commission of Inquiry. This once-off funding explains the negative growth in the 2018/19 Main Appropriation. However, as mentioned, further funds were allocated for this purpose in the 2018/19 Adjusted Appropriation. The projected under-spending in the 2018/19 Revised Estimate is a result of reprioritisation of funds related to administrative items in order to address pressures in Programme 3. The significant growth in 2019/20 relates to funding reprioritised to the IGR sub-programme for the Special Projects function. The category grows at an inflationary rate only thereafter.

Transfers and subsidies to: Households caters for payments in respect of staff exit costs and PARMED. The fluctuating trend from 2015/16 to the 2018/19 Revised Estimate is largely attributed to fluctuating leave gratuity payments, as well as the fact that PARMED beneficiary numbers are decreasing from year-to-year due to natural attrition. The high growth in 2019/20 will be reviewed in the next budget process, as PARMED numbers are expected to decrease over the MTEF.

The amounts against *Machinery and equipment* can be ascribed to procurement of vehicles, furniture and equipment for this programme. The peak in 2019/20 is as a result of the planned purchase of a motor vehicle for the Office of the Director-General, accounting for the decrease in 2020/21.

Software and other intangible assets in 2015/16 relates to the purchase of software for the Provincial Executive Council office.

Payments for financial assets mainly relates to the write-off of debts.

Service delivery measures: Administration

Table 1.13 illustrates service delivery measures pertaining to Programme 1.

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

Table 1.13 : Service delivery measures: Administration

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2018/19	2019/20	2020/21	2021/22
1. Premier Support					
1.1 Administrative support services to the Premier	• No. of Provincial Executive Council decision matrix implementation progress reports submitted to the Provincial Executive Council	20	20	20	20
2. Executive Council Support					
2.1 Effective and efficient Provincial Executive Council and key committees administrative support service	• No. of Provincial Executive Council meeting decision matrices circulated within 10 working days of meeting	20	20	20	20
3. Director-General Support					
3.1 Strategic management meeting resolutions	• No. of EXCO meetings supported (EXCO and Makgotla)	22	22	22	22
4. Financial Management					
4.1 Annual audit improvement plan	• % of external audit recommendations implemented	100%	100%	100%	100%
	• Annual audit finding	Unqualified	Unqualified	Unqualified	Unqualified
4.2 30 day payment	• % of invoices paid within 30 days	100%	88%	90%	95%
5. IGR					
5.1 Technical Premier's forum meetings	• No. of IGR Technical Premier's forum decision matrices	4	4	4	4

8.2 Programme 2: Institutional Development

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

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

Tables 1.14 and 1.15 summarise payments and estimates relating to this programme, by sub-programme and economic classification, for the period 2015/16 to 2021/22.

Table 1.14 : Summary of payments and estimates by sub-programme: Institutional Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
1. Strategic Human Resources	88 531	93 542	84 474	91 093	86 893	84 151	90 754	98 339	103 747
2. Information Communication Technology (ICT)	63 100	74 542	72 623	82 823	82 260	78 520	87 454	86 661	91 427
3. Legal Services	10 464	10 478	15 166	11 719	14 919	14 189	12 439	13 462	14 202
4. Communication Services	66 672	47 626	57 062	62 608	60 868	53 687	63 699	67 507	71 221
5. Special Programmes	78 926	72 039	63 254	98 383	131 931	125 613	108 019	115 341	121 687
6. Intergovernmental Relations	-	-	-	16 117	58 196	69 306	-	-	-
7. Gaming and Betting	-	-	-	47 634	47 763	47 590	-	-	-
Total	307 693	298 227	292 579	410 377	482 830	473 056	362 365	381 310	402 284

Table 1.15 : Summary of payments and estimates by economic classification: Institutional Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
Current payments	268 092	247 802	262 055	338 108	404 592	394 703	327 772	351 912	371 270
Compensation of employees	96 982	103 207	112 769	156 911	150 136	140 724	150 920	164 163	173 193
Goods and services	171 110	144 595	149 286	181 197	254 456	253 979	176 852	187 749	198 077
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	21 316	33 350	24 959	63 712	63 860	63 962	22 282	23 507	24 800
Provinces and municipalities	76	136	80	60	105	131	63	66	70
Departmental agencies and accounts	-	-	-	42 925	42 310	42 310	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	27	-	-	-	-	-	-	-
Households	21 240	33 187	24 879	20 727	21 445	21 521	22 219	23 441	24 730
Payments for capital assets	18 265	17 074	5 564	8 557	14 183	14 183	12 311	5 891	6 214
Buildings and other fixed structures	-	10 905	333	4 747	8 433	8 433	8 293	1 718	1 812
Machinery and equipment	18 265	6 169	5 231	3 810	5 750	5 750	4 018	4 173	4 402
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	20	1	1	-	195	208	-	-	-
Total	307 693	298 227	292 579	410 377	482 830	473 056	362 365	381 310	402 284

The Gaming and Betting function has been transferred to EDTEA in terms of provincial proclamation No. 5 of 14 December 2018, with the movement effective from 1 April 2019. Note that historical and MTEF figures have been restated in the EDTEA chapter. In 2018/19, there are also movements of certain responsibilities from Programme 3 to Programme 2, with the Youth Development function moved from the Premier's Priority Programmes sub-programme in Programme 3 to the Special Programmes sub-programme in Programme 2. In addition, the Security Services function is moved within Programme 2 from the sub-programme: Strategic Human Resources to the sub-programme: Special Programmes. Historical trends could not be restated as records are not kept at this level. Also, as mentioned, the IGR sub-programme has moved to Programme 1 from 2019/20, with historical figures restated.

The programme does not fully conform to the generic programme structure as the Special Programmes sub-programme falls under Programme 3 in terms of the sector structure, however authority was obtained from National Treasury for the deviation.

The Strategic Human Resources sub-programme facilitates, co-ordinates, monitors and promotes strategic human resources and development within provincial government, as well as internally within the OTP. This sub-programme includes the Training Academy. The increase in 2016/17 was largely due to the once-off payment for the feasibility study and the preparation of plans in respect of the Training Academy, as mentioned. This accounts for the decrease in 2017/18. The decrease in the 2018/19 Adjusted Appropriation is mainly attributed to reprioritisation to the sub-programme: IGR for in-year pressures related to the Social Cohesion and Moral Regeneration programmes. Growth over the 2019/20 MTEF is slightly higher than inflation in line with the anticipated filling of posts.

