

# Vote 3

## Provincial Treasury

	2020/21 To be appropriated	2021/22	2022/23
<b>MTEF allocations</b>	<b>R356 932 000</b>	<b>R379 204 000</b>	<b>R395 534 000</b>
Responsible MEC	Provincial Minister of Finance and Economic Opportunities		
Administering Department	Provincial Treasury		
Accounting Officer	Head of Department and Head Official: Provincial Treasury		

### 1. Overview

#### Vision

A responsive and inclusive Treasury that enables positive change in the lives of citizens.

#### Mission

Promotion of cohesion and citizen centricity.

Building capacity in the public sector by being adaptive, innovative and supportive.

Integrated management and partnerships that enable the delivery of quality services in a sustainable manner.

#### Core functions and responsibilities

The core functions, powers and responsibilities of the Provincial Treasury are captured in section 18 of the PFMA and section 5 of the MFMA. To give effect to the National Strategic Outcomes (NSO) 9 and 12 and Vision Inspired Priority (VIP) 5: Innovation and Culture and in support of the other VIP's, the branches Fiscal and Economic Services and Governance and Asset Management will execute the following core functions and responsibilities:

- Ensure the efficient and effective management of provincial and municipal financial resources;

- Provide policy direction and to facilitate and enforce the management of provincial financial systems, supply chain and moveable asset management within the provincial and municipal spheres; and

- Promote accountability and financial governance within departments, entities and municipalities.

## Main services

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

Internally:

- assist the member of the Provincial Cabinet with those functions as assigned by legislation and/or the Premier;
- provide strategic and operational management support services; and
- assist the Accounting Officer to drive financial management in the Department.

Transversally or Externally:

- research, analyse and advise on the policy, strategy and management of provincial and municipal fiscal resources;
- promote effective financial resource allocation, by providing socio-economic and policy research, analysis and advice that informs the preparation of the provincial and municipal budgets as well as the monitoring of budget implementation and performance;
- compile a credible and sustainable main and adjustments budget, and to guide and monitor the efficient implementation thereof;
- drive the implementation of the MFMA and assist and guide municipalities to prepare budgets and monitor the implementation thereof towards sustainable local government;
- promote the delivery of new and maintenance of existing physical infrastructure;
- render a client interface, data collating, data and information management and records management service to the Provincial Treasury;
- provide policy direction and facilitating the management of supply chain and asset management practices;
- provide for the implementation, management and oversight of provincially operated financial systems and transition to the Integrated Financial Management System (IFMS);
- progressively improve the application of accounting standards and financial reporting within municipalities through training initiatives, technical accounting support and sharing best practice amongst municipalities via various forums;
- drive financial governance reforms, the implementation of accounting practices and prepare consolidated financial statements;
- strengthen corporate governance within the Province through the implementation of risk management, internal audit and compliance within financial norms and standards; and
- actively engage all relevant national forums to be part of the decision making process, allowing PT to be at the forefront of proposed national changes, and to be an effective change agent in the Province.

## **Demands and changes in service**

The Provincial Treasury has thirteen client departments and thirty municipalities along with all public entities and potential and current suppliers. The main focus of Provincial Treasury has been embedding good governance and integrated service delivery. The current economic climate shows slow economic growth and fiscal constraints that has placed significant pressure on the public finances. This coupled with the demand for inclusive growth emphasises the need for embedding good governance across departments and municipalities, and improving the ability to provide stakeholder and investor assurance. In keeping with the National Treasury reform process and the Western Cape Government (WCG) Supply Chain Management (SCM) response strategy evolved over time. The four key performance areas of focus, which is an established approach that will be further matured to respond to provincial and municipal needs, are SCM Governance, SCM Capacitation and training, Strategic procurement and SCM technology. The WCG also recognises that organisations must address the issue of sustainability in their operations through the utilisation of resources to meet the needs of the present without compromising the ability of future generations to meet their own needs. Provincial Treasury is committed to delivering on its mandatory obligations and continuously strive to improve its service and appropriately account to its stakeholders.

## **Acts, rules and regulations**

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

- Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA)
- Local Government Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA)
- Annual Division of Revenue Act
- Annual Division of Revenue Amendment Act
- Government Immovable Asset Management Act, 2007 (Act 19 of 2007)
- Intergovernmental Fiscal Relations Act, 1997 (Act 97 of 1997)
- Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005)
- Public Audit Act, 2004 (Act 25 of 2004) as amended
- Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000)
- Provincial Tax Regulation Process Act, 2001 (Act 53 of 2001)
- Public Service Act, 1994 (Act 103 of 1994) as amended
- Annual Western Cape Appropriation Act
- Annual Western Cape Adjustments Appropriation Act(s)
- Western Cape Direct Charges Act, 2000 (Act 6 of 2000) as amended
- Western Cape Gambling and Racing Act, 1996 (Act 4 of 1996) as amended
- Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act No. 10 of 2009)

## **Budget decisions**

The budget for the Vote increased by R20.876 million from R336.056 million in 2019/20 (revised estimate) to R356.932 million in 2020/21. This equates to an increase of 6.2 per cent.

The 2019/20 budget was used as a basis, after which the following was considered:

Salary increases based on the latest Wage Agreement.

Inflation on goods and services estimated at 4.8 per cent for the 2020/21 financial year, 4.8 per cent for the 2021/22 financial year and 4.7 per cent for the 2022/23 financial year.

A maximum of 0.5 per cent for performance bonuses for levels 1 – 16 in the 2020/21 financial year, with no performance bonuses for the 2021/22 and 2022/23 financial years.

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

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

The Department's planning was informed by national, provincial and municipal priorities and aligns itself with Priority 1: a capable, ethical and developmental state, whilst simultaneously enabling the attainment of all other priorities within the MTSF 2019 – 2024.

The budget provides the resources to execute key projects and activities to achieve the priorities as set out in the Provincial Strategic Plan 2020 - 2025 (PSP), specifically VIP 2: Economy and jobs: An enabling economy, which creates jobs and is demand-led and private sector driven and VIP 5: Innovation for citizen-centric service delivery: The WCG delivers an accessible, innovative, and citizen-centric service to the people of the Western Cape, but also provides transversal support to all the other VIP's.

## **2. Review of the current financial year (2019/20)**

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

### **Research, analysis and planning**

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

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

Published the Provincial Economic Review and Outlook (PERO) in September 2019, which provided the evidence-based research that informed the 2020 Budget process as well as policymakers, departments and municipalities on key economic issues affecting planning and budgeting.

The Western Cape Medium Term Budget Policy Statement (MTBPS), published in November 2019, provided the economic, fiscal and policy context within which the 2020 budget was formulated. The MTBPS outlined the Western Cape Government's fiscal response and illustrated the Budget Policy Priorities, which supports service delivery and the Vision Inspired Priorities of the Western Cape Government over the medium term.

Provided research, advice and analysis on regional and local economies to identify issue and trends affecting local government planning, budget and fiscal policy matters.

Released the Municipal Economic Review and Outlook (MERO) in September 2019 and the Socio-economic Profiles for Local Government (SEP-LG).

### **Budgeting, monitoring and reporting**

Monitored and facilitated the coordination of departmental MTEC processes and the related document flow through a Joint District and Metro Approach.

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

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

Encapsulated the medium term budget policy priorities in the Overview of Provincial Revenue and Expenditure, which supported the delivery of the Western Cape Government's policies, programmes and projects that drives service delivery in the Province.

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

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

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

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

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

### **MFMA implementation**

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

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

Rolled out financial assistance to municipalities to improve overall financial governance within municipalities inclusive of optimising and administration of revenue, improving credibility and responsiveness of municipal budgets, improving of municipal audit outcomes and addressing institutional challenges.

Published and rolled out the framework of the indicative allocations per municipality for every allocation to be made by the provincial departments to municipalities from the Province's own funds and from conditional allocations to the Province as set out in the Schedule and informed by section 30(2)(a) of the Division of Revenue Act.

### **Monitoring of infrastructure delivery and spending**

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

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

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

### **Supply Chain Management assistance and support**

Maintained and enhanced the sustained governance model achieved over time for departments and municipalities. This required extensive assistance and support from the Provincial Treasury to both departments and municipalities during the external audit process, through the strengthening of renewed partnership with our national counterparts.

Focused on an integrated model to improve governance in municipalities for SCM through the strengthening of SCM functions via partnering with the internal control functions within municipalities. For departments the continuation of the monitoring and evaluation process already in place with a key focus on moving from a conformance agenda to a performance one for SCM.

The use of technology, via business intelligence tools and data analysis was strengthened to present SCM performance information to departments to better enable procurement decisions via its quarterly SCM Performance Insights Reports. A pilot of Insight reports for municipalities was concluded for district municipalities.

Continued providing support to supplier on boarding on the central supplier database and provided support to its own Integrated Procurement Solution (IPS). The PT also took in-house the development of an evidence repository for all suppliers by way of the Supplier Evidence Bank (SEB).

Various supplier interventions were held in both the provincial and municipal space to improve supplier performance when they engage in government tender processes but key interventions also were focused on the technology leg and implementation, and continued maintenance of a responsive supplier base through supplier training, roadshows and interventions. Instrumental to this was the Local Economic Development (LED) Indaba that was held to position local economic development via procurement through partnerships with municipalities.

The provision and maintenance of a SCM helpdesk for departments, municipalities, public entities and suppliers played a pivotal role in not only providing support, assistance and guidance, but also allowed

the Provincial Treasury to provide the necessary transparency, access and redress to its clients in respect of procurement issues.

Strategic sourcing and prudent procurement spending initiatives within departments continued to be focused on, with for example managing the calls-offs on the transversal security framework for the Province.

### **Management of Financial Management Systems**

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

Managed and maintained user account security over all transversal financial systems as well as provided training services to promote the correct and optimal utilisation of systems, to all provincial departments. In addition, measures were put in place to improve the validity and veracity of systems data.

### **Governance**

Strengthened department's ability to intensify the delivery of services to achieve maximum impact, and continuously looked at the applicable financial laws, its veracity, related regulations and the municipal standard chart of accounts whilst also ensuring the completeness of record keeping of all transactions as required by Generally Recognised Accounting Practices (GRAP).

Engaged the Auditor-General South Africa (AGSA) strategically on managing the cost of audits, but more importantly, from a well-managed province evidenced by recurring and sustainable audit outcomes, what more can be done in the province to not compromise on service delivery, and reaching a balance between compliance and service delivery initiatives.

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

Monitored and reported quarterly on the departmental Corporate Governance Review and Outlook (CGRO) governance action plans to enable the improvement in financial management, and edged closer to the finalisation of a specific committee within Treasury to deal with the condonation of irregular expenditure.

Coordinated the Technical Integrated Municipal Engagements (TIME) and progressively spearheaded the financial maturity criteria across various disciplines to achieve higher levels of governance. Monitored the actions committed to by Provincial Treasury on a monthly basis to ensure that our actions were put into practice. The birth of the Joint District and Metro Approach provided us with an additional platform to support municipalities, with a focused and bespoke agenda, but also allowed us to consolidate the various engagements that we have with municipalities.

Developed, and spearheaded, norms and standards and compliance with legislation, and further entrenched capacity building specifically, in the municipal space. Ensured the further rolling out of the regulations around misconduct of municipal officials, and sat on disciplinary boards granted the internal capacity was available.

The year also saw the publication and implementation of cost containment regulations in the MFMA space; this required several workshops and circulars that further served as guidance to municipalities. It is

evident that much more stringent rules are being applied to contain the economic downturn, and the National Treasury is providing smaller and smaller margins within which to apply judgement.

The MFMA space saw circulars being issued that requires age-old practices to be revisited to ensure a strict interpretation of laws, sometimes having unintended consequences.

### **Training and capacitation**

Successfully hosted several meetings, workshops and training initiatives including Municipal Standard Chart of Account (mSCOA), Management Accountant Forums, SCM Forum and CFO Lekgotla's as part of strengthening the financial governance and management within departments and municipalities.

Training and support interventions for both departments and public entities focussed on better and improved procurement planning for departments and contract and data analysis for municipalities. The SCM fora was also used to build capacity for both departments and municipalities.

Provincial Treasury hosted several workshops including the Mayoral Committee (Mayco) Members of finance, (which is in its fourth consecutive year running), the public-sector track of the annual internal audit conference, and the many forums hosted by the programme, including the municipal accountant's forum, the chief risk officer's forum and the chief audit executive forum. These forums are the bedrock of access to the latest information, and consequently advice, in the governance space.

The chartered accountant academy was permanently established as part of the program; Graduates of the programme have been absorbed both in the public and in private sector. The programme continues to be replenished with trainees and request for more has been forthcoming from clients. Talks are underway with municipalities to latch onto the success of the programme, further adding to the talent pool of professionals in the public sector.

