

# Vote 3

## Provincial Treasury

	2019/20 To be appropriated	2020/21	2021/22
<b>MTEF allocations</b>	<b>R357 353 000</b>	<b>R375 348 000</b>	<b>R395 098 000</b>
Responsible MEC	Provincial Minister of Finance		
Administering Department	Provincial Treasury		
Accounting Officer	Head of Department and Head Official: Provincial Treasury		

### 1. Overview

#### Vision

Good financial governance.

#### Mission

To improve governance through:

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

#### Core functions and responsibilities

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

- To ensure the efficient and effective management of provincial and municipal financial resources;
- To provide policy direction and to facilitate and enforce the management of provincial financial systems, supply chain and moveable asset management within the provincial and municipal spheres; and
- To promote accountability and financial governance within departments, entities and municipalities.

## **Main services**

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

Internally:

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

Transversally or Externally:

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

## **Demands and changes in service**

Additional funding amounting to R19.821 million in 2019/20, R19.945 million in 2020/21 and R20.167 million in 2021/22 was allocated to the Vote, of which, an amount of R5 million has been earmarked for Infrastructure development improvements in the 2019/20, 2020/21 and 2021/22 financial years. R4.821 million, R4.945 million and R5.167 million has been earmarked for municipal interventions to assist in strengthening support interventions in 2019/20, 2020/21 and 2021/22 respectively. Over the 2019 MTEF, R30 million (R10 million each financial year) have been allocated to develop and implement the financial good governance grant to reward/incentivise government institutions for increased governance performance.

## Acts, rules and regulations

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

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

## Budget decisions

The budget for the Vote increased by R53.022 million from R304.331 million in 2018/19 (revised estimate) to R357.353 million in 2019/20. This equates to an increase of 17.4 per cent.

The current (2018/19) budget was used as a basis, after which the following was taken into account:

- Salary increases based on the 2018 Wage Agreement.

- Inflation on goods and services estimated as 5.4 per cent in 2019/20 financial year.

- Additional earmarked priority allocations for infrastructure development improvement and support to municipalities, the development and implementation of the good governance incentive grant, and further once-off support in 2019/20 to the Western Cape Gambling and Racing Board.

Provincial Treasury will continue to apply the budget policy principles of allocative efficiency, fiscal consolidation, fiscal discipline and fiscal sustainability. All efforts of the Provincial Treasury will be targeted at maximising citizen impact.

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

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

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

## **2. Review of the current financial year (2018/19)**

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

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

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

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

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

Coordinated the PERO and the Western Cape Medium Term Budget Policy Statement, which provided the economic, fiscal and policy context within which the provincial budget is formulated.

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

Developed an Implementation Plan for the Integrated Workplan to streamline strategic and technical planning, budgeting and governance engagements between the Western Cape Government and Western Cape municipalities.

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

Released the annual Municipal Economic Review and Outlook (MERO) and the Socio-economic Profiles for Local Government (SEP-LG).

Exercised oversight during the municipal budget process by providing recommendations to improve the responsiveness of the budgets to target socio-economic and policy objectives and coordinated key initiatives to improve participatory budgeting practices such as the Strategic and Technical Integrated Engagements and Taking the Budget to the People.

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

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

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

Analysed and reported on the in-year revenue and expenditure management in municipalities.

Focused on the further institutionalisation of the Standard of Infrastructure Procurement and Delivery Management (SIPDM) and Infrastructure Delivery Management System (IDMS) to enhance efficiency in the delivery of infrastructure and value realised through the provincial asset base.

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

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

Managed the centralised filing system conforming to the Western Cape Archives and Records Services prescripts.

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

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

Monitored and facilitated the coordination of departmental MTEC processes and the related document flow.

Managed and maintained the Provincial Treasury's database and the technical refinement of treasury publications and working papers.

Maintained the current focus on improving the integrity of data in the legacy systems and explored business intelligence tools to enable and improve performance reporting of financial information required from various financial management systems whilst awaiting the IFMS implementation by the National Treasury.

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

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

Continued providing support to supplier on-boarding on the central supplier database, improved efficiencies and governance on the e-procurement solution for quotations and the continuous building of the business intelligence competence in respect of procurement performance information across 13 departments to support procurement decision-making and better supply chain information management.

Procurement efficiencies and prudent procurement spending was supported by strategic sourcing methodologies deployed in the procurement planning process to leverage efficiency gains and economies of scale through bulk consolidated buying initiatives and provincial transversal contracts for both travel and security to be finalised at the end of March 2019.

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

Commenced with the process of developing an Asset Management Governance Framework for municipalities as a first phase, focusing on Asset Management Policies/ Strategies and Business Processes.

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

Added impetus was achieved in terms of support provided to departments, municipalities and the supplies doing business with, and wanting to do business with the Western Cape Government through training interventions, information sessions, lekgotlas, conferences, workshops, and the maintenance of a SCM helpdesk to support query and grievance handling. Added support was also provided through governance platforms like the SCM fora, focus groups and CFO fora.

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

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

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

Coordinated the Municipal Governance Review and Outlook (MGRO) and progressively spearheaded the maturity criteria across various disciplines to achieve higher levels of governance. Monitored the action committed to by PT on a monthly basis to ensure that our actions are put into practice.

Developed, and spearheaded, norms and standards and compliance with legislation, and further entrenched capacity building. Specifically, in the municipal space, ensured the rolling out of the regulations around misconduct of municipal officials.

Successfully hosted a number of workshops including the Mayco Members of finance, running the public sector track of the annual internal audit conference, and the many forums hosted by the programme, including the municipal accountant's forum, the chief risk officer's forum and the chief audit executive forum.

Some inroads have been made on asset management where, together with our SCM unit, hosted for the first time the Municipal Asset Management forum, bringing together accountants and engineers.

### 3. Outlook for the coming financial year (2019/20)

Key areas of focus and delivery for the 2019/20 financial year mainly entail the continuing of key themes:

#### Programme 2 - Sustainable Resource Management

##### Fiscal Policy

Conduct research and analysis on provincial and local government fiscal policy matters that impact on the fiscal framework of the Province.

Conduct fiscal policy research to inform the development of a sustainable provincial and local government Fiscal Framework and the Provincial Fiscal Strategy focuses on the national transfer system (Equitable Share and Conditional Grants), the Local Government fiscal system and domestic resource mobilisation initiatives with regards to existing and new own revenue sources.

Manage the Provincial Revenue Fund and providing for the cash flow requirements of the Province.

Provide support initiatives, advice and guidance to departments and municipalities on revenue related and cash management matters, through the analysis and reporting on in-year cash flow and revenue performance.

Departmental oversight of the Western Cape Gambling and Racing Board (WCGRB) and manage the crafting of the legislative amendments affecting the gambling sector.

##### Provincial Government Budget Office

Engage on economic, policy and budget related research, which informs the formulation of the provincial budget policy to ultimately recommend budget allocations in line with the strategic priorities outlined in the 2014 – 2019 Provincial Strategic Plan and other applicable policies.

Provide evidence-based research for the Western Cape through the Provincial Economic Review and Outlook (PERO) that informs policymakers, departments and municipalities on key economic issues that will impact policy, planning and budgeting.

Formulate provincial budget policy priorities through the Western Cape Medium Term Budget Policy Statement (WC MTBPS) that give effect to the policy context based on the principles of the provincial fiscal strategy while managing key provincial risks.

Ensure that budget priorities are encapsulated in the Overview of Provincial Revenue and Expenditure, which supports the delivery of the WCG's policies, programmes and projects that drives service delivery within the Province.

Focus on programme and project effectiveness to assess allocative efficiency, responsiveness and the effectiveness of the budget in terms of the policy and delivery context.

##### Local Government Budget Office

Provide research, advice and analysis on the regional and local economy and the provision of economic intelligence for use in municipal planning and budgeting.

Publication of the Municipal Economic Review and Outlook (MERO) and release of Socio-Economic Profiles.

Assess the annual budgets of municipalities and provide recommendations to improve the responsiveness of the budgets to address socio-economic and policy objectives.

Support the municipal budget process by coordinating of the Local Government Medium Term Expenditure Committee engagements.

Monitor the implementation of municipal budgets through the Service Delivery and Budget Implementation Plans of municipalities.

### **Provincial Government Finance**

Assess provincial budgets to improve the credibility and sustainability of the budget and for monitoring the implementation of budgets to enhance accountability, efficiency and data integrity.

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

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

Facilitate and co-ordinate the implementation of the MFMA in Provincial Treasury and municipalities. This is done to ensure that the objectives of the Local Government reform agenda with specific reference to implementation of the Technical Committee on Finance (TCF) Game Changers is achieved.

Drive the Implementation of the MFMA through IGR coordination between municipalities, provincial national departments and other related stakeholders.

Monitor, support and intervene, including being responsive to support particularly vulnerable municipalities, in respect of MFMA implementation, budget implementation and revenue and expenditure management.

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

### **Infrastructure**

Institutionalisation of the Infrastructure Delivery Management System (IDMS). The One IDMS is a generic and structured infrastructure delivery management system, containing good practice guidelines, based on well-defined processes that are necessary to achieve effective infrastructure delivery in all spheres of government. The IDMS is informed by Policy, Standards and Best Practices and has a substantial area of impact within the hierarchy of policy, strategy and planning, aligned across the three spheres of Government.

Monitor and report on the implementation of infrastructure budgets in the Province.

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

Continue to manage the centralised repository, thus providing a means for Provincial Treasury employees to enable proper decision-making, safeguard information and facilitate the retention of information.

Enhancing spatial integration of data sets to promote the integration of information between spheres of government in line with PSG5, which in turn will require the facilitation and coordination of departmental and municipal MTEC processes and the related document flow as well as the technical refinement of treasury publications and working papers.

## **Programme 3 – Asset Management**

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

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

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



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

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

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

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

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

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

Mainstream its focus on utilisation of technology as an enabler to improve SCM performance. Continued support to maintain the central supplier database to address identified key gaps, and an evidenced-based approach through improved efficiencies, governance requirements that is supported through the Provincial e-procurement solution and the continuous building of the business intelligence competence.

Procurement efficiencies and prudent procurement spending will continue to be supported by strategic sourcing methodologies via procurement planning and transversal contracts where appropriate. The linking of the budget to procurement planning has been a key project for the unit and the model will be developed further to address gaps and improvements to existing model.

Capacity development focus for both SCM practitioners and suppliers will be a pivotal focus. The re-imbedding governance control mechanisms and support in response to high cyclic turnovers and eroding of technical skills sets within the SCM cadre in the Province. SCM skills and knowledge development of practitioners in institutions will continue to be facilitated through bespoke training interventions, helpdesk support, assistance and guidance, road shows and the SCM Forum. Further mainstreaming of capacitation and development will be led through the four Focus Groups under the SCM Forum, i.e. SCM Policy and Governance; SCM Technology; SCM Capacitation and Development, and the Demand Management Focus Groups. Strengthening SCM internal control functions and re-imbedding the governance control and assurance models within the Province. Various platforms will also be used to engage with suppliers and to ensure that they are capacitated and better equipped in understanding the provincial SCM environment and procurement requirements when doing business with the Western Cape Government.

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

Continue to provide assistance and guidance in respect of good governance and performance in both SCM and asset management to all 30 Western Cape municipalities. Strengthening SCM internal control functions and re-imbedding the governance control and assurance models within municipalities.