The ICT sub-programme co-ordinates provincial government ICT policy and renders internal ICT support and auxiliary services to the department and increases steadily from 2015/16 to the 2019/20 MTEF. The decrease in 2017/18 relates to once-off costs for advertising and SITA services in 2016/17. While the 2018/19 Adjusted Appropriation is largely unchanged, there were savings, largely due to vacant posts and

these were reprioritised to the IGR sub-programme for in-year pressures related to the Social Cohesion and Moral Regeneration programmes. This was mitigated by the roll-over of funding for the Terry Street parking project, as well as funding for roof repairs at the Moses Mabhida building, as mentioned. The projected under-spending in the 2018/19 Revised Estimate is attributed to delays in moving to the new premises in Pietermaritzburg Street. The 2019/20 MTEF provides for IT upgrades for the whole department, as well as the department's administration and auxiliary services, which are centralised under this sub-programme. The Moses Mabhida building project has carry-through funding in 2019/20. This once-off funding accounts for the high growth in 2019/20 and the negative growth in 2020/21.

The Legal Services sub-programme provides a comprehensive and professional internal legal support service to OTP and provides an inter-departmental, transversal state law advisory service to departments. The once-off increase in 2017/18 was due to the internal reprioritisation of funds for transversal legal investigations regarding confidential legal matters related to HODs and disciplinary hearings, hence the negative growth in 2018/19. The increase in the 2018/19 Adjusted Appropriation relates to back-pay for a salary upgrade, as well as resettlement costs (ex Ulundi staff) accounting for the negative growth in 2019/20. The slightly high growth in 2020/21 is due to the previously mentioned National Treasury provision in the 2018/19 MTEF for wage inflation. The growth in the outer year is inflationary only.

The Communication Services sub-programme provides an integrated and co-ordinated government communication service in the province, as well as internally within OTP. The sub-programme is responsible for the creation of a vibrant dialogue between OTP and the community by promoting a citizenship with positive moral values and enhancing synergy with other departments in service delivery. The above inflation increase in 2017/18 was due to internal reprioritisation undertaken for the transversal communication strategy for KZN. This strategy has changed the provincial government communication environment from a one-way communication approach and introduced an effective, targeted and impactful communication to the province's citizens. The projected under-spending in the 2018/19 Revised Estimate relates to reprioritisation from savings in advertising, as well as transport and subsistence costs, to the IGR sub-programme for pressures in the Social Cohesion and Moral Regeneration programmes, and this accounts for the high growth in 2019/20. Although the growth is inflationary only over the remainder of the 2019/20 MTEF, this sub-programme will continue to co-ordinate various communication publications, campaigns and strategies, such as Simama, Anti-Rape, Anti-Xenophobia, Human Rights Day, Youth Day, Heritage Day, etc. This sub-programme also administers the Communication Forum which meets bi-annually and includes all departments.

The Special Programmes sub-programme includes the Integrity Management unit, the Office of the Ombudsperson and Democracy Support Services. Integrity Management aims to mitigate and eliminate incidences of unethical conduct by government officials with a view to improving good governance. Democracy Support Services ensures that government translates its constitutional, political and global commitments into measurable and meaningful programmes on gender, disability, children, as well as senior citizens and other vulnerable groups. The significant increase in the 2018/19 Adjusted Appropriation relates to once-off additional funding allocated for the establishment of the Youth Development Fund, as proclaimed by the Premier in the SOPA and departmental budget speech. This accounts for the negative growth in 2019/20. The projected under-spending in the Revised Estimate is due to vacant posts. Growth over the remainder of the 2019/20 MTEF is largely inflationary.

Compensation of employees over the MTEF relates to the staggered filling of prioritised critical posts, as mentioned. The decrease in the 2018/19 Adjusted Appropriation, as well as projected under-spending in the Revised Estimate is mainly attributed to funded vacant posts not filled. Although the department intends to fill three posts in 2019/20, provision has not been adequately made for the carry-through costs of existing staff from 2018/19, with growth at only 7.3 per cent, and this will be addressed in-year. In addition, provision has not been adequately made for the carry-through costs of existing staff over the remainder of the MTEF, particularly 2021/22, and this will be addressed in the next budget process.

Goods and services reflects an increase in the 2018/19 Adjusted Appropriation as a result of the once-off funding for the Youth Development Fund, as well as internal reprioritisation for the Social Cohesion and Moral Regeneration programmes, as mentioned. *Goods and services* in this programme also provides for costs such as communication and hosting of service delivery events and campaigns, such as Anti-Rape and Anti-Xenophobia campaigns, Human Rights Day, Heritage Day, etc. The growth in 2019/20 is

negative due to the above-mentioned once-off funding for the Youth Development Fund, with inflationary growth over the remainder of the MTEF.

Transfers and subsidies to: Provinces and municipalities over the MTEF caters for motor vehicle licence fees. The lower baseline over the MTEF is in line with the planned scrapping of redundant vehicles. The erratic trend in 2018/19 and 2019/20 is due to new vehicles being licensed and redundant vehicles removed from the system for 2019/20.

Transfers and subsidies to: Departmental agencies and accounts comprises transfers to the KZNGBB, which are now located in EDTEA. It is noted that the budget for the entity was reduced by R821 000 in the 2018/19 Adjustments Estimate, which was erroneously allocated in 2018/19 as this amount formed part of a lump-sum of R20.033 million which was allocated for transfer to the entity in the 2017/18 Adjustments Estimate. As such, R821 000 was removed from the budgeted transfer. In addition, an amount of R206 000 was shifted from *Goods and services* for transfer to the entity in the 2018/19 Adjustments Estimate. This was due to incorrect budgeting for the computer services costs of the entity.

Transfers and subsidies to: Non-profit institutions in 2016/17 catered for a sponsorship to the KZN Law Society for a function to honour the appointment of members of the judiciary.

The amounts against *Transfers and subsidies to: Households* provides for the external bursary budget of the OTP, which previously resided in Programme 3. The department has adjusted the historical trends to allow for trend analysis. In 2016/17, there was reprioritisation to this category of R14 million with carry-through for bursaries in response to the “fees must fall” movement by students countrywide. In 2018/19, this category was reduced by R5 million to cater for operational costs for the Youth Development function. The department currently supports just over 400 students. There is only a minimal provision for staff exit costs over the 2019/20 MTEF.

Buildings and other fixed structures largely pertains to the renovations at OTP’s administrative buildings. The peak in 2016/17 relates to spending on the feasibility study and the preparation of plans in respect of the Training Academy. The increase in the 2018/19 Adjusted Appropriation relates to a roll-over for the Terry Street parking project, as well as additional funding for the roof repairs of the Moses Mabhida building. The funding in 2019/20 provides for the carry-through costs for the Moses Mabhida building renovations accounting for the negative growth in 2020/21. Growth in the outer year is inflationary only.