## **3. Outlook for the coming financial year (2020/21)**

Key areas of focus and delivery for the 2020/21 financial year mainly entail the following:

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

#### **Fiscal Policy**

Present a research based approach allowing for intergovernmental discussion on the Provincial and Local Government Fiscal System for integrated planning, budgeting and implementation.

Monitor revenue and cash flows in departments and municipalities in order to encourage efficient and effective collection of own revenue and cash flows for integrated planning, budgeting and implementation.

Monitor the financial and non-financial performance of the Western Cape Gambling and Racing Board (WCGRB) in order to promote integrated planning, budgeting and implementation and propose amendments to gambling legislation.

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

Conduct assessments on budget submissions as part of the Provincial Government Medium Term Expenditure Committee (MTEC) process in order to improve allocative efficiency, responsiveness of the budget to socio-economic needs, budget policy objectives and national and provincial priorities.



Publication of the Provincial Economic Review and Outlook (PERO), Western Cape Medium Term Budget Policy Statement (MTBPS) and Overview of Provincial Revenue and Expenditure (OPRE) will provide the strategic direction and policy framework that informs the provincial budget.

### **Local Government Budget Office**

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

Perform periodic in-year assessments on the performance of municipal budgets.

Publication of the Municipal Economic Review and Outlook (MERO) which provides credible and relevant social and economic development information to inform municipal planning and budgeting processes within the Province.

### **Provincial Government Finance**

Assess provincial budgets to determine the credibility, sustainability and integration of services in order to influence the quality of the Estimates of Provincial Revenue and Expenditure.

Conduct expenditure reviews to understand and identify expenditure trends or any potential efficiency gains on selected expenditure items or delivery of particular integrated services.

Provide oversight information (financial and non-financial information) on the implementation of the provincial budget (Estimates of Provincial Revenue and Expenditure) and the Annual Performance Plans.

Publication of the Estimates of Provincial Revenue and Expenditure and the Adjusted Estimates of Provincial Revenue and Expenditure.

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

Monitor the implementation of municipal budgets in terms of conformance, accountability, data integrity, sustainability and efficiencies.

Assess draft municipal budgets to improve conformance, credibility, and sustainability.

Facilitate and co-ordinate the implementation of the MFMA in order to improve intergovernmental relations and coordination within and across Provincial Treasury, other departments, and relevant stakeholders to improve conformance and performance in municipalities.

### **Infrastructure**

Strengthen and institutionalisation of the infrastructure governance delivery management system to facilitate integration and promote seamless delivery through a holistic approach of facilitating infrastructure delivery, in the management of all aspects of the life cycle of immovable assets.

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

Assess the quality and monitor legislative compliance of relevant institutions pertaining to asset management plans (U-AMPs/C-AMPs).

Assist municipalities with infrastructure delivery to improve the spending performance of municipal infrastructure spending.

Publication of the Overview of Provincial and Municipal Infrastructure Investment.

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

Manage datasets to be used to inform evidence based decision-making.

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

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

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

Optimising and improving security access and capabilities on the Corporate Suite of existing Transversal Financial Systems to ensure that effective account management is executed and maintained, generic policies exist for the management of transversal systems and comprehensive support services.

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

Assist departments with preparation for the implementation and the migration to the Integrated Financial Management System (IFMS).

#### **Supply Chain Management (SCM)**

Assess, promote and enforce effective and prudent financial management through SCM and Asset Management, and ensuring that the entire SCM cycle is applied and that the practices of municipalities are sound and promote governance, transparency and accountability.

Use technology as an enabler to improve and address inefficiencies in municipal purchasing and asset management to improve planning and decision-making within the districts.

Implement a strategy that addresses the gaps or needs of provincial departments to improve financial management performance for SCM and Asset Management (AM) within the province.

Develop an enabling environment that facilitates supplier development initiatives that contributes toward creating a supplier base that is responsive to WCG procurement and asset management needs.

Create an enabling environment through a public facing mechanism that is accessible to all our clients and provides the necessary redress for SCM.

Develop an e-enabled platform that stores best practice models and content that support continuous improvement and capacitation of our clients.

Develop commodity procurement strategies that drive efficiencies and enables local economic development through transversal contracting, framework agreements and other contracting models, which will result in value for money purchasing.

Support governance requirements and better management decision-making in provincial departments through the analysis of data extracted and performance information using business intelligence tools.

Improve procurement planning within municipalities and/or districts that is linked to the budgeting process, by identifying opportunities for efficiencies in purchasing and leveraging buying to identify strategic sourcing opportunities.

### **Programme 4 – Financial Governance**

#### **Local Government Accounting**

Improve financial maturity of municipalities by assessing the financial statements for credibility, and using the outputs of mSCOA information for data interrogation purposes to inform resource allocation.

Provide support to municipalities to improve compliance with relevant Generally Recognised Accounting Practice (GRAP) and MFMA reporting requirements.

Ensure integrity of municipal data through the alignment between Audited Annual Financial Statements (AFS) and mSCOA data-strings.

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

Drive an integrated approach to address audit and governance issues through quarterly engagements with departments and Governance Action Plans (GAPs) to achieve higher levels governance by improving the financial management capability of departments.

Improve internal control systems within departments. In this area, we will implement the delegated authority of the province to manage all irregular and fruitless and wasteful expenditure.

Publication of the ACFS for the Province that is imperative as it informs the Provincial Government and other users of the position and performance of the Province.

### **Corporate Governance**

Coordinate the annual integrated governance assessment per municipality to improve the financial governance level of municipalities.

Coordinate and support municipalities with skills development and capacitation through the agreed integrated capacitation approach.

Implement support interventions on enterprise risk management (ERM) as per the National Treasury risk frameworks, internal audit (IA) as per the Institute of Internal Auditors (IIA) standards and other guidelines, and audit committees.

Support and assist municipalities and department through support initiatives towards a dynamic and relevant financial legal framework that enables sound financial management and service delivery.

Continue to enhance the skills pipeline, which addresses the financial management competencies within departments thereby improving on capacitation through the effective execution of the South African Institute of Chartered Accountant (SAICA), accredited training programme.

## **4. Reprioritisation**

People are the most important resource required to deliver our vision and therefore sixty-one per cent of the budget is allocated to Compensation of employees. Supporting the municipalities of the Western Cape to ensure good financial governance for integrated service delivery is critical and therefore twelve per cent of the budget is allocated for this purpose. As it is critical that all decisions are evidence based eight per cent of the budget is allocated for research and advisory services.

The Provincial Treasury will through the budget continue to embed good financial governance and drive co-planning, co-budgeting and co-implementation across the Western Cape Government (WCG) departments, between WCG and municipalities and with the national organs of state operating within the Western Cape for maximum citizen's impact.

## **5. Procurement**

During the 2020/21 financial year, the Department will embark on a number of processes to procure the goods and services required to fulfil its strategic objectives as per the Strategic Plan and Annual Performance Plan. An analysis will be performed on cost drivers to get an overview of the Department's current procurement to enable the SCM Unit to develop a strategy that will link the procurement requirements to service delivery and operational plans of the various directorates to ensure value for money is achieved and efficiency. Details of

all procurement planned are in the departmental procurement plan. The procurement plan will be monitored on a monthly and quarterly basis via reports submitted to the Provincial Treasury as a monitoring mechanism. This will foster a pro-active approach, which ensures that procurement processes are initiated timeously to prevent delays, and timely interventions can be made where necessary.

## 6. Receipts and financing

### Summary of receipts

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

**Table 6.1 Summary of receipts**

Receipts R'000	Outcome						Medium-term estimate			
	Audited 2016/17	Audited 2017/18	Audited 2018/19	Main appro- priation 2019/20	Adjusted appro- priation 2019/20	Revised estimate 2019/20	% Change from Revised estimate 2020/21	2019/20	2021/22	2022/23
<b>Treasury funding</b>										
Equitable share	2 348	6 588	13 679	62 077	42 162	40 209	42 526	5.76	52 780	53 442
Financing	52 500	6 167			571	571	5 000	775.66		
Provincial Revenue Fund	52 500	6 167			571	571	5 000	775.66		
Provincial Revenue Fund (Tax Receipts)	189 036	256 623	282 642	293 865	293 865	295 207	309 333		326 348	342 012
<b>Total Treasury funding</b>	<b>243 884</b>	<b>269 378</b>	<b>296 321</b>	<b>355 942</b>	<b>336 598</b>	<b>335 987</b>	<b>356 859</b>	<b>6.21</b>	<b>379 128</b>	<b>395 454</b>
<b>Departmental receipts</b>										
Sales of goods and services other than capital assets	30	41	38	1 356	1 356	14	15	7.14	16	17
Transfers received				1	1	1	1		1	1
Fines, penalties and forfeits										
Interest, dividends and rent on land	25	4	1	1	1	1	1		1	1
Sales of capital assets	7	28	114							
Financial transactions in assets and liabilities	4 055	8 693	6 632	53	53	53	56	5.66	58	61
<b>Total departmental receipts</b>	<b>4 117</b>	<b>8 766</b>	<b>6 785</b>	<b>1 411</b>	<b>1 411</b>	<b>69</b>	<b>73</b>	<b>5.80</b>	<b>76</b>	<b>80</b>
<b>Total receipts</b>	<b>248 001</b>	<b>278 144</b>	<b>303 106</b>	<b>357 353</b>	<b>338 009</b>	<b>336 056</b>	<b>356 932</b>	<b>6.21</b>	<b>379 204</b>	<b>395 534</b>

Note: Tax Receipts for gambling and racing taxes via the Western Cape Gambling and Racing Board (WCGRB) is no longer classified as Departmental Receipts. V03: Provincial Treasury acts as a conduit for the taxes collected by the WCGRB to the Provincial Revenue Fund (PRF).

### Summary of receipts:

Total receipts allocated to Vote 3 increased by R20.876 million or 6.2 per cent from R336.056 million (revised estimate) in 2019/20 to R356.932 million in 2020/21. This is mainly as a result of the provision for salary adjustments, the filling of vacant posts and consumer price index inflation (CPI) as published in the National Medium Term Budget Policy Statement (MTBPS).

### Treasury funding of which:

Equitable share allocations will amount to R42.526 million in 2020/21, R52.780 million in 2021/22 and R53.442 million in 2022/23.

Tax Receipts for gambling and racing taxes via the Western Cape Gambling and Racing Board (WCGRB) is no longer classified as Departmental Receipts. Provincial Treasury acts as a conduit for the taxes collected by the WCGRB to the Provincial Revenue Fund (PRF).

Financing comprises of R5.000 million of total receipts for 2020/21 which is a reallocation of 2019/20 unspent funds in respect of the Financial Good Governance Grant.

#### Details of departmental receipts:

The departmental own receipts increase from R69 000 in 2019/20 (revised estimate) to R73 000 in 2020/21. The source of departmental receipts over the 2020 MTEF relates to the sale of goods and services other than capital assets and financial transactions in assets and liabilities.

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

None.

## 7. Payment summary

### Key assumptions

Adjustments for salary increases are based on the latest Wage Agreement. In 2020/21, 2021/22 and 2022/23, the salary adjustments are based on CPI plus 1 per cent for level 1 to 7, CPI plus 0.5 per cent for level 8 to 10 and CPI for level 11 to 12, inclusive of a 1.5 per cent pay progression provision in each financial year. Adjustments for the majority of the non-personnel expenditure items are based on consumer price index inflation (CPI), as published in the National MTBPS, of 4.8 per cent in 2020/21, 4.8 per cent in 2021/22 and 4.7 per cent in 2022/23.

