

VOTE 1

Office of the Premier

Operational budget	R797 937 591
Remuneration of the Premier	R 2 260 409
Total amount to be appropriated	R800 198 000
Responsible Executive Authority	The Premier
Administering department	Office of the Premier
Accounting officer	Director-General: Office of the Premier

1. Overview

Vision

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

Mission statement

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

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

Strategic objectives

The *strategic policy direction* of the OTP is directly linked to national government's five-year National Development Plan (NDP) seven priorities, which are:

- Priority 1: Economic transformation and job creation.
- Priority 2: Education, skills and health.
- Priority 3: Consolidating the social wage through reliable and quality basic services.
- Priority 4: Spatial integration, human settlements and local government.
- Priority 5: Social cohesion and safe communities.
- Priority 6: A capable, ethical and developmental state.
- Priority 7: A better Africa and world.

The new framework for SPs and APPs has shifted from a goal-focused approach to an impact-focused approach. As such, the implementation of the new framework resulted in the phasing out of strategic objectives and the introduction of outcomes. Thus, the outcomes of the department are as follows:

- Outcome 1: Improved governance and accountability.
- Outcome 2: Improved co-ordination, integration and efficiency in government.
- Outcome 3: Inclusive stakeholder engagement and improved partnerships.
- Outcome 4: Professional and ethical provincial administration.

Core functions

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

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

Legislative mandate

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

- The Constitution of the Republic of South Africa, 1996
- Public Service Act, 1994, as amended
- Public Finance Management Act, 1999, as amended and Treasury Regulations
- Preferential Procurement Policy Framework Act, 2000
- KwaZulu-Natal Provincial Supply Chain Management Policy Framework, 2006
- KwaZulu-Natal Youth Commission Act, 2005
- Annual Division of Revenue Act (DORA)
- Public Service Regulations, 2016
- Labour Relations Act, 1995
- Employment Equity Act, 1998
- Basic Conditions of Employment Act, 1997
- Promotion of Access to Information Act, 2000
- Electronic Communications and Transactions Act, 2002
- State Information Technology Agency Act, 1999
- Promotion of Administrative Justice Act, 2000
- Promotion of Equality and Prevention of Unfair Discrimination Act, 2000
- Skills Development Act, 1998
- KwaZulu-Natal Royal House Trust Act, 2018
- Traditional Leadership and Governance Framework Act, 2003
- Intergovernmental Relations Act, 2005

2. Review of the 2019/20 financial year

Section 2 provides a review of 2019/20, outlining the main achievements and progress made by the department during the year, as well as giving a brief discussion on challenges and new developments.

Provincial Planning Commission (PPC)

The functions of the PPC are similar to those of the National Planning Commission (NPC), and are to advise and make recommendations to the Premier and the Provincial Executive on a long-term strategic development perspective and vision of the province. Refined versions of the PGDP and quarterly implementation reports were prepared. This included realignment to the national priorities and inputs into the five-year NDP implementation plan. A five-year review was completed and adopted by the Provincial Executive Council as part of the handover process between the fifth and sixth Administrations. The KZN situational analysis was updated with information available at the time, in partnership with provincial departments, entities and forums. Sourcing relevant data remains a challenge. Substantial progress was made with enhancing the institutional framework to drive the implementation of the PGDP with the strengthening of 18 Action Work Groups (AWGs). Support was rendered to the eThekweni Metro and all 10 district municipalities in the drafting of their District Growth and Development Plans, and alignment to the PGDS was assessed. Members of the PPC were also assigned to support various provincial departments, such as Health, Education and Co-operative Governance and Traditional Affairs (COGTA) to attend to specific challenges, impacting negatively on the ability of the province to achieve its PGDP targets for 2020, as per the M&E Framework for the plan. Targets are set at five-yearly intervals, with 2020 being the current five-year milestone. This included interventions and the collection of data regarding water, as well as updating and providing information to the NPC in drafting the National Spatial Development Framework (NSDF). Progress on renewable energy projects was slow, due to challenges experienced within the national departments assigned with the responsibility, however, inputs were provided to the NPC in the review of Chapter 5 of the NDP.

Policy and research co-ordination

The department continued to co-ordinate and update the existing inventory of public policies and policy instruments and facilitated the co-ordination of policies, research and planning through the relevant forums. Reports were submitted to the PPC, citing progress with policy development, and this process will continue to ensure a co-ordinated inventory is in place to track policy developments.

Work commenced on the review of the KZN situational analysis, which will be done in preparation for the review of the PGDS, and in support of the PPC.

Strategic planning

The department provided support and guidance to all provincial departments and public entities for the development of their 2019/20 APPs for tabling following the 2019 general elections. Support was provided with the development of the five-year SPs 2020-2025, as well as the APPs for 2020/21. All departments submitted their first drafts in November 2019, and these were submitted to the Department of Planning, Monitoring and Evaluation (DPME), in line with requirements. Support will continue with finalising the plans for tabling in March 2020.

Monitoring and evaluation (M&E)

The monitoring of programme performance against targets set in APPs was undertaken. This included internal co-ordination of performance information, external content/technical support to all provincial departments and oversight thereof. Performance reviews for OTP were conducted through internal MANCO/EXCO and external Cluster and Audit Risk Committees (CARC), as well as Portfolio Committee structures. Reviews for departments were conducted through quarterly M&E forum engagements.

Co-ordination of departmental and provincial evaluation plans up to 2021/22 was undertaken. Progress on the PGDP was reported quarterly to the PPC and bi-annually to the Provincial Executive Council *Lekgotla*. The assessment focused on progress made towards achieving targets set in the PGDP for 2020. Inputs to the PGDP beyond 2020 were also considered as part of the PGDP review process.

The approach of monitoring frontline service delivery programmes was enhanced in 2019/20 to being more responsive to identify early warning signs in line with DPME tools and guidelines. Several sites were visited to ensure that key issues are addressed. These include service centres and public facilities such as hospitals, schools, South African Social Security Agency (SASSA) facilities, as well as Presidential Special Projects like the project dealing with the rampant cross border vehicle theft into

Mozambique in the Manguzi area. Sites are continuously monitored for a period of three years from the time new facilities are identified in a particular financial year.

In line with the requirements of the Public Service Regulations of 2016, all provincial departments developed, approved and submitted Service Delivery Improvement Plans (SDIPs) to the Department of Public Service and Administration (DPSA). In this regard, OTP monitors implementation of these plans on a quarterly basis.

The migration of the hosting of the provincial Nerve Centre systems to the Dube TradePort Corporation (DTPC) to improve the accessibility to the systems was completed. This implies that the Nerve Centre portal, with appropriate credentials, can now be accessed at anytime from anywhere around the world.

Inter-governmental relations

The main aim is to strengthen inter-governmental relations (IGR) in the province through collaboration to ensure integrated planning for improved service delivery. The IGR strategy primarily aims to create linkages between the IGR structures and stakeholders. With regard to linkages to other provinces, programmes were implemented in Mpumalanga to enhance service delivery and are ongoing, while an interprovincial forum consisting of seven provinces and chaired by KZN, is functional and is working to strengthen IGR in the country. The introduction of the District Development Model (DDM) is aimed to spatially align plans per district, and this will be monitored through IGR structures.

It is important to understanding how government protocol works at all levels of government. As such, various protocol trainings and forums were held with government employees, as well as with public entities as a way of standardising protocol standards and imparting protocol skills and information. In KZN, protocol training is especially important as it also involves training on traditional protocol as there is a working relationship between government and traditional leaders.

Identity and heritage of the province

The department's Heritage Unit along with Amafa aKwaZulu-Natali (Amafa) was moved to Vote 15: Arts and Culture (DAC) on 1 April 2019 to form the KZN Amafa and Research Institute, in line with provincial proclamation No. 5 of 14 December 2018. The review for 2019/20, as well as all budget information in this regard can be found in the chapter for Vote 15: Arts and Culture.

Protection of human rights

The department continued to co-ordinate the Gender, Disability, Children and Senior Citizens (GDCSC) and Ombudsperson activities, which serve as platforms to promote and monitor the implementation of human rights related policies by all government departments and municipalities. Capacity building sessions for both government officials and the community were co-ordinated. International and national human rights calendar dates were celebrated, including National Women's Day (August), International Children's Day (June), International Disability Day (December) and International Women's Day (March). The Office of the Ombudsperson and the Protection of Human Rights unit made interventions on issues of violation of human rights. In addition, two projects were initiated by the unit at the request of the provincial government. Firstly, a physical access audit for persons with disabilities, which was undertaken in the Harry Gwala District municipality and this project will be rolled out throughout the province. Secondly, a project involving desktop profiling of persons with disabilities was rolled out at the Harry Gwala District Municipality and will be extended to other district municipalities.

Public service transformation

Through continuous engagement with all HR practitioners, there is a common understanding of changes that have taken place, especially in the HR policy domain. The role of monitoring and evaluation was a highlight for the department and audit visits were conducted for all 14 departments. The department, working with DPSA and DPME, was able to focus on the implementation of the new Performance Management Development System (PMDS) for HODs for the 2018/19 performance cycle. The Strategic Human Resource Management (SHRM) Strategy was completed to accommodate the PGDS imperatives, and it is ready to be presented to the Provincial Executive Council for final approval. The SHRM Strategy was presented to the Governance and Administration (G&A) Technical Cluster and the Committee for Heads of Departments (COHOD) in September and December 2019, respectively. Based on feedback

from the G&A Technical Cluster and COHOD, more refinement had to be done to the Strategy, hence the delay in rolling it out to the provincial departments. It is anticipated that the SHRM Strategy will be presented to the Provincial Executive Council for final approval by the end of June 2020.

The department convened various strategic Human Resource Management and Development (HRM&D) forums with all provincial departments. The province strengthened the labour relations focus through the establishment of functional Departmental Consultative Labour Forums. OTP led Departmental Task Teams (DTTs) in the Departments of Sport and Recreation, Transport and Community Safety and Liaison. The DTTs were established in order to create forums where management and organised labour can meet to discuss issues pertinent to the relevant department. This was intended to ensure that only items/issues that could not be agreed upon at the DTT level get escalated to the KZN Labour Chamber as the Chamber agenda was getting congested with issues that could be easily resolved at the level of the workplace.

The department developed a training manual to capacitate employer representatives and chairpersons in order to handle disciplinary cases. This manual was rolled out to five departments as a pilot exercise and thereafter it was rolled out to all departments in conjunction with the Provincial Public Service Training Academy (Training Academy), and 66 officials were capacitated in this regard.

Occupational health and safety is a government priority. The provincial Safety, Health, Environment Risk and Quality (SHERQ) management plan is reviewed annually to assess the level of health and safety compliance in all departments. It is anticipated that the 2019/20 provincial SHERQ plan will be reviewed by the end of 2019/20 and the plan for the following financial year will be finalised accordingly.

Operation Sukuma Sakhe (OSS)

There was continuous auditing of war-rooms to establish functionality and ascertain the support required for all war-rooms to be functional. Furniture and computers were continuously distributed to war-rooms to support the aim of the Poverty Eradication Master Plan (PEMP) to eradicate poverty in disadvantaged wards. The PEMP footprint is currently in 169 wards in the province and 15 120 vulnerable individuals and households were identified, of which 4 409 have been linked with game changer interventions, linking beneficiaries to sustainable government and private sector programmes and projects.

The Inkululeko Development project is an integrated multi-purpose and multi-sectoral project led by the Premier and aims to address the critical social malaise of rural communities, through integrating developments inter-departmentally, with the focus on revitalising rural areas. The aim is to facilitate the creation of a rural development strategy, to be co-ordinated by the Department of Agriculture and Rural Development (DARD). The strategy will contribute toward the improvement in the quality of education, health, sustainable livelihoods, job creation and the quality of life, thereby creating a dignified community. It further aims to deliver safe, secure, high quality service delivery.

The Inkululeko Development project phase 2 is in the uMzinyathi and uThukela Districts, and the uMvoti Local Municipality, including Estcourt-Weenen and Muden. The status of the project is that a comprehensive precinct plan for Muden has been developed. The Estcourt-Weenen and Muden status is that the service provider was appointed and the project is currently at a planning stage. These towns were identified because of their potential for growth and economic development, as well as their need to be planned in a manner that optimises functionality, access and structure. The purpose of the development is to provide the local municipalities involved with a planning and decision-making tool to maximise the development potential, to encourage densification, intensification and diversification of land use management.

KZN Youth Empowerment Fund

As announced in the 2018 State of the Province Address (SOPA), and the department's budget speech, the KZN Youth Empowerment Fund was established and R50 million was allocated in the 2018/19 Adjustments Estimate. Subsequently, it was decided that the fund will be administered by the KZN Growth Fund Trust (KZNGFT) under EDTEA and OTP transferred the funding to this entity. In addition, EDTEA added a further R20 million to the fund in 2018/19. The fund was launched, and a call for applications was made *via* advertising in the press, as well as social media. A total of 53 youth businesses have been supported to date in 2019/20.

His Majesty, the King's activities

The King Support and Royal Household unit hosted 11 of His Majesty, the King's events, with a further six events planned for the remainder of the year. Events already hosted include:

- Hosting religious bodies including the *Nhliziyonye* annual multi-denominational prayer day, the Seventh Day Adventist Church Prayer, the St. John's Apostolic Church Prayer, the Shembe Congregation Prayer at Enyokeni Palace and the King Dinuzulu Prayer day, among others.
- Hosting cultural and heritage events including His Majesty the King's birthday, *Umkhosi Wesivivane* (First Fruits ceremony), *Umkhosi Woselwa* (Thanksgiving), *Umkhosi WeLembe* (King Shaka commemoration) and the *Umkhosi Womhlanga* (Royal Reed Dance), among others.

Some of the King's activities/events for the remainder of the financial year include the opening of the Provincial Legislature, the SOPA, the annual Umthayi Amarula Festival (*Umkhosi WaMaganu*) at Machobeni and Khangela Palaces, *Ukukhonza* (Homage) by the Makhaya Clan at Enyokeni Palace and the opening of the Provincial House of Traditional Leaders.

KZN Zulu Royal House Trust (ZRHT)

The ZRHT is now operating in terms of the KwaZulu-Natal Zulu Royal House Trust Act, No. 3 of 2018. In terms of this Act, the ZRHT's mandate is to be responsible for the provision of administration, maintenance and management of the assets of the ZRHT, including Royal Palaces and farms.

The ZRHT continued to render services to the Royal Household, including maintenance of Royal residences, Queens' expenses which include travel and accommodation, school tuition fees for Princes and Princesses, transportation and medical expenses for members of the Royal Family, and support for His Majesty's farming operations, including provisioning of feed and veterinary care for His Majesty's cattle.