Machinery and equipment spending in 2015/16 was high due to the purchase of replacement vehicles for the departmental fleet. The category shows a significant decrease from 2016/17 and this was mainly due to the carry-through of previously mentioned fiscal consolidation cuts. The increase in the 2018/19 Adjusted Appropriation was related to the purchase of vehicles (largely centralised in Programme 2) in the Office of the Director-General and Communication Services, accounting for the negative growth in 2019/20. The funds over the MTEF provide for furniture, laptops and departmental vehicles and growth is inflationary only.

The department wrote off various losses against *Payments for financial assets* from 2015/16 to 2018/19.

Service delivery measures: Institutional Development

Table 1.16 illustrates service delivery measures pertaining to Programme 2. The service delivery outputs were revised and streamlined in terms of the re-alignment and re-focus to fall in line with the PGDP. Note that only a few main measures are reflected below, and the full set of measures is detailed in the APP.

Table 1.16 : Service delivery measures: Institutional Development

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2018/19	2019/20	2020/21	2021/22
1. Strategic Human Resources					
1.1 Technical human resource management policy support services	• No. of reports on Technical HR support services on KZN HR policy matters	4	4	4	4
1.2 Public Service training sessions	• No. of training sessions	200	120	220	220

Table 1.16 : Service delivery measures: Institutional Development

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2018/19	2019/20	2020/21	2021/22
2. Information Communication Technology					
2.1 IT governance assessment reports	• No. of 6 monthly provincial depts' IT governance assessment co-ordination reports	2	2	2	2
3. Legal Services					
3.1 Appropriate and constitutionally compliant provincial legislation	• No. of quarterly reports on Provincial Legislative programme submitted within 10 days of end of each quarter	4	4	4	4
4. Communication Services					
4.1 Annual departmental communication plan	• No. of articles on the PGDP published in the print media targeting external audiences	8	8	8	8
5. Special Programmes					
5.1 Integrity conferences	• Integrity leadership conferences (after every 2 nd year)	1	-	-	1
5.2 Annual performance plans for each human rights target group	• No. of updated 5-year strategic plans for each target group: 1 x gender; 1 x disability; 1 x children; and 1 x senior citizens	1 per group, 4 total	1 per group, 4 total	1 per group, 4 total	1 per group, 4 total
5.3 Ombudsperson co-ordination	• Annual provincial Ombudsperson Intervention Co-ordination and Monitoring reports	1	1	1	1

8.3 Programme 3: Policy and Governance

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

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

This programme does not fully conform to the generic structure of the sector because it includes the Royal Household sub-programme (unique to KZN) and should include the Special Programmes sub-programme, which falls under Programme 2 but, in terms of the sector, should fall under Programme 3. Authority was obtained from National Treasury for the deviation.

In the 2018/19 MTEF, the Youth Development function moved from Programme 3 to Programme 2. The department was unable to provide prior year comparatives for this adjustment across sub-programmes due to financial records not being kept at this level. Note that the Heritage sub-programme, including Amafa, have moved to DAC from 1 April 2019 in terms of provincial proclamation No. 5 of 14 December 2018.

Tables 1.17 and 1.18 provide a summary of payments and estimates by sub-programme and economic classification for the period 2015/16 to 2021/22.

Table 1.17 : Summary of payments and estimates by sub-programme: Policy and Governance

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
1. Provincial Policy Management	34 151	40 746	42 375	50 626	48 376	39 765	54 928	58 285	61 490
2. Premier's Priority Programmes	120 736	100 179	119 555	98 145	103 304	124 445	91 855	97 616	102 984
3. Royal Household	59 717	73 334	72 168	65 830	64 919	67 408	66 719	71 344	75 266
4. Heritage	-	-	-	59 833	51 833	53 671	-	-	-
Total	214 604	214 259	234 098	274 434	268 432	285 289	213 502	227 245	239 740
Unauth. Exp. (1st charge) not available for spending	(2 500)	(2 194)	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	212 104	212 065	234 098	274 434	268 432	285 289	213 502	227 245	239 740

Table 1.18 : Summary of payments and estimates by economic classification: Policy and Governance

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
Current payments	179 116	176 341	206 567	210 429	203 344	219 948	187 284	199 585	210 560
Compensation of employees	64 401	81 057	91 225	99 239	97 075	101 277	89 603	96 530	101 839
Goods and services	114 715	95 284	115 342	111 190	106 269	118 671	97 681	103 055	108 721
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	24 167	23 186	20 193	52 029	53 082	53 331	19 086	20 136	21 243
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	24 002	22 977	19 869	52 029	52 029	52 029	19 086	20 136	21 243
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	165	209	324	-	1 053	1 302	-	-	-
Payments for capital assets	8 600	12 493	7 252	11 976	11 976	11 976	7 132	7 524	7 937
Buildings and other fixed structures	2 271	5 918	1 377	982	1 982	1 982	1 503	2 353	2 482
Machinery and equipment	6 325	6 575	5 875	6 175	5 175	5 264	5 629	5 171	5 455
Heritage assets	-	-	-	4 819	4 819	4 730	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	4	-	-	-	-	-	-	-	-
Payments for financial assets	2 721	2 239	86	-	30	34	-	-	-
Total	214 604	214 259	234 098	274 434	268 432	285 289	213 502	227 245	239 740
Unauth. Exp. (1st charge) not available for spending	(2 500)	(2 194)	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	212 104	212 065	234 098	274 434	268 432	285 289	213 502	227 245	239 740

As mentioned, the baseline available for Programme 3 was reduced by the first charge (shown below the total line) that was imposed on the former DRH and therefore has to be honoured in line with a SCOPA resolution. The final instalment of the first charge was paid in 2016/17.

The Provincial Policy Management sub-programme provides for strategic planning, research co-ordination, and monitoring and evaluation. The PPC resides in this sub-programme. The under-spending projected in the 2018/19 Revised Estimate relates to reprioritisation to the sub-programme: Premier's Priority Programmes for pressures related to the Social Cohesion and Moral Regeneration programmes, accounting for the high growth in 2019/20. The MTEF caters for the annual Citizen Satisfaction survey, PGDS and PGDP reviews undertaken every two years, support to AWG 17, provincial and internal QPR and APP reviews, etc. and shows inflationary growth over the two outer years of the MTEF.