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

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

## **Programme 4 – Financial Governance**

### **Local Government Accounting**

The directorate will continue to assist municipalities and related municipal entities in achieving accurate and complete recording of transactions as required by generally recognised accounting practices (GRAP), and conformance with applicable financial laws, regulations and the municipal standard chart of accounts (mSCOA). This would contribute to preventing material misstatements, irregularities and the deeper analysis of financial statements that could drive key policy decisions.

The directorate will further facilitate the implementation of mSCOA which is the biggest reform since the implementation of the MFMA, and more specifically, drive the standard operating procedures in municipalities to ensure the regulated business processes are institutionalised.

Additionally, the unit will work with other PT units, and municipalities at large, to drive integration, specifically on integrated reporting, and the accounting agenda in the district approach. Effort will be expended on data analytics to provide a more in-depth analysis on the annual financial statements to support governance sustainability in municipalities, and will work with the public finance unit.

In concert with SCM and our sister department, Department of Local Government, inroads will be sought to drive consistency in the asset management space.

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

The directorate will continue to facilitate workshops to ensure the complete and accurate recording and reporting of transactions as required in terms of the prescribed accounting frameworks, in both departments and public entities. This contributes toward preventing irregularities and material financial misstatements in both the modified cash basis of accounting applied by departments and accrual basis of accounting applied by entities.

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

Furthermore, the directorate will drive structured training programme and the further enhancement of the e-GAP tool, to ensure that collectively, the skills in the accounting and governance units are sharpened.

Progressively, the directorate will be implementing data analysis and data analytics, which continuously seek to drive integration across the key programmes within Provincial Treasury and move closer to automation within the existing environment, until such a time that there is full migration to an integrated financial management system.

2019 will see the first through put of the CA Academy, where the trainees are either on the last leg of their qualification, or closing in on their professional qualification. 2019/20 will be the year where we consider taking this programme to municipalities, further adding to the talent pool of professionals in the public sector.

### **Corporate Governance**

Coordinating the MGRO programme, as part of the Integration Municipal Framework and Workplan, which is an integral part of the annual Technical Integrated Municipal engagements, seeking to progressively drive the maturity criteria across various disciplines to achieve maturity in governance. A large part of the ensuing year will be to look at performance criteria, and assessing how, as PT, we can support municipalities who cannot attract the required talent, especially in the rural areas.

Being the central hub of information, continue to improve on all MFMA forums such as the Chief Risk Officer and Chief Audit Executive (CAE) fora which is used to drive norms and standards relating to risk management, internal audit practices and the effective functioning of audit committees. As for the accounting directorate, areas of continuous auditing, combined assurance and data analysis will dominate the 2019 - 2020 agenda. The directorate will also drive the agenda of an integrated workstyle, supporting the district approach to adequately servicing the needs of municipalities.

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

## **4. Reprioritisation**

Linked to the Vote's people management strategy, the Department's focus is around a people centred organisation. The main focus will be on culture and ethics, leadership development, succession and retention planning, and transformation. The Western Cape Gambling and Racing Board will be receiving further funding regarding litigations matters. Additionally, there will be further modules for the supplier database and new ICT plans.

## **5. Procurement**

During the 2019/20 financial year, the Department will embark on a number of procurement processes to procure the goods and services required to fulfil its strategic objectives as per the Annual Performance Plan. The Department's annual procurement plan will include all procurement above R100 000. The procurement plan will be monitored on a monthly basis with quarterly reports submitted to the Provincial Treasury as a monitoring mechanism. This will foster a pro-active approach which ensures that procurement processes are initiated timeously to prevent delays and timely interventions can be made where necessary.

Planned improvements in the SCM function will include the finalisation of a benchmark review against the current DPSA structure, in order to align job descriptions to the framework for supply chain management. The Department will also review and update its Supply Chain Management Strategy and ensure that the Strategy complies with prescripts.

## 6. Receipts and financing

### Summary of receipts

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

**Table 6.1 Summary of receipts**

Outcome							Medium-term estimate			
Receipts R'000				Main appro- priation 2018/19	Adjusted appro- priation 2018/19	Revised estimate 2018/19	% Change from Revised estimate 2018/19	2019/20	2020/21	2021/22
	Audited	Audited	Audited							
	2015/16	2016/17	2017/18							
<b>Treasury funding</b>										
Equitable share	( 104 922)	( 138 174)	( 86 766)	45 442	26 885	24 383	62 077	154.59	65 942	68 674
Financing	25 108	52 500	6 167							
Provincial Revenue Fund	25 108	52 500	6 167							
<b>Total Treasury funding</b>	( 79 814)	( 85 674)	( 80 599)	45 442	26 885	24 383	62 077	154.59	65 942	68 674
<b>Departmental receipts</b>										
Tax receipts	553 914	572 789	591 495	539 017	539 017	539 017	568 852	5.54	598 029	630 921
Sales of goods and services other than capital assets	3 591	2 890	4 365	1 284	1 284	1 284	1 356	5.61	1 431	1 510
Transfers received				1	1	1	1		1	1
Fines, penalties and forfeits	295	38	287							
Interest, dividends and rent on land	3	25	4	1	1	1	1		1	1
Sales of capital assets		7	28							
Financial transactions in assets and liabilities	8 023	4 055	8 693	50	50	50	53	6.00	56	58
<b>Total departmental receipts</b>	565 826	579 804	604 872	540 353	540 353	540 353	570 263	5.54	599 518	632 491
<b>Total receipts (Treasury funding and departmental receipts)</b>	486 012	494 130	524 273	585 795	567 238	564 736	632 340	11.97	665 460	701 165
Own receipts - Provincial Treasury (allocated to other votes)	( 245 625)	( 246 129)	( 246 129)	( 260 405)	( 260 405)	( 260 405)	( 274 987)	5.60	( 290 112)	( 306 067)
<b>Total receipts (allocated to Vote 3)</b>	240 387	248 001	278 144	325 390	306 833	304 331	357 353	17.42	375 348	395 098

### Summary of receipts:

Total receipts allocated to Vote 3 increased by R53.022 million or 17.4 per cent from R304.331 million (revised estimate) in 2018/19 to R357.353 million in 2019/20. This is mainly as a result of the provision for salary adjustments and improvement on conditions of service and the filling of vacant posts and earmarked priority allocations for the support to the Western Cape Gambling and Racing Board, infrastructure development improvement, municipal interventions, the Municipal Financial Good Governance Grant as well as the strengthening of good governance and performance in municipalities.

**Treasury funding of which:**

Equitable share allocations will amount to R62.077 million in 2019/20, R65.942 million in 2020/21 and R68.674 million in 2021/22.

Total departmental receipts for 2019/20 of R570.263 million will be allocated between the Department of the Premier (R274.987 million) and Provincial Treasury (R295.276 million) as part of the Governance and Administration Cluster.

**Details of departmental receipts:**

The departmental own receipts increase from R540.353 million in 2018/19 (revised estimate) to R570.263 million in 2019/20. The main source of this income is gambling tax receipts.

Tax receipts, of which casino and horse racing taxes are the main contributors, increase by R29.835 million or 5.54 per cent from a revised estimate of R539.017 million in 2018/19 to R568.852 million in 2019/20. The projected tax receipts show further increases of 5.1 per cent in 2020/21 and 5.5 per cent in 2021/22.

Sales of Goods and services (other than capital assets) comprises 0.2 per cent of the departmental own receipts over the 2019 MTEF period.

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

None.

**7. Payment summary****Key assumptions**

Adjustments for salary increases are based on the 2018 Wage agreement. In 2019/20, 2020/21 and 2021/22, the salary adjustments are based on CPI plus 1 per cent for level 1 to 7, CPI plus 0.5 per cent for level 8 to 10 and CPI for level 11 to 12, inclusive of a 1.5 per cent pay progression provision in each financial year. Adjustments for the majority of the non-personnel expenditure items, classified as Goods and services are based on CPI headline estimates of 5.4 per cent in 2019/20, 5.6 per cent in 2020/21 and 5.4 per cent in 2021/22.

**National and provincial priorities**

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

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

## Programme summary

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

**Table 7.1 Summary of payments and estimates**

Programme R'000	Outcome						Medium-term estimate			
	Audited 2015/16	Audited 2016/17	Audited 2017/18	Main appro- priation 2018/19	Adjusted appro- priation 2018/19	Revised estimate 2018/19	% Change from Revised estimate			
							2019/20	2018/19	2020/21	2021/22
1. Administration	47 749	49 537	57 492	61 161	58 424	57 851	58 863	1.75	64 759	68 044
2. Sustainable Resource Management	108 379	111 431	132 195	159 486	124 168	123 195	166 330	35.01	172 634	181 699
3. Asset Management	53 472	54 106	51 023	62 524	56 371	55 647	65 738	18.13	69 880	76 556
4. Financial Governance	30 787	32 927	37 434	42 219	67 870	67 638	66 422	(1.80)	68 075	68 799
<b>Total payments and estimates</b>	<b>240 387</b>	<b>248 001</b>	<b>278 144</b>	<b>325 390</b>	<b>306 833</b>	<b>304 331</b>	<b>357 353</b>	<b>17.42</b>	<b>375 348</b>	<b>395 098</b>

Note: Programme 1: MEC total remuneration package: R1 977 795 with effect from 1 April 2018.

## Summary by economic classification

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2015/16	Audited 2016/17	Audited 2017/18	Main appro- priation 2018/19	Adjusted appro- priation 2018/19	Revised estimate 2018/19	% Change from Revised estimate			
							2019/20	2018/19	2020/21	2021/22
<b>Current payments</b>	197 077	208 985	216 548	250 434	234 509	232 127	271 441	16.94	290 993	307 695
Compensation of employees	148 038	157 405	171 172	192 055	178 976	176 594	196 682	11.38	218 349	231 258
Goods and services	49 039	51 580	45 376	58 379	55 533	55 533	74 759	34.62	72 644	76 437
<b>Transfers and subsidies to</b>	38 595	35 814	56 375	71 124	68 853	68 733	82 628	20.22	80 777	83 636
Provinces and municipalities	29 147	21 554	33 130	38 311	38 311	38 191	42 280	10.71	47 510	48 550
Departmental agencies and accounts	5 247	9 912	19 711	29 346	26 870	26 870	37 098	38.06	30 217	31 878
Households	4 201	4 348	3 534	3 467	3 672	3 672	3 250	(11.49)	3 050	3 208
<b>Payments for capital assets</b>	4 610	3 077	5 137	3 832	3 421	3 421	3 284	(4.00)	3 578	3 767
Machinery and equipment	4 014	3 039	5 137	3 792	3 421	3 421	3 284	(4.00)	3 578	3 767
Software and other intangible assets	596	38		40						
<b>Payments for financial assets</b>	105	125	84		50	50		(100.00)		
<b>Total economic classification</b>	<b>240 387</b>	<b>248 001</b>	<b>278 144</b>	<b>325 390</b>	<b>306 833</b>	<b>304 331</b>	<b>357 353</b>	<b>17.42</b>	<b>375 348</b>	<b>395 098</b>

## Infrastructure payments

None.