During 2019/20, the ZRHT was under immense pressure to generate its own income, but this has been a challenge due to a lack of a fundraising and income generation strategy that guides the identification and exploitation of profitable income generation, business ventures, and investments opportunities. A fundraising and revenue generation plan is in place and will be implemented from 2020/21 onward.

KZN Gaming and Betting Board (KZNGBB)

The Gaming and Betting function, along with KZNGBB, was moved to EDTEA on 1 April 2019. The review for 2019/20, as well as all budget information can be found in the chapter for Vote 4: EDTEA.

3. Outlook for the 2020/21 financial year

Section 3 looks at the key focus areas of 2020/21, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments. The bulk of the department's budget allocation is for cross-cutting and transversal activities, such as OSS, Integrity Management, Youth Development, the Nerve Centre, support to His Majesty, the King, as well as transfers to its public entity, the ZRHT. In 2020/21 and over the medium-term, OTP will focus on the priorities listed below.

Provincial Planning Commission (PPC)

Key focus areas of the PPC will still be the ongoing implementation of the PGDS and PGDP, as well as continued support of the AWGs with respect to reporting effectively on progress with implementation. The ongoing review of the PGDS will be a key project, while also providing support in the monitoring and guiding of the revisions to the Provincial Spatial Development Framework, in partnership with COGTA.

The PPC will continue to support the relevant line function departments in pursuing key interventions, such as the formalisation of rural settlements, the establishment of community service centres, the implementation of the provincial HRD strategy, renewable energy opportunities, and improving information and interventions relating to water. In view of the new planning frameworks, there will be ongoing engagements with DPME and the NPC regarding progress on amendments to the NDP (currently work is underway on Chapters 5 and 12, as well as the NSDF).

Policy and research co-ordination

As stated, the department will continue to co-ordinate and update the existing inventory of public policies and policy instruments and facilitate the co-ordination of policies, research and planning through the relevant forums. Reports will be submitted through the PPC, and existing co-ordination structures will be strengthened (policy and research forums, and AWGs 5 (dealing with the knowledge economy) and 17 (dealing with policy co-ordination), as per the operational plan.

Whereas work commenced in 2019/20 on the review of the KZN situational analysis, support will be provided to the PPC in the review of the PGDS and PGDP, in line with MTSF 2019-2024.

Strategic planning

The department will continue to provide support to departments and entities in the refinement of the five-year Strategic Plans 2020-2025, as well as the APPs for 2020/21 and 2021/22. These plans will also be assessed to ensure alignment to the national and provincial priorities, as per the Medium Term Strategic Framework (MTSF) and PGDS/P. In the context of KZN, the PGDS/P was found to be aligned to the national priorities and will be used as the benchmark for assessing alignment of other provinces' departmental plans.

Monitoring and evaluation (M&E)

The first *Lekgotla* for the sixth administration outlined the intended approach for monitoring and evaluation, where the focus is on output and outcome reporting. This is in line with the DPME framework for programme planning, and the NDP implementation plan which emphasises integrated and informed co-ordination of services. OTP will continue to co-ordinate, provide guidance on and support the implementation of the government wide M&E system in the province.

The e-QPR system, and its alignment with performance information hosted in the Nerve Centre, will be maintained as a tool to ensure credibility of performance reporting and to improve access by oversight entities, such as DPME, the Provincial Legislature (Portfolio Committees), Provincial Treasury and the Auditor-General.

The Nerve Centre will continue to be a repository for information generated through various monitoring programmes including the MTSF, PGDP, APP and performance information from implementation programmes including OSS, PEMP and the DDM. The department will review the operations of the Nerve Centre, which may include the possible merging of functions and expertise to maximise efficiency.

The Premier initiated the *Siyahlola* (We Inspect) programme where he will be conducting un-announced site visits to projects throughout the province in order to monitor the implementation thereof, and to provide timeous interventions as and when necessary and this will continue in 2020/21.

Inter-governmental relations

The 2020/21 MTEF will see the province's international strategy oriented toward, not only ensuring KZN's domestic success, but also internationally, as a geo-political and economic player at the global level. Also, the department will continue to engage in public education and the promotion of patriotism by promoting learning and understanding the national symbols, the correct use of these symbols, as well as the importance of ensuring that the national symbols are used in a correct manner. In doing so, more partnerships with radio stations will be fostered as a medium for this public education. This training will also help in improving the level of protocol support, especially in government events and engagements. The following workshops are planned: Protocol Workshops with the Zululand and uMkhanyakude District Municipalities, as well as the Agri-business Development Agency and the Moses Kotane Institute, etc.

Protection of human rights

The department's core mandate of co-ordinating the GDCSC and Ombudsperson activities will continue, with special focus on conducting audits on physical access for persons with disabilities throughout the province. The department will also develop a baseline database for human rights-related indicators in the province, e.g. to determine the number of children with disabilities who are not going to school, or out-of-school children in general. The roll-out of human rights awareness campaigns, such as national Human Rights Day and 16 Days of Activism, etc., will also continue. This will include human rights awareness campaigns for farming communities and farm workers. Other programmes will include the active ageing

programme, inter-generational dialogues, centenarian programme and child ambassador programme. All these programmes are aimed at achieving one of government's main goals, namely, ensuring that the quality of life of the vulnerable is improved. Furthermore, the department will co-ordinate and monitor the provincial catalytic programmes pertaining to GDCSC.

Public service transformation

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

The implementation of the reviewed provincial HR turnaround strategy will be rolled out during 2020/21. SHRM focus areas will include Employee Health and Wellness, occupational health and safety of employees in the workplace, and to research possibilities to automate some of the tasks within the HR environment (such as leave management, e-submissions, EPMDS, Labour Relations Electronic Case Management System and Recruitment and Selection). In addition, in terms of the Public Service Regulations, 2016, the department is co-ordinating the repositioning of provincial departments, in line with the sixth administration's mandate, through the implementation of the National Operations Management Framework to improve organisational efficiency and effectiveness. This process will lead to the review of the Service Delivery Model, organisational structures, job descriptions and job evaluation.

Operation Sukuma Sakhe (OSS)

Since its inception in 2009, OSS has continued to grow and develop as a provincial integrated service delivery model for the community and serve as a community mobilisation vehicle where communities come together and address challenges facing them. OTP has strengthened war-rooms as part of ensuring that communities have functional focal points (war-rooms) to support mobilisation and integrated service delivery. The province uses OSS as a platform for the provincial leadership to meet communities through the OSS Cabinet Days. They are used to meet the community, communicate and assess the status of service delivery and impact thereof at community level, heighten OSS awareness and the functionality of war-rooms as localised community service centres, as well as inculcate and strengthen integration and public participation. OTP will focus on ensuring that OSS is integrated into the DDM as launched by the President in 2019.

With regard to the Inkululeko Development project phase 2, the focus for 2020/21 will continue to be on the uMzinyathi and uThukela Districts, and the uMvoti Local Municipality, including Weenen and Muden. The project is going to be integrated into the DDM.

KZN Youth Empowerment Fund

The fund will continue in 2020/21 and be increased by a second tranche of R50 million. The fund will continue to support youth businesses, managed by the KZNGFT. The fund is targeting to support 60 youth businesses in 2020/21.

His Majesty, the King's activities

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

KZN Zulu Royal House Trust

The focus for 2020/21 will be on fundraising and revenue generation. A fundraising and revenue generation plan is in place and will continue to be implemented from 2020/21 onward. This plan will celebrate the Zulu cultural heritage, and take advantage of opportunities in various sectors, i.e. retail, agriculture, livestock farming, etc. A due diligence exercise will be conducted to identify profitable investments for the ZRHT, including a bankable business plan. Notwithstanding this, the entity will continue to seek income generating opportunities that will eventually relieve the ZRHT's dependency on the provincial fiscus, and enable the entity to ultimately become more financially independent.

4. Reprioritisation

Goods and services was increased against training and development and *Transfers and subsidies to: Households* was reduced by R23.438 million in 2020/21, with carry-through over the MTEF. The movement relates to a shift of funding approved in 2019/20 for external bursaries, as the department has contracted a service provider, Fundi Capital, to manage the disbursement of the payments to bursary holders. The movement is within Programme 2: Institutional Development and there is no change in purpose for this funding as this is a shift rather than reprioritisation.

In 2021/22, the department reduced various items in *Goods and services* in Programme 2 (sub-programme: Strategic Human Resources) by R70 000, and this was moved to *Machinery and equipment* within the same sub-programme for the purchase of IT equipment. In addition, R5 000 was moved from *Machinery and equipment* to *Buildings and other fixed structures* within the ICT sub-programme in Programme 2. This was to address minor under-budgeting for the refurbishment of the department's buildings, including the Moses Mabhida building and the Premier's Parkside residence. In addition, R23 000 was moved from *Machinery and equipment* to *Buildings and other fixed structures* within the Royal Household sub-programme in Programme 3: Policy and Governance, to address minor under-budgeting for upgrades to various Royal Palaces.

All service delivery projects, as outlined in the departmental APP, will still proceed in 2020/21, but savings will be realised by scaling down various projects, particularly the scale of events, as well as implementing strict cost-cutting measures, to ensure that pressures experienced in 2019/20 are not repeated.

5. Procurement

The department will continue to implement the procurement plan for procurement exceeding R500 000 and the demand management plan for procurement below R500 000 for 2020/21, to ensure that the needs of the organisation are met. The department aims to reduce the turnaround time for procuring *Goods and services*. Internal controls, contract management and inventory management will continue to be strengthened.

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

6. Receipts and financing

6.1 Summary of receipts and financing

Table 1.1 gives the sources of funding of Vote 1 from 2016/17 to 2022/23. The table also compares actual and budgeted receipts against actual and budgeted payments. The department receives a provincial allocation in the form of an equitable share.

The Gaming and Betting budget (KZNGBB and support staff), as well as the budget of the Heritage unit and Amafa were moved from Vote 1: OTP, effective from 1 April 2019 and implemented in the 2019/20 MTEF process. This is in terms of provincial proclamation No. 5 of 14 December 2018. It must be noted that all historical spending, including 2019/20 and budget over the MTEF are shown against EDTEA and DAC, respectively, for comparative purposes. Similarly, the revenue collection and budgets related to these two entities has moved from Vote 1 to Vote 4: EDTEA and Vote 15: Arts and Culture.

Table 1.1 : Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
Equitable share	596 138	632 309	672 845	708 072	708 072	708 072	743 266	775 388	812 290
Conditional grants	-	-	-	-	-	-	-	-	-
Total receipts	596 138	632 309	672 845	708 072	708 072	708 072	743 266	775 388	812 290
Total payments	611 369	634 484	691 056	714 004	714 972	714 972	800 198	775 388	812 290
Surplus/(Deficit) before financing	(15 231)	(2 175)	(18 211)	(5 932)	(6 900)	(6 900)	(56 932)	-	-
Financing of which									
Provincial roll-overs	8 000	1 313	3 076	-	1 000	1 000	-	-	-
Provincial cash resources	11 775	12 218	77 819	5 932	12 832	12 832	50 000	-	-
Suspension to future year	-	-	-	-	(6 932)	(6 932)	6 932	-	-
Surplus/(Deficit) after financing	4 544	11 356	62 684	-	-	-	-	-	-

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

In 2017/18, the following adjustments are noted:

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

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

In 2018/19, the following adjustments are noted:

- R3.076 million was rolled over from 2017/18, with R390 000 for the Moerane Commission of Inquiry in respect of invoices that were received late in 2017/18 and R2.686 million for the completion of the Terry Street parking project that was delayed due to inclement weather.
- A total of R77.819 million was allocated from provincial cash resources, as follows:
 - The department received R12.919 million in 2018/19 for the carry-through of PEMP operational costs, as mentioned. The allocation for PEMP operational costs was for a finite period only (2015/16 to 2018/19), and the carry-through costs were therefore removed from the baseline in 2019/20.
 - R50 million was allocated for the KZN Youth Empowerment Fund.
 - R1 million was allocated for urgent roof repairs of the Moses Mabhida building, with carry-through funding of R5.932 million in 2019/20.
 - R7 million was allocated for pressures resulting from the Moerane Commission of Inquiry.

- o R6.900 million was allocated for relocation payments to approximately 110 staff members dating back to 2008, when government departments were relocated from Ulundi to Pietermaritzburg.

The department under-spent its 2018/19 budget by R62.684 million, mainly due to under-spending against *Transfers and subsidies to: Non-profit institutions* related to the R50 million allocated for the KZN Youth Empowerment Fund. The funding was transferred to the KZNGFT towards the end of the last quarter of 2018/19 to manage the process of disbursement to beneficiaries. However, a ruling by the Auditor-General resulted in the transfer being classified as an advance and this amount was thus reduced from spending in 2018/19. The department is still in discussion with Provincial Treasury with regard to the accounting treatment for the advance. In addition, the department under-spent against *Buildings and other fixed structures*, mainly in respect of stopping the acquisition of a building in Pietermaritz Street due to those premises having insufficient parking facilities. The rehabilitation that was planned for the Pietermaritz Street building was therefore put on hold, resulting in under-spending. There was also under-spending against the Moses Mabhida building roof repairs project.

In the 2019/20 MTEF, an amount of R5.932 million was allocated from provincial cash resources, being carry-through costs related to repairs to the Moses Mabhida building. In addition, the following changes were made in the 2019/20 Adjustments Estimate:

- R1 million was rolled over from 2018/19 for urgent roof repairs of the Moses Mabhida building, which did not commence as expected.
- R4 million was suspended from COGTA and was specifically and exclusively allocated to OTP for infrastructure work with regard to His Majesty, the King's Palaces.
- R2.900 million was specifically and exclusively allocated for costs related to the Presidential launch of the DDM.
- Offsetting these allocations was a suspension of R6.932 million related to the urgent roof repairs of the Moses Mabhida building, which did not commence as expected. These funds are reallocated to the department in 2020/21.

The department is projecting a balanced budget in 2019/20, as per the December 2019 IYM.

In the 2020/21, the department receives R6.932 million, suspended from 2019/20 for carry-through costs related to repairs to the Moses Mabhida building. A further R50 million is allocated in 2020/21 only from provincial cash resources for the KZN Youth Empowerment Fund. The budget for the Vote as a whole grows strongly in 2020/21, mainly due to these once-off allocations, which account for the negative growth in 2021/22. The outer year's growth is inflationary only. The department implemented budget cuts of R10.636 million in 2020/21, R20.006 million in 2021/22 and R22.874 million in 2022/23.

6.2 Departmental receipts

Table 1.2 reflects details of departmental receipts per main category over the seven-year period: 2016/17 to 2022/23. Details of the department's revenue are reflected in *Annexure – Vote 1: Office of the Premier*.