The sub-programme: Premier's Priority Programmes promotes the culture of engagement by co-ordinating stakeholder participation, priority programmes incorporating Veterans' Support, HIV and AIDS, OSS, the co-ordination of the Inkululeko Development projects (phases 2 and 3) in uMzinyathi and uThukela, as well as PEMP co-ordination. The funding for phase 1 (Ndumo) ended in 2018/19. The funding for the PEMP co-ordination function ended in 2018/19. Should any funding be required for this function in 2019/20, this will be addressed in-year. The increase in the 2018/19 Adjusted Appropriation relates to funding reprioritised from Programme 1 for in-year pressures related to the Social Cohesion and Moral Regeneration programmes, which also account for the significant projected over-spending in the Revised Estimate. These once-off costs contribute to the negative growth in 2019/20, as well as the movement of the Youth Development function to Programme 2 from 2019/20, as mentioned previously. The Social Cohesion and Moral Regeneration programmes spent significantly more in 2018/19, to address the recommendations of the Moerane Commission of Inquiry. While there are some carry-through costs, these

are expected to be significantly less going forward, hence the decrease in 2019/20. This will be reviewed in-year should circumstances require it. Growth over the two outer years of the MTEF is inflationary only.

The sub-programme: Royal Household provides support services to His Majesty, the King and the Royal Household. As previously mentioned, DRH had a first charge that had to be honoured up to 2016/17, as shown in the table. The over-spending projected in the 2018/19 Revised Estimate relates to higher than expected event costs, such as two royal funerals, accounting for the negative growth in 2019/20. The 2019/20 MTEF provides for inflationary increases in the transfer to the RHT, as well as for His Majesty, the King's ceremonies such as *Umkhosi Womhlanga* (Reed Dance), *Umkhosi Wamaganu* (annual Amarula Festival), *Umkhosi Woselwa* (Thanksgiving), homecoming of *Abakhwetha*, various operational costs of the unit, and renovations to the Royal palaces.

In terms of provincial proclamation No. 5 of 14 December 2018, the Heritage unit will be transferred to DAC from 1 April 2019. The reduction in the 2018/19 Adjusted Appropriation is attributed to savings from a vacant post, as well as forced savings in *Goods and services* to address pressures in Programme 2 related to the Social Cohesion and Moral Regeneration programmes.

Compensation of employees decreases in the 2018/19 Adjusted Appropriation due to vacant posts, with reprioritisation to *Goods and services* for pressures related to the Social Cohesion and Moral Regeneration programmes. However, the high projected spending in the Revised Estimate is attributed to over-estimating the extent of savings in the Adjusted Appropriation. The negative growth in 2019/20 is mainly due to the transfer of approximately 14 officials of the Youth Development function to Programme 2 from 2019/20, as well as the movement of the Heritage function to DAC from 1 April 2019. In both these cases, the figures for 2018/19 are not restated. The budget does not grow sufficiently over the two outer years of the MTEF to cover the projected wage increases for existing staff, and this will be addressed in the next budget process.

Goods and services included funding for the PPC, OSS, Diakonia Council of Churches, as well as various events. The reduction in 2016/17 is attributed to cost-cutting. The increase in 2017/18 is due to events held in that year, including a number of Social Cohesion and Moral Regeneration events, as well as Royal Household events, as mentioned. The reduction in the 2018/19 Adjusted Appropriation relates to reprioritisation to address pressures in Programme 2. The projected over-spending in the Revised Estimate is due to pressures in the Social Cohesion and Moral Regeneration programmes, accounting for the negative growth in 2019/20. Also affecting the negative growth in 2019/20 is the movement of the Heritage function to DAC, with the costs for this category not restated in 2018/19. Although the MTEF starts from a relatively lower base, it increases gradually to accommodate service delivery events and campaigns such as OSS, priority programmes and King's support events, etc.

The transfers to the RHT are reflected against *Transfers and subsidies to: Departmental agencies and accounts*, as detailed in Section 7.7.

Transfers and subsidies to: Households provides for staff exit costs. There is no provision for staff exit costs over the 2019/20 MTEF, and this will be reviewed in-year if necessary.

Buildings and other fixed structures caters for the rehabilitation of the Royal palaces. An amount of R1.313 million was approved as a roll-over from 2016/17 and relates to the roll-over of R8 million from 2015/16 to 2016/17, which could not be entirely spent in 2016/17 as a result of delays that were experienced with renovations at KwaKhangela Palace. The projects included roof waterproofing at KwaKhangela Palace, the children's houses, *gogos'* hut and servants' quarters. The increase in the 2018/19 Adjusted Appropriation is due to reprioritisation to address higher than expected costs for completing the tiling project at Enyokeni Palace. The 2019/20 MTEF provides for the upgrading of the palaces at Enyokeni, KwaKhangela and Dlamahlahla.

The amounts against *Machinery and equipment* mainly relate to the purchase of departmental vehicles, office furniture and computer equipment for newly appointed and replacement staff. The funding over the 2019/20 MTEF provides for office furniture, computers, as well as vehicles.

Heritage assets relate to the Heritage function moved to DAC from 1 April 2019. The 2018/19 funding was for the building of memorials and tombstones for struggle veterans, as determined by the Premier.

Software and other intangible assets in 2015/16 provided for the once-off purchasing of software licences for the Nerve Centre.

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

Service delivery measures: Policy and Governance

Table 1.19 provides information on the service delivery measures pertaining to Programme 3. It is noted that the OTP sector has not yet agreed on standardised service delivery measures. Note that only a few main measures are reflected below, and the full set of measures is detailed in the department's APP.

Table 1.19 : Service delivery measures: Policy and Governance

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2018/19	2019/20	2020/21	2021/22	
1. Provincial Policy Management						
1.1 Macro policy development and co-ordination						
1.1.1 Policy audit reports	• No. of policy audit reports	2	1	1	1	
2. Premier's Priority Programmes						
2.1 PGDP capacity workshops with strategic partnership	• No. of workshops of stakeholders on PGDP Vision 2035	4	4	4	4	
2.2 Co-ordination of the implementation of the Moral Regeneration Movement (MRM)	• No. of MRM co-ordination reports	4	4	4	4	
2.3 Strategic partnership forums	• No. of forum meetings with each sector 1 x NGO, 1 x Business, Labour and Academics 1 x Traditional Authority, 1 x Religious sector	4	4	4	4	
3. King's Support and Royal Household						
3.1 Support service reports	• Quarterly reports on support services provided to His Majesty and Royal Household	4	4	4	4	

9. Other programme information

9.1 Personnel numbers and costs

Table 1.20 reflects personnel estimates for the OTP, per programme. The actual permanent personnel increased in 2016/17 as a result of the fact that the DRH (previously Vote 10) was amalgamated into Vote 1. As a result, 106 employees were transferred to Vote 1 after all negotiations with stakeholders including labour unions. Also, the Gaming and Betting unit staff were transferred into the department in 2016/17 from Vote 6 to Vote 1 in line with the Premier's Minute No. 2 of 2016. This has since been reversed in line with provincial proclamation No. 5 of 14 December 2018, with the function moved to EDTEA, along with six staff. In addition, the Heritage function has moved to DAC in terms of the same proclamation along with eight staff. The historical staff numbers and expenditure figures have been restated in Table 1.20, for the prior and outer years.