### Programme summary

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

**Table 7.1 Summary of payments and estimates**

Programme R'000	Outcome			Main appro- priation 2019/20	Adjusted appro- priation 2019/20	Revised estimate 2019/20	Medium-term estimate			
	Audited 2016/17	Audited 2017/18	Audited 2018/19				% Change from Revised estimate			
							2020/21	2019/20	2021/22	2022/23
1. Administration	49 537	57 492	59 261	58 863	59 266	59 000	<b>62 631</b>	6.15	66 520	69 535
2. Sustainable Resource Management	111 431	132 195	121 334	166 330	141 628	139 986	<b>150 847</b>	7.76	165 648	173 927
3. Asset Management	54 106	51 023	56 068	65 738	67 214	67 056	<b>74 911</b>	11.71	79 283	82 115
4. Financial Governance	32 927	37 434	66 443	66 422	69 901	70 014	<b>68 543</b>	(2.10)	67 753	69 957
<b>Total payments and estimates</b>	<b>248 001</b>	<b>278 144</b>	<b>303 106</b>	<b>357 353</b>	<b>338 009</b>	<b>336 056</b>	<b>356 932</b>	6.21	379 204	395 534

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

## Summary by economic classification

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2016/17	2017/18	2018/19	2019/20	2019/20	2019/20	2020/21	2019/20	2021/22	2022/23
<b>Current payments</b>	208 985	216 548	229 296	271 441	251 269	249 311	<b>280 576</b>	12.54	301 074	314 093
Compensation of employees	157 405	171 172	176 277	196 682	189 308	187 355	<b>217 005</b>	15.83	238 616	252 614
Goods and services	51 580	45 376	53 019	74 759	61 961	61 956	<b>63 571</b>	2.61	62 458	61 479
<b>Transfers and subsidies to</b>	35 814	56 375	69 287	82 628	81 533	81 532	<b>73 228</b>	(10.18)	73 976	77 287
Provinces and municipalities	21 554	33 130	38 191	42 280	39 101	39 101	<b>42 455</b>	8.58	38 967	40 802
Departmental agencies and accounts	9 912	19 711	26 869	37 098	37 669	37 669	<b>27 750</b>	(26.33)	31 878	33 408
Households	4 348	3 534	4 227	3 250	4 763	4 762	<b>3 023</b>	(36.52)	3 131	3 077
<b>Payments for capital assets</b>	3 077	5 137	4 214	3 284	5 158	5 158	<b>3 128</b>	(39.36)	4 154	4 154
Machinery and equipment	3 039	5 137	4 214	3 284	5 158	5 158	<b>3 128</b>	(39.36)	4 154	4 154
Software and other intangible assets	38									
<b>Payments for financial assets</b>	125	84	309		49	55		(100.00)		
<b>Total economic classification</b>	248 001	278 144	303 106	357 353	338 009	336 056	<b>356 932</b>	6.21	379 204	395 534

## Infrastructure payments

None.

## Departmental Public Private Partnership (PPP) projects

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

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

## Transfers

### Transfers to public entities

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

Public entities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2016/17	2017/18	2018/19	2019/20	2019/20	2019/20	2020/21	2019/20	2021/22	2022/23
Western Cape Gambling and Racing Board	9 908	19 707	26 864	37 092	37 663	37 663	<b>27 744</b>	(26.34)	31 872	33 402
<b>Total departmental transfers to public entities</b>	9 908	19 707	26 864	37 092	37 663	37 663	<b>27 744</b>	(26.34)	31 872	33 402

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

## Transfers to other entities

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

Entities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2016/17	2017/18	2018/19	2019/20	2019/20	2019/20	2020/21	2019/20	2021/22	2022/23
Departmental Agencies and Accounts other: South African Broadcasting Corporation (SABC)- Radio & TV license	4	4	5	6	6	6	6		6	6
<b>Total departmental transfers to other entities</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>		<b>6</b>	<b>6</b>

## Transfers to local government

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

Departmental transfers R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2016/17	2017/18	2018/19	2019/20	2019/20	2019/20	2020/21	2019/20	2021/22	2022/23
Category A	120	470	590	610	610	610	400	(34.43)		
Category B	14 934	27 765	31 008	17 445	30 957	30 957	9 618	(68.93)		
Category C	6 500	4 895	6 593	3 298	7 534	7 534	2 003	(73.41)		
Unallocated				20 927			30 434		38 967	40 802
<b>Total departmental transfers to local government</b>	<b>21 554</b>	<b>33 130</b>	<b>38 191</b>	<b>42 280</b>	<b>39 101</b>	<b>39 101</b>	<b>42 455</b>	<b>8.58</b>	<b>38 967</b>	<b>40 802</b>

### Earmarked allocations:

Support initiatives to municipalities to improve financial governance introduced during 2011/12 will continue over the MTEF, amounting to R27.510 million, R28.550 million and R29.891 million in 2020/21, 2021/22 and 2022/23 respectively to strengthen good governance and performance in municipalities. Furthermore, R4.945 million, R5.167 million and R5.409 million have been earmarked for municipal interventions to assist in strengthening support interventions in 2020/21, 2021/22 and 2022/23 respectively. R10.000 million, R5.250 million and R5.502 million in 2020/21, 2021/22 and 2022/23 respectively has been allocated to reward/incentivise municipalities for meeting or exceeding good governance criteria. The amounts are unallocated at this stage and will be published and allocated in the Provincial Gazette and Provincial Adjusted Estimates. The allocations will be based on the outcomes and recommendations of the Integrated Municipal Engagements. However, the Department is actively investigating the consolidation and redesign of all of the above mentioned support initiatives into one combined grant that will continue to provide support to municipalities and attain the set objectives.

## 8. Programme description

### Programme 1: Administration

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

#### Analysis per sub-programme

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

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

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

to provide strategic and operational management support services

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

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

#### Policy developments

No specific policy changes are currently being considered.

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

None.

#### Outcomes as per Strategic Plan

##### **Programme 1: Administration**

Financial and Corporate governance improved.

#### Outputs as per Annual Performance Plan

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

Monitoring and evaluation system.

Organisational Culture Journey Report.

Communication Plan Implementation Report.

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

Monitoring of Expenditure against the Budget.

Complete and proper records of financial affairs in accordance with prescribed norms and standards.

Identification of risks and key areas of concern regarding preparation of financial and non-financial reports and compliance with applicable legislation.

Please refer to the Departmental Annual Performance Plan for a comprehensive set of outputs.



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

Sub-programme R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2016/17	2017/18	2018/19	2019/20	2019/20	2019/20	2020/21	2019/20	2021/22	2022/23
1. Office of the Minister	5 660	6 078	6 091	6 332	5 991	5 920	7 288	23.11	7 666	8 063
2. Management Services	20 115	25 100	26 390	26 383	24 985	24 927	26 930	8.04	27 587	29 008
3. Financial Management	23 762	26 314	26 780	26 148	28 290	28 153	28 413	0.92	31 267	32 464
<b>Total payments and estimates</b>	49 537	57 492	59 261	58 863	59 266	59 000	62 631	6.15	66 520	69 535

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

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

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2016/17	2017/18	2018/19	2019/20	2019/20	2019/20	2020/21	2019/20	2021/22	2022/23
<b>Current payments</b>	43 743	49 257	51 311	52 673	51 044	50 773	56 800	11.87	59 283	62 298
Compensation of employees	33 339	38 490	39 244	40 482	38 070	37 805	43 885	16.08	46 237	49 069
Goods and services	10 404	10 767	12 067	12 191	12 974	12 968	12 915	(0.41)	13 046	13 229
<b>Transfers and subsidies to</b>	2 676	3 014	3 427	2 906	3 015	3 014	2 703	(10.32)	3 083	3 083
Departmental agencies and accounts	4	4	5	6	6	6	6		6	6
Households	2 672	3 010	3 422	2 900	3 009	3 008	2 697	(10.34)	3 077	3 077
<b>Payments for capital assets</b>	2 993	5 137	4 214	3 284	5 158	5 158	3 128	(39.36)	4 154	4 154
Machinery and equipment	2 955	5 137	4 214	3 284	5 158	5 158	3 128	(39.36)	4 154	4 154
Software and other intangible assets	38									
<b>Payments for financial assets</b>	125	84	309		49	55		(100.00)		
<b>Total economic classification</b>	49 537	57 492	59 261	58 863	59 266	59 000	62 631	6.15	66 520	69 535

**Details of transfers and subsidies**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2016/17	2017/18	2018/19	2019/20	2019/20	2019/20	2020/21	2019/20	2021/22	2022/23
<b>Transfers and subsidies to (Current)</b>	2 676	3 014	3 427	2 906	3 015	3 014	2 703	(10.32)	3 083	3 083
Departmental agencies and accounts	4	4	5	6	6	6	6		6	6
Departmental agencies (non-business entities)	4	4	5	6	6	6	6		6	6
Other	4	4	5	6	6	6	6		6	6
Households	2 672	3 010	3 422	2 900	3 009	3 008	2 697	(10.34)	3 077	3 077
Social benefits	18	391	286		234	413		(100.00)		
Other transfers to households	2 654	2 619	3 136	2 900	2 775	2 595	2 697	3.93	3 077	3 077

Note: Social benefits mainly relates to leave gratuity paid out to former employees of the Department  
Other transfers to households refer to the external bursary programme

**Expenditure trends analysis**

The programme increased by R3.631 million from R59.000 million in 2019/20 (revised estimate) to R62.631 million in 2020/21, this equates to a nominal growth of 6.2 per cent. The growth from the 2019/20 (revised estimate) of R59.000 million to R69.535 million in 2022/23 reflects an annual average growth of 5.6 per cent over the three-year period. The growth relates mainly to the provision for consumer price index inflation and salary adjustment increases.

**Programme 2: Sustainable Resource Management**

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

**Analysis per sub-programme****Sub-programme 2.1: Programme Support**

to provide management and administrative support to the programme

**Sub-programme 2.2: Fiscal Policy**

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

**Sub-programme 2.3: Budget Management****Provincial Government Budget Office**

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

**Local Government Budget Office**

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

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

### **Provincial Government Finance**

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

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

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

### **Infrastructure**

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

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

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

## **Policy developments**

Policy developments that will receive further attention in 2020/21 are:

To accelerate implementation and improve service delivery, the Provincial Treasury commits to eliminating a fragmented approach to development and strengthening coordination across spheres of government through integrated planning, budgeting and implementation to enable Government to function efficiently and effectively maximises the capacity of provincial departments and municipalities to deliver services. Provincial Treasury will achieve integrated planning, budgeting and implementation for the sustainable management of provincial and municipal resources through the annual tabling of the provincial budget; assistance to municipalities in preparation of municipal budgets through the annual municipal and provincial budget assessments; and monitoring and quarterly reporting on the budget implementation.

The focus for the 2020/21 MTEF will be to cement the process of integrated planning, budgeting and implementation, specifically within the municipal space through Integrated Management under the auspices of VIP 5: Innovation and Culture, Focus Area: Integrated Service Delivery.

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

Effective, efficient and well-institutionalised structures to give effect to the infrastructure Growth strategy of the WCG.

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

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

In 2018 Organisational Design (OD) was requested to review the organisation and establishment of the Chief Directorate: Local Government Public Finance. It was established that a need exists to create a new directorate to coordinate, monitor and report on the MFMA implementation in the Province. The Department of Public Service and Administration (DPSA) approved the structure in 2019.

## **Outcomes as per Strategic Plan**

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

Integrated planning, budgeting and implementation for sustainable management of provincial and municipal fiscal resources.

## **Outputs as per Annual Performance Plan**

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

Research reports on the Provincial and Local Government Fiscal System.

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

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

Provincial budget policy assessment reports.

Provincial Budget and Economic Publications.

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

Publications of the Municipal Economic Review and Outlook.

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

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

Expenditure reviews.

Provincial Budget publications.

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

Monthly IYM assessment reports on the implementation of the municipal budget.

#### ***Infrastructure***

Immovable asset management plans assessed.

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

Budget process plans managed.

Please refer to the Departmental Annual Performance Plan for a comprehensive set of outputs

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

Sub-programme R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2016/17	2017/18	2018/19	2019/20	2019/20	2019/20	2020/21	2019/20	2021/22	2022/23
1. Programme Support	6 152	6 343	6 172	7 082	6 673	6 697	8 448	26.15	9 756	10 258
Programme Support	6 152	6 343	6 172	7 082	6 673	6 697	8 448	26.15	9 756	10 258
2. Fiscal Policy	21 432	30 972	41 625	53 567	53 368	52 909	42 560	(19.56)	48 424	50 813
Fiscal Policy	11 524	11 265	14 761	16 475	15 705	15 246	14 816	(2.82)	16 552	17 411
Western Cape Gambling and Racing Board	9 908	19 707	26 864	37 092	37 663	37 663	27 744	(26.34)	31 872	33 402
3. Budget Management	17 038	17 338	20 667	21 833	24 600	24 292	23 377	(3.77)	25 973	27 313
Provincial Government Budget Office	8 010	8 037	8 886	10 329	10 329	10 079	11 575	14.84	13 428	14 065
Local Government Budget Office	9 028	9 301	11 781	11 504	14 271	14 213	11 802	(16.96)	12 545	13 248
4. Public Finance	66 809	77 542	52 870	83 848	56 987	56 088	76 462	36.33	81 495	85 543
Provincial Government Finance	9 182	10 035	10 690	11 375	11 636	11 574	12 124	4.75	13 175	13 900
Local Government Finance Group 1	9 388	9 463	13 052	9 861	10 844	10 622	11 150	4.97	11 776	12 641
Local Government Finance Group 2	27 510	40 297	11 473	35 752	15 326	15 182	29 329	93.18	30 459	32 005
Infrastructure	7 207	7 829	7 819	14 479	8 836	8 747	11 982	36.98	12 334	13 011
Business Information and Data Management	13 522	9 918	9 836	11 854	10 345	9 963	11 877	19.21	13 751	13 986
MFMA Coordination				527						
<b>Total payments and estimates</b>	<b>111 431</b>	<b>132 195</b>	<b>121 334</b>	<b>166 330</b>	<b>141 628</b>	<b>139 986</b>	<b>150 847</b>	<b>7.76</b>	<b>165 648</b>	<b>173 927</b>

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

#### Earmarked allocation:

Included in Sub-programme 2.4.3: Local Government Finance (Group 2) is an earmarked allocation amounting to R15.489 million in 2020/21, R15.880 million in 2021/22 and R16.626 million in 2022/23 to strengthen good governance and support in municipalities. Also, R4.945 million, R5.167 million and R5.409 million for municipal interventions to assist in strengthening support interventions in 2020/21, 2021/22 and 2022/23 respectively. However, the Department is actively investigating the consolidation and redesign of the above mentioned support initiatives into one combined grant that will continue to provide support to municipalities and attain the set objectives

Included in sub-programme 2.4.4: Infrastructure is an earmarked allocation amounting to R5 million in 2020/21, R5 million in 2021/22 and R5.235 million in 2022/23 for capacity Infrastructure support in delivering infrastructure.