Table 1.2 : Summary of departmental receipts collection

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	191	175	175	288	288	199	304	321	337
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	8	30	11	1	1	23	1	1	1
Sale of capital assets	-	-	1 368	840	840	840	966	1 019	1 068
Transactions in financial assets and liabilities	267	955	500	47	47	571	50	53	56
Total	466	1 160	2 054	1 176	1 176	1 633	1 321	1 394	1 462

Sale of goods and services other than capital assets mainly comprises revenue from commission on PERSAL deductions such as insurance premiums and garnishee orders and tender fees. The revenue trend fluctuates over the period due to the uncertain nature of this category. The growth over the MTEF is fairly high and is based on the 2019/20 budget rather than the Revised Estimate. The department needs to revise the budget in the next budget process, taking into account the historic revenue trend of this category.

Interest, dividends and rent on land is derived from interest on staff debts. This revenue fluctuates from 2016/17 to the 2019/20 Revised Estimate, but is kept constant over the MTEF due to the unpredictable nature of this source of revenue.

Sale of capital assets is derived from the sale of redundant assets, such as motor vehicles and equipment. The high collection in 2018/19 relates to the sale of motor vehicles. Revenue collected against this category depends on factors such as the asset disposal policy, size of the fleet and the price received at the auction, hence the unpredictable trend over the seven-year period.

Transactions in financial assets and liabilities is in respect of recoveries from previous financial years, such as staff debts. The collection fluctuates from 2016/17 to the 2019/20 Revised Estimate, in line with the recovery of staff debts.

6.3 Agency funding

Tables 1.3 and 1.4 reflect the details of agency funding for the period 2016/17 to 2022/23.

Table 1.3 : Details of agency funding receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
Agency funding	8 870	19 288	7 876	-	-	1 115	1 463	-	-
NSF	5 908	6 695	-	-	-	-	-	-	-
MERSETA	2 962	12 593	7 876	-	-	1 115	1 463	-	-
Total	8 870	19 288	7 876	-	-	1 115	1 463	-	-

Table 1.4 : Details of agency funding payments and estimates

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
Agency funding	13 823	16 554	8 556	-	-	2 292	1 463	-	-
NSF	6 350	4 266	1 332	-	-	-	-	-	-
MERSETA	7 473	12 288	7 224	-	-	2 292	1 463	-	-
Total	13 823	16 554	8 556	-	-	2 292	1 463	-	-

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

The department, through the Training Academy, received funding in the past from the NSF. The NSF project implemented learnerships, apprenticeships and skills programmes for the training of unemployed youth, in areas such as toolmaking and digital television installation. The contract between OTP and the NSF ended in March 2019 and no further training programmes are anticipated at this stage.

MERSETA was one of 23 SETAs that were established in terms of the Skills Development Act passed by the South African Parliament in 1998. MERSETA began functioning in 2000 and was established to play a central role in terms of ensuring that the National Skills Development Strategy of South Africa was fulfilled. The department received funding from 2017/18 onward for training apprentices in various trades such as fitting and turning, electricians, spray painting, petrol and diesel mechanics. During 2019/20, the department, through the Training Academy, received funding of R1.115 million from MERSETA and a further R1.463 million is anticipated in 2020/21. The project has ended and the anticipated funds will be used to finalise outstanding training, which will be completed in 2020/21.

7. Payment summary

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

7.1 Key assumptions

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

- All inflation related increases are based on CPI projections.
- The department was required to make provision for an inflationary wage adjustment of 7.3 per cent in 2020/21, 7.3 per cent in 2021/22 and 7.2 per cent for 2022/23, including 1.5 per cent per year for pay progression. The department has provided for a 16.3 per cent increase in 2020/21, but a slightly low 5.5 per cent in 2021/22 and 5.9 per cent provision in the outer year of the MTEF, and this will be reviewed in the next budget process.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2019/20, will continue to be adhered to over the 2020/21 MTEF, in conjunction with National Treasury Instruction Note 03 of 2017/18: Cost-containment measures.

7.2 Amendments to provincial and equitable share funding: 2018/19 to 2020/21 MTEF

Table 1.5 shows amendments to provincial and equitable share funding received by the department over the 2018/19, 2019/20 and 2020/21 MTEF periods. The carry-through allocations for the outer year (i.e. 2022/23) are based on the incremental percentage used in the 2020/21 MTEF.

Table 1.5 : Summary of amendments to provincial and equitable share allocations for the 2018/19 to 2020/21 MTEF

R thousand	2018/19	2019/20	2020/21	2021/22	2022/23
2018/19 MTEF period	-	-	6 886	7 265	7 628
Above-budget wage agreement	-	-	6 886	7 265	7 628
2019/20 MTEF period		5 289	(682)	(692)	(727)
Repairs to Moses Mabhida building		5 932	-	-	-
Budget cut for remuneration of public office bearers		(643)	(682)	(692)	(727)
2020/21 MTEF period			46 296	(20 006)	(22 874)
Repairs to Moses Mabhida building			6 932	-	-
KZN Youth Empowerment Fund			50 000	-	-
Fiscal consolidation and PES formula updates budget cuts			(2 373)	(11 628)	(16 741)
Adjustments to <i>Compensation of employees</i> (revised CPI inflation projections)			(2 130)	(2 245)	-
Budget cuts: Events budget			(6 133)	(6 133)	(6 133)
Total	-	5 289	52 500	(13 433)	(15 972)

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

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

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

In the 2020/21 MTEF, the following changes are made to the department's budget:

- The department receives an amount of R6.932 million for the repairs to the Moses Mabhida building which was suspended from 2019/20 and reallocated in 2020/21, as mentioned.

- The department receives an amount of R50 million for the KZN Youth Empowerment Fund. This is in addition to the R50 million allocated in the 2018/19 Adjustments Estimate, which is not reflected in this table.
- The department's equitable share is reduced by R2.373 million, with carry-through over the MTEF, as a result of fiscal consolidation and PES formula budget cuts. This cut is effected against *Goods and services* (contractors) in Programme 1 in an effort to protect the department's service delivery budget in Programmes 2 and 3.
- The department's equitable share is reduced by R2.130 million in 2020/21 and R2.245 million in 2021/22, related to the lowering of the CPI projections influencing the growth in *Compensation of employees*, where the CPI rate was previously set at 5.5 per cent but has been lowered to 4.8 per cent. The cut is effected equally against *Compensation of employees* in all three programmes.
- The department's equitable share is reduced by R6.133 million in each year of the MTEF due to the department's high expenditure on events. This cut is effected against *Goods and services* (contractors) in Programme 1, and against the same category in Programme 3 in 2021/22 and 2022/23, with cuts against computer services, contractors and consultants.

7.3 Summary by programme and economic classification

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

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
1. Administration	98 883	107 807	157 892	138 137	144 426	144 426	136 131	142 043	149 436
2. Institutional Development	298 227	292 579	309 642	362 365	350 562	350 562	437 532	401 534	422 157
3. Policy and Governance	214 259	234 098	223 522	213 502	219 984	219 984	226 535	231 811	240 697
Total	611 369	634 484	691 056	714 004	714 972	714 972	800 198	775 388	812 290
Unauth. Exp. (1st charge) not available for spending	(2 194)	-	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	609 175	634 484	691 056	714 004	714 972	714 972	800 198	775 388	812 290

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
Current payments	519 106	574 867	634 252	650 084	670 804	670 070	706 788	736 836	771 887
Compensation of employees	248 647	268 766	280 962	326 671	301 099	300 443	349 388	368 635	390 397
Goods and services	270 459	306 101	353 290	323 413	369 705	369 627	357 400	368 201	381 490
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	59 022	46 176	43 131	42 616	23 481	24 171	71 522	22 705	23 795
Provinces and municipalities	136	80	175	63	86	93	66	70	73
Departmental agencies and accounts	22 977	19 869	18 040	19 086	19 086	19 086	20 136	21 243	22 263
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	27	-	-	-	-	-	50 000	-	-
Households	35 882	26 227	24 916	23 467	4 309	4 992	1 320	1 392	1 459
Payments for capital assets	31 001	13 354	13 446	21 304	20 515	20 545	21 888	15 847	16 608
Buildings and other fixed structures	16 823	1 710	4 414	9 796	7 864	7 864	11 000	4 322	4 529
Machinery and equipment	14 178	11 644	9 032	11 508	12 651	12 681	10 888	11 525	12 079
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	2 240	87	227	-	172	186	-	-	-
Total	611 369	634 484	691 056	714 004	714 972	714 972	800 198	775 388	812 290
Unauth. Exp. (1st charge) not available for spending	(2 194)	-	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	609 175	634 484	691 056	714 004	714 972	714 972	800 198	775 388	812 290

The structure of the department consists of three programmes, and does not conform fully to the generic programme structure of the sector at this stage, but National Treasury approval was received in July 2018 for the deviation. Unique to KZN, following the signing of the proclamation to combine the former

Vote 10: Royal Household (DRH) with Vote 1, the budget of the DRH was added to Vote 1's budget as a sub-programme under Programme 3, effective from 1 April 2015. Note also that the sub-programme: IGR was moved to Programme 1 and this was approved by National Treasury.

The spending against Programme 1: Administration for 2017/18 reduced due to budget cuts. The higher spending in 2018/19 was as a result of a high number of Social Cohesion and Moral Regeneration programmes, which were largely once-off, hence the decrease in 2019/20. The increase in the 2019/20 Adjusted Appropriation and Revised Estimate relates to once-off funding moved from Programme 2 for pressures from the Premier's inauguration and OSS outreach programmes, partly accounting for the decrease in 2020/21. In addition, the previously mentioned budget cuts related to fiscal consolidation, PES formula cuts, CPI projections cuts to *Compensation of employees*, as well as events cuts were mainly effected against this programme, with a total of R9.216 million reduced in 2020/21 and R11.327 million in 2021/22, against contractors under *Goods and services* (R8.506 million and R10.577 million, respectively), carried through over the MTEF. The impact of these cuts is Social Cohesion and Moral Regeneration programme events will be scaled down in number and size. The balance of R710 000 in 2020/21 and R750 000 in 2021/22 was cut against *Compensation of employees* and this will not impact on service delivery as this is adjusting for a lower forecast CPI. Growth in this programme over the two outer years of the MTEF is inflationary only.

Programme 2: Institutional Development shows an increase in 2018/19 due to internal reprioritisation for the Social Cohesion and Moral Regeneration programmes. The further increase in the 2019/20 Main Appropriation was due to the once-off allocation of the funding for the roof repairs at the Moses Mabhida building, as well as IT upgrades across the department. In addition, the Youth Development function was moved to this programme from Programme 3. Historical figures for this movement were not restated as the department did not keep records at this level. Furthermore, the department provided for the filling of vacant posts. The reduction in the 2019/20 Adjusted Appropriation related to the previously mentioned once-off funding moved to Programme 1 for pressures related to the Premier's inauguration and OSS outreach programmes. Also impacting on the decrease is the suspension of the Moses Mabhida roof repair funding to 2020/21, as well as the slow filling of vacant posts. These once-off reductions partly account for the increase in 2020/21, with the reallocation of the Moses Mabhida roof repair funding adding to the increase in 2020/21. Also impacting on the increase in 2020/21 is the once-off allocation of R50 million to the KZN Youth Empowerment Fund, which accounts for the negative growth in 2021/22. The department effected a minor budget cut of R710 000 against *Compensation of employees* in this programme in 2020/21, with carry-through in 2021/22 only. There is no impact on service delivery as this is adjusting for a lower forecast CPI. Growth in the outer year of the MTEF is inflationary only.

Programme 3: Policy and Governance shows a significant increase in 2017/18 due to pressures related to the Social Cohesion and Moral Regeneration programmes. The negative growth in 2018/19 is largely attributed to vacant posts, as well as to *Machinery and equipment* in respect of office furniture and equipment purchases, which were put on hold due to limited office space. The negative growth in the 2019/20 Main Appropriation is as a result of the movement of the Youth Development function from this programme to Programme 2. As mentioned, historical figures were not restated. The increase in the 2019/20 Adjusted Appropriation relates to once-off funding for infrastructure work undertaken at His Majesty, the King's Palaces, with funding moved from COGTA, as mentioned. In addition, the department was allocated funding for the costs of the Presidential launch of the DDM. These once-off allocations account for the relatively low growth in 2020/21. The department implemented CPI projections cuts to *Compensation of employees* in 2020/21 and 2021/22 only, with R710 000 and R750 000 cut, respectively. There is no impact on service delivery as this is adjusting for a lower forecast CPI. Growth in 2021/22 and 2022/23 is low as a result of fiscal consolidation, PES and event budget cuts of R7.184 million effected in these two years only, against *Goods and services*, in respect of computer services, contractors and consultants. With regard to contractors, the impact of the cuts will mean a reduction in the number and size of Social Cohesion and Moral Regeneration programme events. The cuts on computer services and consultants will have a minimal impact as these items were over-budgeted for.

Compensation of employees grew strongly in the early years due to the ongoing implementation of the new organisational structure. However, the department will not be in a position to fully implement the

new organisational structure as anticipated, due to insufficient funding over the 2020/21 MTEF. The funding over the MTEF allows for limited filling of posts, depending on the levels filled. The department reduced the number of interns and contract posts (e.g. relating to the Moerane Commission of Inquiry) from 2019/20, which will contribute to the affordability of the planned posts. The reduction in the 2019/20 Adjusted Appropriation relates to slow internal processes in the filling of vacant posts. The department received additional funding from 2020/21 for the carry-through costs of the 2018/19 wage agreement, as mentioned. The budget thus grows strongly in 2020/21 to allow for the filling of 27 posts, with inflationary growth thereafter over the two outer years of the MTEF. There were also posts filled late in 2019/20, which also impact on this growth. Note that there were cuts of R710 000 in 2020/21 and R750 000 in 2021/22, related to the lowering of CPI projections in 2020/21 and 2021/22 only, with no impact on service delivery, as mentioned.

Goods and services grew strongly in 2017/18 and 2018/19 due to internal reprioritisation for the Social Cohesion and Moral Regeneration programmes. These were largely once-off amounts and account for the negative growth in 2019/20. The increase in the 2019/20 Adjusted Appropriation was attributed to funding shifted to *Goods and services* from *Transfers and subsidies to: Households* related to the appointment of a contractor to manage external bursaries. In addition, there was some reprioritisation from *Compensation of employees* to address pressures in the Social Cohesion and Moral Regeneration programmes. The negative growth in 2020/21 is attributed to budget cuts, as well as some of these pressures being once-off. As mentioned, there were fiscal consolidation and PES budget cuts of R8.506 million in 2020/21 and R17.761 million in 2021/22, with carry-through to 2022/23 against *Goods and services*, with cuts against computer services, contractors and consultants. With regard to contractors, the impact of the cuts will mean a reduction in the number and size of events. The cuts on computer services and consultants will have a minimal impact as these items were over-budgeted for. Growth over the two outer years of the MTEF is low due to the budget cuts, as explained above.