As mentioned, the department is projecting to fill approximately 20 posts in 2019/20, bringing the total to 602 filled posts, but will not fully implement the entire organisational structure over the 2019/20 MTEF. Posts will be filled in terms of a staggered approach linked to available funding. Examples of posts to be filled include Directors in Human Resource Development (HRD) and Physical Security, as well as Deputy Directors in Logistics, Internal Control, IT and HRD, among others.

Table 1.20 : Summary of departmental personnel numbers and costs by component

R thousands	Audited Actual						Revised Estimate				Medium-term Estimates						Average annual growth over MTEF		
	2015/16		2016/17		2017/18		2018/19		2019/20		2020/21		2021/22		2018/19 - 2021/22				
	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Filled posts	Add. posts	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Pers. growth rate	Costs growth rate	% of Total
Salary level																			
1 – 6	172	25 840	210	25 194	211	30 511	200	-	200	44 781	203	45 958	203	48 347	203	51 006	0.5%	4.4%	14.1%
7 – 10	203	59 355	211	86 332	213	88 067	214	-	214	96 024	220	104 725	220	110 867	220	116 965	0.9%	6.8%	31.7%
11 – 12	81	68 105	77	68 279	85	67 721	77	-	77	68 996	79	74 708	79	83 844	79	88 455	0.9%	8.6%	23.6%
13 – 16	55	71 450	65	68 842	66	72 713	72	-	72	82 481	67	89 656	67	96 011	67	101 292	(2.4%)	7.1%	27.4%
Other	-	-	44	-	51	9 754	3	30	33	7 837	33	11 624	33	12 449	33	13 162	-	18.9%	3.3%
Total	511	224 750	607	248 647	626	268 766	566	30	596	300 119	602	326 671	602	351 518	602	370 880	0.3%	7.3%	100.0%
Programme																			
1. Administration	92	63 367	83	64 383	90	64 772	81	-	81	58 118	98	86 148	98	90 825	101	95 849	7.6%	18.1%	23.9%
2. Institutional Development	234	96 982	290	103 207	300	112 769	248	30	278	140 724	289	150 920	289	164 163	286	173 192	1.0%	7.2%	46.8%
3. Policy and Governance	185	64 401	234	81 057	236	91 225	237	-	237	101 277	215	89 603	215	96 530	215	101 839	(3.2%)	0.2%	29.3%
Total	511	224 750	607	248 647	626	268 766	566	30	596	300 119	602	326 671	602	351 518	602	370 880	0.3%	7.3%	100.0%
Employee dispensation classification																			
P.S.A. appointees not covered by OSDs	498	219 891	595	239 153	613	258 702	555	-	555	287 712	561	315 383	561	339 270	561	357 958	0.4%	7.6%	96.3%
Legal Professionals	13	4 859	12	9 494	13	10 064	11	-	11	12 407	11	11 288	11	12 248	11	12 922	-	1.4%	3.7%
Total	511	224 750	607	248 647	626	268 766	566	30	596	300 119	602	326 671	602	351 518	602	370 880	0.3%	7.3%	100.0%

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

9.2 Training

Table 1.21 reflects payments and estimates on training per programme, providing actual and estimated expenditure on training for the period 2015/16 to 2021/22. The department is required by the Skills Development Act to budget at least 1 per cent of its salary expense for staff training. The department will exceed this target with an average of 2 per cent set aside over the 2019/20 MTEF.

Table 1.21 : Information on training: Office of the Premier

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
Number of staff	511	607	626	596	596	596	602	602	602
Number of personnel trained	300	214	157	373	373	373	335	350	350
of which									
Male	120	73	42	130	130	130	85	85	85
Female	180	141	115	243	243	243	250	265	265
Number of training opportunities	-	18	307	442	442	442	459	479	484
of which									
Tertiary	-	-	283	373	373	373	390	410	415
Workshops	-	13	17	50	50	50	50	50	50
Seminars	-	5	7	19	19	19	19	19	19
Other	-	-	-	-	-	-	-	-	-
Number of bursaries offered	32	14	15	10	10	10	20	21	21
Number of interns appointed	39	43	47	45	45	45	53	56	56
Number of learnerships appointed	-	-	-	-	-	-	-	-	-
Number of days spent on training	-	-	-	-	-	-	-	-	-
Payments on training by programme									
1. Administration	-	12	-	222	81	17	172	178	188
2. Institutional Development	5 349	3 693	3 956	7 056	53 801	57 385	9 625	9 783	10 321
3. Policy and Governance	25	198	32	1 215	195	-	330	349	368
Total	5 374	3 903	3 988	8 493	54 077	57 402	10 127	10 310	10 877

ANNEXURE – VOTE 1: OFFICE OF THE PREMIER

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
Tax receipts	-	-	-	600 285	600 285	600 884	-	-	-
Casino taxes	-	-	-	518 570	518 570	519 169	-	-	-
Horse racing taxes	-	-	-	81 715	81 715	81 715	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	149	191	175	273	273	178	288	304	321
Sale of goods and services produced by department (excluding capital assets)	149	156	175	273	273	178	288	304	321
Sale by market establishments	-	11	11	123	123	18	13	14	15
Administrative fees	-	-	-	-	-	-	-	-	-
Other sales	149	145	164	150	150	160	275	290	306
Of which									
Commission	142	140	156	273	273	160	150	155	160
Tender documents	7	5	8	-	-	-	-	-	-
Sale of scrap, waste, arms and other used current goods (excluding capital assets)	-	35	-	-	-	-	-	-	-
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	23	8	30	1	1	9	1	1	1
Interest	23	8	30	1	1	9	1	1	1
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	535	-	-	535	535	1 368	840	966	1 019
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	535	-	-	535	535	1 368	840	966	1 019
Transactions in financial assets and liabilities	423	267	955	44	44	185	47	50	53
Total	1 130	466	1 160	601 138	601 138	602 624	1 176	1 321	1 394