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2016/17	Audited 2017/18	Audited 2018/19	Main appro- priation 2019/20	Adjusted appro- priation 2019/20	Revised estimate 2019/20	% Change from Revised estimate			
							2020/21	2019/20	2021/22	2022/23
<b>Current payments</b>	79 951	79 269	82 778	106 352	90 440	88 798	<b>102 555</b>	15.49	112 675	118 490
Compensation of employees	62 301	68 839	69 565	80 758	74 406	72 763	<b>85 435</b>	17.42	97 230	102 630
Goods and services	17 650	10 430	13 213	25 594	16 034	16 035	<b>17 120</b>	6.77	15 445	15 860
<b>Transfers and subsidies to</b>	31 480	52 926	38 556	59 978	51 188	51 188	<b>48 292</b>	( 5.66)	52 973	55 437
Provinces and municipalities	21 554	33 130	11 359	22 886	13 385	13 385	<b>20 434</b>	52.66	21 047	22 035
Departmental agencies and accounts	9 908	19 707	26 864	37 092	37 663	37 663	<b>27 744</b>	( 26.34)	31 872	33 402
Households	18	89	333		140	140	<b>114</b>	( 18.57)	54	
<b>Total economic classification</b>	111 431	132 195	121 334	166 330	141 628	139 986	<b>150 847</b>	7.76	165 648	173 927

**Details of transfers and subsidies**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2016/17	Audited 2017/18	Audited 2018/19	Main appro- priation 2019/20	Adjusted appro- priation 2019/20	Revised estimate 2019/20	% Change from Revised estimate			
							2020/21	2019/20	2021/22	2022/23
<b>Transfers and subsidies to (Current)</b>	31 480	52 926	38 556	59 978	51 188	51 188	<b>48 292</b>	(5.66)	52 973	55 437
Provinces and municipalities	21 554	33 130	11 359	22 886	13 385	13 385	<b>20 434</b>	52.66	21 047	22 035
Municipalities	21 554	33 130	11 359	22 886	13 385	13 385	<b>20 434</b>	52.66	21 047	22 035
Municipal bank accounts	21 554	33 130	11 359	22 886	13 385	13 385	<b>20 434</b>	52.66	21 047	22 035
Departmental agencies and accounts	9 908	19 707	26 864	37 092	37 663	37 663	<b>27 744</b>	(26.34)	31 872	33 402
Departmental agencies (non-business entities)	9 908	19 707	26 864	37 092	37 663	37 663	<b>27 744</b>	(26.34)	31 872	33 402
Western Cape Gambling and Racing Board	9 908	19 707	26 864	37 092	37 663	37 663	<b>27 744</b>	(26.34)	31 872	33 402
Households	18	89	333		140	140	<b>114</b>	(18.57)	54	
Social benefits	18	89	333		140	140	<b>114</b>	(18.57)	54	

Note: Social benefits relate to leave gratuity paid out to former employees of the Department

## Expenditure trends analysis

The programme increased by R10.861 million from R139.986 million in 2019/20 (revised estimate) to R150.847 million in 2020/21, this equates to a growth of 7.8 per cent. The growth from 2019/20 (revised estimate) of R139.986 million to R173.927 million in 2022/23 reflects an annual average growth of 7.5 per cent over the three-year period. The growth relates mainly to the consumer price index inflation and salary adjustment increases as earmarked and priority allocations remain the same.

## Programme 3: Asset Management

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

### Analysis per sub-programme

#### Sub-programme 3.1: Programme Support

to provide management and administrative support to the programme

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

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

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

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

## Policy developments

Policy developments that will receive further attention in 2020/21 are:

In line with National Treasury efforts, improve procurement planning and support departments and municipalities to link their procurement planning initiatives with budget planning, efficiency in spending, and strategic sourcing. This will include participating in the commentary and revision process of the draft Procurement Bill as well as revisiting the Blueprint/Pro-forma accounting Officers system for provincial departments. Providing structured support programmes for provincial departments, provincial public entities, municipalities and suppliers to improve supply chain management governance, procurement performance and value for money. Launching of a client support centre that will aid and enable the envisaged support programmes.

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

Further look at a commodity focused approach that looks at efficiencies, consolidation, innovative means in procuring that will target opportunities for savings and containment of costs.

Optimising the current suite of financial systems through business intelligence tools that support improved reporting and decision-making. Assisting National Treasury with the design and provincial readiness and preparatory work for the integrated and revamped IFMS.

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

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

**Outcomes as per Strategic Plan****Programme 3: Asset Management**

Effective management and oversight of financial systems, supply chain and moveable asset management governance within the provincial and municipal spheres.

**Outputs as per Annual Performance Plan****Sub-programme 3.2: Supply Chain Management**

Municipal Districts assisted with standardised SCM and Asset Management Business practices to continuously improve SCM maturity.

Operational procurement client-support centre that demonstrates the support, assistance and guidance provided to clients.

Commodity procurement strategies that drives efficiencies and enables local economic development within departments.

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

Preparation to enable smart and integrated HR management, supply chain management and financial management business processes through information communication and technology (ICT).

Utilisation of business intelligence tools.

Please refer to the Departmental Annual Performance Plan for a comprehensive set of outputs.

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

Sub-programme R'000	Outcome						Medium-term estimate			
	Audited 2016/17	Audited 2017/18	Audited 2018/19	Main appro- priation 2019/20	Adjusted appro- priation 2019/20	Revised estimate 2019/20	% Change from Revised estimate			
							2020/21	2019/20	2021/22	2022/23
1. Programme Support	4 217	3 727	2 676	3 184	3 533	3 281	4 890	49.04	5 580	5 891
2. Supply Chain Management	18 191	22 792	24 624	31 276	33 875	34 159	35 589	4.19	35 412	36 308
Supply Chain Management: Provincial Government	11 681	16 251	18 364	23 824	26 058	26 342	25 485	(3.25)	25 894	26 119
Supply Chain Management: Local Government	6 510	6 541	6 260	7 452	7 817	7 817	10 104	29.26	9 518	10 189
3. Supporting and Interlinked Financial Systems	31 698	24 504	28 768	31 278	29 806	29 616	34 432	16.26	38 291	39 916
<b>Total payments and estimates</b>	<b>54 106</b>	<b>51 023</b>	<b>56 068</b>	<b>65 738</b>	<b>67 214</b>	<b>67 056</b>	<b>74 911</b>	<b>11.71</b>	<b>79 283</b>	<b>82 115</b>

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



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

Economic classification R'000	Outcome						Medium-term estimate				
	Audited 2016/17	Audited 2017/18	Audited 2018/19	Main appro- priation 2019/20	Adjusted appro- priation 2019/20	Revised estimate 2019/20	% Change from Revised estimate		2020/21	2021/22	2022/23
Current payments	52 448	50 599	55 633	65 738	66 828	66 670	74 699	12.04	79 283	82 115	
Compensation of employees	34 153	35 058	34 935	39 762	41 237	41 079	48 322	17.63	51 449	54 770	
Goods and services	18 295	15 541	20 698	25 976	25 591	25 591	26 377	3.07	27 834	27 345	
Transfers and subsidies to Households	1 658	424	435		386	386	212	(45.08)			
	1 658	424	435		386	386	212	(45.08)			
Total economic classification	54 106	51 023	56 068	65 738	67 214	67 056	74 911	11.71	79 283	82 115	

**Details of transfers and subsidies**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2016/17	Audited 2017/18	Audited 2018/19	Main appro- priation 2019/20	Adjusted appro- priation 2019/20	Revised estimate 2019/20	% Change from Revised estimate			
							2020/21	2019/20	2021/22	2022/23
Transfers and subsidies to (Current)	1 658	424	435		386	386	212	(45.08)		
Households	1 658	424	435		386	386	212	(45.08)		
Social benefits	1 658	424	435		386	386	212	(45.08)		

Note: Social benefits relate to leave gratuity paid out to former employees of the Department

**Expenditure trends analysis**

The programme increased by R7.855 million from R67.056 million in 2019/20 (revised estimate) to R74.911 million in 2020/21 which equates to a growth of 11.7 per cent. The growth from 2019/20 (revised estimate) of R67.056 million to R82.115 million in 2022/23 reflects an annual average growth of 7 per cent over the three-year period. The growth relates mainly to salary adjustments and improvement of conditions of service, the Supplier Evidence Bank (SEB)/Client Walk-in Centre and procurement of consultancy services.

## **Programme 4: Financial Governance**

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

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

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

to provide management and administrative support to the programme

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

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

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

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

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

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

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

### **Policy developments**

Policy developments that will receive further attention in 2020/21 are:

Continued improvement will be maintained on the initiatives that have been introduced under the banners of the LG MTEC, PG MTEC, provincial governance engagements and TIME processes. These initiatives, which are aimed at supporting the existing policy frameworks, will be further refined during the 2021 MTEF. The Back to Basics (B2B) approach, adopted by National Department of Cooperative Governance and Traditional Affairs, National Treasury Financial Management Capability Maturity Model principles and fundamentals are already embedded in the TIME approach. It would also be the first year of the new PSP, and the rollout of the VIPS will have found a firmer footing.

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

None.

### **Outcomes as per Strategic Plan**

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

Governance transformation in departments, entities and municipalities improved.

### **Outputs as per Annual Performance Plan**

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

Reconciliation of AFS and data strings on National Treasury LG Database.

Timeous publication and tabling of the ACFS.

Supporting departments in the application of accounting statements and norms and standards frameworks.

**Sub-programme 4.3: Corporate Governance**

Oversight and monitoring of departmental and municipal financial governance.

Support initiatives on municipal financial capacity building and training.

Effective execution of SAICA accredited training programme.

Please refer to the Departmental Annual Performance Plan for a comprehensive set of outputs.

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

Sub-programme R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2016/17	2017/18	2018/19	2019/20	2019/20	2019/20	2020/21	2019/20	2021/22	2022/23
1. Programme Support	4 493	5 741	9 388	9 640	8 875	8 856	8 635	(2.50)	9 738	10 129
Programme Support	1 616	1 604	4 233	4 874	4 438	4 436	2 915	(34.29)	3 147	3 307
CA Academy	2 877	4 137	5 155	4 766	4 437	4 420	5 720	29.41	6 591	6 822
2. Accounting Services	17 084	18 873	31 306	19 958	32 207	32 321	21 351	(33.94)	23 526	24 930
Provincial Government	9 669	9 786	11 539	10 800	11 703	11 858	11 334	(4.42)	12 183	12 884
Accounting and Compliance	7 415	9 087	19 767	9 158	20 504	20 463	10 017	(51.05)	11 343	12 046
Local Government										
Accounting										
3. Corporate Governance	11 350	12 820	25 749	36 824	28 819	28 837	38 557	33.71	34 489	34 898
<b>Total payments and estimates</b>	<b>32 927</b>	<b>37 434</b>	<b>66 443</b>	<b>66 422</b>	<b>69 901</b>	<b>70 014</b>	<b>68 543</b>	<b>(2.10)</b>	<b>67 753</b>	<b>69 957</b>

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

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

**Earmarked allocation:**

Included in Sub-programme 4.3: Corporate Governance is an earmarked allocation amounting to R12.021 million, R12.670 million and R13.265 million in 2020/21, 2021/22 and 2022/23 respectively for the Western Cape Financial Management Capacity Grant. Also, an earmarked amount of R10.000 million, R5.250 million and R5.502 million in 2020/21, 2021/22 and 2022/23 respectively to reward/incentivise municipalities for meeting or exceeding good governance performance criteria. However, the Department is actively investigating the consolidation and redesign of the above-mentioned support initiatives into one combined grant that will continue to provide support to municipalities and attain the set objectives.