## Departmental Public Private Partnership (PPP) projects

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

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

## Transfers

### Transfers to public entities

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

Public entities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
Western Cape Gambling and Racing Board	5 244	9 908	19 707	29 342	26 864	26 864	37 092	38.07	30 211	31 872
<b>Total departmental transfers to public entities</b>	<b>5 244</b>	<b>9 908</b>	<b>19 707</b>	<b>29 342</b>	<b>26 864</b>	<b>26 864</b>	<b>37 092</b>	<b>38.07</b>	<b>30 211</b>	<b>31 872</b>

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

### Transfers to other entities

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

Entities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
Departmental Agencies and Accounts other: South African Broadcasting Corporation (SABC)- Radio & TV license	3	4	4	4	6	6	6		6	6
<b>Total departmental transfers to other entities</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>6</b>	<b>6</b>	<b>6</b>		<b>6</b>	<b>6</b>

## Transfers to local government

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

Departmental transfers R'000	Outcome						Medium-term estimate			
	Audited 2015/16	Audited 2016/17	Audited 2017/18	Main appro- priation 2018/19	Adjusted appro- priation 2018/19	Revised estimate 2018/19	% Change from Revised estimate 2019/20	2018/19	2020/21	2021/22
Category A	300	120	470	590	590	590	610	3.39		
Category B	23 512	14 934	27 765	17 854	31 128	31 008	17 445	(43.74)		
Category C	5 335	6 500	4 895	3 400	6 593	6 593	3 298	(49.98)		
Unallocated				16 467			20 927		47 510	48 550
<b>Total departmental transfers to local government</b>	<b>29 147</b>	<b>21 554</b>	<b>33 130</b>	<b>38 311</b>	<b>38 311</b>	<b>38 191</b>	<b>42 280</b>	<b>10.71</b>	<b>47 510</b>	<b>48 550</b>

### Earmarked allocation:

Support initiatives to municipalities to improve financial governance introduced during 2011/12 will continue over the MTEF, amounting to R17.929 million, R18.915 million and R19.955 million in 2019/20, 2020/21 and 2021/22 respectively to strengthen good governance and performance in municipalities. Some amounts are unallocated at this stage and will be published and allocated in the Provincial Gazette and Provincial Adjusted Estimates. The allocations will be based on the outcomes and recommendations of the Integrated Municipal Engagements (e.g. Municipal Governance Review and Outlook (MGRO), Integrated Development Plans (IDP) and Local Government Medium Term Expenditure Committee (LG MTEC)) processes. R4.821 million, R4.945 million and R5.167 million have been earmarked for municipal interventions to assist in strengthening support interventions in 2019/20, 2020/21 and 2021/22 respectively. Over the 2019 MTEF, R30 million (R10 million each financial year) has been allocated to reward/incentivise municipalities for meeting or exceeding good governance criteria that will be established over the MTEF period.

## 8. Programme description

### Programme 1: Administration

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

#### Analysis per sub-programme

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

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

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

to provide strategic and operational management support services

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

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



## Policy developments

No specific policy changes are currently being considered.

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

None.

## Strategic goal as per Strategic Plan

### Programme 1: Administration

Efficient and effective departmental governance support services.

## Strategic objectives as per Annual Performance Plan

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

To provide ministerial support services.

### Sub-programme 1.2: Management Services

To improve corporate management processes.

### Sub-programme 1.3: Financial Management

To provide financial administrative services to the Department.

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

Sub-programme R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	appropriation 2018/19	appropriation 2018/19	estimate 2018/19		2019/20	2018/19	2020/21
1. Office of the Minister	6 199	5 660	6 078	6 828	6 379	6 396	6 332	(1.00)	6 653	6 975
2. Management Services	17 688	20 115	25 100	29 294	26 744	26 452	26 383	(0.26)	30 210	31 075
3. Financial Management	23 862	23 762	26 314	25 039	25 301	25 003	26 148	4.58	27 896	29 994
<b>Total payments and estimates</b>	<b>47 749</b>	<b>49 537</b>	<b>57 492</b>	<b>61 161</b>	<b>58 424</b>	<b>57 851</b>	<b>58 863</b>	<b>1.75</b>	<b>64 759</b>	<b>68 044</b>

Note: Sub-programme 1.1: MEC total remuneration package: R1 977 795 with effect from 1 April 2018.

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

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2015/16	Audited 2016/17	Audited 2017/18	Main appro- priation 2018/19	Adjusted appro- priation 2018/19	Revised estimate 2018/19	% Change from Revised estimate			
							2019/20	2018/19	2020/21	2021/22
<b>Current payments</b>	39 786	43 743	49 257	54 107	51 981	51 408	<b>52 673</b>	2.46	58 125	61 063
Compensation of employees	29 869	33 339	38 490	43 091	39 851	39 278	<b>40 482</b>	3.07	45 718	48 123
Goods and services	9 917	10 404	10 767	11 016	12 130	12 130	<b>12 191</b>	0.50	12 407	12 940
<b>Transfers and subsidies to</b>	3 844	2 676	3 014	3 222	2 972	2 972	<b>2 906</b>	(2.22)	3 056	3 214
Departmental agencies and accounts	3	4	4	4	6	6	<b>6</b>		6	6
Households	3 841	2 672	3 010	3 218	2 966	2 966	<b>2 900</b>	(2.23)	3 050	3 208
<b>Payments for capital assets</b>	4 014	2 993	5 137	3 832	3 421	3 421	<b>3 284</b>	(4.00)	3 578	3 767
Machinery and equipment	4 014	2 955	5 137	3 792	3 421	3 421	<b>3 284</b>	(4.00)	3 578	3 767
Software and other intangible assets		38		40						
<b>Payments for financial assets</b>	105	125	84		50	50		(100.00)		
<b>Total economic classification</b>	<b>47 749</b>	<b>49 537</b>	<b>57 492</b>	<b>61 161</b>	<b>58 424</b>	<b>57 851</b>	<b>58 863</b>	1.75	64 759	68 044

**Details of transfers and subsidies**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2015/16	Audited 2016/17	Audited 2017/18	Main appro- priation 2018/19	Adjusted appro- priation 2018/19	Revised estimate 2018/19	% Change from Revised estimate			
							2019/20	2018/19	2020/21	2021/22
<b>Transfers and subsidies to (Current)</b>	3 844	2 676	3 014	3 222	2 972	2 972	<b>2 906</b>	(2.22)	3 056	3 214
Departmental agencies and accounts	3	4	4	4	6	6	<b>6</b>		6	6
Departmental agencies (non-business entities)	3	4	4	4	6	6	<b>6</b>		6	6
Other	3	4	4	4	6	6	<b>6</b>		6	6
Households	3 841	2 672	3 010	3 218	2 966	2 966	<b>2 900</b>	(2.23)	3 050	3 208
Social benefits	18	18	391		185	185		(100.00)		
Other transfers to households	3 823	2 654	2 619	3 218	2 781	2 781	<b>2 900</b>	4.28	3 050	3 208

**Expenditure trends analysis**

The programme increased by R1.012 million from R57.851 million in 2018/19 (revised estimate) to R58.863 million in 2019/20, this equates to a nominal growth of 1.7 per cent. The growth from the 2018/19 (revised estimate) of R57.851 million to R68.044 million in 2021/22 reflects an annual average growth of 5.6 per cent over the three-year period. The growth relates mainly to the salary adjustments and improvement of conditions of service.

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

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

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

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

to provide management and administrative support to the programme

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **Policy developments**

Policy developments that will receive further attention in 2019/20 are:

Continuation of the WCG Fiscal strategy i.e. to balance public finances and maintain fiscal stability within the new constrained fiscal environment with the emphasis on appropriate management of fiscal risks, such as the drought and where possible, strengthening fiscal consolidation and building up of reserves for contingencies.

Effective, efficient and well-institutionalised structures to give effect to the infrastructure led growth strategy of the WCG. A review on the implementation of the Western Cape Infrastructure Delivery Management System (WCIDMS) as well as the Standard for Infrastructure Procurement and Delivery Management (SIPDM).

Active participation and policy developments given proposed changes to the National Gambling Regulations as it relates to electronic monitoring and the LPM industry.

Within the PSG 5 context, support to initiative to address climate change challenges.

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

None.

## **Strategic goals as per Strategic Plan**

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

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

## **Strategic objectives as per Annual Performance Plan**

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

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

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

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

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

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

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

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

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

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

#### **Provincial Government Finance**

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

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

To guide and monitor the implementation of municipal budgets.

#### Infrastructure

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

#### Business Information and Data Management

To render an effective data and information management service.

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

Sub-programme R'000	Outcome			Main appro- priation 2018/19	Adjusted appro- priation 2018/19	Revised estimate 2018/19	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2015/16	2016/17	2017/18				2019/20	2018/19	2020/21	2021/22
1. Programme Support	5 858	6 152	6 343	8 049	6 819	6 505	7 082	8.87	7 570	7 993
Programme Support	5 858	6 152	6 343	8 049	6 819	6 505	7 082	8.87	7 570	7 993
2. Fiscal Policy	14 594	21 432	30 972	43 685	42 131	41 860	53 567	27.97	48 813	51 508
Fiscal Policy	9 350	11 524	11 265	14 343	15 267	14 996	16 475	9.86	18 602	19 636
Western Cape Gambling and Racing Board	5 244	9 908	19 707	29 342	26 864	26 864	37 092	38.07	30 211	31 872
3. Budget Management	17 479	17 038	17 338	19 867	20 980	21 038	21 833	3.78	23 777	25 437
Provincial Government Budget Office	8 236	8 010	8 037	9 733	9 055	9 125	10 329	13.19	11 489	12 342
Local Government Budget Office	9 243	9 028	9 301	10 134	11 925	11 913	11 504	(3.43)	12 288	13 095
4. Public Finance	70 448	66 809	77 542	87 885	54 238	53 792	83 848	55.87	92 474	96 761
Provincial Government Finance	8 410	9 182	10 035	10 904	10 905	10 914	11 375	4.22	12 091	12 829
Local Government Finance Group 1	9 025	9 388	9 463	10 472	13 280	13 045	9 861	(24.41)	11 130	11 893
Local Government Finance Group 2	35 126	27 510	40 297	46 376	11 775	11 513	35 752	210.54	39 271	40 469
Infrastructure	7 604	7 207	7 829	8 313	8 124	8 082	14 479	79.15	14 586	15 215
Business Information and Data Management	10 283	13 522	9 918	11 820	10 154	10 238	11 854	15.78	13 121	13 954
MFMA Coordination							527		2 275	2 401
<b>Total payments and estimates</b>	<b>108 379</b>	<b>111 431</b>	<b>132 195</b>	<b>159 486</b>	<b>124 168</b>	<b>123 195</b>	<b>166 330</b>	<b>35.01</b>	<b>172 634</b>	<b>181 699</b>

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

The transfer payment to the Western Cape Gambling and Racing Board (WCGRB) makes provision for the once-off payment of R6.456 million which relates to the repayment of Limited Payout Machines Operator Fees by the WCGRB.

#### Earmarked allocation:

Included in Sub-programme 2.4.3: Local Government Finance (Group 2) is an earmarked allocation amounting to R6.535 million, R6.894 million and R7.285 million in 2019/20, 2020/21 and 2021/22 respectively to strengthen good governance and support in municipalities. Also, R4.821 million, R4.945 million and R5.167 million has been earmarked for municipal interventions to assist in strengthening support interventions in 2019/20, 2020/21 and 2021/22 respectively.

Included in sub-programme 2.4.4: Infrastructure is an earmarked allocation amounting to R5 million in each year in 2019/20, 2020/21 and 2021/22 for capacity Infrastructure support in delivering infrastructure.