Estimates of Provincial Revenue and Expenditure

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
Current payments	548 736	519 106	574 867	648 417	708 520	708 344	650 084	693 986	732 185
Compensation of employees	224 750	248 647	268 766	323 028	306 346	300 119	326 671	351 518	370 880
Salaries and wages	200 176	221 519	239 311	294 904	277 549	267 891	293 626	318 220	335 750
Social contributions	24 574	27 128	29 455	28 124	28 797	32 228	33 045	33 298	35 130
Goods and services	323 986	270 459	306 101	325 389	402 174	408 225	323 413	342 468	361 305
Administrative fees	2 617	2 351	3 957	3 637	4 122	4 259	4 515	5 046	5 324
Advertising	63 464	46 993	29 119	56 987	48 867	40 635	52 700	56 278	59 374
Minor assets	1 426	2 650	1 241	7 495	5 568	2 221	8 973	9 077	9 578
Audit cost: External	6 184	3 547	4 512	4 690	4 722	3 633	4 700	4 934	5 205
Bursaries: Employees	224	233	240	1 022	772	333	805	951	1 004
Catering: Departmental activities	21 937	16 242	11 829	13 536	14 112	6 872	8 527	9 009	9 505
Communication (G&S)	10 262	9 055	10 038	9 782	9 996	8 958	10 978	11 351	11 976
Computer services	29 125	28 727	31 112	42 705	30 129	26 488	38 574	40 079	42 283
Cons. and prof. serv.: Bus. and advisory services	24 437	16 519	12 774	29 314	29 147	28 844	20 328	24 183	25 512
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	3	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	1 933	4 401	4 515	409	1 609	929	641	673	711
Contractors	56 466	36 398	100 118	32 975	92 959	123 729	56 054	55 648	58 707
Agency and support / outsourced services	1 567	3 257	323	960	1 000	262	700	882	931
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including govt. motor transport)	6 728	7 895	8 927	7 775	7 815	9 036	6 770	7 016	7 401
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	20	20	-	15	15	16
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	4 279	2 653	3 774	6 554	6 256	2 597	3 155	3 422	3 610
Consumable: Stationery, printing and office supplies	7 329	6 877	5 096	8 919	7 002	5 917	9 403	10 024	10 576
Operating leases	8 524	11 659	11 956	20 605	20 948	13 284	18 037	21 013	22 169
Property payments	12 059	14 105	13 550	8 732	9 466	17 518	11 540	12 412	13 094
Transport provided: Departmental activity	18 818	9 016	5 607	13 750	7 493	3 375	9 030	9 230	9 738
Travel and subsistence	26 934	25 403	36 290	36 366	34 105	40 313	38 605	41 348	43 621
Training and development	5 374	3 903	3 988	8 493	54 077	57 402	10 127	10 310	10 877
Operating payments	206	906	485	155	8 796	5 485	293	280	295
Venues and facilities	14 093	17 669	6 650	10 508	3 190	6 135	8 943	9 287	9 798
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	46 582	59 022	46 176	116 923	118 124	118 283	42 616	44 960	47 432
Provinces and municipalities	76	136	80	60	105	131	63	66	70
Provinces	76	136	80	60	105	131	63	66	70
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	76	136	80	60	105	131	63	66	70
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	24 002	22 977	19 869	94 954	94 339	94 339	19 086	20 136	21 243
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	24 002	22 977	19 869	94 954	94 339	94 339	19 086	20 136	21 243
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	27	-	-	-	-	-	-	-
Households	22 504	35 882	26 227	21 909	23 680	23 813	23 467	24 758	26 119
Social benefits	714	2 207	378	3	1 774	2 098	3	3	3
Other transfers to households	21 790	33 675	25 849	21 906	21 906	21 715	23 464	24 755	26 116
Payments for capital assets	29 575	31 001	13 354	21 797	27 423	27 423	21 304	14 956	15 777
Buildings and other fixed structures	2 271	16 823	1 710	5 729	10 415	10 415	9 796	4 071	4 294
Buildings	2 271	5 918	1 710	5 729	10 415	10 415	9 796	4 071	4 294
Other fixed structures	-	10 905	-	-	-	-	-	-	-
Machinery and equipment	27 153	14 178	11 644	11 249	12 189	12 278	11 508	10 885	11 483
Transport equipment	14 775	7 359	8 781	3 215	5 155	3 730	2 961	2 236	2 359
Other machinery and equipment	12 378	6 819	2 863	8 034	7 034	8 548	8 547	8 649	9 124
Heritage assets	-	-	-	4 819	4 819	4 730	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	151	-	-	-	-	-	-	-	-
Payments for financial assets	2 767	2 240	87	-	225	242	-	-	-
Total	627 660	611 369	634 484	787 137	854 292	854 292	714 004	753 902	795 394
Unauth. Exp. (1st charge) not available for spending	(2 500)	(2 194)	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	625 160	609 175	634 484	787 137	854 292	854 292	714 004	753 902	795 394

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
Current payments	101 528	94 963	106 245	99 880	100 584	93 693	135 028	142 489	150 355
Compensation of employees	63 367	64 383	64 772	66 878	59 135	58 118	86 148	90 825	95 848
Salaries and wages	57 320	57 943	58 266	62 053	53 797	52 314	77 602	81 488	85 997
Social contributions	6 047	6 440	6 506	4 825	5 338	5 804	8 546	9 337	9 851
Goods and services	38 161	30 580	41 473	33 002	41 449	35 575	48 880	51 664	54 507
Administrative fees	737	600	1 122	249	1 432	1 062	1 411	1 598	1 686
Advertising	144	802	30	196	96	24	317	275	290
Minor assets	571	334	169	1 270	1 197	698	2 131	2 195	2 317
Audit cost: External	5 538	3 547	4 512	4 600	4 722	3 633	4 700	4 934	5 205
Bursaries: Employees	-	-	-	-	-	-	-	81	85
Catering: Departmental activities	2 731	2 080	1 990	1 230	1 230	721	1 147	1 242	1 311
Communication (G&S)	102	178	98	210	792	124	106	121	128
Computer services	5 126	1 600	669	6 989	834	2 888	1 014	1 212	1 279
Cons. and prof. serv.: Bus. and advisory services	7 501	1 288	7 043	1 820	9 980	8 688	13 250	13 712	14 466
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	3	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	2	1 852	37	-	-	-	200	210	222
Contractors	1 511	4 746	11 152	1 647	2 343	1 657	5 068	5 114	5 394
Agency and support / outsourced services	-	76	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including govt. motor transport)	-	2	-	80	-	-	20	24	25
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	5	5	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	250	927	298	725	650	191	816	877	925
Consumable: Stationery, printing and office supplies	1 946	2 025	1 479	2 355	2 385	1 839	4 202	4 551	4 802
Operating leases	1 046	1 132	1 095	1 504	1 674	1 090	1 635	1 733	1 829
Property payments	306	296	206	727	727	683	222	251	265
Transport provided: Departmental activity	451	172	-	170	170	-	50	53	56
Travel and subsistence	9 980	7 581	11 357	8 688	10 188	10 636	12 191	13 164	13 887
Training and development	-	12	-	222	81	17	172	178	188
Operating payments	-	122	-	105	2 730	1 475	13	-	-
Venues and facilities	219	1 208	216	210	210	149	215	139	147
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 099	2 486	1 024	1 182	1 182	990	1 248	1 317	1 389
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 099	2 486	1 024	1 182	1 182	990	1 248	1 317	1 389
Social benefits	94	1 552	-	-	-	-	-	-	-
Other transfers to households	1 005	934	1 024	1 182	1 182	990	1 248	1 317	1 389
Payments for capital assets	2 710	1 434	538	1 264	1 264	1 264	1 861	1 541	1 626
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 563	1 434	538	1 264	1 264	1 264	1 861	1 541	1 626
Transport equipment	501	-	-	-	-	-	400	-	-
Other machinery and equipment	2 062	1 434	538	1 264	1 264	1 264	1 461	1 541	1 626
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	147	-	-	-	-	-	-	-	-
Payments for financial assets	26	-	-	-	-	-	-	-	-
Total	105 363	98 883	107 807	102 326	103 030	95 947	138 137	145 347	153 370

