

# VOTE 1

## Office of the Premier

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|---------------------------------|---|
| Operational budget              | R869 728 779                            |
| Remuneration of the Premier     | R 2 328 221                             |
| Total amount to be appropriated | R872 057 000                            |
| Responsible Executive Authority | The Premier                             |
| Administering department        | Office of the Premier                   |
| Accounting officer              | Director-General: Office of the Premier |

### 1. Overview

#### Vision

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

#### Mission

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

- Enhancing good and co-operative governance within the province.
- Promoting an integrated service delivery model.
- Effective stakeholder management and communication.
- Enhancing performance management and accountability through monitoring and evaluation.
- Co-ordinating provincial programmes to ensure the rights and empowerment of women and children, youth and people with disabilities.

#### Strategic outcomes

The *strategic policy direction* of the OTP is directly linked to national government's five-year Medium-Term Strategic Framework (MTSF 2019-2024) revised plan (2021) to which the PGDS is also aligned. The seven priorities in both plans are as follows:

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

The five-year outcomes of the department are as follows:

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

## **Core functions**

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

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

## **Legislative mandate**

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

- The Constitution of the Republic of South Africa, 1996
- Public Service Act, 1994, as amended
- Public Finance Management Act, 1999, as amended and Treasury Regulations
- Preferential Procurement Policy Framework Act, 2000 and revised regulations dated 16 January 2023
- KZN Supply Chain Management Policy Framework, 2006
- KZN Youth Commission Act, 2005
- Annual Division of Revenue Act (DORA)
- Public Service Regulations, 2016
- Labour Relations Act, 1995
- Employment Equity Act, 1998
- Basic Conditions of Employment Act, 1997
- Promotion of Access to Information Act, 2000
- Protection of Personal Information Act (Act No. 4 of 2013)
- Electronic Communications and Transactions Act, 2002
- State Information Technology Agency Act, 1999
- Promotion of Administrative Justice Act, 2000
- Promotion of Equality and Prevention of Unfair Discrimination Act, 2000
- Skills Development Act, 1998
- KZN Royal House Trust Act, 2018
- Traditional Leadership and Governance Framework Act, 2003
- Occupational Health and Safety Act, 1993
- Broad Based Black Economic Employment Act, 2003
- Protected Disclosures Act, 2000
- Spatial Planning and Land Use Management Act, 2013
- Inter-governmental Relations Framework Act, 2005

## **Aligning the department's budget to achieve government's prescribed outcomes**

Economic and resource constraints remain a challenge facing government and hence the department will continue to build strategic partnerships with all stakeholders, including the private sector, to increase delivery capacity in the province. These partnerships are, thus, also critical in ensuring that the strategic intent, vision and developmental path set out in the PGDS Vision 2030 are achieved. The PGDS was reviewed in 2021 and incorporates the priorities of the MTSF 2019-2024, as amended. The revised MTSF 2019-2024 is also government's implementation plan of the NDP for the 6<sup>th</sup> Administration. The incorporation of the MTSF into the PGDS has strengthened alignment. The department's Strategic Plan is mainly aligned to Priority 1 "A capable, ethical and developmental state" of the PGDS. In terms of the mandate of the department, it is also aligned, to some extent, to Priority 7 – A better Africa and world. The latter is in relation to its inter-governmental relations role.

## **2. Review of the 2022/23 financial year**

Section 2 provides a review of 2022/23, outlining the main achievements and progress made by the department during the year, as well as giving a brief discussion on challenges and new developments.

### ***Provincial Planning Commission (PPC)***

The functions of the PPC remain similar to those of the National Planning Commission (NPC). The main purpose of the PPC is to advise and make recommendations to the Premier and the Provincial Executive on a long-term strategic development perspective and vision of the province. A key focus area for 2022/23 included the implementation of the reconfigured Action Work Groups (AWGs) in alignment with the revised MTSF and the reviewed PGDS. Commissioners participated in and supported the AWGs to improve the implementation of strategic interventions identified in the PGDS and provincial response to the April 2022 flood disaster.