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2015/16	Audited 2016/17	Audited 2017/18	Main appro- priation 2018/19	Adjusted appro- priation 2018/19	Revised estimate 2018/19	% Change from Revised estimate			
							2019/20	2018/19	2020/21	2021/22
<b>Current payments</b>	73 806	79 951	79 269	91 584	85 634	84 661	<b>106 352</b>	25.62	116 934	123 947
Compensation of employees	60 461	62 301	68 839	75 560	70 770	69 797	<b>80 758</b>	15.70	90 565	96 252
Goods and services	13 345	17 650	10 430	16 024	14 864	14 864	<b>25 594</b>	72.19	26 369	27 695
<b>Transfers and subsidies to</b>	34 573	31 480	52 926	67 902	38 534	38 534	<b>59 978</b>	55.65	55 700	57 752
Provinces and municipalities	29 147	21 554	33 130	38 311	11 359	11 359	<b>22 886</b>	101.48	25 489	25 880
Departmental agencies and accounts	5 244	9 908	19 707	29 342	26 864	26 864	<b>37 092</b>	38.07	30 211	31 872
Households	182	18	89	249	311	311	( 100.00)			
<b>Total economic classification</b>	108 379	111 431	132 195	159 486	124 168	123 195	<b>166 330</b>	35.01	172 634	181 699

### Details of transfers and subsidies

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2015/16	Audited 2016/17	Audited 2017/18	Main appro- priation 2018/19	Adjusted appro- priation 2018/19	Revised estimate 2018/19	% Change from Revised estimate			
							2019/20	2018/19	2020/21	2021/22
<b>Transfers and subsidies to (Current)</b>	34 573	31 480	52 926	67 902	38 534	38 534	<b>59 978</b>	55.65	55 700	57 752
Provinces and municipalities	29 147	21 554	33 130	38 311	11 359	11 359	<b>22 886</b>	101.48	25 489	25 880
Municipalities	29 147	21 554	33 130	38 311	11 359	11 359	<b>22 886</b>	101.48	25 489	25 880
Municipal bank accounts	29 147	21 554	33 130	38 311	11 359	11 359	<b>22 886</b>	101.48	25 489	25 880
Departmental agencies and accounts	5 244	9 908	19 707	29 342	26 864	26 864	<b>37 092</b>	38.07	30 211	31 872
Departmental agencies (non-business entities)	5 244	9 908	19 707	29 342	26 864	26 864	<b>37 092</b>	38.07	30 211	31 872
Western Cape Gambling and Racing Board	5 244	9 908	19 707	29 342	26 864	26 864	<b>37 092</b>	38.07	30 211	31 872
Households	182	18	89	249	311	311	(100.00)			
Social benefits	182	18	89	249	311	311	(100.00)			

## Expenditure trends analysis

The programme increased by R43.135 million from R123.195 million in 2018/19 (revised estimate) to R166.330 million in 2019/20, this equates to a growth of 35 per cent. The growth from 2018/19 (revised estimate) of R123.195 million to R181.699 million in 2021/22 reflects an annual average growth of 13.8 per cent over the three-year period. The increase relates mainly to the priority funding allocations for the municipal financial management support grant, municipal interventions, infrastructure development improvements and transfers to the Western Cape Gambling and Racing Board (WCGRB).

## Programme 3: Asset Management

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

### Analysis per sub-programme

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

to provide management and administrative support to the programme

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

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

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

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

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

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

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

## Policy developments

Policy developments that will receive further attention in 2019/20 are:

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

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

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

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

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

## Strategic goals as per Strategic Plan

### Programme 3: Asset Management

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

## Strategic objectives as per Annual Performance Plan

### Sub-programme 3.1: Programme Support

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

### Sub-programme 3.2: Supply Chain Management

#### Supply Chain Management: Provincial Government

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

#### Supply Chain Management: Local Government

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

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

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

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

Sub-programme R'000	Outcome			Main appropriation 2018/19	Adjusted appropriation 2018/19	Revised estimate 2018/19	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2015/16	2016/17	2017/18				2019/20	2018/19	2020/21	2021/22
1. Programme Support	3 664	4 217	3 727	3 493	2 527	2 551	3 184	24.81	3 363	3 571
2. Supply Chain Management	19 269	18 191	22 792	27 550	24 578	24 119	31 276	29.67	29 957	29 569
Supply Chain Management: Provincial Government	12 514	11 681	16 251	18 958	18 033	17 907	23 824	33.04	21 285	20 209
Supply Chain Management: Local Government	6 755	6 510	6 541	8 592	6 545	6 212	7 452	19.96	8 672	9 360
3. Supporting and Interlinked Financial Systems	30 539	31 698	24 504	31 481	29 266	28 977	31 278	7.94	36 560	43 416
<b>Total payments and estimates</b>	<b>53 472</b>	<b>54 106</b>	<b>51 023</b>	<b>62 524</b>	<b>56 371</b>	<b>55 647</b>	<b>65 738</b>	<b>18.13</b>	<b>69 880</b>	<b>76 556</b>

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



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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
<b>Current payments</b>	53 310	52 448	50 599	62 524	55 997	55 273	<b>65 738</b>	18.93	69 880	76 556
Compensation of employees	32 454	34 153	35 058	38 803	35 546	34 822	<b>39 762</b>	14.19	44 445	47 497
Goods and services	20 856	18 295	15 541	23 721	20 451	20 451	<b>25 976</b>	27.02	25 435	29 059
<b>Transfers and subsidies to Households</b>	162	1 658	424		374	374		(100.00)		
	162	1 658	424		374	374		(100.00)		
<b>Total economic classification</b>	53 472	54 106	51 023	62 524	56 371	55 647	<b>65 738</b>	18.13	69 880	76 556

**Details of transfers and subsidies**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
<b>Transfers and subsidies to (Current)</b>	162	1 658	424		374	374		(100.00)		
Households	162	1 658	424		374	374		(100.00)		
Social benefits	162	1 658	424		374	374		(100.00)		

**Expenditure trends analysis**

The programme increased by R10.091 million from R55.647 million in 2018/19 (revised estimate) to R65.738 million in 2019/20 which equates to a growth of 18.1 per cent. The growth from 2018/19 (revised estimate) of R55.647 million to R76.556 million in 2021/22 reflects an annual average growth of 11.2 per cent over the three-year period. The growth relates mainly to salary adjustments and improvement of conditions of service, increase in Information and Communication Technology (ICT) projects and further maintenance of the central supplier database.

## **Programme 4: Financial Governance**

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

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

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

to provide management and administrative support to the programme

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

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

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

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

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

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

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

### **Policy developments**

Policy developments that will receive further attention in 2019/20 are:

Continued improvement will be maintained on the initiatives that have been introduced under the banners of the LG MTEC and PG MTEC processes, CGRO and MGRO. These initiatives, which are aimed at supporting the National Development Plan, National Outcomes 9 and 12 and PSG 5, will be further refined during the 2019 MTEF. The Back to Basics (B2B) approach, adopted by National Department of Cooperative Governance and Traditional Affairs, National Treasury Financial Management Capability Maturity Model principles and fundamentals are already embedded in the MGRO approach.

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

None.

### **Strategic goals as per Strategic Plan**

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

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

### **Strategic objectives as per Annual Performance Plan**

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

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

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

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

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

### Provincial Government Accounting and Compliance

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

#### Sub-programme 4.3: Corporate Governance

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

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

Sub-programme R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
1. Programme Support	1 506	4 493	5 741	9 039	10 034	9 958	9 640	(3.19)	9 462	9 347
Programme Support	1 506	1 616	1 604	3 308	4 728	4 724	4 874	3.18	5 184	5 502
CA Academy		2 877	4 137	5 731	5 306	5 234	4 766	(8.94)	4 278	3 845
2. Accounting Services	17 479	17 084	18 873	20 442	31 522	31 489	19 958	(36.62)	21 108	22 541
Provincial Government	10 712	9 669	9 786	10 983	11 662	11 655	10 800	(7.34)	11 220	11 974
Accounting and Compliance										
Local Government	6 767	7 415	9 087	9 459	19 860	19 834	9 158	(53.83)	9 888	10 567
Accounting										
3. Corporate Governance	11 802	11 350	12 820	12 738	26 314	26 191	36 824	40.60	37 505	36 911
<b>Total payments and estimates</b>	<b>30 787</b>	<b>32 927</b>	<b>37 434</b>	<b>42 219</b>	<b>67 870</b>	<b>67 638</b>	<b>66 422</b>	<b>(1.80)</b>	<b>68 075</b>	<b>68 799</b>

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

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

#### Earmarked allocation:

Included in Sub-programme 4.3: Corporate Governance is an earmarked allocation amounting to R11.394 million, R12.021 million and R12.670 million in 2019/20, 2020/21 and 2021/22 respectively for the Financial Management Capacity Grant. Also, an earmarked amount of R10.000 million in each year for 2019/20, 2020/21 and 2021/22 to reward/incentivise municipalities for meeting or exceeding good governance performance criteria that will be established over the MTEF period.

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
<b>Current payments</b>	30 175	32 843	37 423	42 219	40 897	40 785	<b>46 678</b>	14.45	46 054	46 129
Compensation of employees	25 254	27 612	28 785	34 601	32 809	32 697	<b>35 680</b>	9.12	37 621	39 386
Goods and services	4 921	5 231	8 638	7 618	8 088	8 088	<b>10 998</b>	35.98	8 433	6 743
<b>Transfers and subsidies to</b>	16		11		26 973	26 853	<b>19 744</b>	(26.47)	22 021	22 670
Provinces and municipalities					26 952	26 832	<b>19 394</b>	(27.72)	22 021	22 670
Households	16		11		21	21	<b>350</b>	1566.67		
<b>Payments for capital assets</b>	596	84								
Machinery and equipment		84								
Software and other intangible assets	596									
<b>Total economic classification</b>	<b>30 787</b>	<b>32 927</b>	<b>37 434</b>	<b>42 219</b>	<b>67 870</b>	<b>67 638</b>	<b>66 422</b>	(1.80)	68 075	68 799

**Details of transfers and subsidies**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
<b>Transfers and subsidies to (Current)</b>	16		11		26 973	26 853	<b>19 744</b>	(26.47)	22 021	22 670
Provinces and municipalities					26 952	26 832	<b>19 394</b>	(27.72)	22 021	22 670
Municipalities					26 952	26 832	<b>19 394</b>	(27.72)	22 021	22 670
Municipal bank accounts					26 952	26 832	<b>19 394</b>	(27.72)	22 021	22 670
Households	16		11		21	21	<b>350</b>	1566.67		
Social benefits	16		11		21	21	<b>350</b>	1566.67		

**Expenditure trends analysis**

The programme budget decreased by R1.216 million from R67.638 million in 2018/19 (revised estimate) to R66.422 million in 2019/20, this equates to a nominal reduction of 1.8 per cent. The growth from 2018/19 (revised estimate) of R67.638 million to R68.799 million in 2021/22 reflects an annual average growth of 0.6 per cent over the three-year period. The reduction relates to the priority funding allocations for the Municipal Financial Management Support Grant that was shifted during the 2018 Adjusted Estimates to this Programme, however remains unallocated at this stage under Programme 2: Sustainable Resource Management until the Integrated Municipal Engagement processes are finalised.