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

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
R thousand	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
Current payments	268 092	247 802	262 055	338 108	404 592	394 703	327 772	351 912	371 270
Compensation of employees	96 982	103 207	112 769	156 911	150 136	140 724	150 920	164 163	173 193
Salaries and wages	84 830	90 209	98 646	140 808	134 033	124 699	133 536	147 719	155 844
Social contributions	12 152	12 998	14 123	16 103	16 103	16 025	17 384	16 444	17 349
Goods and services	171 110	144 595	149 286	181 197	254 456	253 979	176 852	187 749	198 077
Administrative fees	496	540	886	882	906	1 712	1 014	1 223	1 290
Advertising	60 466	43 856	28 733	52 467	47 947	40 002	50 663	53 976	56 945
Minor assets	353	751	343	3 835	2 255	801	2 322	2 502	2 640
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	224	233	240	822	772	333	805	859	907
Catering: Departmental activities	5 756	4 862	2 121	7 809	6 665	1 957	5 213	5 092	5 372
Communication (G&S)	9 808	8 313	9 766	8 303	8 099	8 700	10 512	10 865	11 463
Computer services	11 966	16 691	18 369	18 074	14 016	12 771	21 655	22 771	24 023
Cons. and prof. serv.: Bus. and advisory services	7 304	5 085	134	12 842	8 415	9 049	3 590	3 812	4 021
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	1 931	2 549	4 478	389	989	929	441	463	489
Contractors	13 776	8 362	33 356	10 854	49 542	55 629	15 124	15 727	16 592
Agency and support / outsourced services	794	2 385	323	760	800	262	700	882	931
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including govt. motor transport)	6 220	6 121	7 985	6 895	6 415	7 588	6 750	6 969	7 352
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	15	15	-	15	15	16
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	1 895	276	956	749	1 094	1 152	787	800	844
Consumable: Stationery, printing and office supplies	3 589	2 531	2 626	3 149	3 109	2 210	2 353	2 475	2 611
Operating leases	6 852	9 503	9 923	17 611	17 944	11 340	15 227	18 017	19 008
Property payments	11 217	13 535	13 185	7 795	8 029	15 954	11 318	12 161	12 829
Transport provided: Departmental activity	10 816	3 760	2 007	5 000	4 400	1 484	3 150	2 835	2 991
Travel and subsistence	7 011	6 194	8 788	14 007	12 723	15 924	13 120	13 695	14 449
Training and development	5 349	3 693	3 956	7 056	53 801	57 385	9 625	9 783	10 321
Operating payments	138	91	35	45	4 920	3 604	15	14	15
Venues and facilities	5 149	5 264	1 076	1 838	1 600	5 193	2 453	2 813	2 968
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	21 316	33 350	24 959	63 712	63 860	63 962	22 282	23 507	24 800
Provinces and municipalities	76	136	80	60	105	131	63	66	70
Provinces	76	136	80	60	105	131	63	66	70
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	76	136	80	60	105	131	63	66	70
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	42 925	42 310	42 310	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	42 925	42 310	42 310	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	27	-	-	-	-	-	-	-
Households	21 240	33 187	24 879	20 727	21 445	21 521	22 219	23 441	24 730
Social benefits	455	446	54	3	721	796	3	3	3
Other transfers to households	20 785	32 741	24 825	20 724	20 724	20 725	22 216	23 438	24 727
Payments for capital assets	18 265	17 074	5 564	8 557	14 183	14 183	12 311	5 891	6 214
Buildings and other fixed structures	-	10 905	333	4 747	8 433	8 433	8 293	1 718	1 812
Buildings	-	-	333	4 747	8 433	8 433	8 293	1 718	1 812
Other fixed structures	-	10 905	-	-	-	-	-	-	-
Machinery and equipment	18 265	6 169	5 231	3 810	5 750	5 750	4 018	4 173	4 402
Transport equipment	10 867	4 318	4 564	2 015	3 955	3 730	1 755	1 852	1 954
Other machinery and equipment	7 398	1 851	667	1 795	1 795	2 020	2 263	2 321	2 448
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	20	1	1	-	195	208	-	-	-
Total	307 693	298 227	292 579	410 377	482 830	473 056	362 365	381 310	402 284