The PPC continued to provide advisory support through inputs on strategic policy matters (strategies, plans and projects) to facilitate policy coherence and planning for enhanced implementation of the MTSF and PGDS. The PPC advisory support was further effected through Advisory Notes on key strategic issues including an assessment of the provincial research landscape and knowledge management to integrate resources and to enhance collaboration to drive relevant and impactful research. The Advisory Notes were also provided on effective water utility management in support of the implementation of the provincial Water Master Plan.

The PPC engaged with key stakeholders, including the NPC, which emphasised strategic focus areas including, *inter alia*, synergy and alignment in the mandates of both Commissions to address the triple challenge of unemployment, inequality and poverty, as well as the implementation of the District One Plans (plans developed by district municipalities with COGTA, under the banner of the District Development Model (DDM) programme at local government level in alignment with national and provincial priorities. The PPC participated in provincial sector councils, engaging with stakeholders as partners in driving a process of co-ordinated, integrated planning and service delivery.

### ***Policy and research co-ordination***

Following the adoption of the NDP Framework by the Provincial Executive Council in December 2020, OTP, working with the Presidency, embarked on a process to revive the implementation of the Socio-Economic Impact Assessment System (SEIAS) to improve policy development. This included monitoring the implementation of SEIAS by all departments by reflecting on the status of compliance, and extent to which sound policy and policy instrument development processes, as guided by national and provincial prescripts, are applied. Findings indicate that much is still to be done to strengthen knowledge of the SEIAS system and its advantages. Departments were informed of the SEIAS training offered by the National School of Government and the contents of the curriculum. This will be useful to all disciplines in the policy management cycle. The department continued to co-ordinate and update the existing inventory of public policies, policy instruments and research projects aimed at improving evidence-based decision-making. This was also facilitated through various forums and AWGs. Reports were submitted to the Committee of Heads of Departments (COHOD) and the PPC, citing progress with policy development and research initiatives. The report reflects on the progress made on implementation of SEIAS and the extent of compliance with the SEIAS principles of policies and

strategies submitted to the Policy and Research Co-ordination Unit, as well as policies and policy instruments approved by the Provincial Executive Council with updates as of January 2022 and the first quarter (April-June 2022). Policy instruments endorsed in this period include Gender-Based Violence and Femicide (GBVF) Strategy, DDM: eThekweni One Plan, Final Township and Rural Economy Strategy, etc.

### ***Strategic planning***

The department forged ahead with its commitment to render support to provincial government departments and their respective public entities with respect to their APPs. Among the tasks undertaken are the assessment of departmental APPs to determine whether they are aligned with the revised MTSF and PGDS. In addition, the unit assisted all departments and public entities to incorporate interventions and responses in their APPs that directly address damaged physical and social infrastructure architecture, resulting from the sudden outbreak of flood disasters in the province in April 2022.

### ***Monitoring and evaluation***

There was significant improvement in the overall management of performance information by provincial departments in 2022/23. This was marked by improved audit outcomes for 2021/22 in both internal and external audits for most departments. From 2022/23, all public entities were introduced to the DPME e-QPR reporting system. Specific training and system support were provided to all departments and entities in this regard. There was an improvement in the audit opinions of a number of provincial departments for performance information.

The scope for provincial monitoring and reporting was extended beyond the APP, to also consider MTSF implementation by Clusters, AWGs and departments. Reporting on the implementation of Cluster interventions was maintained throughout the financial year and accountability sessions conducted through Executive Council Lekgotla engagements.