## 9. Other programme information

### Personnel numbers and costs

**Table 9.1 Personnel numbers and costs**

Cost in R million	Actual						Revised estimate				Medium-term expenditure estimate						Average annual growth over MTEF		
	2015/16		2016/17		2017/18		2018/19				2019/20		2020/21		2021/22		2018/19 to 2021/22		
	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Filled posts	Additional posts	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel growth rate	Costs growth rate	% Costs of Total
<b>Salary level</b>																			
1 – 6	42	4 745	37	7 367	92	14 679	20	57	77	16 189	108	15 581	118	18 996	123	19 116	16.9%	5.7%	8.5%
7 – 10	201	74 907	185	78 636	171	80 494	163	6	169	82 998	190	96 091	188	106 198	188	112 695	3.6%	10.7%	48.4%
11 – 12	63	44 665	60	46 220	58	48 050	60	1	61	49 114	67	55 675	67	61 315	67	65 760	3.2%	10.2%	28.2%
13 – 16	20	21 650	23	24 786	22	27 228	20	1	21	26 831	22	28 713	22	31 189	22	32 995	1.6%	7.1%	14.5%
Other	1	2 071	7	396	10	721		25	25	1 462	12	622	12	651	12	692	(21.7%)	(22.1%)	0.4%
<b>Total</b>	<b>327</b>	<b>148 038</b>	<b>312</b>	<b>157 405</b>	<b>353</b>	<b>171 172</b>	<b>263</b>	<b>90</b>	<b>353</b>	<b>176 594</b>	<b>399</b>	<b>196 682</b>	<b>407</b>	<b>218 349</b>	<b>412</b>	<b>231 258</b>	<b>5.3%</b>	<b>9.4%</b>	<b>100.0%</b>
<b>Programme</b>																			
Administration	82	29 869	81	33 339	123	38 490	54	69	123	39 278	142	40 482	150	45 718	155	48 123	8.0%	7.0%	21.1%
Sustainable Resource Management	118	60 461	109	62 301	108	68 839	106		106	69 797	121	80 758	121	90 565	121	96 252	4.5%	11.3%	41.0%
Asset Management	72	32 454	68	34 153	64	35 058	58	4	62	34 822	72	39 762	72	44 445	72	47 497	5.1%	10.9%	20.2%
Financial Governance	55	25 254	54	27 612	58	28 785	45	17	62	32 697	64	35 680	64	37 621	64	39 386	1.1%	6.4%	17.7%
<b>Total</b>	<b>327</b>	<b>148 038</b>	<b>312</b>	<b>157 405</b>	<b>353</b>	<b>171 172</b>	<b>263</b>	<b>90</b>	<b>353</b>	<b>176 594</b>	<b>399</b>	<b>196 682</b>	<b>407</b>	<b>218 349</b>	<b>412</b>	<b>231 258</b>	<b>5.3%</b>	<b>9.4%</b>	<b>100.0%</b>
<b>Employee dispensation classification</b>																			
Public Service Act appointees not covered by OSDs	327	148 038	312	157 405	270	157 798	263	8	271	163 485	304	186 086	304	205 702	304	219 298	3.9%	10.3%	94.1%
Others such as interns, EPWP, learnerships, etc					83	13 374		82	82	13 109	95	10 596	103	12 647	108	11 960	9.6%	(3.0%)	5.9%
<b>Total</b>	<b>327</b>	<b>148 038</b>	<b>312</b>	<b>157 405</b>	<b>353</b>	<b>171 172</b>	<b>263</b>	<b>90</b>	<b>353</b>	<b>176 594</b>	<b>399</b>	<b>196 682</b>	<b>407</b>	<b>218 349</b>	<b>412</b>	<b>231 258</b>	<b>5.3%</b>	<b>9.4%</b>	<b>100.0%</b>

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

## Training

**Table 9.2 Information on training**

Description	Outcome						Medium-term estimate			
	2015/16	2016/17	2017/18	Main appro- priation 2018/19	Adjusted appro- priation 2018/19	Revised estimate 2018/19	% Change from Revised estimate			
							2019/20	2018/19	2020/21	2021/22
Number of staff	327	312	353	425	393	353	399	13.03	407	412
Number of personnel trained	287	297	254	330	330	330	330	(0.05)	348	368
of which										
Male	120	136	115	149	149	149	149	(0.12)	157	166
Female	167	161	139	181	181	181	181		191	202
Number of training opportunities	603	558	589	613	613	613	613		648	683
of which										
Tertiary	39	52		56	56	56	56		59	62
Workshops	250	287	200	315	315	315	315		333	351
Seminars	11	15	4	17	17	17	17		18	19
Other	303	204	385	225	225	225	225		238	251
Number of bursaries offered	27	28	38	35	35	35	35		35	37
Number of interns appointed	14	16	46	60	60	60	60		60	63
Number of days spent on training	867	740	1 473	825	825	825	825		871	919
<b>Payments on training by programme</b>										
1. Administration	589	584	638	1 231	802	802	931	16.08	1 006	1 081
2. Sustainable Resource Management	290	241	136	756	708	708	808	14.12	906	963
3. Asset Management	248	230	165	388	355	355	398	12.11	444	475
4. Financial Governance	148	395	491	515	501	501	547	9.18	584	620
<b>Total payments on training</b>	<b>1 275</b>	<b>1 450</b>	<b>1 430</b>	<b>2 890</b>	<b>2 366</b>	<b>2 366</b>	<b>2 684</b>	<b>13.44</b>	<b>2 940</b>	<b>3 139</b>

## Reconciliation of structural changes

None.

## Annexure A to Vote 3

Table A.1 Specification of receipts

Receipts R'000	Outcome						Medium-term estimate			
	Audited 2015/16	Audited 2016/17	Audited 2017/18	Main appro- priation 2018/19	Adjusted appro- priation 2018/19	Revised estimate 2018/19	% Change from Revised estimate 2019/20	2018/19	2020/21	2021/22
<b>Tax receipts</b> (Casino and LGM taxes)	553 914	572 789	591 495	539 017	539 017	539 017	568 852	5.54	598 029	630 921
Casino and LGM taxes	513 252	524 384	537 498	509 401	509 401	509 401	537 572	5.53	565 028	596 105
Horse racing taxes	40 662	48 405	53 997	29 616	29 616	29 616	31 280	5.62	33 001	34 816
Other taxes (Liquor licence fees)								5.62		
<b>Sales of goods and services other than capital assets</b>	3 591	2 890	4 365	1 284	1 284	1 284	1 356	5.61	1 431	1 510
Sales of goods and services produced by department (excluding capital assets)	3 589	2 888	4 363	1 283	1 283	1 283	1 355	5.61	1 430	1 509
Administrative fees	3 556	2 860	4 363	1 271	1 271	1 271	1 342	5.59	1 416	1 494
Other	3 556	2 860	4 363	1 271	1 271	1 271	1 342	5.59	1 416	1 494
Other sales	33	28		12	12	12	13	8.33	14	15
Commission on insurance	26	28								
Other	7			12	12	12	13	8.33	14	15
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	2	2	2	1	1	1	1		1	1
<b>Transfers received from</b>				1	1	1	1		1	1
Households and non-profit institutions				1	1	1	1		1	1
<b>Fines, penalties and forfeits</b>	295	38	287							
<b>Interest, dividends and rent on land</b>	3	25	4	1	1	1	1		1	1
Interest	3	25	4	1	1	1	1		1	1
<b>Sales of capital assets</b>		7	28							
Other capital assets		7	28							
<b>Financial transactions in assets and liabilities</b>	8 023	4 055	8 693	50	50	50	53	6.00	56	58
Recovery of previous year's expenditure	1 238	1 737	2 364							
Unallocated credits	9	14	1							
Cash surpluses	6 701	2 171	6 235							
Other	75	133	93	50	50	50	53	6.00	56	58
<b>Total departmental receipts</b>	565 826	579 804	604 872	540 353	540 353	540 353	570 263	5.54	599 518	632 491

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change			
	2015/16	2016/17	2017/18	appropriation 2018/19	appropriation 2018/19	estimate 2018/19	from Revised estimate	2019/20	2020/21	2021/22
<b>Current payments</b>	197 077	208 985	216 548	250 434	234 509	232 127	271 441	16.94	290 993	307 695
Compensation of employees	148 038	157 405	171 172	192 055	178 976	176 594	196 682	11.38	218 349	231 258
Salaries and wages	130 376	138 723	151 437	170 162	158 373	156 201	173 518	11.09	192 409	203 528
Social contributions	17 662	18 682	19 735	21 893	20 603	20 393	23 164	13.59	25 940	27 730
Goods and services	49 039	51 580	45 376	58 379	55 533	55 533	74 759	34.62	72 644	76 437
of which										
Administrative fees	206	530	36	100	10	10	5	(50.00)	5	5
Advertising	882	539	827	950	1 072	1 072	1 526	42.35	1 595	1 666
Minor Assets	315	293	442	270	247	247	139	(43.72)	139	139
Audit cost: External	5 488	4 736	4 855	5 050	5 284	5 284	5 552	5.07	6 076	6 639
Bursaries: Employees	510	531	591	800	500	500	600	20.00	650	700
Catering: Departmental activities	360	520	691	780	790	790	767	(2.91)	786	805
Communication (G&S)	529	568	651	843	651	651	809	24.27	883	882
Computer services	5 304	9 145	6 274	8 208	6 636	6 636	11 104	67.33	10 958	10 579
Consultants and professional services: Business and advisory services	23 780	22 498	18 303	25 757	24 898	24 898	38 734	55.57	35 260	37 778
Contractors	356	439	451	519	917	917	157	(82.88)	160	163
Agency and support/outsourced services	259	31			49	49		(100.00)		
Entertainment	105	113	92	200	196	196	196		198	198
Fleet services (including government motor transport)	1 075	901	990	983	883	1 031	920	(10.77)	972	1 023
Consumable supplies	144	185	195	236	295	295	245	(16.95)	257	263
Consumable: Stationery, printing and office supplies	2 317	1 534	1 842	2 183	1 908	1 908	1 903	(0.26)	2 003	2 104
Operating leases	407	393	537	398	398	398	379	(4.77)	400	422
Property payments			5		468	320		(100.00)		
Transport provided: Departmental activity	3		8	4	4	4	4		4	4
Travel and subsistence	4 913	5 173	5 165	6 019	5 376	5 376	5 617	4.48	5 890	6 217
Training and development	765	919	839	2 090	1 866	1 866	2 084	11.68	2 290	2 439
Operating payments	474	1 400	1 422	1 546	1 731	1 731	1 977	14.21	2 040	2 272
Venues and facilities	847	1 132	1 160	1 443	1 354	1 354	2 041	50.74	2 078	2 139
<b>Transfers and subsidies to</b>	38 595	35 814	56 375	71 124	68 853	68 733	82 628	20.22	80 777	83 636
Provinces and municipalities	29 147	21 554	33 130	38 311	38 311	38 191	42 280	10.71	47 510	48 550
Municipalities	29 147	21 554	33 130	38 311	38 311	38 191	42 280	10.71	47 510	48 550
Municipal bank accounts	29 147	21 554	33 130	38 311	38 311	38 191	42 280	10.71	47 510	48 550
Departmental agencies and accounts	5 247	9 912	19 711	29 346	26 870	26 870	37 098	38.06	30 217	31 878
Departmental agencies (non-business entities)	5 247	9 912	19 711	29 346	26 870	26 870	37 098	38.06	30 217	31 878
Western Cape Gambling and Racing Board	5 244	9 908	19 707	29 342	26 864	26 864	37 092	38.07	30 211	31 872
Other	3	4	4	4	6	6	6		6	6
Households	4 201	4 348	3 534	3 467	3 672	3 672	3 250	(11.49)	3 050	3 208
Social benefits	378	1 694	915	249	891	891	350	(60.72)		
Other transfers to households	3 823	2 654	2 619	3 218	2 781	2 781	2 900	4.28	3 050	3 208
<b>Payments for capital assets</b>	4 610	3 077	5 137	3 832	3 421	3 421	3 284	(4.00)	3 578	3 767
Machinery and equipment	4 014	3 039	5 137	3 792	3 421	3 421	3 284	(4.00)	3 578	3 767
Transport equipment	1 663	1 387	1 177	1 330	1 180	1 180	1 190	0.85	1 256	1 323
Other machinery and equipment	2 351	1 652	3 960	2 462	2 241	2 241	2 094	(6.56)	2 322	2 444
Software and other intangible assets	596	38		40						
<b>Payments for financial assets</b>	105	125	84		50	50		(100.00)		
<b>Total economic classification</b>	240 387	248 001	278 144	325 390	306 833	304 331	357 353	17.42	375 348	395 098