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
Current payments	179 116	176 341	206 567	210 429	203 344	219 948	187 284	199 585	210 560
Compensation of employees	64 401	81 057	91 225	99 239	97 075	101 277	89 603	96 530	101 839
Salaries and wages	58 026	73 367	82 399	92 043	89 719	90 878	82 488	89 013	93 909
Social contributions	6 375	7 690	8 826	7 196	7 356	10 399	7 115	7 517	7 930
Goods and services	114 715	95 284	115 342	111 190	106 269	118 671	97 681	103 055	108 721
Administrative fees	1 384	1 211	1 949	2 506	1 784	1 485	2 090	2 225	2 348
Advertising	2 854	2 335	356	4 324	824	609	1 720	2 027	2 139
Minor assets	502	1 565	729	2 390	2 116	722	4 520	4 380	4 621
Audit cost: External	646	-	-	90	-	-	-	-	-
Bursaries: Employees	-	-	-	200	-	-	-	11	12
Catering: Departmental activities	13 450	9 300	7 718	4 497	6 217	4 194	2 167	2 675	2 822
Communication (G&S)	352	564	174	1 269	1 105	134	360	365	385
Computer services	12 033	10 436	12 074	17 642	15 279	10 829	15 905	16 096	16 981
Cons. and prof. serv.: Bus. and advisory services	9 632	10 146	5 597	14 652	10 752	11 107	3 488	6 659	7 025
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	20	620	-	-	-	-
Contractors	41 179	23 290	55 610	20 474	41 074	66 443	35 862	34 807	36 721
Agency and support / outsourced services	773	796	-	200	200	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including govt. motor transport)	508	1 772	942	800	1 400	1 448	-	23	24
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	2 134	1 450	2 520	5 080	4 512	1 254	1 552	1 745	1 841
Consumable: Stationery, printing and office supplies	1 794	2 321	991	3 415	1 508	1 868	2 848	2 998	3 163
Operating leases	626	1 024	938	1 490	1 330	854	1 175	1 263	1 332
Property payments	536	274	159	210	710	881	-	-	-
Transport provided: Departmental activity	7 551	5 084	3 600	8 580	2 923	1 891	5 830	6 342	6 691
Travel and subsistence	9 943	11 628	16 145	13 671	11 194	13 753	13 294	14 489	15 285
Training and development	25	198	32	1 215	195	-	330	349	368
Operating payments	68	693	450	5	1 146	406	265	266	280
Venues and facilities	8 725	11 197	5 358	8 460	1 380	793	6 275	6 335	6 683
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	24 167	23 186	20 193	52 029	53 082	53 331	19 086	20 136	21 243
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	24 002	22 977	19 869	52 029	52 029	52 029	19 086	20 136	21 243
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	24 002	22 977	19 869	52 029	52 029	52 029	19 086	20 136	21 243
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	165	209	324	-	1 053	1 302	-	-	-
Social benefits	165	209	324	-	1 053	1 302	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	8 600	12 493	7 252	11 976	11 976	11 976	7 132	7 524	7 937
Buildings and other fixed structures	2 271	5 918	1 377	982	1 982	1 982	1 503	2 353	2 482
Buildings	2 271	5 918	1 377	982	1 982	1 982	1 503	2 353	2 482
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	6 325	6 575	5 875	6 175	5 175	5 264	5 629	5 171	5 455
Transport equipment	3 407	3 041	4 217	1 200	1 200	-	806	384	405
Other machinery and equipment	2 918	3 534	1 658	4 975	3 975	5 264	4 823	4 787	5 050
Heritage assets	-	-	-	4 819	4 819	4 730	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	4	-	-	-	-	-	-	-	-
Payments for financial assets	2 721	2 239	86	-	30	34	-	-	-
Total	214 604	214 259	234 098	274 434	268 432	285 289	213 502	227 245	239 740
Unauth. Exp. (1st charge) not available for spending	(2 500)	(2 194)	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	212 104	212 065	234 098	274 434	268 432	285 289	213 502	227 245	239 740

Table 1.F : Financial summary for Royal Household Trust (RHT)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
Revenue									
Tax revenue	-	-	-	-	-	-	-	-	-
Non-tax revenue	24 201	23 186	20 093	18 237	18 237	18 237	19 292	20 346	21 457
Sale of goods and services other than capital assets	-	-	-	-	-	-	-	-	-
Entity revenue other than sales	199	209	224	197	197	197	206	210	214
Transfers received	24 002	22 977	19 869	18 040	18 040	18 040	19 086	20 136	21 243
Of which:									
OTP	24 002	22 977	19 869	18 040	18 040	18 040	19 086	20 136	21 243
Sale of capital assets	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Other non-tax revenue	-	-	-	-	-	-	-	-	-
Total revenue	24 201	23 186	20 093	18 237	18 237	18 237	19 292	20 346	21 457
Expenses									
Programmes									
1. Administration	5 196	6 775	6 529	6 440	6 399	6 399	6 788	7 156	7 546
2. Operations Management	12 074	16 257	14 212	6 182	11 638	11 638	6 553	6 911	7 289
3. Fund Raising	-	444	-	5 615	200	200	5 951	6 279	6 622
Total	17 270	23 476	20 741	18 237	18 237	18 237	19 292	20 346	21 457
Economic classification									
Current expenses	16 890	23 394	20 727	18 216	18 237	18 237	19 269	20 321	21 428
Compensation of employees	3 603	4 203	4 543	4 661	4 246	4 246	4 894	5 139	5 396
Goods and services	13 287	19 191	16 184	13 555	13 991	13 991	14 375	15 182	16 032
Interest on rent and land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	365	60	-	-	-	-	-	-	-
Payments for financial assets	15	22	14	20	-	-	22	25	29
Total expenses	17 270	23 476	20 741	18 237	18 237	18 237	19 292	20 346	21 457
Surplus / (Deficit)	6 931	(290)	(648)	-	-	-	-	-	-
Adjustments for Surplus / (Deficit)	(6 931)	290	648	-	-	-	-	-	-
(Outstanding creditors) / Deficit	(6 931)	290	648	-	-	-	-	-	-
Surplus / (Deficit) after adjustments	-	-	-	-	-	-	-	-	-

Table 1.G : Personnel summary for RHT

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
Board members									
Personnel cost (R thousand)	138	83	48	73	69	69	77	82	86
Personnel numbers (head count)	7	7	7	7	7	7	7	7	7
Unit cost	20	12	7	10	10	10	11	12	12
Executive management									
Personnel cost (R thousand)	1 042	1 083	1 143	1 162	703	703	1 220	1 281	1 345
of which:									
Chief Financial Officer	1 042	1 083	1 143	1 162	703	703	1 220	1 281	1 345
Chief Executive Officer	-	-	-	-	-	-	-	-	-
Personnel numbers (head count)	1	1	1	1	1	1	1	1	1
Unit cost	1 042	1 083	1 143	1 162	703	703	1 220	1 281	1 345
Senior management									
Personnel cost (R thousand)	654	889	937	999	985	985	1 049	1 102	1 157
Personnel numbers (head count)	1	1	1	1	1	1	1	1	1
Unit cost	654	889	937	999	985	985	1 049	1 102	1 157
Middle management									
Personnel cost (R thousand)	659	790	845	880	896	896	924	971	1 019
Personnel numbers (head count)	1	1	1	1	1	1	1	1	1
Unit cost	659	790	845	880	896	896	924	971	1 019
Professionals									
Personnel cost (R thousand)	776	835	894	928	957	957	974	1 023	1 074
Personnel numbers (head count)	2	2	2	2	2	2	2	2	2
Unit cost	388	418	447	464	479	479	487	511	537
Semi-skilled									
Personnel cost (R thousand)	472	521	635	597	608	608	627	658	691
Personnel numbers (head count)	3	3	3	3	3	3	3	3	3
Unit cost	157	174	212	199	203	203	209	219	230
Very low skilled									
Personnel cost (R thousand)	-	84	90	95	97	97	100	105	110
Personnel numbers (head count)	-	1	1	1	1	1	1	1	1
Unit cost	-	84	90	95	97	97	100	105	110
Total for entity									
Personnel cost (R thousand)*	3 741	4 286	4 592	4 734	4 315	4 315	4 971	5 221	5 482
Personnel numbers (head count)	15	16	16	16	16	16	16	16	16
Unit cost	249	268	287	296	270	270	311	326	343

*Note: The difference between the Personnel cost and Compensation of employees relates to Board costs, which are paid from Goods and services