### ***Inter-governmental relations (IGR)***

The main aim was to strengthen IGR in KZN through collaboration with the three spheres of government, including national COGTA, South African Local Government Association (SALGA) and other provinces, provincial departments and district municipalities, to ensure integrated planning for improved service delivery. The province continued participation in the review of the IGR Framework Act (IGRFA) and is gearing up to implement the enhanced IGR Strategy, once the amended legislation is approved and gazetted. Consultations were held with departments in respect of co-ordination of sector councils, and a draft tool to monitor functionality of sector councils was developed. Although the roll-out of the IGR tool kit was affected by the delayed finalisation of the IGRFA, the revised tool kit was presented to the Premier's Co-ordinating Forum in October 2022 where it was adopted.

The province collaborated with Gauteng in co-chairing the interprovincial IGR Forum workshop in November 2022. The workshop was a culmination of several engagements between provinces. The workshop was attended by seven provinces and other stakeholders. Among the outputs from the workshop was a renewed commitment by provinces to strengthen interprovincial boundary relations.

Closer collaboration was pursued with the Department of International Relations and Co-operation (DIRCO), embassies and consulates, as reviews on virtual platforms were conducted of twinning agreements to discuss current relations and how to strengthen bilateral ties. Also, in-person engagements to explore co-operation with potential partners were conducted including the following:

- Review of KZN/ Baden-Württemberg Twinning Agreement on 8 June 2022.
- Review of KZN/ Maryland Twinning Agreement on 12 August 2022.
- Review of KZN/ Under2 Coalition on 24 August 2022.
- Diplomatic engagement with the Ambassador of Switzerland on 14 April 2022.
- Diplomatic engagement with the Association of South East Asia Nations Ambassadors on 24 August 2022.

Since obtaining approval from the Provincial Executive Council for the International Relations and Official Development Assistance (ODA) Strategy, a draft implementation framework is in place which will enhance KZN's international relations agenda and how best engagements should be conducted to ensure optimal impact in supporting the achievement of the shared goals of the PGDS and NDP.

### ***Protection of human rights***

Human Rights awareness sessions were co-ordinated in partnership with departments including DOT, DCSL, DARD, DOH, and DSD. The community was sensitised on their basic human rights in general. The primary focus was on the issues of abuse and neglect and services that are responsive to the needs of the vulnerable groups, especially the elderly, disabled and the farming communities.

The Disability programme gained momentum in 2022/23. A summit on transport was hosted where the MEC for Transport communicated with the disability sector on matters that needed more focus. The sector was part of the National Consultative Session on the formalisation of the Albinism Sector Structure, which then resulted in the provincial phase of the session where they strategised on programmes for people with albinism and an action plan to be implemented in 2023/24.

The inter-generational programme was implemented in all districts and was concluded with the Provincial Summit on Elder Abuse, where the seniors had an opportunity to engage various MECs and the Premier. The Active ageing programme was re-introduced after the easing of the Covid-19 regulations, and implementation was undertaken at all local municipalities, and escalated to all districts. It was also hosted at a provincial level.

The commemoration of significant calendar dates continued, such as International Day for People with Disabilities in the uThukela District, the International Day for Senior Citizens in the uMzinyathi District and Human Rights Day in Harry Gwala. These events were held in a hybrid format.

### ***Public service transformation***

The department continued with its mission to professionalise the public service and inculcate a culture of professionalism, thereby improving service delivery. Monitoring and reporting on the implementation of the approved KZN Provincial HR Turnaround Strategy are in progress. Implementation protocols were developed and signed by HODs.

Various HR strategies and plans, such as the HR Development Implementation Plan, HR Plan Implementation Report, the Employment Equity Implementation Plan, the Gender Equality Strategic Framework Report and Plan, among others, were managed in order to contribute to the objective of building the capacity of the State.

The Provincial PERSAL Information Improvement Plan was developed and implemented. The objective of the plan is to ensure that departments constantly update and maintain the records which exist on the PERSAL system, as well as to ensure that information is captured as and when employees are appointed in the public service.