## Annexure A to Vote 3

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

Economic classification R'000	Outcome						Medium-term estimate				
				Main appro- priation 2018/19	Adjusted appro- priation 2018/19	Revised estimate 2018/19	% Change from Revised estimate	2019/20	2018/19	2020/21	2021/22
	Audited 2015/16	Audited 2016/17	Audited 2017/18								
Current payments	39 786	43 743	49 257	54 107	51 981	51 408	52 673	2.46	58 125	61 063	
Compensation of employees	29 869	33 339	38 490	43 091	39 851	39 278	40 482	3.07	45 718	48 123	
Salaries and wages	26 512	29 864	34 804	39 063	35 978	35 456	36 240	2.21	41 125	43 169	
Social contributions	3 357	3 475	3 686	4 028	3 873	3 822	4 242	10.99	4 593	4 954	
Goods and services	9 917	10 404	10 767	11 016	12 130	12 130	12 191	0.50	12 407	12 940	
of which											
Administrative fees	204	526	36	100	10	10	5	(50.00)	5	5	
Advertising	432	340	455	672	794	794	1 246	56.93	1 315	1 386	
Minor Assets	315	293	442	270	247	247	139	(43.72)	139	139	
Audit cost: External	3 620	3 236	3 158	3 323	3 557	3 557	3 728	4.81	4 101	4 511	
Bursaries: Employees	510	531	591	800	500	500	600	20.00	650	700	
Catering: Departmental activities	74	113	297	200	200	200	170	(15.00)	170	170	
Communication (G&S)	121	143	151	194	158	158	351	122.15	360	360	
Computer services	920	1 852	1 304	1 196	1 306	1 306	1 315	0.69	1 387	1 460	
Consultants and professional services: Business and advisory services	396	99	523	174	672	672	825	22.77	359	130	
Contractors	203	230	339	263	633	633	157	(75.20)	160	163	
Agency and support/outsourced services		1									
Entertainment	25	34	18	44	44	44	34	(22.73)	36	36	
Fleet services (including government motor transport)	1 075	901	990	983	883	1 031	920	(10.77)	972	1 023	
Consumable supplies	81	89	105	135	194	194	121	(37.63)	126	130	
Consumable: Stationery, printing and office supplies	509	534	515	596	378	378	345	(8.73)	358	370	
Operating leases	407	393	537	398	398	398	379	(4.77)	400	422	
Property payments			5		468	320		(100.00)			
Transport provided: Departmental activity	3		8	4	4	4	4		4	4	
Travel and subsistence	709	795	986	998	1 056	1 056	1 075	1.80	1 105	1 140	
Training and development	79	53	47	431	302	302	331	9.60	356	381	
Operating payments	71	222	217	205	306	306	300	(1.96)	247	253	
Venues and facilities	163	19	43	30	20	20	146	630.00	157	157	
Transfers and subsidies to	3 844	2 676	3 014	3 222	2 972	2 972	2 906	(2.22)	3 056	3 214	
Departmental agencies and accounts	3	4	4	4	6	6	6		6	6	
Departmental agencies (non- business entities)	3	4	4	4	6	6	6		6	6	
Other	3	4	4	4	6	6	6		6	6	
Households	3 841	2 672	3 010	3 218	2 966	2 966	2 900	(2.23)	3 050	3 208	
Social benefits	18	18	391		185	185		(100.00)			
Other transfers to households	3 823	2 654	2 619	3 218	2 781	2 781	2 900	4.28	3 050	3 208	
Payments for capital assets	4 014	2 993	5 137	3 832	3 421	3 421	3 284	(4.00)	3 578	3 767	
Machinery and equipment	4 014	2 955	5 137	3 792	3 421	3 421	3 284	(4.00)	3 578	3 767	
Transport equipment	1 663	1 387	1 177	1 330	1 180	1 180	1 190	0.85	1 256	1 323	
Other machinery and equipment	2 351	1 568	3 960	2 462	2 241	2 241	2 094	(6.56)	2 322	2 444	
Software and other intangible assets		38		40							
Payments for financial assets	105	125	84		50	50		(100.00)			
Total economic classification	47 749	49 537	57 492	61 161	58 424	57 851	58 863	1.75	64 759	68 044	

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
<b>Current payments</b>	73 806	79 951	79 269	91 584	85 634	84 661	106 352	25.62	116 934	123 947
Compensation of employees	60 461	62 301	68 839	75 560	70 770	69 797	80 758	15.70	90 565	96 252
Salaries and wages	53 416	54 833	60 570	66 417	62 227	61 372	71 166	15.96	79 782	84 753
Social contributions	7 045	7 468	8 269	9 143	8 543	8 425	9 592	13.85	10 783	11 499
Goods and services	13 345	17 650	10 430	16 024	14 864	14 864	25 594	72.19	26 369	27 695
of which										
Administrative fees	1	4								
Advertising	423	199	364	278	278	278	280	0.72	280	280
Audit cost: External	866	783	876	877	877	877	924	5.36	975	1 028
Catering: Departmental activities	122	202	160	200	200	200	220	10.00	220	220
Communication (G&S)	181	196	287	308	233	233	259	11.16	304	304
Computer services	327	92	9	103			150		161	173
Consultants and professional services: Business and advisory services	6 847	11 666	3 888	8 001	7 314	7 314	17 236	135.66	17 461	18 312
Contractors	66	93	33	120	128	128		(100.00)		
Agency and support/outourced services	238	30			30	30		(100.00)		
Entertainment	56	55	39	100	100	100	106	6.00	106	106
Consumable supplies	32	47	48	53	54	54	70	29.63	74	75
Consumable: Stationery, printing and office supplies	1 436	661	954	1 091	1 060	1 060	1 056	(0.38)	1 116	1 173
Travel and subsistence	2 038	2 047	2 298	2 711	2 308	2 308	2 443	5.85	2 580	2 742
Training and development	290	241	136	756	708	708	808	14.12	906	963
Operating payments	349	1 029	1 054	1 098	1 261	1 261	1 502	19.11	1 606	1 720
Venues and facilities	73	305	284	328	313	313	540	72.52	580	599
<b>Transfers and subsidies to</b>	34 573	31 480	52 926	67 902	38 534	38 534	59 978	55.65	55 700	57 752
Provinces and municipalities	29 147	21 554	33 130	38 311	11 359	11 359	22 886	101.48	25 489	25 880
Municipalities	29 147	21 554	33 130	38 311	11 359	11 359	22 886	101.48	25 489	25 880
Municipal bank accounts	29 147	21 554	33 130	38 311	11 359	11 359	22 886	101.48	25 489	25 880
Departmental agencies and accounts	5 244	9 908	19 707	29 342	26 864	26 864	37 092	38.07	30 211	31 872
Departmental agencies (non-business entities)	5 244	9 908	19 707	29 342	26 864	26 864	37 092	38.07	30 211	31 872
Western Cape Gambling and Racing Board	5 244	9 908	19 707	29 342	26 864	26 864	37 092	38.07	30 211	31 872
Households	182	18	89	249	311	311		(100.00)		
Social benefits	182	18	89	249	311	311		(100.00)		
<b>Total economic classification</b>	108 379	111 431	132 195	159 486	124 168	123 195	166 330	35.01	172 634	181 699

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2015/16	Audited 2016/17	Audited 2017/18	Main appro- piation 2018/19	Adjusted appro- piation 2018/19	Revised estimate 2018/19	% Change from Revised estimate			
							2019/20	2018/19	2020/21	2021/22
<b>Current payments</b>	53 310	52 448	50 599	62 524	55 997	55 273	<b>65 738</b>	18.93	69 880	76 556
Compensation of employees	32 454	34 153	35 058	38 803	35 546	34 822	<b>39 762</b>	14.19	44 445	47 497
Salaries and wages	28 301	29 690	30 529	33 827	30 938	30 250	<b>34 556</b>	14.23	38 379	41 019
Social contributions	4 153	4 463	4 529	4 976	4 608	4 572	<b>5 206</b>	13.87	6 066	6 478
Goods and services	20 856	18 295	15 541	23 721	20 451	20 451	<b>25 976</b>	27.02	25 435	29 059
<i>of which</i>										
Administrative fees	1									
Advertising	27									
Catering: Departmental activities	61	61	150	190	100	100	<b>70</b>	(30.00)	70	70
Communication (G&S)	162	159	149	231	164	164	<b>108</b>	(34.15)	128	127
Computer services	4 057	7 193	4 941	6 893	5 314	5 314	<b>9 622</b>	81.07	9 392	8 927
Consultants and professional services: Business and advisory services	14 103	8 362	8 246	13 838	12 567	12 567	<b>13 608</b>	8.28	13 215	17 079
Contractors	44	64	67	73	79	79		(100.00)		
Agency and support/outsourced services	7									
Entertainment	11	10	14	26	24	24	<b>26</b>	8.33	26	26
Consumable supplies	22	37	29	30	30	30	<b>34</b>	13.33	35	36
Consumable: Stationery, printing and office supplies	247	285	272	326	344	344	<b>364</b>	5.81	385	408
Travel and subsistence	1 286	1 333	984	1 208	1 036	1 036	<b>1 096</b>	5.79	1 149	1 220
Training and development	248	230	165	388	355	355	<b>398</b>	12.11	444	475
Operating payments	6	12	6	84	4	4		(100.00)		100
Venues and facilities	574	549	518	434	434	434	<b>650</b>	49.77	591	591
<b>Transfers and subsidies to</b>	162	1 658	424		374	374		(100.00)		
Households	162	1 658	424		374	374		(100.00)		
Social benefits	162	1 658	424		374	374		(100.00)		
<b>Total economic classification</b>	53 472	54 106	51 023	62 524	56 371	55 647	<b>65 738</b>	18.13	69 880	76 556