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2016/17	2017/18	2018/19	2019/20	2019/20	2019/20	2020/21	2019/20	2021/22	2022/23
<b>Current payments</b>	32 843	37 423	39 574	46 678	42 957	43 070	<b>46 522</b>	8.01	49 833	51 190
Compensation of employees	27 612	28 785	32 533	35 680	35 595	35 708	<b>39 363</b>	10.24	43 700	46 145
Goods and services	5 231	8 638	7 041	10 998	7 362	7 362	<b>7 159</b>	(2.76)	6 133	5 045
<b>Transfers and subsidies to</b>		11	26 869	19 744	26 944	26 944	<b>22 021</b>	(18.27)	17 920	18 767
Provinces and municipalities			26 832	19 394	25 716	25 716	<b>22 021</b>	(14.37)	17 920	18 767
Households		11	37	350	1 228	1 228		(100.00)		
<b>Payments for capital assets</b>	84									
Machinery and equipment	84									
<b>Total economic classification</b>	<b>32 927</b>	<b>37 434</b>	<b>66 443</b>	<b>66 422</b>	<b>69 901</b>	<b>70 014</b>	<b>68 543</b>	(2.10)	67 753	69 957

**Details of transfers and subsidies**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2016/17	2017/18	2018/19	2019/20	2019/20	2019/20	2020/21	2019/20	2021/22	2022/23
<b>Transfers and subsidies to (Current)</b>		11	26 869	19 744	26 944	26 944	<b>22 021</b>	(18.27)	17 920	18 767
Provinces and municipalities			26 832	19 394	25 716	25 716	<b>22 021</b>	(14.37)	17 920	18 767
Municipalities			26 832	19 394	25 716	25 716	<b>22 021</b>	(14.37)	17 920	18 767
Municipal bank accounts			26 832	19 394	25 716	25 716	<b>22 021</b>	(14.37)	17 920	18 767
Households		11	37	350	1 228	1 228		(100.00)		
Social benefits		11	37	350	1 228	1 228		(100.00)		

Note: Social benefits relate to leave gratuity paid out to former employees of the Department

**Expenditure trends analysis**

The programme budget decreased by R1.471 million from R70.014 million in 2019/20 (revised estimate) to R68.543 million in 2020/21, this equates to a nominal reduction of 2.1 per cent. The decrease from 2019/20 (revised estimate) of R70.014 million to R69.957 million in 2022/23 reflects an annual average decline of 0.03 per cent over the three-year period. The reduction relates to the earmarked priority funding allocations for the Western Cape Financial Management Support Grant that was shifted during the 2019 Adjusted Estimates to this Programme, however remains unallocated at this stage under Programme 2: Sustainable Resource Management until the Integrated Municipal Engagement processes are finalised.

## 9. Other programme information

### Personnel numbers and costs

**Table 9.1 Personnel numbers and costs**

Actual							Revised estimate				Medium-term expenditure estimate						Average annual growth over MTEF		
Cost in R million	2016/17		2017/18		2018/19		2019/20				2020/21		2021/22		2022/23		2019/20 to 2022/23		
	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Filled posts	Additional posts	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel growth rate	Costs growth rate	% Costs of Total
Salary level																			
1 – 7	81	21 931	130	28 915	103	30 223	58	60	118	27 060	138	32 673	169	35 603	150	37 509	8.3%	11.5%	14.8%
8 – 10	141	64 072	133	66 258	132	68 655	145	2	147	77 434	163	91 799	164	99 964	164	106 295	3.7%	11.1%	41.9%
11 – 12	60	46 220	58	48 050	59	49 318	59	2	61	53 048	69	58 926	70	65 454	70	69 187	4.7%	9.3%	27.5%
13 – 16	23	24 786	22	27 228	21	26 645	21	1	22	29 187	26	32 962	26	36 913	26	38 902	5.7%	10.1%	15.4%
Other	7	396	10	721	19	1 436		11	11	626	12	645	12	682	12	721	2.9%	4.8%	0.3%
Total	312	157 405	353	171 172	334	176 277	283	76	359	187 355	408	217 005	441	238 616	422	252 614	5.5%	10.5%	100.0%
Programme																			
Administration	81	33 339	123	38 490	112	39 244	61	59	120	37 805	136	43 885	167	46 237	148	49 069	7.2%	9.1%	19.8%
Sustainable Resource Management	109	62 301	108	68 839	104	69 565	106		106	72 763	126	85 435	127	97 230	127	102 630	6.2%	12.1%	40.0%
Asset Management	68	34 153	64	35 058	62	34 935	68		68	41 079	78	48 322	79	51 449	79	54 770	5.1%	10.1%	21.8%
Financial Governance	54	27 612	58	28 785	56	32 533	48	17	65	35 708	68	39 363	68	43 700	68	46 145	1.5%	8.9%	18.4%
Total	312	157 405	353	171 172	334	176 277	283	76	359	187 355	408	217 005	441	238 616	422	252 614	5.5%	10.5%	100.0%
Employee dispensation classification																			
Public Service Act appointees not covered by OSDs	281	150 586	272	158 892	268	163 343	283	5	288	177 726	322	204 029	324	226 647	324	239 880	4.0%	10.5%	94.7%
Others such as interns, EPWP, learnerships, etc	31	6 819	81	12 280	66	12 934		71	71	9 629	86	12 976	117	11 969	98	12 734	11.3%	9.8%	5.3%
Total	312	157 405	353	171 172	334	176 277	283	76	359	187 355	408	217 005	441	238 616	422	252 614	5.5%	10.5%	100.0%

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

## Training

**Table 9.2 Information on training**

Description	Outcome						Medium-term estimate			
	2016/17	2017/18	2018/19	Main appro- priation 2019/20	Adjusted appro- priation 2019/20	Revised estimate 2019/20	% Change from Revised estimate			
							2020/21	2019/20	2021/22	2022/23
Number of staff	312	353	334	399	385	359	408	13.65	441	422
Number of personnel trained	297	254	330	330	268	268	268		368	386
of which										
Male	136	115	149	149	114	114	114		166	174
Female	161	139	181	181	154	154	154		202	212
Number of training opportunities	558	589	613	613	665	665	665	(0.01)	666	666
of which										
Tertiary	52		56	56	56	56	56	(0.13)	56	56
Workshops	287	200	315	315	24	24	24		25	25
Seminars	15	4	17	17	5	5	5		5	5
Other	204	385	225	225	580	580	580		580	580
Number of bursaries offered	28	38	35	35	35	35	35		37	39
Number of interns appointed	16	46	60	60	60	60	60		63	66
Number of days spent on training	740	1 473	825	825	1 662	1 662	1 662		1 665	1 665
<b>Payments on training by programme</b>										
1. Administration	584	638	743	931	910	839	983	17.16	1 090	1 194
2. Sustainable Resource Management	241	136	260	808	744	744	854	14.78	972	1 026
3. Asset Management	230	165	339	398	412	412	483	17.23	514	548
4. Financial Governance	395	491	527	547	577	577	580	0.52	661	696
<b>Total payments on training</b>	<b>1 450</b>	<b>1 430</b>	<b>1 869</b>	<b>2 684</b>	<b>2 643</b>	<b>2 572</b>	<b>2 900</b>	<b>12.75</b>	<b>3 237</b>	<b>3 464</b>

## Reconciliation of structural changes

None.

## Annexure A to Vote 3

Table A.1 Specification of receipts

Receipts R'000	Outcome						Medium-term estimate			
	Audited 2016/17	Audited 2017/18	Audited 2018/19	Main appro- priation 2019/20	Adjusted appro- priation 2019/20	Revised estimate 2019/20	% Change from Revised estimate			
							2020/21	2019/20	2021/22	2022/23
<b>Sales of goods and services other than capital assets</b>	30	41	38	1 356	1 356	14	15	7.14	16	17
Sales of goods and services produced by department (excluding capital assets)	28	39	35	1 355	1 355	13	14	7.69	15	16
Administrative fees		39		1 342	1 342					
Other		39		1 342	1 342					
Other sales	28		35	13	13	13	14	7.69	15	16
Commission on insurance	28		31							
Other			4	13	13	13	14	7.69	15	16
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	2	2	3	1	1	1	1		1	1
<b>Transfers received from</b>				1	1	1	1		1	1
Households and non-profit institutions				1	1	1	1		1	1
<b>Interest, dividends and rent on land</b>	25	4	1	1	1	1	1		1	1
Interest	25	4	1	1	1	1	1		1	1
<b>Sales of capital assets</b>	7	28	114							
Other capital assets	7	28	114							
<b>Financial transactions in assets and liabilities</b>	4 055	8 693	6 632	53	53	53	56	5.66	58	61
Recovery of previous year's expenditure	1 737	2 364	3 010							
Unallocated credits	14	1								
Cash surpluses	2 171	6 235	3 537							
Other	133	93	85	53	53	53	56	5.66	58	61
<b>Total departmental receipts</b>	4 117	8 766	6 785	1 411	1 411	69	73	5.80	76	80
<b>Provincial Revenue Fund (Tax receipts) Note</b>	575 687	596 106	628 293	568 852	568 852	570 194	599 445	5.13	632 415	662 771
Casino and LGM taxes	524 384	537 498	554 193	537 572	537 572	537 572	565 028	5.11	596 105	624 718
Horse racing taxes	51 303	58 608	74 100	31 280	31 280	32 622	34 417	5.50	36 310	38 053

Note: Tax Receipts for gambling and racing taxes via the Western Cape Gambling and Racing Board (WCGRB) is no longer classified as Departmental Receipts. V03: Provincial Treasury acts as a conduit for the taxes collected by the WCGRB to the Provincial Revenue Fund (PRF).

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2016/17	Audited 2017/18	Audited 2018/19	Main appro- piation 2019/20	Adjusted appro- piation 2019/20	Revised estimate 2019/20	% Change from Revised estimate			
							2020/21	2019/20	2021/22	2022/23
<b>Current payments</b>	208 985	216 548	229 296	271 441	251 269	249 311	280 576	12.54	301 074	314 093
Compensation of employees	157 405	171 172	176 277	196 682	189 308	187 355	217 005	15.83	238 616	252 614
Salaries and wages	138 723	151 437	155 892	173 518	165 199	163 163	188 849	15.74	209 158	221 766
Social contributions	18 682	19 735	20 385	23 164	24 109	24 192	28 156	16.39	29 458	30 848
Goods and services	51 580	45 376	53 019	74 759	61 961	61 956	63 571	2.61	62 458	61 479
of which										
Administrative fees	530	36	3	5	3	3	3		3	3
Advertising	539	827	1 035	1 526	1 337	1 337	1 465	9.57	1 548	1 558
Minor Assets	293	442	341	139	723	723	97	(86.58)	107	107
Audit cost: External	4 736	4 855	5 644	5 552	5 657	5 657	5 941	5.02	6 297	6 548
Bursaries: Employees	531	591	582	600	600	600	620	3.33	700	780
Catering: Departmental activities	520	691	671	767	627	549	495	(9.84)	560	560
Communication (G&S)	568	651	508	809	792	792	878	10.86	926	926
Computer services	9 145	6 274	6 872	11 104	9 602	9 602	5 075	(47.15)	5 410	5 522
Consultants and professional services: Business and advisory services	22 498	18 303	23 086	38 734	24 392	24 108	29 230	21.25	26 102	24 175
Legal costs					409	636	250	(60.69)		
Contractors	439	451	862	157	228	228	208	(8.77)	236	241
Agency and support/outsourced services	31		99		1 853	1 961	3 712	89.29	3 875	4 059
Entertainment	113	92	121	196	194	194	192	(1.03)	194	194
Fleet services (including government motor transport)	901	990	960	920	920	920	1 000	8.70	1 153	1 153
Consumable supplies	185	195	291	245	360	360	203	(43.61)	240	248
Consumable: Stationery, printing and office supplies	1 534	1 842	1 813	1 903	1 286	1 286	665	(48.29)	695	722
Operating leases	393	537	519	379	1 490	1 484	2 035	37.13	2 183	2 077
Property payments		5	130		150	150	680	353.33	359	373
Transport provided: Departmental activity		8	9	4	12	7	7		7	7
Travel and subsistence	5 173	5 165	5 315	5 617	5 498	5 512	4 826	(12.45)	5 217	5 452
Training and development	919	839	1 287	2 084	2 043	1 972	2 280	15.62	2 537	2 684
Operating payments	1 400	1 422	1 523	1 977	1 647	1 574	1 602	1.78	1 792	1 821
Venues and facilities	1 132	1 160	1 348	2 041	2 138	2 301	2 107	(8.43)	2 317	2 269
<b>Transfers and subsidies to</b>	35 814	56 375	69 287	82 628	81 533	81 532	73 228	(10.18)	73 976	77 287
Provinces and municipalities	21 554	33 130	38 191	42 280	39 101	39 101	42 455	8.58	38 967	40 802
Municipalities	21 554	33 130	38 191	42 280	39 101	39 101	42 455	8.58	38 967	40 802
Municipal bank accounts	21 554	33 130	38 191	42 280	39 101	39 101	42 455	8.58	38 967	40 802
Departmental agencies and accounts	9 912	19 711	26 869	37 098	37 669	37 669	27 750	(26.33)	31 878	33 408
Departmental agencies (non-business entities)	9 912	19 711	26 869	37 098	37 669	37 669	27 750	(26.33)	31 878	33 408
Western Cape Gambling and Racing Board	9 908	19 707	26 864	37 092	37 663	37 663	27 744	(26.34)	31 872	33 402
Other	4	4	5	6	6	6	6		6	6
Households	4 348	3 534	4 227	3 250	4 763	4 762	3 023	(36.52)	3 131	3 077
Social benefits	1 694	915	1 091	350	1 988	2 167	326	(84.96)	54	
Other transfers to households	2 654	2 619	3 136	2 900	2 775	2 595	2 697	3.93	3 077	3 077
<b>Payments for capital assets</b>	3 077	5 137	4 214	3 284	5 158	5 158	3 128	(39.36)	4 154	4 154
Machinery and equipment	3 039	5 137	4 214	3 284	5 158	5 158	3 128	(39.36)	4 154	4 154
Transport equipment	1 387	1 177	1 310	1 190	1 190	1 190	1 190		1 316	1 316
Other machinery and equipment	1 652	3 960	2 904	2 094	3 968	3 968	1 938	(51.16)	2 838	2 838
Software and other intangible assets	38									
<b>Payments for financial assets</b>	125	84	309		49	55		(100.00)		
<b>Total economic classification</b>	248 001	278 144	303 106	357 353	338 009	336 056	356 932	6.21	379 204	395 534