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

- *Provinces and municipalities* caters for the payment of motor vehicle licences. The erratic trend from 2017/18 to 2019/20 is due to new vehicles being licensed and redundant vehicles removed from the system. The increase in the 2019/20 Adjusted Appropriation and Revised Estimate is due to under-budgeting for motor vehicle licences. The lower baseline from 2020/21 and over the MTEF is in line with the planned scrapping of redundant vehicles, with steady growth over the remainder of the MTEF.
- *Departmental agencies and accounts* caters for transfers to the ZRHT and the 2020/21 MTEF provides for inflationary growth only. No budget cuts were implemented against this transfer.
- With regard to *Non-profit institutions*, in 2016/17, a sponsorship of R27 000 was given to the KZN Law Society for a function to honour the appointment of members of the judiciary. Additional funding of R50 million is allocated in 2020/21 for the KZN Youth Empowerment Fund, to be transferred to the KZNGFT. Note that the first tranche was transferred in 2018/19 but, as per a ruling by the Auditor-General, this was classified as an advance and is thus not shown in the historical spending at this stage, as the department is still in discussion with Provincial Treasury with regard to the accounting treatment for the advance.
- *Households* consists of staff exit costs, medical aid contributions for ex-parliamentarians (PARMED), the Provincial Bursary Programme, etc. The fluctuations in the prior years relate to staff exit costs, which are difficult to accurately predict. It must be noted, though, that there was once-off reprioritisation of R14 million to this category in 2016/17 with carry-through for bursaries in response to the “fees must fall” movement by students countrywide. In 2018/19, this category was reduced by R5 million, with carry-through, to cater for operational costs for the Youth Development function. The decrease in the 2019/20 Adjusted Appropriation and carried through over the 2020/21 MTEF, is attributed to funding shifted to *Goods and services* from *Households* related to the appointment of a contractor to manage external bursaries, offset marginally by reprioritisation for under-funded staff exit costs, including the former Premier, following the 2019 elections, as well as a retiring DDG. The amount budgeted over the 2020/21 MTEF provides for staff exit costs, bursaries and PARMED. The latter item will be reviewed in-year due to natural attrition.

With regard to *Buildings and other fixed structures*, the construction of the Training Academy was halted in 2016/17 to partially fund the province's fiscal consolidation budget cuts, and funding in this regard was withdrawn. However, R10.905 million was spent against this category in 2016/17, related to the feasibility study and the preparation of plans in respect of the Training Academy. The department also received a roll-over of R8 million for the maintenance of the Royal Palaces through Provincial Treasury as the implementing agent. These once-off amounts account for the decrease in 2017/18. The increase in 2018/19 was due to the Terry Street parking being paid for following a roll-over from 2017/18. The increase in the 2019/20 Main Appropriation included once-off funding for the roof repairs at the Moses Mabhida building. The decrease in the 2019/20 Adjusted Appropriation relates to the suspension of the funding for the roof repairs at the Moses Mabhida building to 2020/21 due to delays in commencing the project. This decrease was offset to some extent by additional funding suspended from COGTA and allocated to OTP for infrastructure work with regard to His Majesty, the King's Palaces. The increase in 2020/21 is due to the reallocation for the roof repairs at the Moses Mabhida building, as mentioned. The budget over the 2020/21 MTEF also provides for various projects including the renovations to the roof and pool in respect of the Premier's Parkside residence, as well as renovations to Royal Palaces.

Machinery and equipment relates to the purchase of essential office furniture and equipment for new appointments and the purchase of official vehicles. The decrease in 2017/18 and 2018/19 relates to the fact that the department did not purchase office furniture and equipment, as this was put on hold due to limited office space. The increase in the 2019/20 Adjusted Appropriation relates to reprioritised funding to purchase furniture for the appointment of new staff. The MTEF caters for the replacement of departmental vehicles. The replacement of the Queens' vehicles is not currently provided for in OTP's budget over the 2020/21 MTEF.

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

7.4 Summary of conditional grant payments and estimates – Nil

7.5 Summary of infrastructure payments and estimates

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

Table 1.8 : Summary of infrastructure payments and estimates by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
Existing infrastructure assets	7 284	3 339	5 465	13 521	7 589	7 589	14 468	7 244	8 829
Maintenance and repair: Current	1 366	1 629	1 051	3 725	3 725	3 725	3 468	2 922	4 300
Upgrades and additions: Capital	-	-	2 104	503	503	503	-	-	-
Refurbishment and rehabilitation: Capital	5 918	1 710	2 310	9 293	3 361	3 361	11 000	4 322	4 529
New infrastructure assets	10 905	-	-	-	4 000	4 000	-	-	-
Infrastructure transfers	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Current	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital	-	-	-	-	-	-	-	-	-
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	2 013	7 285	8 033	12 169	12 169	12 169	8 395	9 233	9 676
Non infrastructure¹	-	-	-	-	-	-	-	-	-
Total	20 202	10 624	13 498	25 690	23 758	23 758	22 863	16 477	18 505
<i>Capital infrastructure</i>	16 823	1 710	4 414	9 796	7 864	7 864	11 000	4 322	4 529
<i>Current infrastructure</i>	3 379	8 914	9 084	15 894	15 894	15 894	11 863	12 155	13 976

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

The maintenance and repair work that is undertaken at the Royal Palaces is recorded as *Maintenance and repairs: Current*. Capital additions are shown against *Upgrades and additions: Capital* and *Refurbishment and rehabilitation: Capital*.

With regard to *Maintenance and repairs: Current*, the 2020/21 MTEF allocations provide for maintenance work in respect of OTP's administrative offices, as well as the Royal Palaces.

Upgrades and additions: Capital over the 2020/21 MTEF relates to upgrades at the Enyokeni, KwaKhangela and Dlamahlahla Palaces.

Refurbishment and rehabilitation: Capital reflects expenditure related to projects at the Royal Palaces, the Premier's Parkside residence and the Moses Mabhida building. The high spending in 2016/17 was attributed to the roll-over of R8 million for the renovations of the Royal Palaces, of which R5.918 million was spent in 2016/17. The expenditure in 2017/18 relates to a further roll-over of the above-mentioned funding for the Royal Palaces. The funding in 2018/19 includes the Terry Street parking facility that was developed alongside the Moses Mabhida building. The increase in 2018/19 includes a roll-over for this project. The increase in 2018/19 also includes funding for higher than expected costs in respect of the tiling project at Enyokeni Palace. The decrease in the 2019/20 Adjusted Appropriation relates to the suspension of the funding for the roof repairs at the Moses Mabhida building to 2020/21, as mentioned. The 2020/21 MTEF provides for the completion of existing projects, such as the Ingwavuma Palace projects and the Royal Household office renovations in Nongoma, roof and pool renovations at the Premier's Parkside residence, as well as finalising the roof repairs at the Moses Mabhida building, with the latter accounting for the reduced budget in 2021/22.

New infrastructure assets: Capital in 2016/17 relates to the feasibility study and the preparation of plans in respect of the Training Academy. As mentioned, funds for the construction of the Training Academy were removed from the department's baseline due to the province's fiscal consolidation budget cuts in 2016/17. The funding allocated in the 2019/20 Adjusted Appropriation relates to funding moved from COGTA and allocated to OTP for infrastructure work with regard to His Majesty, the King's Palaces.

Infrastructure: Leases relates to the lease of buildings for use by the department. Currently the department leases a number of buildings, including offices in the Invesco Centre in Pietermaritzburg and the Marine Building in Durban. The peak in 2019/20 relates to once-off arrears billed by the Department of Public Works (DOPW) related to under-billing in previous financial years, accounting for the decrease in 2020/21. The department is, through DOPW, looking for cheaper accommodation compared to the Invesco Centre.

7.6 Summary of Public Private Partnerships – Nil

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

Over the 2020/21 MTEF, the OTP will exercise oversight over one public entity, namely the ZRHT. Table 1.9 illustrates transfers made to ZRHT, as well as other entities over the seven years under review. The financial summary received from the ZRHT is given in *Annexure – Vote 1: Office of the Premier*.

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
Transfers to public entities	22 977	19 869	18 040	19 086	19 086	19 086	20 136	21 243	22 263
Zulu Royal House Trust Prog. 3.3: Royal Household	22 977	19 869	18 040	19 086	19 086	19 086	20 136	21 243	22 263
Transfers to other entities	27	-	-	-	-	-	50 000	-	-
KZN Law Society Prog. 2.4: Legal Services	27	-	-	-	-	-	-	-	-
KZN Growth Fund Trust Prog. 2.5: Special Programmes	-	-	-	-	-	-	50 000	-	-
Total	23 004	19 869	18 040	19 086	19 086	19 086	70 136	21 243	22 263

The ZRHT was established in 2009/10 as an entity in terms of the KZN Royal Household Trust Act, 2007, but is now governed by the KZN Zulu Royal House Trust Act, 2018. The entity was registered as a Schedule 3C provincial public entity during 2012/13. In 2011/12, 2012/13 and 2013/14 (not visible in the table), funds were transferred to the ZRHT to cater for the set-up costs, remuneration of the Trustees, as well as various costs of the ZRHT, which were administered by the Trust. This included municipal costs, fuel, food supplies, etc., relating to the Queens and other members of the Royal family. Fiscal consolidation cuts, mitigated to some extent by a once-off increase in transfer of R7.810 million in 2016/17 to the ZRHT for operational expenses, account for the decrease in 2017/18. The 2017/18 expenditure included a once-off allocation of R2 million for operational spending pressures, including

higher costs for cattle feed due to the drought. This accounts for the minor decrease in 2018/19. The budget over the 2020/21 MTEF provides for the various operational costs of the ZRHT and increases are inflationary only. As mentioned, no budget cuts were made to the ZRHT in the 2020/21 MTEF.

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

In 2020/21, the department has budgeted to transfer the second tranche of funding for the KZN Youth Empowerment Fund, as mentioned. The fund is administered by the KZNGFT under EDTEA, hence the transfer to this entity. Note that the first tranche was transferred in 2018/19 but, as per a ruling by the Auditor-General, this was classified as an advance and is thus not shown in the historical spending at this stage, as the department is still in discussion with Provincial Treasury with regard to the accounting treatment for the advance.

7.8 Transfers to local government

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

7.9 Transfers and subsidies

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

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
1. Administration	2 486	1 024	1 290	1 248	3 829	3 829	1 317	1 389	1 456
Households	2 486	1 024	1 290	1 248	3 829	3 829	1 317	1 389	1 456
Staff exit costs	1 552	-	1 180	-	2 581	2 581	-	-	-
PARMED	934	1 024	110	1 248	1 248	1 248	1 317	1 389	1 456
2. Institutional Development	33 350	24 959	22 672	22 282	453	487	50 069	73	76
Provinces and municipalities	136	80	175	63	86	93	66	70	73
Motor vehicle licences	136	80	175	63	86	93	66	70	73
Non-profit institutions	27	-	-	-	-	-	50 000	-	-
KZN Law Society	27	-	-	-	-	-	-	-	-
KZN Growth Fund Trust	-	-	-	-	-	-	50 000	-	-
Households	33 187	24 879	22 497	22 219	367	394	3	3	3
Staff exit costs	446	54	871	3	362	389	3	3	3
Provincial Bursary Programme	32 741	24 825	21 626	22 216	5	5	-	-	-
3. Policy and Governance	23 186	20 193	19 169	19 086	19 199	19 855	20 136	21 243	22 263
Departmental agencies and accounts	22 977	19 869	18 040	19 086	19 086	19 086	20 136	21 243	22 263
ZRHT	22 977	19 869	18 040	19 086	19 086	19 086	20 136	21 243	22 263
Households	209	324	1 129	-	113	769	-	-	-
Staff exit costs	209	324	1 129	-	113	769	-	-	-
Total	59 022	46 176	43 131	42 616	23 481	24 171	71 522	22 705	23 795

Programme 1 reflects transfers against *Households* for social benefits relating to staff exit costs, as well as medical aid contributions for ex-parliamentarians (PARMED). The increase in the 2019/20 Adjusted Appropriation was related to reprioritisation for under-funded staff exit costs, including the former Premier, following the 2019 general elections, as well as a retiring DDG. The department has not budgeted for any exit costs over the MTEF in respect of Programme 1, and will reprioritise in-year, should the need arise.

The motor vehicle licence budget is in Programme 2. The erratic trend from 2017/18 to 2019/20 is due to new vehicles being licensed and redundant vehicles removed from the system. The lower baseline from 2020/21 and over the MTEF is in line with the planned scrapping of redundant vehicles, with steady growth over the remainder of the MTEF.

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

- *Departmental agencies and accounts* relates to transfers to the ZRHT, as detailed in Section 7.7.

- The amount reflected against *Non-profit institutions* in 2016/17 relates to a sponsorship of R27 000 to the KZN Law Society, as previously explained. The R50 million reflected in 2020/21 is for the KZN Youth Empowerment Fund. As mentioned, the first tranche of R50 million was transferred in 2018/19 but, as per a ruling by the Auditor-General, this was classified as an advance and is thus not shown in the historical spending at this stage, as the department is still in discussion with Provincial Treasury with regard to the accounting treatment for the advance.
- *Households* caters for bursaries and staff exit costs. It must be noted that, although the Provincial Bursary Programme was decentralised back to the departments from which the funds were originally moved, a portion of the budget remains for the external bursaries administered by the OTP, but now administered under Programme 2. The department reprioritised an additional R14 million to this category in 2016/17 with carry-through for bursaries in response to the “fees must fall” movement by students countrywide. In 2018/19, this category was reduced by R5 million, with carry-through, to cater for operational costs for the Youth Development function. In the 2019/20 Adjusted Appropriation, the bulk of the budget was shifted to *Goods and services* from *Households*, with carry-through over the 2020/21 MTEF, related to the appointment of a contractor to manage external bursaries. The department has not budgeted for this category over the MTEF.

8. Programme description

The services rendered by this department are, as per the generic sector structure, categorised under three programmes, the details of which are discussed below. However, the department does not conform fully to the generic programme structure of the sector at this stage, but National Treasury approval was obtained for the deviation, as mentioned. The amounts for each programme are summarised in terms of economic classification, with details given in *Annexure – Vote 1: Office of the Premier*.

8.1 Programme 1: Administration

The purpose of this programme is to provide administrative support to the Premier, Provincial Executive Council and the Director-General in fulfilling their legislative and oversight functions and in promoting good corporate governance.

The department does not fully conform to the generic programme structure of the sector at this stage partly due to the exclusion of the Programme Support sub-programme.