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
<b>Current payments</b>	30 175	32 843	37 423	42 219	40 897	40 785	46 678	14.45	46 054	46 129
Compensation of employees	25 254	27 612	28 785	34 601	32 809	32 697	35 680	9.12	37 621	39 386
Salaries and wages	22 147	24 336	25 534	30 855	29 230	29 123	31 556	8.35	33 123	34 587
Social contributions	3 107	3 276	3 251	3 746	3 579	3 574	4 124	15.39	4 498	4 799
Goods and services	4 921	5 231	8 638	7 618	8 088	8 088	10 998	35.98	8 433	6 743
of which										
Advertising			8							
Audit cost: External	1 002	717	821	850	850	850	900	5.88	1 000	1 100
Catering: Departmental activities	103	144	84	190	290	290	307	5.86	326	345
Communication (G&S)	65	70	64	110	96	96	91	(5.21)	91	91
Computer services		8	20	16	16	16	17	6.25	18	19
Consultants and professional services: Business and advisory services	2 434	2 371	5 646	3 744	4 345	4 345	7 065	62.60	4 225	2 257
Contractors	43	52	12	63	77	77		(100.00)		
Agency and support/outsourced services	14				19	19		(100.00)		
Entertainment	13	14	21	30	28	28	30	7.14	30	30
Consumable supplies	9	12	13	18	17	17	20	17.65	22	22
Consumable: Stationery, printing and office supplies	125	54	101	170	126	126	138	9.52	144	153
Travel and subsistence	880	998	897	1 102	976	976	1 003	2.77	1 056	1 115
Training and development	148	395	491	515	501	501	547	9.18	584	620
Operating payments	48	137	145	159	160	160	175	9.38	187	199
Venues and facilities	37	259	315	651	587	587	705	20.10	750	792
<b>Transfers and subsidies to</b>	16		11		26 973	26 853	19 744	(26.47)	22 021	22 670
Provinces and municipalities					26 952	26 832	19 394	(27.72)	22 021	22 670
Municipalities					26 952	26 832	19 394	(27.72)	22 021	22 670
Municipal bank accounts					26 952	26 832	19 394	(27.72)	22 021	22 670
Households	16		11		21	21	350	1566.67		
Social benefits	16		11		21	21	350	1566.67		
<b>Payments for capital assets</b>	596	84								
Machinery and equipment		84								
Other machinery and equipment		84								
Software and other intangible assets	596									
<b>Total economic classification</b>	30 787	32 927	37 434	42 219	67 870	67 638	66 422	(1.80)	68 075	68 799

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

R thousand	Audited outcome		Actual outcome	Main appro- priation	Adjusted appro- priation	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18		2018/19		2019/20	2020/21	2021/22
<b>Revenue</b>									
<b>Non-tax revenue</b>	50 545	50 989	55 729	64 937	62 459	62 459	77 158	70 524	74 344
Sale of goods and services other than capital assets	34 704	40 027	35 014	34 545	34 545	34 545	37 216	39 263	41 422
Entity revenue other than sales	1 229	1 054	1 008	1 050	1 050	1 050	1 050	1 050	1 050
Transfers received	14 612	9 908	19 707	29 342	26 864	26 864	38 892	30 211	31 872
of which:									
Departmental transfers	5 244	9 908	19 707	29 342	26 864	26 864	37 092	30 211	31 872
Other transfers	9 368	-	-	-	-	-	1 800	-	-
<b>Total revenue before deposits into the PRF</b>	50 545	50 989	55 729	64 937	62 459	62 459	77 158	70 524	74 344
<b>Total revenue</b>	50 545	50 989	55 729	64 937	62 459	62 459	77 158	70 524	74 344
<b>Expenses</b>									
<b>Current expense</b>	43 130	45 014	54 073	60 140	57 487	57 487	70 017	66 552	71 145
Compensation of employees	35 049	37 480	44 875	44 186	44 186	44 186	47 518	51 324	55 430
Goods and services	8 081	7 534	9 198	15 954	13 301	13 301	22 499	15 228	15 715
<b>Payments for capital assets</b>	2 354	390	1 041	4 797	4 972	4 972	7 141	3 972	3 200
<b>Total expenses</b>	45 484	45 404	55 114	64 937	62 459	62 459	77 158	70 524	74 345
<b>Surplus / (Deficit)</b>	5 061	5 585	615	-	-	-	-	0	(0)
<b>Adjustments for Surplus/(Deficit)</b>	-	-	-	-	-	-	-	-	-
Approval to retain Accumulated Surplus in transfers received	(9 368)	-	-	-	-	-	-	-	-
Net of Gain on asset disposal & loss on actuarial valuations	(43)	(153)	(74)	-	-	-	-	-	-
Capital assets	2 354	389	1 042	-	-	-	-	-	-
Depreciation & Amortisation	194	(1 492)	(1 535)	-	-	-	-	-	-
<b>Surplus/(deficit) after adjustments</b>	(1 802)	4 329	48	-	-	-	-	0	(0)
<b>Cash flow from investing activities</b>	(2 336)	(261)	(956)	(4 777)	(4 777)	(4 777)	(6 851)	(3 952)	(3 180)
<b>Acquisition of Assets</b>	(2 355)	(390)	(1 042)	(4 797)	(4 797)	(4 797)	(6 871)	(3 972)	(3 200)
Computer equipment	-	-	-	(985)	(985)	(985)	(500)	(900)	(900)
Furniture and Office equipment	(2 355)	(355)	(1 037)	(168)	(168)	(168)	(268)	(300)	(300)
Transport Assets	-	-	-	(444)	(444)	(444)	(500)	(500)	(500)
Computer Software	-	(35)	(5)	(3 200)	(3 200)	(3 200)	(5 603)	(2 272)	(1 500)
<b>Other flows from Investing Activities</b>	19	129	86	20	20	20	20	20	20
Proceeds from sale of PPE	19	129	86	20	20	20	20	20	20
<b>Cash flow from financing activities</b>	(5 112)	(1 608)	(3 816)	(1 000)	(1 000)	(1 000)	(1 000)	(1 000)	(1 000)
Other	(5 112)	(1 608)	(3 816)	(1 000)	(1 000)	(1 000)	(1 000)	(1 000)	(1 000)
<b>Net increase / (decrease) in cash and cash equivalents</b>	(7 448)	(1 869)	(4 772)	(5 777)	(5 777)	(5 777)	(7 851)	(4 952)	(4 180)
<b>Balance Sheet Data</b>									
<b>Carrying Value of Assets</b>	3 074	3 314	2 781	5 940	5 940	5 940	7 090	6 290	5 490
Computer equipment	2 047	1 765	1 203	1 800	1 800	1 800	1 600	1 600	1 600
Furniture and Office equipment	669	956	684	450	450	450	450	450	450
Other Machinery and equipment	207	258	254	150	150	150	200	200	200
Transport Assets	27	42	460	300	300	300	800	1 000	1 200
Computer Software	79	222	115	3 200	3 200	3 200	4 000	3 000	2 000
Service and Operating Rights	5	4	3	-	-	-	-	-	-
Other Intangibles	40	67	62	40	40	40	40	40	40
<b>Cash and Cash Equivalents</b>	24 601	27 587	29 584	26 004	26 004	26 004	28 004	29 004	30 004
Bank	6 404	8 789	8 296	6 000	6 000	6 000	6 000	6 000	6 000
Cash on Hand	4	4	4	4	4	4	4	4	4
Other	18 193	18 794	21 284	20 000	20 000	20 000	22 000	23 000	24 000
<b>Receivables and Prepayments</b>	3 082	2 467	1 230	1 300	1 300	1 300	1 500	1 500	1 500
Trade Receivables	2 891	1 885	603	800	800	800	1 000	1 000	1 000
Prepaid Expenses	191	582	627	500	500	500	500	500	500
<b>Inventory</b>	30	45	82	100	100	100	100	100	100
Other	30	45	82	100	100	100	100	100	100
<b>Total Assets</b>	30 787	33 413	33 677	33 344	33 344	33 344	36 694	36 894	37 094
<b>Capital and Reserves</b>	9 061	9 073	615	1 744	1 744	1 744	1 304	1 014	624
Accumulated Reserves	4 000	3 488	-	1 744	1 744	1 744	1 304	1 014	624
Surplus / (Deficit)	5 061	5 585	615	-	-	-	-	0	(0)
<b>Post Retirement Benefits</b>	2 035	2 539	6 134	6 100	6 100	6 100	6 200	6 300	6 400
Present value of Funded obligations	2 035	2 539	6 134	6 100	6 100	6 100	6 200	6 300	6 400
<b>Trade and Other Payables</b>	5 465	8 664	6 401	5 500	5 500	5 500	6 000	6 000	6 000
Trade Payables	5 465	8 664	6 401	5 500	5 500	5 500	6 000	6 000	6 000
<b>Provisions</b>	1 130	-	-	-	-	-	-	-	-
Other	1 130	-	-	-	-	-	-	-	-
<b>Funds Managed (e.g. Poverty Alleviation Fund)</b>	18 158	18 722	21 142	20 000	20 000	20 000	22 000	23 000	24 000
Other	18 158	18 722	21 142	20 000	20 000	20 000	22 000	23 000	24 000

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

For 2019/20 Transfer received includes an amount of R1.8 million retention of surplus funds from 2018/19.

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

Municipalities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
<b>Total departmental transfers/grants</b>										
<b>Category A</b>	300	120	470	590	590	590	610	3.39		
City of Cape Town	300	120	470	590	590	590	610	3.39		
<b>Category B</b>	23 512	14 934	27 765	17 854	31 128	31 008	17 445	(43.74)		
Matzikama	1 455	340	770	690	690	690	710	2.90		
Cederberg	1 313	340	1 220	840	1 340	1 340	860	(35.82)		
Bergrivier	1 062	120	570	690	690	690	710	2.90		
Saldanha Bay	530	340	870	1 140	1 140	1 140	660	(42.11)		
Swartland	50	340	1 000	790	790	790	709	(10.25)		
Witzenberg	1 050	2 340	570	690	690	690	710	2.90		
Drakenstein	300	120	495	615	615	615	635	3.25		
Stellenbosch	250	340	495	615	615	615	635	3.25		
Breedee Valley	1 130	554	650	640	1 640	1 640	660	(59.76)		
Langeberg	50	340	570	690	690	690	709	2.75		
Theewaterskloof	1 245	340	920	690	1 690	1 690	710	(57.99)		
Overstrand	1 300		240	640	640	640	660	3.13		
Cape Agulhas	857	340	570	690	864	864	710	(17.82)		
Swellendam	1 050	220	450	690	690	570	709	24.39		
Kannaland	1 050	1 340	3 170	690	2 090	2 090	710	(66.03)		
Hessequa	353	120	570	690	990	990	710	(28.28)		
Mossel Bay		340	520	640	1 640	1 640	660	(59.76)		
George	50	340	495	615	1 115	1 115	635	(43.05)		
Oudtshoorn	3 211	3 240	3 320	1 140	1 840	1 840	1 160	(36.96)		
Bitou	50	340	1 570	690	690	690	710	2.90		
Knysna	300	120	2 520	1 209	2 059	2 059	943	(54.20)		
Laingsburg	2 271	340	1 770	690	2 860	2 860	710	(75.17)		
Prince Albert	3 535	2 340	1 670	690	2 200	2 200	710	(67.73)		
Beaufort West	1 050	340	2 770	690	2 860	2 860	710	(75.17)		
<b>Category C</b>	5 335	6 500	4 895	3 400	6 593	6 593	3 298	(49.98)		
West Coast District Municipality	1 000	1 240	520	640	640	640	660	3.13		
Cape Winelands District Municipality	1 385	1 040	720	840	840	840	660	(21.43)		
Overberg District Municipality	1 750	1 940	1 020	640	1 040	1 040	660	(36.54)		
Garden Route District Municipality	650	340	620	640	2 090	2 090	659	(68.47)		
Central Karoo District Municipality	550	1 940	2 015	640	1 983	1 983	659	(66.77)		
<b>Unallocated</b>				16 467			20 927		47 510	48 550
<b>Total transfers to local government</b>	29 147	21 554	33 130	38 311	38 311	38 191	42 280	10.71	47 510	48 550

Note: Support initiatives to municipalities to improve financial governance and management introduced during 2011/12 will continue over the MTEF, specially support to the most vulnerable municipalities. Over the MTEF, R42.280 million in 2019/20 (of which R25.929 million is earmarked), R47.510 million in 2020/21 (of which R28.915 million is earmarked) and R48.550 million in 2021/22 (of which R29.955 million is earmarked) have been reserved for diverse financial support to municipalities. Some amounts are unallocated at this stage for the Financial Management Support Grant, Financial Management Capacity Grant and Financial Good Governance Grant and will be allocated in the respective Adjusted Estimates that will be based on the outcomes and recommendations of Integrated Municipal Engagement (e.g. Municipal Governance Review and Outlook (MGRO), Integrated Development Plans (IDP) and Local Government Medium Term Expenditure Committee (LG MTEC)) processes).