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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2016/17	Audited 2017/18	Audited 2018/19	Main appro- priation 2019/20	Adjusted appro- priation 2019/20	Revised estimate 2019/20	% Change from Revised estimate			
							2020/21	2019/20	2021/22	2022/23
<b>Current payments</b>	43 743	49 257	51 311	52 673	51 044	50 773	<b>56 800</b>	11.87	59 283	62 298
Compensation of employees	33 339	38 490	39 244	40 482	38 070	37 805	<b>43 885</b>	16.08	46 237	49 069
Salaries and wages	29 864	34 804	35 401	36 240	34 038	33 767	<b>39 220</b>	16.15	41 091	43 600
Social contributions	3 475	3 686	3 843	4 242	4 032	4 038	<b>4 665</b>	15.53	5 146	5 469
Goods and services	10 404	10 767	12 067	12 191	12 974	12 968	<b>12 915</b>	(0.41)	13 046	13 229
of which										
Administrative fees	526	36	3	5	3	3	<b>3</b>		3	3
Advertising	340	455	671	1 246	1 107	1 107	<b>1 235</b>	11.56	1 294	1 294
Minor Assets	293	442	341	139	723	723	<b>97</b>	(86.58)	107	107
Audit cost: External	3 236	3 158	3 740	3 728	3 833	3 833	<b>3 984</b>	3.94	4 245	4 448
Bursaries: Employees	531	591	582	600	600	600	<b>620</b>	3.33	700	780
Catering: Departmental activities	113	297	180	170	137	59	<b>100</b>	69.49	100	100
Communication (G&S)	143	151	147	351	330	330	<b>373</b>	13.03	380	380
Computer services	1 852	1 304	1 632	1 315	1 322	1 322	<b>1 303</b>	(1.44)	1 380	1 430
Consultants and professional services: Business and advisory services	99	523	114	825	867	867	<b>643</b>	(25.84)	117	117
Contractors	230	339	731	157	125	125	<b>103</b>	(17.60)	125	125
Agency and support/outourced services	1					35		(100.00)		
Entertainment	34	18	25	34	36	36	<b>32</b>	(11.11)	34	34
Fleet services (including government motor transport)	901	990	960	920	920	920	<b>1 000</b>	8.70	1 153	1 153
Consumable supplies	89	105	219	121	248	248	<b>97</b>	(60.89)	129	134
Consumable: Stationery, printing and office supplies	534	515	467	345	273	273	<b>164</b>	(39.93)	170	171
Operating leases	393	537	519	379	543	537	<b>725</b>	35.01	775	563
Property payments		5	130				<b>335</b>			
Transport provided: Departmental activity		8	9	4	12	7	<b>7</b>		7	7
Travel and subsistence	795	986	1 101	1 075	965	965	<b>831</b>	(13.89)	985	1 015
Training and development	53	47	161	331	310	239	<b>363</b>	51.88	390	414
Operating payments	222	217	323	300	405	405	<b>555</b>	37.04	607	609
Venues and facilities	19	43	12	146	215	334	<b>345</b>	3.29	345	345
<b>Transfers and subsidies to</b>	<b>2 676</b>	<b>3 014</b>	<b>3 427</b>	<b>2 906</b>	<b>3 015</b>	<b>3 014</b>	<b>2 703</b>	(10.32)	<b>3 083</b>	<b>3 083</b>
Departmental agencies and accounts	4	4	5	6	6	6	<b>6</b>		6	6
Departmental agencies (non-business entities)	4	4	5	6	6	6	<b>6</b>		6	6
Other	4	4	5	6	6	6	<b>6</b>		6	6
Households	2 672	3 010	3 422	2 900	3 009	3 008	<b>2 697</b>	(10.34)	3 077	3 077
Social benefits	18	391	286		234	413		(100.00)		
Other transfers to households	2 654	2 619	3 136	2 900	2 775	2 595	<b>2 697</b>	3.93	3 077	3 077
<b>Payments for capital assets</b>	<b>2 993</b>	<b>5 137</b>	<b>4 214</b>	<b>3 284</b>	<b>5 158</b>	<b>5 158</b>	<b>3 128</b>	(39.36)	<b>4 154</b>	<b>4 154</b>
Machinery and equipment	2 955	5 137	4 214	3 284	5 158	5 158	<b>3 128</b>	(39.36)	4 154	4 154
Transport equipment	1 387	1 177	1 310	1 190	1 190	1 190	<b>1 190</b>		1 316	1 316
Other machinery and equipment	1 568	3 960	2 904	2 094	3 968	3 968	<b>1 938</b>	(51.16)	2 838	2 838
Software and other intangible assets	38									
<b>Payments for financial assets</b>	<b>125</b>	<b>84</b>	<b>309</b>		<b>49</b>	<b>55</b>		(100.00)		
<b>Total economic classification</b>	<b>49 537</b>	<b>57 492</b>	<b>59 261</b>	<b>58 863</b>	<b>59 266</b>	<b>59 000</b>	<b>62 631</b>	6.15	<b>66 520</b>	<b>69 535</b>

## Annexure A to Vote 3

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change			
	2016/17	2017/18	2018/19	approp- riation 2019/20	approp- riation 2019/20	estimate 2019/20	from Revised estimate	2020/21	2021/22	2022/23
<b>Current payments</b>	79 951	79 269	82 778	106 352	90 440	88 798	<b>102 555</b>	15.49	112 675	118 490
Compensation of employees	62 301	68 839	69 565	80 758	74 406	72 763	<b>85 435</b>	17.42	97 230	102 630
Salaries and wages	54 833	60 570	61 172	71 166	65 467	64 066	<b>74 769</b>	16.71	85 201	90 324
Social contributions	7 468	8 269	8 393	9 592	8 939	8 697	<b>10 666</b>	22.64	12 029	12 306
Goods and services	17 650	10 430	13 213	25 594	16 034	16 035	<b>17 120</b>	6.77	15 445	15 860
of which										
Administrative fees	4									
Advertising	199	364	364	280	230	230	<b>230</b>		254	264
Audit cost: External	783	876	959	924	924	924	<b>968</b>	4.76	1 015	1 015
Catering: Departmental activities	202	160	260	220	220	220	<b>220</b>		220	220
Communication (G&S)	196	287	150	259	282	282	<b>286</b>	1.42	312	312
Computer services	92	9		150	500	500	<b>500</b>		605	666
Consultants and professional services: Business and advisory services	11 666	3 888	6 604	17 236	7 904	7 891	<b>10 037</b>	27.20	7 705	7 827
Legal costs					309	309		(100.00)		
Contractors	93	33	42							
Agency and support/outsourced services	30		81		68	141	<b>35</b>	(75.18)		
Entertainment	55	39	53	106	102	102	<b>104</b>	1.96	104	104
Consumable supplies	47	48	43	70	63	63	<b>55</b>	(12.70)	58	60
Consumable: Stationery, printing and office supplies	661	954	960	1 056	678	678	<b>371</b>	(45.28)	392	414
Travel and subsistence	2 047	2 298	2 041	2 443	2 338	2 352	<b>2 022</b>	(14.03)	2 160	2 263
Training and development	241	136	260	808	744	744	<b>854</b>	14.78	972	1 026
Operating payments	1 029	1 054	1 130	1 502	1 124	1 051	<b>890</b>	(15.32)	1 080	1 108
Venues and facilities	305	284	266	540	548	548	<b>548</b>		568	581
<b>Transfers and subsidies to</b>	<b>31 480</b>	<b>52 926</b>	<b>38 556</b>	<b>59 978</b>	<b>51 188</b>	<b>51 188</b>	<b>48 292</b>	(5.66)	52 973	55 437
Provinces and municipalities	21 554	33 130	11 359	22 886	13 385	13 385	<b>20 434</b>	52.66	21 047	22 035
Municipalities	21 554	33 130	11 359	22 886	13 385	13 385	<b>20 434</b>	52.66	21 047	22 035
Municipal bank accounts	21 554	33 130	11 359	22 886	13 385	13 385	<b>20 434</b>	52.66	21 047	22 035
Departmental agencies and accounts	9 908	19 707	26 864	37 092	37 663	37 663	<b>27 744</b>	(26.34)	31 872	33 402
Departmental agencies (non-business entities)	9 908	19 707	26 864	37 092	37 663	37 663	<b>27 744</b>	(26.34)	31 872	33 402
Western Cape Gambling and Racing Board	9 908	19 707	26 864	37 092	37 663	37 663	<b>27 744</b>	(26.34)	31 872	33 402
Households	18	89	333		140	140	<b>114</b>	(18.57)	54	
Social benefits	18	89	333		140	140	<b>114</b>	(18.57)	54	
<b>Total economic classification</b>	<b>111 431</b>	<b>132 195</b>	<b>121 334</b>	<b>166 330</b>	<b>141 628</b>	<b>139 986</b>	<b>150 847</b>	7.76	165 648	173 927

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2016/17	2017/18	2018/19	2019/20	2019/20	2019/20	2020/21	2019/20	2021/22	2022/23
<b>Current payments</b>	52 448	50 599	55 633	65 738	66 828	66 670	74 699	12.04	79 283	82 115
Compensation of employees	34 153	35 058	34 935	39 762	41 237	41 079	48 322	17.63	51 449	54 770
Salaries and wages	29 690	30 529	30 353	34 556	34 386	33 916	40 051	18.09	44 213	47 049
Social contributions	4 463	4 529	4 582	5 206	6 851	7 163	8 271	15.47	7 236	7 721
Goods and services	18 295	15 541	20 698	25 976	25 591	25 591	26 377	3.07	27 834	27 345
of which										
Catering: Departmental activities	61	150	56	70	70	70	70		70	70
Communication (G&S)	159	149	134	108	85	85	125	47.06	125	125
Computer services	7 193	4 941	5 218	9 622	7 763	7 763	3 254	(58.08)	3 406	3 406
Consultants and professional services: Business and advisory services	8 362	8 246	12 747	13 608	11 840	11 590	14 672	26.59	15 752	14 935
Legal costs					100	327	250	(23.55)		
Contractors	64	67	38		101	101	105	3.96	111	116
Agency and support/outsourced services					1 785	1 785	3 677	105.99	3 875	4 059
Entertainment	10	14	18	26	26	26	26		26	26
Consumable supplies	37	29	20	34	32	32	33	3.13	34	35
Consumable: Stationery, printing and office supplies	285	272	323	364	225	225	91	(59.56)	93	95
Operating leases					947	947	1 310	38.33	1 408	1 514
Property payments					150	150	345	130.00	359	373
Travel and subsistence	1 333	984	1 108	1 096	1 189	1 189	1 098	(7.65)	1 157	1 215
Training and development	230	165	339	398	412	412	483	17.23	514	548
Operating payments	12	6	3		33	33	70	112.12	6	
Venues and facilities	549	518	694	650	833	856	768	(10.28)	898	828
<b>Transfers and subsidies to</b>	1 658	424	435		386	386	212	(45.08)		
Households	1 658	424	435		386	386	212	(45.08)		
Social benefits	1 658	424	435		386	386	212	(45.08)		
<b>Total economic classification</b>	54 106	51 023	56 068	65 738	67 214	67 056	74 911	11.71	79 283	82 115