The objectives of this programme are as follows:

- To provide logistical, administrative and advisory support to the Premier in executing the constitutional mandate and statutory duties.
- To render secretariat support services to the Provincial Executive Council, clusters, and key provincial committees.
- To provide operational support to the Director-General in strategically managing the province.
- To provide financial management support and advisory services.
- To improve inter- and intra-governmental relations and promote effective co-operative governance through implementation of the IGR Act, 2005.

Tables 1.11 and 1.12 reflect a summary of payments and estimates relating to this programme, by sub-programme and economic classification, for the period 2016/17 to 2022/23.

This programme is subject to fiscal consolidation, PES formula cuts, CPI projections cuts to *Compensation of employees* and events cuts, affecting the Financial Management and IGR sub-programmes only, with cuts of R9.216 million in 2020/21 and R11.327 million in 2021/22, as discussed below.

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
1. Premier Support	35 866	25 102	27 589	28 570	35 670	35 670	30 809	32 532	34 097
2. Executive Council Support	9 546	9 792	8 478	8 482	15 655	15 655	9 154	9 657	10 123
3. Director-General Support	9 743	13 534	20 870	15 171	17 652	17 652	15 851	16 750	17 558
4. Financial Management	29 712	41 741	36 195	53 562	42 059	42 059	55 155	58 160	62 295
5. Intergovernmental Relations	14 016	17 638	64 760	32 352	33 390	33 390	25 162	24 944	25 363
Total	98 883	107 807	157 892	138 137	144 426	144 426	136 131	142 043	149 436

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
Current payments	94 963	106 245	155 852	135 028	137 682	137 682	133 273	139 028	146 275
Compensation of employees	64 383	64 772	67 023	86 148	80 624	80 624	90 115	95 098	101 015
Goods and services	30 580	41 473	88 829	48 880	57 058	57 058	43 158	43 930	45 260
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	2 486	1 024	1 290	1 248	3 829	3 829	1 317	1 389	1 456
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 486	1 024	1 290	1 248	3 829	3 829	1 317	1 389	1 456
Payments for capital assets	1 434	538	686	1 861	2 915	2 915	1 541	1 626	1 705
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 434	538	686	1 861	2 915	2 915	1 541	1 626	1 705
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	64	-	-	-	-	-	-
Total	98 883	107 807	157 892	138 137	144 426	144 426	136 131	142 043	149 436

The sub-programme: Premier Support provides technical, administrative and advisory support to the Premier in executing his constitutional mandate. The decrease in 2017/18 is primarily attributed to the once-off internal reprioritisation of R5 million for the Moerane Commission of Inquiry into political killings in KZN, during 2016/17, as well as fiscal consolidation cuts. In 2017/18, the expenditure for the Moerane Commission of Inquiry was reflected under the Financial Management sub-programme. The increase in the 2019/20 Adjusted Appropriation relates to the filling of vacant posts, as well as staff exits paid. The decrease in 2020/21 is partly due to exit costs for the previous Premier following the 2019 general elections, as well as staff related to the previous administration, redeployed to other programmes and sub-programmes in 2020/21. The growth over the remainder of the MTEF is mainly inflationary.

The sub-programme: Executive Council Support renders secretariat support services to the Provincial Executive Council. The increase in the 2019/20 Adjusted Appropriation relates to the Premier's Inauguration and additional meetings undertaken following the 2019 general elections, hence the negative growth in 2020/21. The inflationary growth over the MTEF is mainly ascribed to the weekly Provincial Executive Council meetings, clusters, as well as the bi-annual Provincial Executive Council *Lekgotla*.

The Director-General Support sub-programme provides operational support to the Director-General in strategically managing the province. The low spending in 2016/17 was due to cost-cutting, particularly against consultants. The above inflation increase from 2016/17 to 2017/18 was due to the inclusion of the newly created Internal Control and Organisational Risk Management Directorate under this programme and the prior year not being restated. The increase in the 2019/20 Adjusted Appropriation relates to the DG's Special Projects, particularly for oversight in terms of the OSS projects, which were largely once-off, hence the decrease in 2020/21. The department notes that oversight will continue, but at a lower level due to budget constraints. There is inflationary growth over the two outer years of the MTEF.

The Financial Management sub-programme provides financial management support and advisory services to the Premier and Director-General in fulfilling their legislative and oversight functions and in promoting good corporate governance. The above inflationary growth in 2017/18 was primarily due to once-off

additional funding and internal reprioritisation of funds for the Moerane Commission of Inquiry, which provided a final report in 2018/19, as well as procurement of financial management reporting tools for OTP, to enable the OTP to scan all payment vouchers and link to transactions in Emapp (an in-house system that draws data from BAS into Excel format). These partly account for the negative growth in 2018/19, which was aggravated to some extent by vacant posts, with funding reprioritised to Programmes 2 and 3 to address in-year pressures related to the Social Cohesion and Moral Regeneration programmes. The negative growth was mitigated to some extent by additional funding allocated for the costs of the Moerane Commission of Inquiry. In the 2019/20 Adjusted Appropriation, funds were again reprioritised to Programme 2 to cater for the spending pressures related to the Social Cohesion and Moral Regeneration programmes. The above inflationary growth in 2020/21 is attributed to the anticipated filling of 20 critical vacant posts. This is mitigated slightly by a cut of R710 000, with carry-through to 2021/22 only, attributed to the previously mentioned budget cuts for CPI projections related to *Compensation of employees*, with no impact on service delivery as this is adjusting for a lower forecast CPI. There is inflationary growth only in 2021/22 and 2022/23.

The IGR sub-programme is to improve inter- and intra-governmental relations and promote effective co-operative governance through implementation of the IGR Act. The unit co-ordinates with all departments to ensure effective delivery of all MTSF outcomes. The high spending in 2018/19 relates to a high number of Social Cohesion and Moral Regeneration programmes, which were largely once-off, hence the decrease in 2019/20. The growth over the 2020/21 MTEF is mainly inflationary however, budget cuts, amounting to R8.506 million in 2020/21 and R10.577 million in 2021/22 against *Goods and services* (contractors), with carry-through in 2022/23, was made against this sub-programme, accounting for the minimal growth. The department reports that this cut will result in Social Cohesion and Moral Regeneration programme events in this sub-programme being scaled down in number and size.

The high growth in *Compensation of employees* in the 2019/20 Main Appropriation relates to the anticipated filling of vacant posts. However, although some posts were filled, there was a reduction in the 2019/20 Adjusted Appropriation due to some only being filled late in 2019/20, with funding reprioritised within Programme 1 to address in-year pressures related to the Social Cohesion and Moral Regeneration programmes, as mentioned. The significantly high growth in 2020/21 is attributed to the planned filling of 20 vacant posts, mitigated marginally by minimal budget cuts in 2020/21 (R710 000) and 2021/22 (R750 000) related to the CPI projections cuts, as mentioned. There is inflationary growth over the two outer years of the MTEF.

The high growth in *Goods and services* in 2017/18 is mainly ascribed to the additional funds allocated, as well as internal reprioritisation for the Moerane Commission of Inquiry. The high spending in 2018/19 relates to a high number of Social Cohesion and Moral Regeneration programmes, which were largely once-off, hence the decrease in 2019/20. However, as mentioned, further funds were reprioritised in the 2019/20 Adjusted Appropriation related to the Premier's Inauguration and additional meetings undertaken. The decrease in 2020/21 includes reprioritisation to reduce the department's budget for consultants, which was over provided for. In addition, the category grows slowly thereafter, mainly due to fiscal consolidation and event budget cuts effected against contractors in this category, as mentioned. The category was cut by R8.506 million and R10.577 million in 2020/21 and 2021/22, respectively, with carry-through to 2022/23, with the cut resulting in events being scaled down in number and size.

Transfers and subsidies to: Households caters for payments in respect of staff exit costs and PARMED. The fluctuating trend from 2016/17 to the 2019/20 Revised Estimate is largely attributed to fluctuating leave gratuity payments, as well as the fact that PARMED beneficiary numbers are decreasing from year-to-year due to natural attrition. The increase in the 2019/20 Adjusted Appropriation relates to once-off funding for exit costs, including the former Premier, following the 2019 elections, as well as a retiring DDG, hence the decrease in 2020/21. The department has not budgeted for any exit costs over the MTEF in respect of Programme 1, and will reprioritise in-year, should the need arise.

Machinery and equipment in the 2019/20 Adjusted Appropriation can be ascribed to procurement of furniture and equipment for this programme for eight newly appointed staff within Programme 1.

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

Service delivery measures: Administration

Table 1.13 illustrates service delivery measures pertaining to Programme 1. It is noted that the OTP sector has not yet agreed on standardised service delivery measures. Also note that only a few main measures are reflected below, and the full set of measures is detailed in the department's APP. Note that some measures have changed from the 2019/20 EPRE due to alignment with the new SP and APP.

Table 1.13 : Service delivery measures: Administration

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2019/20	2020/21	2021/22	2022/23
1. Executive Council Support					
1.1 Effective and efficient Provincial Executive Council and key committees administrative support service	<ul style="list-style-type: none"> No. of Provincial Executive Council decision matrix implementation progress reports submitted to the Provincial Executive Council No. of AWG reports submitted to Executive Council Clusters (18 AWGs) 	20	20	20	20
		New	72	72	72
2. Financial Management					
2.1 Annual audit improvement plan	• % of external audit recommendations implemented	100%	100%	100%	100%
2.2 30 day payment	• % of invoices paid within 30 days	90%	100%	100%	100%
3. IGR					
3.1 Technical Premier's forum meetings	• No. of IGR Premier's Technical Co-ordinating forum decision matrices implementation reports	4	4	4	4

8.2 Programme 2: Institutional Development

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

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

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

Tables 1.14 and 1.15 summarise payments and estimates relating to this programme, by sub-programme and economic classification, for the period 2016/17 to 2021/22. This programme is subject to CPI projections cuts to *Compensation of employees*, affecting the Strategic Human Resources sub-programme only, with cuts of R710 000 in 2020/21 and R750 000 in 2021/22, as discussed below.

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2016/17	2017/18	2018/19		2019/20		2020/21	2021/22	2022/23
1. Strategic Human Resources	93 542	84 474	72 188	90 754	81 332	81 332	97 629	102 997	109 295
2. Information Communication Technology (ICT)	74 542	72 623	69 294	87 454	86 392	86 392	93 593	91 427	95 812
3. Legal Services	10 478	15 166	13 568	12 439	12 439	12 439	13 462	14 202	14 883
4. Communication Services	47 626	57 062	56 127	63 699	69 010	69 010	67 507	71 221	74 639
5. Special Programmes	72 039	63 254	98 465	108 019	101 389	101 389	165 341	121 687	127 528
Total	298 227	292 579	309 642	362 365	350 562	350 562	437 532	401 534	422 157

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
Current payments	247 802	262 055	276 315	327 772	343 070	342 992	374 640	395 177	415 497
Compensation of employees	103 207	112 769	125 695	150 920	137 385	137 385	163 453	172 443	182 077
Goods and services	144 595	149 286	150 620	176 852	205 685	205 607	211 187	222 734	233 420
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	33 350	24 959	22 672	22 282	453	487	50 069	73	76
Provinces and municipalities	136	80	175	63	86	93	66	70	73
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	27	-	-	-	-	-	50 000	-	-
Households	33 187	24 879	22 497	22 219	367	394	3	3	3
Payments for capital assets	17 074	5 564	10 496	12 311	6 868	6 898	12 823	6 284	6 584
Buildings and other fixed structures	10 905	333	2 854	8 293	2 361	2 361	8 650	1 817	1 904
Machinery and equipment	6 169	5 231	7 642	4 018	4 507	4 537	4 173	4 467	4 680
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	1	1	159	-	171	185	-	-	-
Total	298 227	292 579	309 642	362 365	350 562	350 562	437 532	401 534	422 157

The Strategic Human Resources sub-programme facilitates, co-ordinates, monitors and promotes strategic human resources and development within provincial government, as well as internally within the OTP. This sub-programme includes the Training Academy. The high spending in 2016/17 was largely due to the once-off payment for the feasibility study and the preparation of plans in respect of the Training Academy, as mentioned. This accounts for the decrease in 2017/18. The decrease in the 2019/20 Adjusted Appropriation is mainly attributed to reprioritisation to the sub-programme: ICT for in-year pressures related to software licence fees and Communication Services for spending pressures. Growth in 2020/21 is higher than inflation in line with the anticipated filling of five posts. Note that the sub-programme is cut by R710 000, with carry-through to 2021/22 only, attributed to the previously mentioned budget cuts relating to CPI projections in respect of *Compensation of employees*. This is the only sub-programme affected by these cuts as it comprises the bulk of *Compensation of employees* in Programme 2. There is no impact on service delivery as this is adjusting for a lower forecast CPI. Growth over the two outer years of the MTEF is inflationary only.

The ICT sub-programme co-ordinates provincial government ICT policy and renders internal ICT support and auxiliary services to the department. The decrease in 2017/18 relates to once-off costs for advertising and SITA services in 2016/17. The increase in the 2019/20 Main Appropriation was due to once-off funding for the roof repairs at the Moses Mabhida building, as well as reprioritisation for IT upgrades across the department. The decrease in the 2019/20 Adjusted Appropriation is largely due to the suspension of the funding for the Moses Mabhida roof repairs to 2020/21, mitigated by additional funds being reprioritised for SITA licence fees that were not fully budgeted for. The growth in 2020/21 includes once-off funding for the Moses Mabhida roof repairs, as well as reprioritisation for IT upgrades for the whole department, which are centralised under this sub-programme. These once-off allocations account for the negative growth in 2021/22. Growth in the outer year of the MTEF is inflationary only.

The Legal Services sub-programme provides comprehensive and professional internal legal support services to OTP and provides inter-departmental, transversal state law advisory services to departments. The once-off increase in 2017/18 was due to the internal reprioritisation of funds for transversal legal investigations regarding confidential legal matters related to HODs and disciplinary hearings, hence the negative growth in 2018/19. The negative growth in 2018/19 was mitigated to some extent by a once-off provision for back-pay for a salary upgrade, as well as resettlement costs (ex-Ulundi staff), accounting for the negative growth in 2019/20. The growth in 2020/21 includes a provision to fill one vacant post. The growth in the outer years of the MTEF is inflationary only.

The Communication Services sub-programme provides integrated and co-ordinated government communication services in the province, as well as internally within OTP. The sub-programme is responsible for the creation of a vibrant dialogue between OTP and the community by promoting a citizenship with positive moral values and enhancing synergy with other departments in service delivery. The high growth in 2017/18 was due to internal reprioritisation undertaken for the transversal

communication strategy for KZN. This strategy changed the provincial government communication environment from a one-way communication approach and introduced an effective, targeted and impactful communication to the province's citizens. The lower spending in 2018/19 relates to reprioritisation from savings in advertising, as well as transport and subsistence costs, to the IGR sub-programme for pressures in the Social Cohesion and Moral Regeneration programmes, and this accounts for the high growth in the 2019/20 Main Appropriation. Funds were reprioritised from the Strategic Human Resources sub-programme in the 2019/20 Adjusted Appropriation for the filling of vacant posts and spending pressures for the unit. The negative growth in 2020/21 is due to staff related to the previous administration, redeployed to other programmes and sub-programmes in 2020/21. Growth is inflationary only over the remainder of the MTEF and this sub-programme will continue to co-ordinate various communication publications, campaigns and strategies, such as Simama, Anti-Rape, Anti-Xenophobia, Human Rights Day, Youth Day, Heritage Day, etc. This sub-programme also administers the Communication Forum which meets bi-annually and includes all departments.