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

Municipalities R'000	Outcome						Medium-term estimate			
	Audited 2015/16	Audited 2016/17	Audited 2017/18	Main appro- piation 2018/19	Adjusted appro- piation 2018/19	Revised estimate 2018/19	% Change from Revised estimate 2018/19	2019/20	2020/21	2021/22
<b>Financial Management Support Grant</b>	29 147	18 194	26 050	27 511	27 511	27 511	<b>22 886</b>	(16.81)	25 489	25 880
<b>Category A</b>	300		230	230	230	230	<b>230</b>			
City of Cape Town	300		230	230	230	230	<b>230</b>			
<b>Category B</b>	23 512	12 294	22 125	9 214	22 488	22 488	<b>8 329</b>	(62.96)		
Matzikama	1 455	220	530	330	330	330	<b>330</b>			
Cederberg	1 313	220	980	480	980	980	<b>480</b>	(51.02)		
Bergrivier	1 062		330	330	330	330	<b>330</b>			
Saldanha Bay	530	220	630	780	780	780	<b>280</b>	(64.10)		
Swartland	50	220	760	430	430	430	<b>330</b>	(23.26)		
Witzenberg	1 050	2 220	330	330	330	330	<b>330</b>			
Drakenstein	300		255	255	255	255	<b>255</b>			
Stellenbosch	250	220	255	255	255	255	<b>255</b>			
Breede Valley	1 130	434	410	280	1 280	1 280	<b>280</b>	(78.13)		
Langeberg	50	220	330	330	330	330	<b>330</b>			
Theewaterskloof	1 245	220	680	330	1 330	1 330	<b>330</b>	(75.19)		
Overstrand	1 300			280	280	280	<b>280</b>			
Cape Agulhas	857	220	330	330	504	504	<b>330</b>	(34.52)		
Swellendam	1 050	220	330	330	330	330	<b>330</b>			
Kannaland	1 050	1 220	2 930	330	1 730	1 730	<b>330</b>	(80.92)		
Hessequa	353		330	330	630	630	<b>330</b>	(47.62)		
Mossel Bay		220	280	280	1 280	1 280	<b>280</b>	(78.13)		
George	50	220	255	255	755	755	<b>255</b>	(66.23)		
Oudtshoorn	3 211	3 120	3 080	780	1 480	1 480	<b>780</b>	(47.30)		
Bitou	50	220	1 330	330	330	330	<b>330</b>			
Knysna	300		2 280	849	1 699	1 699	<b>564</b>	(66.80)		
Laingsburg	2 271	220	1 530	330	2 500	2 500	<b>330</b>	(86.80)		
Prince Albert	3 535	2 220	1 430	330	1 840	1 840	<b>330</b>	(82.07)		
Beaufort West	1 050	220	2 530	330	2 500	2 500	<b>330</b>	(86.80)		
<b>Category C</b>	5 335	5 900	3 695	1 600	4 793	4 793	<b>1 400</b>	(70.79)		
West Coast District Municipality	1 000	1 120	280	280	280	280	<b>280</b>			
Cape Winelands District Municipality	1 385	920	480	480	480	480	<b>280</b>	(41.67)		
Overberg District Municipality	1 750	1 820	780	280	680	680	<b>280</b>	(58.82)		
Garden Route District Municipality	650	220	380	280	1 730	1 730	<b>280</b>	(83.82)		
Central Karoo District Municipality	550	1 820	1 775	280	1 623	1 623	<b>280</b>	(82.75)		
<b>Unallocated</b>				16 467			<b>12 927</b>		25 489	25 880

Note: Support initiatives to municipalities to improve financial governance and management introduced during 2011/12 will continue over the MTEF, specially support to the most vulnerable municipalities. Over the MTEF, R22.886 million in 2018/19 (of which R6.535 million is earmarked), R25.489 million in 2020/21 (of which R6.894 million is earmarked) and R25.880 million in 2021/22 (of which R7.285 million is earmarked) have been reserved for diverse financial support to municipalities. Some amounts are unallocated at this stage and will be allocated in the respective Adjusted Estimates that will be based on the outcomes and recommendations of Integrated Municipal Engagements (e.g. Municipal Governance Review and Outlook (MGRO), Integrated Development Plans (IDP) and Local Government Medium Term Expenditure Committee (LG MTEC)) processes.

## Annexure A to Vote 3

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

Municipalities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
<b>Financial Management Capacity Building Grant</b>		3 360	7 080	10 800	10 800	10 680	11 394	6.69	12 021	12 670
<b>Category A</b>		120	240	360	360	360	380	5.56		
City of Cape Town		120	240	360	360	360	380	5.56		
<b>Category B</b>		2 640	5 640	8 640	8 640	8 520	9 116	7.00		
Matzikama		120	240	360	360	360	380	5.56		
Cederberg		120	240	360	360	360	380	5.56		
Bergivier		120	240	360	360	360	380	5.56		
Saldanha Bay		120	240	360	360	360	380	5.56		
Swartland		120	240	360	360	360	379	5.28		
Witzenberg		120	240	360	360	360	380	5.56		
Drakenstein		120	240	360	360	360	380	5.56		
Stellenbosch		120	240	360	360	360	380	5.56		
Breede Valley		120	240	360	360	360	380	5.56		
Langeberg		120	240	360	360	360	379	5.28		
Theewaterskloof		120	240	360	360	360	380	5.56		
Overstrand			240	360	360	360	380	5.56		
Cape Agulhas		120	240	360	360	360	380	5.56		
Swellendam			120	360	360	240	379	57.92		
Kannaland		120	240	360	360	360	380	5.56		
Hessequa		120	240	360	360	360	380	5.56		
Mossel Bay		120	240	360	360	360	380	5.56		
George		120	240	360	360	360	380	5.56		
Oudtshoorn		120	240	360	360	360	380	5.56		
Bitou		120	240	360	360	360	380	5.56		
Knysna		120	240	360	360	360	379	5.28		
Laingsburg		120	240	360	360	360	380	5.56		
Prince Albert		120	240	360	360	360	380	5.56		
Beaufort West		120	240	360	360	360	380	5.56		
<b>Category C</b>		600	1 200	1 800	1 800	1 800	1 898	5.44		
West Coast District Municipality		120	240	360	360	360	380	5.56		
Cape Winelands District Municipality		120	240	360	360	360	380	5.56		
Overberg District Municipality		120	240	360	360	360	380	5.56		
Garden Route District Municipality		120	240	360	360	360	379	5.28		
Central Karoo District Municipality		120	240	360	360	360	379	5.28		
<b>Unallocated</b>									12 021	12 670

Note: Support initiatives to municipalities to improve financial governance and management introduced during 2011/12 will continue over the MTEF, specially support to the most vulnerable municipalities. Over the MTEF, R11.394 million in 2019/20, R12.021 million in 2020/21 and R12.670 million in 2021/22 have been reserved for diverse financial support to municipalities. The amounts in 2020/21 and 2021/22 for the Financial Management Capacity Building Grant are unallocated at this stage and will be allocated in the respective Adjusted Estimates.



## Annexure A to Vote 3

Table A.4.3 Transfers to local government by transfers/grant type, category and municipality

Municipalities R'000	Outcome						Medium-term estimate			
	Audited 2015/16	Audited 2016/17	Audited 2017/18	Main appro- priation 2018/19	Adjusted appro- priation 2018/19	Revised estimate 2018/19	% Change from Revised estimate			
							2019/20	2018/19	2020/21	2021/22
Financial Good Governance Grant							8 000		10 000	10 000
Unallocated							8 000		10 000	10 000

Note: Support initiatives to municipalities to improve financial governance and management introduced during 2011/12 will continue over the MTEF, specially support to the most vulnerable municipalities. Over the MTEF, R8 million in 2019/20, R10 million in 2020/21 and R10 million in 2021/22 have been reserved for diverse financial support to municipalities. The amounts in 2019/20, 2020/21 and 2021/22 for the Financial Good Governance Grant are unallocated at this stage and will be allocated in the respective Adjusted Estimates.

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

Municipalities R'000	Outcome						Medium-term estimate			
	Audited 2015/16	Audited 2016/17	Audited 2017/18	Main appro- priation 2018/19	Adjusted appro- priation 2018/19	Revised estimate 2018/19	% Change from Revised estimate			
							2019/20	2018/19	2020/21	2021/22
Cape Town Metro	240 387	248 001	278 144	325 390	306 833	304 331	357 353	17.42	375 348	395 098
Total provincial expenditure by district and local municipality	240 387	248 001	278 144	325 390	306 833	304 331	357 353	17.42	375 348	395 098

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

Municipalities R'000	Outcome						Medium-term estimate			
	Audited 2015/16	Audited 2016/17	Audited 2017/18	Main appro- priation 2018/19	Adjusted appro- priation 2018/19	Revised estimate 2018/19	% Change from Revised estimate			
							2019/20	2018/19	2020/21	2021/22
Cape Town Metro	47 749	49 537	57 492	61 161	58 424	57 851	58 863	1.75	64 759	68 044
Total provincial expenditure by district and local municipality	47 749	49 537	57 492	61 161	58 424	57 851	58 863	1.75	64 759	68 044

## Annexure A to Vote 3

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

Municipalities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
Cape Town Metro	108 379	111 431	132 195	159 486	124 168	123 195	166 330	35.01	172 634	181 699
Total provincial expenditure by district and local municipality	108 379	111 431	132 195	159 486	124 168	123 195	166 330	35.01	172 634	181 699

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

Municipalities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
Cape Town Metro	53 472	54 106	51 023	62 524	56 371	55 647	65 738	18.13	69 880	76 556
Total provincial expenditure by district and local municipality	53 472	54 106	51 023	62 524	56 371	55 647	65 738	18.13	69 880	76 556

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

Municipalities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
Cape Town Metro	30 787	32 927	37 434	42 219	67 870	67 638	66 422	(1.80)	68 075	68 799
Total provincial expenditure by district and local municipality	30 787	32 927	37 434	42 219	67 870	67 638	66 422	(1.80)	68 075	68 799