## Annexure A to Vote 3

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2016/17	2017/18	2018/19	2019/20	2019/20	2019/20	2020/21	2019/20	2021/22	2022/23
<b>Current payments</b>	32 843	37 423	39 574	46 678	42 957	43 070	46 522	8.01	49 833	51 190
Compensation of employees	27 612	28 785	32 533	35 680	35 595	35 708	39 363	10.24	43 700	46 145
Salaries and wages	24 336	25 534	28 966	31 556	31 308	31 414	34 809	10.81	38 653	40 793
Social contributions	3 276	3 251	3 567	4 124	4 287	4 294	4 554	6.05	5 047	5 352
Goods and services	5 231	8 638	7 041	10 998	7 362	7 362	7 159	(2.76)	6 133	5 045
of which										
Advertising		8								
Audit cost: External	717	821	945	900	900	900	989	9.89	1 037	1 085
Catering: Departmental activities	144	84	175	307	200	200	105	(47.50)	170	170
Communication (G&S)	70	64	77	91	95	95	94	(1.05)	109	109
Computer services	8	20	22	17	17	17	18	5.88	19	20
Consultants and professional services: Business and advisory services	2 371	5 646	3 621	7 065	3 781	3 760	3 878	3.14	2 528	1 296
Contractors	52	12	51		2	2		(100.00)		
Agency and support/outsourced services			18							
Entertainment	14	21	25	30	30	30	30		30	30
Consumable supplies	12	13	9	20	17	17	18	5.88	19	19
Consumable: Stationery, printing and office supplies	54	101	63	138	110	110	39	(64.55)	40	42
Travel and subsistence	998	897	1 065	1 003	1 006	1 006	875	(13.02)	915	959
Training and development	395	491	527	547	577	577	580	0.52	661	696
Operating payments	137	145	67	175	85	85	87	2.35	99	104
Venues and facilities	259	315	376	705	542	563	446	(20.78)	506	515
<b>Transfers and subsidies to</b>		11	26 869	19 744	26 944	26 944	22 021	(18.27)	17 920	18 767
Provinces and municipalities			26 832	19 394	25 716	25 716	22 021	(14.37)	17 920	18 767
Municipalities			26 832	19 394	25 716	25 716	22 021	(14.37)	17 920	18 767
Municipal bank accounts			26 832	19 394	25 716	25 716	22 021	(14.37)	17 920	18 767
Households		11	37	350	1 228	1 228		(100.00)		
Social benefits		11	37	350	1 228	1 228		(100.00)		
<b>Payments for capital assets</b>	84									
Machinery and equipment	84									
Other machinery and equipment	84									
<b>Total economic classification</b>	32 927	37 434	66 443	66 422	69 901	70 014	68 543	(2.10)	67 753	69 957

## Annexure A to Vote 3

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

R thousand	Audited outcome		Actual outcome	Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19		2019/20		2020/21	2021/22	2022/23
<b>Revenue</b>									
<b>Non-tax revenue</b>	50 989	55 729	67 045	77 158	77 729	77 729	69 970	72 105	76 663
Sale of goods and services other than capital assets	40 027	35 014	39 092	37 216	37 216	37 216	41 106	39 055	42 028
Entity revenue other than sales	1 054	1 008	1 089	1 050	1 050	1 050	1 120	1 176	1 233
Transfers received	9 908	19 707	26 864	38 892	39 463	39 463	27 744	31 874	33 402
of which:									
Departmental transfers	9 908	19 707	26 864	37 092	37 663	37 663	27 744	31 874	33 402
Other transfers	-	-	-	1 800	1 800	1 800	-	-	-
<b>Total revenue before deposits into the PRF</b>	50 989	55 729	67 045	77 158	77 729	77 729	69 970	72 105	76 663
<b>Total revenue</b>	50 989	55 729	67 045	77 158	77 729	77 729	69 970	72 105	76 663
<b>Expenses</b>									
<b>Current expense</b>	45 014	54 073	56 913	70 017	70 588	70 588	68 033	71 405	75 930
Compensation of employees	37 480	44 875	44 155	47 518	47 518	47 518	51 339	54 932	58 669
Goods and services	7 534	9 198	12 758	22 499	23 070	23 070	16 694	16 473	17 261
<b>Payments for capital assets</b>	390	1 041	1 795	7 141	7 141	7 141	1 937	700	733
<b>Total expenses</b>	45 404	55 114	58 708	77 158	77 729	77 729	69 970	72 105	76 663
<b>Surplus / (Deficit)</b>	5 585	615	8 337	-	-	-	-	-	-
<b>Adjustments for Surplus/(Deficit)</b>	-	-	-	-	-	-	-	-	-
Net of Gain on asset disposal & loss on actuarial valuations	(153)	(74)	-	-	-	-	-	-	-
Capital assets	389	1 042	1 790	-	-	-	-	-	-
Depreciation & Amortisation	(1 492)	(1 535)	(696)	-	-	-	-	-	-
<b>Surplus/(deficit) after adjustments</b>	4 329	48	9 431	-	-	-	-	-	-
<b>Cash flow from investing activities</b>	(261)	(956)	(1 738)	(6 851)	(6 851)	(6 851)	(3 952)	(3 180)	(3 332)
<b>Acquisition of Assets</b>	(390)	(1 042)	(1 790)	(6 871)	(6 871)	(6 871)	(3 972)	(3 200)	(3 353)
Computer equipment	-	-	(935)	(500)	(500)	(500)	(900)	(900)	(943)
Furniture and Office equipment	(355)	(1 037)	(9)	(268)	(268)	(268)	(300)	(300)	(314)
Transport Assets	-	-	(493)	(500)	(500)	(500)	(500)	(500)	(524)
Computer Software	(35)	(5)	(353)	(5 603)	(5 603)	(5 603)	(2 272)	(1 500)	(1 572)
<b>Other flows from Investing Activities</b>	129	86	52	20	20	20	20	20	21
Proceeds from sale of PPE	129	86	52	20	20	20	20	20	21
<b>Cash flow from financing activities</b>	(1 608)	(3 816)	(3 958)	(1 000)	(1 000)	(1 000)	(1 000)	(1 000)	(1 048)
Other	(1 608)	(3 816)	(3 958)	(1 000)	(1 000)	(1 000)	(1 000)	(1 000)	(1 048)
<b>Net increase / (decrease) in cash and cash equivalents</b>	(1 869)	(4 772)	(5 696)	(7 851)	(7 851)	(7 851)	(4 952)	(4 180)	(4 380)
<b>Balance Sheet Data</b>									
<b>Carrying Value of Assets</b>	3 314	2 778	3 679	7 090	7 090	7 090	6 290	5 490	5 755
Computer equipment	1 765	1 203	1 849	1 600	1 600	1 600	1 600	1 600	1 677
Furniture and Office equipment	956	841	379	450	450	450	450	450	472
Other Machinery and equipment	258	212	173	200	200	200	200	200	210
Transport Assets	42	460	873	800	800	800	1 000	1 200	1 258
Computer Software	222	62	405	4 000	4 000	4 000	3 000	2 000	2 096
Service and Operating Rights	4	-	-	-	-	-	-	-	-
Other Intangibles	67	-	-	40	40	40	40	40	42
<b>Cash and Cash Equivalents</b>	27 587	29 584	32 387	28 004	28 004	28 004	29 004	30 004	31 444
Bank	8 789	8 296	11 434	6 000	6 000	6 000	6 000	6 000	6 288
Cash on Hand	4	4	4	4	4	4	4	4	4
Other	18 794	21 284	20 949	22 000	22 000	22 000	23 000	24 000	25 152
<b>Receivables and Prepayments</b>	2 467	1 230	3 266	1 500	1 500	1 500	1 500	1 500	1 572
Trade Receivables	1 885	603	1 792	1 000	1 000	1 000	1 000	1 000	1 048
Prepaid Expenses	582	627	1 474	500	500	500	500	500	524
<b>Inventory</b>	45	82	54	100	100	100	100	100	105
Other	45	82	54	100	100	100	100	100	105
<b>Total Assets</b>	33 413	33 674	39 386	36 694	36 694	36 694	36 894	37 094	38 876
<b>Capital and Reserves</b>	9 073	(5 840)	9 974	1 304	1 304	1 304	1 014	624	654
Accumulated Reserves	3 488	(6 455)	1 637	1 304	1 304	1 304	1 014	624	654
Surplus / (Deficit)	5 585	615	8 337	-	-	-	-	-	-
<b>Post Retirement Benefits</b>	2 539	2 507	6 407	6 200	6 200	6 200	6 300	6 400	6 707
Present value of Funded obligations	2 539	2 507	2 672	6 200	6 200	6 200	6 300	6 400	6 707
Other	-	-	3 735	-	-	-	-	-	-
<b>Trade and Other Payables</b>	8 664	12 857	10 623	6 000	6 000	6 000	6 000	6 000	6 288
Trade Payables	8 664	12 857	10 623	6 000	6 000	6 000	6 000	6 000	6 288
<b>Funds Managed (e.g. Poverty Alleviation Fund)</b>	18 722	21 142	20 720	22 000	22 000	22 000	23 000	24 000	25 152
Other	18 722	21 142	20 720	22 000	22 000	22 000	23 000	24 000	25 152

Note: For 2016/17 Transfer received includes an amount of R4 million retention of surplus fund from 2015/16.  
For 2019/20 Transfer received includes an amount of R1.8 million retention of surplus funds from 2018/19.  
For 2020/21 R1.800 million will be allocated to the Gambling Board in the 2020 Adjusted Estimates.  
For 2019/20 Adjusted Appropriation and Revised Estimates: Departmental Transfers includes R571 000: Hollywood Sportbook refund for overpaid taxes to the Province.

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

Municipalities R'000	Outcome						Medium-term estimate			
	Audited 2016/17	Audited 2017/18	Audited 2018/19	Main appro- piation 2019/20	Adjusted appro- piation 2019/20	Revised estimate 2019/20	% Change from Revised estimate			
							2020/21	2019/20	2021/22	2022/23
<b>Total departmental transfers/grants</b>										
<b>Category A</b>	120	470	590	610	610	610	400	(34.43)		
City of Cape Town	120	470	590	610	610	610	400	(34.43)		
<b>Category B</b>	14 934	27 765	31 008	17 445	30 957	30 957	9 618	(68.93)		
Matzikama	340	770	690	710	710	710	401	(43.52)		
Cederberg	340	1 220	1 340	860	1 290	1 290	401	(68.91)		
Bergrivier	120	570	690	710	710	710	401	(43.52)		
Saldanha Bay	340	870	1 140	660	660	660	401	(39.24)		
Swartland	340	1 000	790	709	709	709	401	(43.44)		
Witzenberg	2 340	570	690	710	710	710	401	(43.52)		
Drakenstein	120	495	615	635	875	875	401	(54.17)		
Stellenbosch	340	495	615	635	635	635	400	(37.01)		
Breede Valley	554	650	1 640	660	1 460	1 460	401	(72.53)		
Langeberg	340	570	690	709	709	709	400	(43.58)		
Theewaterskloof	340	920	1 690	710	1 414	1 414	401	(71.64)		
Overstrand		240	640	660	660	660	401	(39.24)		
Cape Agulhas	340	570	864	710	1 780	1 780	401	(77.47)		
Swellendam	220	450	570	709	709	709	400	(43.58)		
Kannaland	1 340	3 170	2 090	710	5 531	5 531	401	(92.75)		
Hessequa	120	570	990	710	710	710	401	(43.52)		
Mossel Bay	340	520	1 640	660	660	660	401	(39.24)		
George	340	495	1 115	635	1 135	1 135	400	(64.76)		
Oudtshoorn	3 240	3 320	1 840	1 160	1 852	1 852	401	(78.35)		
Bitou	340	1 570	690	710	710	710	401	(43.52)		
Knysna	120	2 520	2 059	943	1 443	1 443	400	(72.28)		
Laingsburg	340	1 770	2 860	710	1 835	1 835	400	(78.20)		
Prince Albert	2 340	1 670	2 200	710	1 715	1 715	401	(76.62)		
Beaufort West	340	2 770	2 860	710	2 335	2 335	401	(82.83)		
<b>Category C</b>	6 500	4 895	6 593	3 298	7 534	7 534	2 003	(73.41)		
West Coast District Municipality	1 240	520	640	660	860	860	401	(53.37)		
Cape Winelands District Municipality	1 040	720	840	660	660	660	401	(39.24)		
Overberg District Municipality	1 940	1 020	1 040	660	1 310	1 310	401	(69.39)		
Garden Route District Municipality	340	620	2 090	659	3 520	3 520	400	(88.64)		
Central Karoo District Municipality	1 940	2 015	1 983	659	1 184	1 184	400	(66.22)		
<b>Unallocated</b>				20 927			30 434		38 967	40 802
<b>Total transfers to local government</b>	21 554	33 130	38 191	42 280	39 101	39 101	42 455	8.58	38 967	40 802