### ***Operation Sukuma Sakhe (OSS)***

OSS is a ward-based programme used to mobilise government and non-governmental resources to address social problems afflicting various households, vulnerable groups and communities. The conceptualisation and adoption of the DDM posed a strategic challenge, in terms of integrating the two, namely OSS and DDM, and this required that a revitalised strategy be developed. The department continuously conducts war-room audits and verification to ensure safety of the equipment and to identify war-room needs and also ensure that items that were provided to war-rooms are still safeguarded. The department is currently in the process of procuring furniture and all-in-one desktops for 42 war-rooms. All war-rooms were audited and verified to be safe and secure to receive these items. As part of war-rooms capacitation, the department provided training to war-room fieldworkers and stakeholders. The OSS/DDM Provincial Task Team was capacitated on the reconstitution of OSS structures, ensuring functionality. SMS members and various managers from all municipalities were deployed in September 2022 to permanently support the 886 war-rooms across KZN.

### ***KZN Youth Empowerment Fund***

Young people continued to be prioritised as agents of change. The department has undertaken a series of interventions to improve the lives of young people. This includes the KZN Youth Empowerment Fund, which is one of the flagship programmes for the province to assist youth in business with funding. After the launch, the fund attracted 2 246 applicants across KZN. In July 2022, the fund was re-advertised and attracted a further 4 123 applications. In 2022/23, ten of the 11 districts were visited,

with 284 on-site due diligence conducted. A total of 188 detailed recommendation reports were completed, with an approximate value of R72 million recommended for investment. However, by the end of January 2023, only 67 reports were assessed for the Ugu, Harry Gwala and iLembe Districts and decided upon by the grant evaluation committee, of which 27 were recommended for investment, and 40 projects were declined. Of the 27 investment reports that were considered, only three reports were recommended to go through to the final approval stage, 11 were referred back for more information, and 13 were declined by the grant evaluation committee. The reports from the other districts, with the exception of eThekweni, are expected to be considered by the grant evaluation committee sitting in February, prior to proceeding to the grant approval committee. Applications from the eThekweni region, with approximately 1 500 applications, still need to be screened, assessed and reported on. As at the end of the third quarter, no funds had been disbursed, but the expectation is that all funds will be transferred in the first half of 2023/24.

#### ***His Majesty, the King's activities***

His Majesty, the King's activities include, among others, hosting of annual traditional and cultural events to preserve and restore the Zulu culture, as well as the hosting and celebration of heritage events such as the King's coronation. Various events were held during the new King's reign. Some of the planned cultural events did not take place, however, due to various critical rituals that needed to be performed instead, such as cleansing, hunting and entering into the kraal, prior to the final coronation event, which was the handing over ceremony of the recognition certificate held at the Moses Mabhida Stadium on 29 October 2022. This was the first Zulu coronation ceremony since the late king Goodwill Zwelithini's coronation in 1971.

#### ***KZN Zulu Royal House Trust (ZRHT)***

In terms of the KZN Zulu Royal House Trust Act of 2018, the ZRHT is responsible for the provision of administration, maintenance and management of the assets of the ZRHT, including the Royal palaces and farms. The succession challenges that ensued after the passing of His Majesty, King Goodwill Zwelithini kaBhekuzulu during 2021/22, continued into 2022/23, and the ZRHT continued to render services to the Royal family, including the beneficiaries as agreed to with the late King, in addition to those of the reigning King, Misuzulu Sinqobile kaZwelithini. The support rendered by the ZRHT included the maintenance of the Royal residences, provision for the Queens' travel and accommodation expenses, tuition fees for Princes and Princesses, transportation and medical expenses for members of the Royal family, among others. The ZRHT also provided feed and veterinary care in support of the Royal farming operations.

The entity continued to explore revenue generation strategies in order to become financially independent. The Board approved the appointment of a business consultant to assist the ZRHT in implementing its fundraising strategy and plan. The draft business development and fundraising concept document and strategy was finalised and presented to the Premier's Portfolio Committee on 3 February 2023.