The Special Programmes sub-programme includes the Integrity Management unit, the Office of the Ombudsperson and Democracy Support Services. Integrity Management aims to mitigate and eliminate incidences of unethical conduct by government officials with a view to improving good governance. Democracy Support Services ensures that government translates its constitutional, political and global commitments into measurable and meaningful programmes on gender, disability, children, as well as senior citizens and other vulnerable groups. The significant increase in 2018/19 relates to the movement of the Youth Development function to this sub-programme from Programme 3, and the historical data could not be restated as records were not kept at this level. The significant decrease in the 2019/20 Adjusted Appropriation relates to funds reprioritised to the Communication Services (Programme 2) and Executive Council Support (Programme 1) sub-programmes, as well as Special Projects (IGR sub-programme in Programme 1) as there were spending pressures for these units, as mentioned. The high growth in 2020/21 is due to the once-off allocation of the second tranche of R50 million for the KZN Youth Empowerment Fund, accounting for the negative growth in 2021/22. As mentioned, the first tranche of R50 million was transferred to the KZNGFT in 2018/19 but, as per an Auditor-General ruling, treated as an advance, thus not visible in Tables 1.14 and 1.15. Growth in the outer year of the MTEF is inflationary only.

The sustained growth in *Compensation of employees* from 2017/18 to 2019/20 relates to the staggered filling of prioritised critical posts, as mentioned. The decrease in the 2019/20 Adjusted Appropriation is mainly attributed to funded vacant posts not filled. The high growth in 2020/21 is a provision for the filling of six posts. This is mitigated slightly by a cut of R710 000, with carry-through to 2021/22 only, attributed to the previously mentioned budget cuts for CPI projections related to *Compensation of employees*, with no impact on service delivery as this is adjusting for a lower forecast CPI. The category shows inflationary growth thereafter over the remaining years of the MTEF.

Goods and services reflects an increase in the 2019/20 Adjusted Appropriation as a result of spending pressures for the Social Cohesion and Moral Regeneration programmes, as mentioned. As some of these pressures are once-off, there is low growth in 2020/21, with inflationary growth thereafter. *Goods and services* in this programme also provides for costs for communication and hosting of service delivery events and campaigns, such as Anti-Rape campaign, Human Rights Day, Heritage Day, etc.

Transfers and subsidies to: Provinces and municipalities over the MTEF caters for motor vehicle licence fees, centralised for the department in this programme.

Transfers and subsidies to: Non-profit institutions in 2016/17 catered for a sponsorship to the KZN Law Society for a function to honour the appointment of members of the judiciary. As mentioned, R50 million has been allocated to the KZN Youth Empowerment Fund in 2020/21. The first tranche was transferred in 2018/19 but, as per a ruling by the Auditor-General, this was classified as an advance and is thus not shown in the historical spending at this stage, as the department is still in discussion with Provincial Treasury with regard to the accounting treatment for the advance.

The amounts against *Transfers and subsidies to: Households* provides for the external bursary budget of the OTP. The high spending in 2016/17 relates to reprioritisation to this category of R14 million with carry-through for bursaries in response to the "fees must fall" movement by students countrywide. In 2018/19, this category was reduced by R5 million, with carry-through, to cater for operational costs for the Youth Development function. The decrease in the 2019/20 Adjusted Appropriation is attributed to the

bursary funding shifted to *Goods and services*, related to the appointment of a contractor to manage external bursaries, offset marginally by reprioritisation for under-funded staff exit costs. The department currently supports just over 400 students. There is only a minimal provision for staff exit costs over the 2020/21 MTEF and the department will reprioritise in-year, should the need arise.

Buildings and other fixed structures largely pertains to the renovations at OTP's administrative buildings. The high spending in 2016/17 relates to a payment for the feasibility study and the preparation of plans in respect of the Training Academy. The increase in 2018/19 relates to a roll-over for the Terry Street parking project. The increase in the 2019/20 Main Appropriation relates to once-off funding for the Moses Mabhida building roof repairs. These funds were suspended in the 2019/20 Adjusted Appropriation and reallocated in 2020/21, accounting for the peak in 2020/21.

Machinery and equipment decreases in 2017/18 mainly due to the carry-through of previously mentioned fiscal consolidation cuts. The increase in the 2019/20 Adjusted Appropriation was related to the purchase of furniture, laptops, etc. for the appointment of new staff. There is inflationary growth over the MTEF.

The department wrote off various losses against *Payments for financial assets* from 2016/17 to 2019/20.

Service delivery measures: Institutional Development

Table 1.16 illustrates service delivery measures pertaining to Programme 2. The service delivery outputs were revised and streamlined in terms of the re-alignment and re-focus to fall in line with the PGDP. Note that only a few main measures are reflected, and the full set of measures is detailed in the APP. Note that some measures have changed from the 2019/20 EPRE due to alignment with the new SP and APP.

Table 1.16 : Service delivery measures: Institutional Development

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2019/20	2020/21	2021/22	2022/23
1. Strategic Human Resources					
1.1 Technical human resource management policy support services	• No. of reports on Technical HR support services on KZN HR policy matters	4	4	4	4
1.2 Public Service training sessions	• No. of training sessions	100	160	180	200
2. Legal Services					
2.1 Appropriate and constitutionally compliant provincial legislation	• No. of quarterly reports on Provincial Legislative programme	4	4	4	4
3. Communication Services					
3.1 Annual departmental communication plan	• No. of articles on the PGDP published in the print media targeting external audiences	8	8	8	8
4. Special Programmes					
4.1 Ethics and Integrity campaign (I Do Right)	• No. of ethics workshops	4	4	4	4
4.2 Annual performance plans for each human rights target group	• No. of updated 5-year strategic plans for each target group: 1 x gender; 1 x disability; 1 x children; and 1 x senior citizens	1 per group, 4 total	1 per group, 4 total	1 per group, 4 total	1 per group, 4 total
4.3 Ombudsperson co-ordination	• No. of OTP Ombudsperson reports	2	4	4	4

8.3 Programme 3: Policy and Governance

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

- To capacitate the provincial government and administration on governance and public policy management.
- To manage and co-ordinate strategic projects as mandated by the Premier and the Provincial Executive Council.
- To ensure a co-ordinated approach with respect to provincial policy management.

- To co-ordinate a comprehensive response to the socio-economic impact of HIV and AIDS.
- To ensure successful implementation of priority socio-economic programmes and projects in KZN.
- To ensure the effectiveness of policy, planning and programme interventions through evaluation of strategic policy outcomes.
- To design and utilise a functional monitoring and evaluation system for the provincial government and administration and local government.
- To provide support services to His Majesty, the King, and facilitate the smooth functioning of ZRHT.

This programme does not fully conform to the generic structure of the sector because it includes the Royal Household sub-programme (unique to KZN) and should also include the Special Programmes sub-programme, which the department has placed under Programme 2. Approval was obtained from National Treasury for the deviation.

In the 2018/19 MTEF, the Youth Development function moved from Programme 3 to Programme 2. The department was unable to provide prior year comparatives for this adjustment across sub-programmes due to financial records not being kept at this level.

Tables 1.17 and 1.18 provide a summary of payments and estimates by sub-programme and economic classification for the period 2016/17 to 2022/23. This programme is subject to fiscal consolidation, PES formula cuts, CPI projections cuts to *Compensation of employees*, as well as events budget cuts, affecting the Provincial Policy Management and the Premier's Priority Programmes sub-programmes only, with R710 000 cut in 2020/21 and R7.929 million cut in 2021/22, as discussed below.

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
1. Provincial Policy Management	40 746	42 375	39 026	54 928	48 219	48 219	57 575	58 745	62 919
2. Premier's Priority Programmes	100 179	119 555	115 633	91 855	99 979	99 979	97 616	97 800	98 901
3. Royal Household	73 334	72 168	68 863	66 719	71 786	71 786	71 344	75 266	78 877
Total	214 259	234 098	223 522	213 502	219 984	219 984	226 535	231 811	240 697
Unauth. Exp. (1st charge) not available for spending	(2 194)	-	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	212 065	234 098	223 522	213 502	219 984	219 984	226 535	231 811	240 697

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
Current payments	176 341	206 567	202 085	187 284	190 052	189 396	198 875	202 631	210 115
Compensation of employees	81 057	91 225	88 244	89 603	83 090	82 434	95 820	101 094	107 305
Goods and services	95 284	115 342	113 841	97 681	106 962	106 962	103 055	101 537	102 810
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	23 186	20 193	19 169	19 086	19 199	19 855	20 136	21 243	22 263
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	22 977	19 869	18 040	19 086	19 086	19 086	20 136	21 243	22 263
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	209	324	1 129	-	113	769	-	-	-
Payments for capital assets	12 493	7 252	2 264	7 132	10 732	10 732	7 524	7 937	8 319
Buildings and other fixed structures	5 918	1 377	1 560	1 503	5 503	5 503	2 350	2 505	2 625
Machinery and equipment	6 575	5 875	704	5 629	5 229	5 229	5 174	5 432	5 694
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	2 239	86	4	-	1	1	-	-	-
Total	214 259	234 098	223 522	213 502	219 984	219 984	226 535	231 811	240 697
Unauth. Exp. (1st charge) not available for spending	(2 194)	-	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	212 065	234 098	223 522	213 502	219 984	219 984	226 535	231 811	240 697

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

The Provincial Policy Management sub-programme provides for strategic planning, research co-ordination, and monitoring and evaluation. The PPC resides in this sub-programme. The increase in the 2019/20 Main Appropriation was due to the planned appointment of staff, as well as increased computer costs for the Nerve Centre. The decrease in the 2019/20 Adjusted Appropriation relates to reprioritisation from *Compensation of employees* due to slow filling of posts to the sub-programme: Premier's Priority Programmes for pressures related to the Social Cohesion and Moral Regeneration programmes, accounting for the high growth in 2020/21. The department implemented CPI projection cuts of R710 000 in 2020/21 and R745 000 in 2021/22 against *Compensation of employees*, with no impact on service delivery, as this is adjusting for a lower forecast CPI. Growth is low in 2021/22 due to fiscal consolidation, PES and events cuts of R2 million, with carry-through to 2022/23, against this sub-programme and *Goods and services* (computer services). The impact of the cuts will be minimal as computer services was over-budgeted for. Growth in the outer year is inflationary only. The MTEF caters for the annual Citizen Satisfaction survey, PGDS and PGDP reviews undertaken every two years, support to AWG 17, provincial and internal QPR and APP reviews, etc.

The sub-programme: Premier's Priority Programmes promotes the culture of engagement by co-ordinating stakeholder participation, priority programmes incorporating Veterans' Support, HIV and AIDS, OSS, the co-ordination of the Inkululeko Development projects (phases 2 and 3) in uMzinyathi and uThukela, as well as PEMP co-ordination. The funding for the Inkululeko Development phase 1 (Ndumo) ended in 2018/19. The funding for the PEMP co-ordination function also ended in 2018/19, hence the negative growth in the 2019/20 Main Appropriation. The increase in the Adjusted Appropriation relates to funding reprioritised from the Provincial Policy Management sub-programme for in-year pressures related to the Social Cohesion and Moral Regeneration programmes. Furthermore, an additional R2.900 million was received for the launch of the DDM. The Social Cohesion and Moral Regeneration programmes spent significantly more in 2019/20, to address the recommendations of the Moerane Commission of Inquiry *via* once-off events to address tolerance among communities. While there are some carry-through costs, these are expected to be significantly less going forward, hence the decrease in 2020/21. This will be reviewed in-year, should circumstances require it. The sub-programme is subject to fiscal consolidation, PES and events cuts of R5.184 million in 2021/22, with carry-through. The cuts are against *Goods and services*, split between business advisory services: consultants (R2.684 million) and contractors (R2.500 million). The impact of the cuts will be a reduced number and reduced scale of Social Cohesion and Moral Regeneration programme events. With regard to consultants, there will be a minimal impact as this item was over-budgeted for. Growth over the two outer years is low due to the various fiscal consolidation cuts.

The sub-programme: Royal Household provides support services to His Majesty, the King and the Royal Household. As mentioned, the former DRH had a first charge that had to be honoured up to 2016/17. The increase in the Adjusted Appropriation is for the filling of posts, as well as the once-off allocation from COGTA for infrastructure work with regard to His Majesty, the King's Palaces, hence the slight decrease in 2020/21. There were no budget cuts implemented against this sub-programme and growth over the remaining years of the MTEF is inflationary. The 2020/21 MTEF provides for inflationary increases in the transfer to the ZRHT, as well as for His Majesty, the King's ceremonies such as *Umkhosi Womhlanga* (Reed Dance), *Umkhosi Wamaganu* (annual Amarula Festival), *Umkhosi Woselwa* (Thanksgiving), homecoming of *Abakhwetha*, various operational costs of the unit, and renovations to the Royal Palaces.

The low growth in *Compensation of employees* in the 2019/20 Main Appropriation is mainly due to the transfer of approximately 14 officials of the Youth Development function to Programme 2 from 2019/20, with historical figure unable to be restated. The category decreases in the 2019/20 Adjusted Appropriation due to vacant posts, with reprioritisation to *Goods and services* for pressures related to the Social Cohesion and Moral Regeneration programmes. The higher growth in 2020/21 caters for the filling of one post, mitigated to a minor extent by the previously mentioned cuts of R710 000 and R745 000 for CPI projections, with inflationary growth thereafter over the remaining years of the MTEF.

Goods and services included funding for the PPC, OSS, Diakonia Council of Churches, as well as various events. The increase in 2017/18 was due to events held in that year, including a number of Social Cohesion and Moral Regeneration programmes, as well as Royal Household events, as mentioned. The increase in the 2019/20 Adjusted Appropriation relates to reprioritisation to address pressures in

Programme 3 in the Social Cohesion and Moral Regeneration programmes, as mentioned. While there are some carry-through costs, these are expected to be significantly less going forward, hence the decrease in 2020/21. There is a further decrease in 2021/22 due to fiscal consolidation, PES and events cuts of R5.184 million in 2021/22, with carry-through, resulting in low growth in 2022/23. As mentioned, these cuts affect computer services, contractors (events) and consultants.