Note: Support initiatives to municipalities to improve financial governance and management introduced during 2011/12 will continue over the MTEF, specially support to the most vulnerable municipalities. Over the MTEF, earmarked priority allocations amounting to R42.455 million in 2020/21, R38.967 million in 2021/22 and R40.802 million in 2022/23 have been reserved for diverse financial support to municipalities. The amounts are unallocated at this stage for the Western Cape Financial Management Support Grant, Financial Management Capacity Grant, Financial Good Governance Grant and Municipal Financial Recovery Services Grant which will be allocated in the respective Adjusted Estimates and based on the outcomes and recommendations of the municipal engagements as well as the outcome of the Annual Financial Statements. In addition, the Department is actively investigating the consolidation and redesign of the all the above mentioned support initiatives into one combined grant that will continue to provide support and attain the objectives.

## Annexure A to Vote 3

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

Municipalities R'000	Outcome						Medium-term estimate			
	Audited 2016/17	Audited 2017/18	Audited 2018/19	Main appro- priation 2019/20	Adjusted appro- priation 2019/20	Revised estimate 2019/20	% Change from Revised estimate			
							2020/21	2019/20	2021/22	2022/23
<b>Western Cape Financial Management Support Grant</b>	18 194	26 050	27 511	22 886	22 886	22 886	<b>15 489</b>	(32.32)	15 880	16 626
<b>Category A</b>		230	230	230	230	230		(100.00)		
City of Cape Town		230	230	230	230	230		(100.00)		
<b>Category B</b>	12 294	22 125	22 488	8 329	17 020	17 020		(100.00)		
Matzikama	220	530	330	330	330	330		(100.00)		
Cederberg	220	980	980	480	910	910		(100.00)		
Bergrivier		330	330	330	330	330		(100.00)		
Saldanha Bay	220	630	780	280	280	280		(100.00)		
Swartland	220	760	430	330	330	330		(100.00)		
Witzenberg	2 220	330	330	330	330	330		(100.00)		
Drakenstein		255	255	255	495	495		(100.00)		
Stellenbosch	220	255	255	255	255	255		(100.00)		
Breede Valley	434	410	1 280	280	1 080	1 080		(100.00)		
Langeberg	220	330	330	330	330	330		(100.00)		
Theewaterskloof	220	680	1 330	330	1 034	1 034		(100.00)		
Overstrand			280	280	280	280		(100.00)		
Cape Agulhas	220	330	504	330	1 400	1 400		(100.00)		
Swellendam	220	330	330	330	330	330		(100.00)		
Kannaland	1 220	2 930	1 730	330	330	330		(100.00)		
Hessequa		330	630	330	330	330		(100.00)		
Mossel Bay	220	280	1 280	280	280	280		(100.00)		
George	220	255	755	255	755	755		(100.00)		
Oudtshoorn	3 120	3 080	1 480	780	1 472	1 472		(100.00)		
Bitou	220	1 330	330	330	330	330		(100.00)		
Knysna		2 280	1 699	564	1 064	1 064		(100.00)		
Laingsburg	220	1 530	2 500	330	1 455	1 455		(100.00)		
Prince Albert	2 220	1 430	1 840	330	1 335	1 335		(100.00)		
Beaufort West	220	2 530	2 500	330	1 955	1 955		(100.00)		
<b>Category C</b>	5 900	3 695	4 793	1 400	5 636	5 636		(100.00)		
West Coast District Municipality	1 120	280	280	280	480	480		(100.00)		
Cape Winelands District Municipality	920	480	480	280	280	280		(100.00)		
Overberg District Municipality	1 820	780	680	280	930	930		(100.00)		
Garden Route District Municipality	220	380	1 730	280	3 141	3 141		(100.00)		
Central Karoo District Municipality	1 820	1 775	1 623	280	805	805		(100.00)		
<b>Unallocated</b>				12 927			<b>15 489</b>		15 880	16 626

Note: Support initiatives to municipalities to improve financial governance and management introduced during 2011/12 will continue over the MTEF, specially support to the most vulnerable municipalities. Over the MTEF, R15.489 million in 2020/21, R15.880 million in 2021/22 and R16.626 million in 2022/23 have been reserved for diverse financial support to municipalities. The amounts are unallocated at this stage and will be allocated in the respective Adjusted Estimates which will be based on the outcomes and recommendations of the municipal engagements.

## Annexure A to Vote 3

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

Municipalities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2016/17	2017/18	2018/19	2019/20	2019/20	2019/20	2020/21	2019/20	2021/22	2022/23
<b>Financial Management Capacity Building Grant</b>	3 360	7 080	10 680	11 394	11 394	11 394	12 021	5.50	12 670	13 265
<b>Category A</b>	120	240	360	380	380	380	400	5.26		
City of Cape Town	120	240	360	380	380	380	400	5.26		
<b>Category B</b>	2 640	5 640	8 520	9 116	9 116	9 116	9 618	5.51		
Matzikama	120	240	360	380	380	380	401	5.53		
Cederberg	120	240	360	380	380	380	401	5.53		
Bergivier	120	240	360	380	380	380	401	5.53		
Saldanha Bay	120	240	360	380	380	380	401	5.53		
Swartland	120	240	360	379	379	379	401	5.80		
Witzenberg	120	240	360	380	380	380	401	5.53		
Drakenstein	120	240	360	380	380	380	401	5.53		
Stellenbosch	120	240	360	380	380	380	400	5.26		
Breede Valley	120	240	360	380	380	380	401	5.53		
Langeberg	120	240	360	379	379	379	400	5.54		
Theewaterskloof	120	240	360	380	380	380	401	5.53		
Overstrand		240	360	380	380	380	401	5.53		
Cape Agulhas	120	240	360	380	380	380	401	5.53		
Swellendam		120	240	379	379	379	400	5.54		
Kannaland	120	240	360	380	380	380	401	5.53		
Hessequa	120	240	360	380	380	380	401	5.53		
Mossel Bay	120	240	360	380	380	380	401	5.53		
George	120	240	360	380	380	380	400	5.26		
Oudtshoorn	120	240	360	380	380	380	401	5.53		
Bitou	120	240	360	380	380	380	401	5.53		
Knysna	120	240	360	379	379	379	400	5.54		
Laingsburg	120	240	360	380	380	380	400	5.26		
Prince Albert	120	240	360	380	380	380	401	5.53		
Beaufort West	120	240	360	380	380	380	401	5.53		
<b>Category C</b>	600	1 200	1 800	1 898	1 898	1 898	2 003	5.53		
West Coast District Municipality	120	240	360	380	380	380	401	5.53		
Cape Winelands District Municipality	120	240	360	380	380	380	401	5.53		
Overberg District Municipality	120	240	360	380	380	380	401	5.53		
Garden Route District Municipality	120	240	360	379	379	379	400	5.54		
Central Karoo District Municipality	120	240	360	379	379	379	400	5.54		
<b>Unallocated</b>									12 670	13 265

Note: Support initiatives to municipalities to improve financial governance and management introduced during 2011/12 will continue over the MTEF, specially support to the most vulnerable municipalities. Over the MTEF, R12.021 million in 2020/21, R12.670 million in 2021/22 and R13.265 million in 2022/23 have been reserved for diverse financial support to municipalities. The amounts for the Financial Management Capacity Building Grant for 2021/22 and 2022/23 are unallocated at this stage which will be allocated in the respective Adjusted Estimates.



## Annexure A to Vote 3

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

Municipalities R'000	Outcome						Medium-term estimate			
	Audited 2016/17	Audited 2017/18	Audited 2018/19				% Change from Revised estimate			
				Main appro- priation 2019/20	Adjusted appro- priation 2019/20	Revised estimate 2019/20	2020/21	2019/20	2021/22	2022/23
Western Cape Financial Good Governance Grant				8 000			10 000		5 250	5 502
Unallocated				8 000			10 000		5 250	5 502

Note: Support initiatives to municipalities to improve financial governance and management introduced during 2011/12 will continue over the MTEF, specially support to the most vulnerable municipalities. Over the MTEF, R10.000 million in 2020/21, R5.250 million in 2021/22 and R5.502 million in 2022/23 have been reserved for diverse financial support to municipalities. The amounts are unallocated at this stage which will be allocated in the respective Adjusted Estimates and based on the outcomes and recommendations of the municipal engagements.

Table A.4.4 Transfers to local government by transfers/grant type, category and municipality

Municipalities R'000	Outcome						Medium-term estimate			
	Audited 2016/17	Audited 2017/18	Audited 2018/19				% Change from Revised estimate			
				Main appro- priation 2019/20	Adjusted appro- priation 2019/20	Revised estimate 2019/20	2020/21	2019/20	2021/22	2022/23
Western Cape Municipal Financial Recovery Services Grant					4 821	4 821	4 945	2.57	5 167	5 409
Category B					4 821	4 821		(100.00)		
Kannaland					4 821	4 821		(100.00)		
Unallocated							4 945		5 167	5 409

Note: Support initiatives to municipalities to improve financial governance and management introduced during 2011/12 will continue over the MTEF, specially support to the most vulnerable municipalities. Over the MTEF, R4.945 million in 2020/21, R5.167 million in 2021/22 and R5.409 million in 2022/23 have been reserved for diverse financial support to municipalities. The amounts are unallocated at this stage which will be allocated in the respective Adjusted Estimates and based on the outcomes and recommendations of the municipal engagements.

## Annexure A to Vote 3

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

Municipalities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2016/17	2017/18	2018/19	2019/20	2019/20	2019/20	2020/21	2019/20	2021/22	2022/23
Cape Town Metro	248 001	278 144	303 106	357 353	338 009	336 056	356 932	6.21	379 204	395 534
Total provincial expenditure by district and local municipality	248 001	278 144	303 106	357 353	338 009	336 056	356 932	6.21	379 204	395 534

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

Municipalities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2016/17	2017/18	2018/19	2019/20	2019/20	2019/20	2020/21	2019/20	2021/22	2022/23
Cape Town Metro	49 537	57 492	59 261	58 863	59 266	59 000	62 631	6.15	66 520	69 535
Total provincial expenditure by district and local municipality	49 537	57 492	59 261	58 863	59 266	59 000	62 631	6.15	66 520	69 535

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

Municipalities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2016/17	2017/18	2018/19	2019/20	2019/20	2019/20	2020/21	2019/20	2021/22	2022/23
Cape Town Metro	111 431	132 195	121 334	166 330	141 628	139 986	150 847	7.76	165 648	173 927
Total provincial expenditure by district and local municipality	111 431	132 195	121 334	166 330	141 628	139 986	150 847	7.76	165 648	173 927

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

Municipalities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2016/17	2017/18	2018/19	2019/20	2019/20	2019/20	2020/21	2019/20	2021/22	2022/23
Cape Town Metro	54 106	51 023	56 068	65 738	67 214	67 056	74 911	11.71	79 283	82 115
Total provincial expenditure by district and local municipality	54 106	51 023	56 068	65 738	67 214	67 056	74 911	11.71	79 283	82 115

## Annexure A to Vote 3

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

Municipalities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2016/17	2017/18	2018/19	2019/20	2019/20	2019/20	2020/21	2019/20	2021/22	2022/23
Cape Town Metro	32 927	37 434	66 443	66 422	69 901	70 014	68 543	(2.10)	67 753	69 957
<b>Total provincial expenditure by district and local municipality</b>	32 927	37 434	66 443	66 422	69 901	70 014	68 543	(2.10)	67 753	69 957