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

Transfers and subsidies to: Households provides for staff exit costs. These have not been provided for over the 2020/21 MTEF, and this will be reviewed in-year if necessary.

Buildings and other fixed structures caters for the upgrading and rehabilitation of the Royal Palaces. An amount of R1.313 million was rolled over from 2016/17 and relates to the roll-over of R8 million from 2015/16 to 2016/17, which could not be entirely spent in 2016/17 as a result of delays that were experienced with renovations at KwaKhangela Palace. The projects included roof waterproofing at KwaKhangela Palace, the children's houses, *gogos'* hut and servants' quarters. The increase in the 2019/20 Adjusted Appropriation is due to a once-off allocation of R4 million from COGTA for infrastructure work with regard to His Majesty, the King's Palaces, accounting for the decrease in 2020/21. The MTEF provides for upgrading the Palaces at Enyokeni, KwaKhangela and Dlamahlahla.

The amounts against *Machinery and equipment* mainly relate to the purchase of departmental vehicles, office furniture and computer equipment for newly appointed and replacement staff. The funding over the 2020/21 MTEF provides for office furniture, computers, as well as vehicles. The replacement of the Queens' vehicles is not currently provided for in OTP's budget over the 2020/21 MTEF.

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

Service delivery measures: Policy and Governance

Table 1.19 provides information on the service delivery measures pertaining to Programme 3. It is noted that the OTP sector has not yet agreed on standardised service delivery measures. Note that only a few main measures are reflected, and the full set of measures is detailed in the department's APP. Note also that some measures have changed from the 2019/20 *EPRE* due to alignment with the new SP and APP.

Table 1.19 : Service delivery measures: Policy and Governance

Table 10: Service delivery measures: Policy and Governance						
Outputs		Performance indicators	Estimated performance	Medium-term targets		
			2019/20	2020/21	2021/22	2022/23
1. Premier's Priority Programmes						
1.1	Improved co-ordination, integration and efficiency in government	<ul style="list-style-type: none">PGDS reviewed	Annual review of PGDP and Situational Analysis update	1	Annual review of PGDP	Annual review of PGDP
1.2	Co-ordination of the implementation of the Moral Regeneration Movement (MRM)	<ul style="list-style-type: none">No. of MRM co-ordination reports	4	4	4	4
1.3	Strategic partnership forums	<ul style="list-style-type: none">No. of forum meetings with each sector 1 x NGO, 1 x Business, Labour and Academics 1x Traditional Authority, 1 x Religious sector	4	4	4	4
2. King's Support and Royal Household						
2.1	Entity Oversight: KZN Zulu Royal House Trust quarterly monitoring reports	<ul style="list-style-type: none">No. of KZN Zulu Royal House Trust quarterly monitoring reports	4	4	4	4

9. Other programme information

9.1 Personnel numbers and costs

Table 1.20 reflects personnel estimates for the OTP, per programme.

National Treasury changed the groupings of the salary levels 1 – 6 to 1 – 7 and 7 – 10 to 8 – 10, but did not amend the formula in the *EPRE* tables. The department was able to change the costs of the levels but not the number of personnel. As such, the number of personnel remains unchanged for previous years as in the 2019/20 *EPRE*, while the costs have changed taking into account the change in the grouping levels.

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

	Audited Outcome						Revised Estimate				Medium-term Expenditure Estimates						Average annual growth over MTEF 2019/20 - 2022/23		
	2016/17		2017/18		2018/19		2019/20				2020/21		2021/22		2022/23		Pers. growth rate	Costs growth rate	% Costs of Total
	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Filled posts	Add. posts	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs			
R thousands																			
Salary level																			
1 – 7	210	24 194	211	30 511	194	43 348	203	-	203	45 958	204	48 347	204	51 006	204	54 066	-	5.6%	14.3%
8 – 10	211	83 798	213	88 067	212	88 058	216	-	216	93 725	231	110 867	231	116 965	231	123 627	2.3%	9.7%	31.6%
11 – 12	77	65 779	85	67 721	76	66 778	79	-	79	71 480	88	83 844	88	88 455	88	93 762	-	9.5%	23.9%
13 – 16	65	66 342	66	72 713	64	74 941	67	-	67	80 656	69	93 881	69	99 047	69	104 990	-	9.2%	26.9%
Other	44	8 534	51	9 754	3	7 837	3	30	33	8 624	33	12 449	33	13 162	33	13 952	-	17.4%	3.4%
Total	607	248 647	626	268 766	549	280 962	568	30	598	300 443	625	349 388	625	368 635	625	390 397	1.5%	9.1%	100.0%
Programme																			
1. Administration	83	64 383	90	64 772	81	67 023	99	-	99	80 624	119	90 115	119	95 098	119	101 015	6.3%	7.8%	26.1%
2. Institutional Development	290	103 207	300	112 769	242	125 695	240	30	270	137 385	276	163 453	276	172 443	276	182 078	0.7%	9.8%	46.4%
3. Policy and Governance	234	81 057	236	91 225	226	88 244	229	-	229	82 434	230	95 820	230	101 094	230	107 305	-	9.2%	27.5%
Total	607	248 647	626	268 766	549	280 962	568	30	598	300 443	625	349 388	625	368 635	625	390 397	1.5%	9.1%	100.0%
Employee dispensation classification																			
PSA appointees not covered by OSDs	551	230 619	562	248 948	535	261 116	554	-	554	280 531	581	324 691	581	342 551	581	362 743	1.6%	8.9%	93.0%
Legal professionals	12	9 494	13	10 064	11	12 009	11	-	11	11 288	11	12 248	11	12 922	11	13 703	-	6.7%	3.6%
Others, e.g. interns, learnerships, etc	44	8 534	51	9 754	3	7 837	3	30	33	8 624	33	12 449	33	13 162	33	13 952	-	-	-
Total	607	248 647	626	268 766	549	280 962	568	30	598	300 443	625	349 388	625	368 635	625	390 397	1.5%	9.1%	100.0%

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

As mentioned, the department is projecting to fill 27 prioritised posts in 2020/21, but will not fully implement the entire organisational structure over the MTEF due to budget constraints. The strong growth in personnel numbers and costs in 2020/21 is in line with the planned filling of posts. Posts will be filled in a staggered approach should funding become available. *Compensation of employees* was reduced by R2.130 million in 2020/21 and R2.245 million in 2021/22, related to lowering the CPI projections influencing the growth in *Compensation of employees*, where the CPI rate was previously set at 5.5 per cent but was lowered to 4.8 per cent. The cut is effected equally against *Compensation of employees* in all three programmes, with no impact on service delivery as this is adjusting for a lower forecast CPI.

9.2 Training

Table 1.21 reflects payments and estimates on training per programme, providing actual and estimated expenditure on training for the period 2016/17 to 2022/23. The department is required by the Skills Development Act to budget at least 1 per cent of its salary expense for staff training. The department will exceed this target with an average of 2 per cent set aside over the MTEF. The increase in the 2019/20 Adjusted Appropriation relates to bursary costs shifted to *Goods and services* following the appointment of a service provider for the disbursement of external bursaries. The historic information was not restated.

Table 1.21 : Information on training: Office of the Premier

	Audited Outcome			Main Appropriation	Adjusted appropriation	Revised Estimate	Medium-term Estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
R thousand									
Number of staff	607	626	549	602	598	598	625	625	625
Number of personnel trained	214	157	373	335	373	335	350	350	350
of which									
Male	73	42	130	85	130	85	85	85	85
Female	141	115	243	250	243	250	265	265	265
Number of training opportunities	18	307	442	459	442	459	479	484	489
of which									
Tertiary	-	283	373	390	373	390	410	415	420
Workshops	13	17	50	50	50	50	50	50	50
Seminars	5	7	19	19	19	19	19	19	19
Other	-	-	-	-	-	-	-	-	-
Number of bursaries offered	14	15	10	20	10	20	21	21	21
Number of interns appointed	43	47	45	53	45	53	56	56	56
Number of learnerships appointed	-	-	-	-	-	-	-	-	-
Number of days spent on training	-	-	-	-	-	-	-	-	-
Payments on training by programme									
1. Administration	12	-	17	172	82	17	120	120	126
2. Institutional Development	3 693	3 956	3 047	9 625	29 655	28 999	31 857	33 500	35 108
3. Policy and Governance	198	32	-	330	257	173	205	185	193
Total	3 903	3 988	3 064	10 127	29 994	29 189	32 182	33 805	35 427

ANNEXURE – VOTE 1: OFFICE OF THE PREMIER

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	191	175	175	288	288	199	304	321	337
Sale of goods and services produced by department (excluding capital assets)	156	175	175	288	288	199	304	321	337
Sale by market establishments	11	11	11	13	13	13	14	15	16
Administrative fees	-	-	-	-	-	-	-	-	-
Other sales	145	164	164	275	275	186	290	306	321
Of which									
Commission	140	156	164	150	150	150	155	160	168
Tender documents	5	8	-	-	-	-	-	-	-
Sale of scrap, waste, arms and other used current goods (excluding capital assets)	35	-	-	-	-	-	-	-	-
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	8	30	11	1	1	23	1	1	1
Interest	8	30	11	1	1	23	1	1	1
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	1 368	840	840	840	966	1 019	1 068
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	-	-	1 368	840	840	840	966	1 019	1 068
Transactions in financial assets and liabilities	267	955	500	47	47	571	50	53	56
Total	466	1 160	2 054	1 176	1 176	1 633	1 321	1 394	1 462

Estimates of Provincial Revenue and Expenditure

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Current payments	519 106	574 867	634 252	650 084	670 804	670 070	706 788	736 836	771 887
Compensation of employees	248 647	268 766	280 962	326 671	301 099	300 443	349 388	368 635	390 397
Salaries and wages	221 519	239 311	249 058	293 626	267 643	266 814	308 878	319 567	338 974
Social contributions	27 128	29 455	31 904	33 045	33 456	33 629	40 510	49 068	51 423
Goods and services	270 459	306 101	353 290	323 413	369 705	369 627	357 400	368 201	381 490
Administrative fees	2 351	3 957	5 724	4 515	4 745	4 919	6 677	5 954	6 237
Advertising	46 993	29 119	26 942	52 700	53 015	41 940	56 284	58 332	61 131
Minor assets	2 650	1 241	1 710	8 973	6 494	2 734	3 478	3 794	3 974
Audit cost: External	3 547	4 512	4 419	4 700	5 256	5 256	4 500	4 780	5 009
Bursaries: Employees	233	240	456	805	805	1 280	802	837	877
Catering: Departmental activities	16 242	11 829	6 849	8 527	8 661	6 336	5 142	7 600	7 964
Communication (G&S)	9 055	10 038	10 680	10 978	11 132	12 610	12 611	13 848	14 512
Computer services	28 727	31 112	26 007	38 574	40 024	36 171	47 172	47 200	49 466
Cons. and prof. serv.: Bus. and advisory services	16 519	12 774	25 362	20 328	20 305	24 331	10 634	8 782	7 407
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	4 401	4 515	613	641	641	643	450	472	495
Contractors	36 398	100 118	138 722	56 054	84 757	100 870	72 903	70 324	71 122
Agency and support / outsourced services	3 257	323	284	700	450	141	765	800	838
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including govt. motor transport)	7 895	8 927	9 299	6 770	7 711	8 249	8 317	9 394	9 844
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	15	24	8	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Chemicals, fuel, oil, gas, wood and coal	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	2 653	3 774	2 917	3 155	3 621	2 923	3 253	3 845	4 028
Consumable: Stationery, printing and office supplies	6 877	5 096	6 485	9 403	9 184	6 194	9 691	10 460	10 962
Operating leases	11 659	11 956	12 217	18 037	18 992	18 915	19 567	21 086	22 098
Property payments	14 105	13 550	16 925	11 540	15 769	17 094	10 672	11 605	12 163
Transport provided: Departmental activity	9 016	5 607	3 959	9 030	5 154	6 055	5 932	8 140	8 530
Travel and subsistence	25 403	36 290	38 972	38 605	36 621	39 380	42 274	42 916	44 978
Training and development	3 903	3 988	3 064	10 127	29 994	29 189	32 182	33 805	35 427
Operating payments	906	485	5 580	293	1 129	990	354	356	372
Venues and facilities	17 669	6 650	6 104	8 943	5 221	3 399	3 740	3 871	4 056
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	59 022	46 176	43 131	42 616	23 481	24 171	71 522	22 705	23 795
Provinces and municipalities	136	80	175	63	86	93	66	70	73
Provinces	136	80	175	63	86	93	66	70	73
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	136	80	175	63	86	93	66	70	73
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	22 977	19 869	18 040	19 086	19 086	19 086	20 136	21 243	22 263
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	22 977	19 869	18 040	19 086	19 086	19 086	20 136	21 243	22 263
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	27	-	-	-	-	-	50 000	-	-
Households	35 882	26 227	24 916	23 467	4 309	4 992	1 320	1 392	1 459
Social benefits	2 207	378	3 070	1 251	4 304	4 987	1 320	1 392	1 459
Other transfers to households	33 675	25 849	21 846	22 216	5	5	-	-	-
Payments for capital assets	31 001	13 354	13 446	21 304	20 515	20 545	21 888	15 847	16 608
Buildings and other fixed structures	16 823	1 710	4 414	9 796	7 864	7 864	11 000	4 322	4 529
Buildings	5 918	1 710	4 414	9 796	7 864	7 864	11 000	4 322	4 529
Other fixed structures	10 905	-	-	-	-	-	-	-	-
Machinery and equipment	14 178	11 644	9 032	11 508	12 651	12 681	10 888	11 525	12 079
Transport equipment	7 359	8 781	6 736	2 961	4 761	4 359	1 456	2 140	2 243
Other machinery and equipment	6 819	2 863	2 296	8 547	7 890	8 322	9 432	9 385	9 836
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	2 240	87	227	-	172	186	-	-	-
Total	611 369	634 484	691 056	714 004	714 972	714 972	800 198	775 388	812 290
Unauth. Exp. (1st charge) not available for spending (2 194)	-	-	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	609 175	634 484	691 056	714 004	714 972	714 972	800 198	775 388	812 290

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Current payments	94 963	106 245	155 852	135 028	137 682	137 682	133 273	139 028	146 275
Compensation of employees	64 383	64 772	67 023	86 148	80 624	80 624	90 115	95 098	101 015
Salaries and wages	57 943	58 266	60 037	77 602	72 305	72 423	81 506	85 704	91 170
Social contributions	6 440	6 506	6 986	8 546	8 319	8 201	8 609	9 394	9 845
Goods and services	30 580	41 473	88 829	48 880	57 058	57 058	43 158	43 930	45 260
Administrative fees	600	1 122	1 410	1 411	1 436	1 609	1 358	1 472	1 542
Advertising	802	30	16	317	162	112	221	226	237
Minor assets	334	169	869	2 131	1 561	1 609	1 115	1 187	1 244
Audit cost: External	3 547	4 512	4 419	4 700	5 256	5 256	4 500	4 780	5 009
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	2 080	1 990	1 874	1 147	1 971	1 861	1 360	1 417	1 485
Communication (G&S)	178	98	145	106	106	124	241	244	256
Computer services	1 600	669	2 791	1 014	1 014	1 014	6 812	6 866	7 196
Cons. and prof. serv.: Bus. and advisory services	1 288	7 043	16 364	13 250	6 227	10 112	1 537	1 645	1 724
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	1 852	37	-	200	200	20	-	-	-
Contractors	4 746	11 152	39 190	5 068	19 645	18 259	7 908	6 810	6 356
Agency and support / outsourced services	76	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including govt. motor transport)	2	-	-	20	21	11	2	3	3
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Chemicals, fuel, oil, gas, wood and coal	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	927	298	171	816	740	509	728	766	803
Consumable: Stationery, printing and office supplies	2 025	1 479	2 116	4 202	3 276	2 172	3 371	3 734	3 914
Operating leases	1 132	1 095	1 221	1 635	1 723	1 273	1 734	1 788	1 874
Property payments	296	206	654	222	1 072	452	420	450	472
Transport provided: Departmental activity	172	-	639	50	-	-	-	-	-
Travel and subsistence	7 581	11 357	13 262	12 191	11 174	11 460	11 571	12 252	12 841
Training and development	12	-	17	172	82	17	120	120	126
Operating payments	122	-	1 533	13	351	300	-	-	-
Venues and facilities	1 208	216	2 138	215	1 041	888	160	170	178
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	2 486	1 024	1 290	1 248	3 829	3 829	1 317	1 389	1 456
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 486	1 024	1 290	1 248	3 829	3 829	1 317	1 389	1 456
Social benefits	1 552	-	1 180	1 248	3 829	3 829	1 317	1 389	1 456
Other transfers to households	934	1 024	110	-	-	-	-	-	-
Payments for capital assets	1 434	538	686	1 861	2 915	2 915	1 541	1 626	1 705
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 434	538	686	1 861	2 915	2 915	1 541	1 626	1 705
Transport equipment	-	-	-	400	400	-	-	-	-
Other machinery and equipment	1 434	538	686	1 461	2 515	2 915	1 541	1 626	1 705
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	64	-	-	-	-	-	-
Total	98 883	107 807	157 892	138 137	144 426	144 426	136 131	142 043	149 436

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Current payments	247 802	262 055	276 315	327 772	343 070	342 992	374 640	395 177	415 497
Compensation of employees	103 207	112 769	125 695	150 920	137 385	137 385	163 453	172 443	182 077
Salaries and wages	90 209	98 646	109 693	133 536	119 914	121 035	144 285	147 383	155 814
Social contributions	12 998	14 123	16 002	17 384	17 471	16 350	19 168	25 060	26 263
Goods and services	144 595	149 286	150 620	176 852	205 685	205 607	211 187	222 734	233 420
Administrative fees	540	886	3 163	1 014	1 021	1 091	799	862	902
Advertising	43 856	28 733	26 925	50 663	50 483	40 434	53 971	55 892	58 574
Minor assets	751	343	378	2 322	2 233	902	1 189	1 172	1 227
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	233	240	456	805	805	1 280	802	817	856
Catering: Departmental activities	4 862	2 121	1 257	5 213	3 723	2 597	1 572	1 723	1 806
Communication (G&S)	8 313	9 766	10 382	10 512	10 673	12 298	11 090	12 324	12 915
Computer services	16 691	18 369	11 026	21 655	24 329	19 507	23 355	24 329	25 497
Cons. and prof. serv.: Bus. and advisory services	5 085	134	531	3 590	3 790	13 317	1 042	1 046	1 096
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	2 549	4 478	613	441	441	623	450	472	495
Contractors	8 362	33 356	33 236	15 124	18 389	23 366	25 309	27 436	28 753
Agency and support / outsourced services	2 385	323	284	700	450	141	465	500	524
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including govt. motor transport)	6 121	7 985	7 713	6 750	6 678	7 008	8 100	8 560	8 970
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	15	24	8	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Chemicals, fuel, oil, gas, wood and coal	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	276	956	1 499	787	1 279	947	1 709	2 042	2 139
Consumable: Stationery, printing and office supplies	2 531	2 626	2 627	2 353	2 960	2 108	4 023	4 401	4 612
Operating leases	9 503	9 923	10 318	15 227	15 594	16 845	16 739	18 164	19 036
Property payments	13 535	13 185	15 357	11 318	14 697	16 642	10 252	11 155	11 691
Transport provided: Departmental activity	3 760	2 007	1 503	3 150	3 150	2 839	1 542	1 750	1 834
Travel and subsistence	6 194	8 788	13 513	13 120	12 069	12 414	15 583	15 239	15 971
Training and development	3 693	3 956	3 047	9 625	29 655	28 999	31 857	33 500	35 108
Operating payments	91	35	3 581	15	487	488	58	60	62
Venues and facilities	5 264	1 076	3 211	2 453	2 755	1 753	1 280	1 290	1 352
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	33 350	24 959	22 672	22 282	453	487	50 069	73	76
Provinces and municipalities	136	80	175	63	86	93	66	70	73
Provinces	136	80	175	63	86	93	66	70	73
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	136	80	175	63	86	93	66	70	73
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	27	-	-	-	-	-	50 000	-	-
Households	33 187	24 879	22 497	22 219	367	394	3	3	3
Social benefits	446	54	761	3	362	389	3	3	3
Other transfers to households	32 741	24 825	21 736	22 216	5	5	-	-	-
Payments for capital assets	17 074	5 564	10 496	12 311	6 868	6 898	12 823	6 284	6 584
Buildings and other fixed structures	10 905	333	2 854	8 293	2 361	2 361	8 650	1 817	1 904
Buildings	-	333	2 854	8 293	2 361	2 361	8 650	1 817	1 904
Other fixed structures	10 905	-	-	-	-	-	-	-	-
Machinery and equipment	6 169	5 231	7 642	4 018	4 507	4 537	4 173	4 467	4 680
Transport equipment	4 318	4 564	6 736	1 755	1 755	1 755	1 070	1 754	1 838
Other machinery and equipment	1 851	667	906	2 263	2 752	2 782	3 103	2 713	2 842
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	1	1	159	-	171	185	-	-	-
Total	298 227	292 579	309 642	362 365	350 562	350 562	437 532	401 534	422 157

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Current payments	176 341	206 567	202 085	187 284	190 052	189 396	198 875	202 631	210 115
Compensation of employees	81 057	91 225	88 244	89 603	83 090	82 434	95 820	101 094	107 305
Salaries and wages	73 367	82 399	79 328	82 488	75 424	73 356	83 087	86 480	91 990
Social contributions	7 690	8 826	8 916	7 115	7 666	9 078	12 733	14 614	15 315
Goods and services	95 284	115 342	113 841	97 681	106 962	106 962	103 055	101 537	102 810
Administrative fees	1 211	1 949	1 151	2 090	2 288	2 219	4 520	3 620	3 793
Advertising	2 335	356	1	1 720	2 370	1 394	2 092	2 214	2 320
Minor assets	1 565	729	463	4 520	2 700	223	1 174	1 435	1 503
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	20	21
Catering: Departmental activities	9 300	7 718	3 718	2 167	2 967	1 878	2 210	4 460	4 673
Communication (G&S)	564	174	153	360	353	188	1 280	1 280	1 341
Computer services	10 436	12 074	12 190	15 905	14 681	15 650	17 005	16 005	16 773
Cons. and prof. serv.: Bus. and advisory services	10 146	5 597	8 467	3 488	10 288	902	8 055	6 091	4 587
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	23 290	55 610	66 296	35 862	46 723	59 245	39 686	36 078	36 013
Agency and support / outsourced services	796	-	-	-	-	-	300	300	314
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including govt. motor transport)	1 772	942	1 586	-	1 012	1 230	215	831	871
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Chemicals, fuel, oil, gas, wood and coal	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	1 450	2 520	1 247	1 552	1 602	1 467	816	1 037	1 086
Consumable: Stationery, printing and office supplies	2 321	991	1 742	2 848	2 948	1 914	2 297	2 325	2 436
Operating leases	1 024	938	678	1 175	1 675	797	1 094	1 134	1 188
Property payments	274	159	914	-	-	-	-	-	-
Transport provided: Departmental activity	5 084	3 600	1 817	5 830	2 004	3 216	4 390	6 390	6 696
Travel and subsistence	11 628	16 145	12 197	13 294	13 378	15 506	15 120	15 425	16 166
Training and development	198	32	-	330	257	173	205	185	193
Operating payments	693	450	466	265	291	202	296	296	310
Venues and facilities	11 197	5 358	755	6 275	1 425	758	2 300	2 411	2 526
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	23 186	20 193	19 169	19 086	19 199	19 855	20 136	21 243	22 263
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	22 977	19 869	18 040	19 086	19 086	19 086	20 136	21 243	22 263
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	22 977	19 869	18 040	19 086	19 086	19 086	20 136	21 243	22 263
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	209	324	1 129	-	113	769	-	-	-
Social benefits	209	324	1 129	-	113	769	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	12 493	7 252	2 264	7 132	10 732	10 732	7 524	7 937	8 319
Buildings and other fixed structures	5 918	1 377	1 560	1 503	5 503	5 503	2 350	2 505	2 625
Buildings	5 918	1 377	1 560	1 503	5 503	5 503	2 350	2 505	2 625
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	6 575	5 875	704	5 629	5 229	5 229	5 174	5 432	5 694
Transport equipment	3 041	4 217	-	806	2 606	2 604	386	386	405
Other machinery and equipment	3 534	1 658	704	4 823	2 623	2 625	4 788	5 046	5 289
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	2 239	86	4	-	1	1	-	-	-
Total	214 259	234 098	223 522	213 502	219 984	219 984	226 535	231 811	240 697
Unauth. Exp. (1st charge) not available for spending	(2 194)	-	-	-	-	-	-	-	-
Baseline available for spending after 1st charge	212 065	234 098	223 522	213 502	219 984	219 984	226 535	231 811	240 697

Table 1.F : Financial summary for Zulu Royal House Trust (ZRHT)

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
R thousand									
Revenue									
Tax revenue	-	-	-	-	-	-	-	-	-
Non-tax revenue	23 186	20 093	18 237	19 292	19 292	19 292	20 346	21 457	22 480
Sale of goods and services other than capital assets	-	-	-	-	-	-	-	-	-
Entity revenue other than sales	209	224	197	206	206	206	210	214	217
Transfers received	22 977	19 869	18 040	19 086	19 086	19 086	20 136	21 243	22 263
Of which:									
OTP	22 977	19 869	18 040	19 086	19 086	19 086	20 136	21 243	22 263
Sale of capital assets	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Other non-tax revenue	-	-	-	-	-	-	-	-	-
Total revenue	23 186	20 093	18 237	19 292	19 292	19 292	20 346	21 457	22 480
Expenses									
Programmes									
1. Administration	6 775	6 529	6 168	6 788	5 068	5 068	5 345	5 637	5 919
2. Operations Management	16 257	14 212	12 153	6 553	11 181	11 181	11 792	12 436	13 008
3. Fund Raising	444	-	-	5 951	3 043	3 043	3 209	3 384	3 553
Total	23 476	20 741	18 322	19 292	19 292	19 292	20 346	21 457	22 480
Economic classification									
Current expenses	23 394	20 727	18 300	19 269	19 269	19 269	20 321	21 428	22 450
Compensation of employees	4 203	4 543	4 275	4 894	4 894	4 894	5 139	5 396	5 666
Goods and services	19 191	16 184	14 025	14 375	14 375	14 375	15 182	16 032	16 784
Interest on rent and land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets*	60	14	22	22	22	22	25	29	30
Payments for financial assets	22	-	-	-	-	-	-	-	-
Total expenses	23 476	20 741	18 322	19 292	19 292	19 292	20 346	21 457	22 480
Surplus / (Deficit)	(290)	(648)	(85)	-	-	-	-	-	-
Adjustments for Surplus / (Deficit)	290	648	85	-	-	-	-	-	-
(Outstanding creditors) / Deficit	290	648	85	-	-	-	-	-	-
Surplus / (Deficit) after adjustments	-	-	-	-	-	-	-	-	-

*Note: Payments for capital assets error has been corrected from 2019/20 EPRE

Table 1.G : Personnel summary for ZRHT

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
Board members									
Personnel cost (R thousand)	83	48	43	77	77	77	82	86	91
Personnel numbers (head count)	7	7	7	7	7	7	7	7	7
Unit cost	12	7	6	11	11	11	12	12	13
Executive management									
Personnel cost (R thousand)	1 083	1 143	702	1 220	1 220	1 220	1 281	1 345	1 412
of which:									
Chief Financial Officer	1 083	1 143	701	1 220	1 220	1 220	1 281	1 345	1 412
Chief Executive Officer	-	-	-	-	-	-	-	-	-
Personnel numbers (head count)	1	1	1	1	1	1	1	1	1
Unit cost	1 083	1 143	702	1 220	1 220	1 220	1 281	1 345	1 412
Senior management									
Personnel cost (R thousand)	890	937	1 000	1 049	1 049	1 049	1 102	1 157	1 215
Personnel numbers (head count)	1	1	1	1	1	1	1	1	1
Unit cost	890	937	1 000	1 049	1 049	1 049	1 102	1 157	1 215
Middle management									
Personnel cost (R thousand)	790	845	913	924	924	924	971	1 019	1 070
Personnel numbers (head count)	1	1	1	1	1	1	1	1	1
Unit cost	790	845	913	924	924	924	971	1 019	1 070
Professionals									
Personnel cost (R thousand)	835	894	964	974	974	974	1 023	1 074	1 128
Personnel numbers (head count)	2	2	2	2	2	2	2	2	2
Unit cost	418	447	482	487	487	487	511	537	564
Semi-skilled									
Personnel cost (R thousand)	521	635	598	627	627	627	658	691	726
Personnel numbers (head count)	3	3	3	3	3	3	3	3	3
Unit cost	174	212	199	209	209	209	219	230	242
Very low skilled									
Personnel cost (R thousand)	84	90	97	100	100	100	105	110	115
Personnel numbers (head count)	1	1	1	1	1	1	1	1	1
Unit cost	84	90	97	100	100	100	105	110	115
Total for entity									
Personnel cost (R thousand)*	4 286	4 591	4 318	4 971	4 971	4 971	5 221	5 482	5 757
Personnel numbers (head count)	16	16	16	16	16	16	16	16	16
Unit cost	268	287	270	311	311	311	326	343	360

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