#### ***Forensic Investigation Services***

By mid-year of 2022/23, the unit had completed 12 investigations, and conducted 26 follow-ups to track the status of implementation of recommendations arising from forensic investigation reports. The forensic audit unit undertook the following initiatives during the year, among others:

- Assisted law enforcement agencies such as the Anti-Corruption Task Team, National Prosecuting Authority, South African Police Services (SAPS), Fusion Centre (an operational hub under the Financial Intelligence Centre that co-ordinates various law enforcement agencies activities), Specialised Commercial Crime Unit and the Asset Forfeiture Unit on matters under criminal investigation. These teams met regularly to monitor the criminal investigation and prosecution of the top priority cases within the province.
- Monitored that the recommendations of various forensic reports were implemented by the respective Accounting Officers of all departments by conducting thorough follow-up exercises. The bulk of these exercises related to disciplinary and remedial actions to be implemented by provincial departments, and the balance involved criminal matters conducted with SAPS.

- The unit is in the process of implementing and rolling out phase 2 of the Forensic Case Management system that will be used to record, consolidate and track all forensic investigations conducted within all spheres of provincial government. The roll-out plan is anticipated to be completed by 31 March 2023.
- Some departments had established their own forensic investigations units resulting in a lack of independence and objectivity, thus compromising forensic investigations. OTP is currently finalising a framework for investigations which will ensure a centralised forensic unit in the province under OTP, resulting in a bigger, more efficient and skilled unit. Once the forensic investigations forensic framework has been approved, all forensic investigations in the province will be centralised at OTP and all investigations (departments, municipalities, municipal entities and public entities) will be conducted by OTP.

### **3. Outlook for the 2023/24 financial year**

Section 3 looks at the key focus areas of 2023/24, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments. The bulk of the department's budget allocation is for cross-cutting and transversal activities, such as OSS, Integrity Management, Youth Development, the Nerve Centre, support to the Royal household, as well as transfers to its public entity, the ZRHT. In 2023/24 and over the medium-term, OTP will focus on the priorities listed below.

#### ***Provincial Planning Commission (PPC)***

The PPC will continue to monitor and facilitate alignment of provincial plans, policies and policy implementation instruments to the national and provincial priorities. This includes continuing the ongoing implementation of the reviewed PGDS, facilitating implementation monitoring through the alignment of the MTSF implementation plans/PGDS, as well as continued support of the AWGs with respect to reporting effectively on progress with implementation. The PPC will continue to monitor implementation strategies, plans and projects, including progress with the implementation of District One Plans and Provincial Priority Programmes.

In addition to this, the PPC will actively participate in supporting evaluations through the Provincial Evaluations Steering Committee to promote evaluations that will yield evidence-informed decision-making in the adjustment of policies and implementation programmes. Participation and engagement with academia to strengthen research, and participation in the provincial sector councils (social councils) will be prioritised to encourage policy development and promote active citizenry in the implementation of provincial initiatives supporting the PGDS.

#### ***Policy and research co-ordination***

A need was identified to strengthen relationships with tertiary institutions and research orientated enterprises to build partnerships that will contribute towards innovation and strengthen the knowledge economy to build a better future for all. Academic representatives from the PPC will be used to facilitate these processes, as well as providing support through appropriate Advisory Notes. In addition to this, platforms for knowledge sharing, remain important enablers and will continue. The department will continue to co-ordinate and update the existing inventory of public policies, policy instruments and research projects and facilitate the co-ordination of policies, research and planning through the relevant forums. The monitoring of SEIAS implementation and capacity building remains a key focus area to improve policy development.

#### ***Strategic planning***

The department will provide technical planning support services to provincial government departments and public entities to enable them to develop APPs that are aligned with the PGDS and MTSF. The provision of such support will ensure that departments produce credible APPs which directly address the priorities for the provincial government. The department will also support all public entities in developing and aligning their plans with revised PGDS and reviewed MTSF.

### ***Monitoring and evaluation***

The province will maintain an integrated planning, monitoring, reporting and evaluation system to provide credible data and an evidence base against indicators and targets in a single plan (MTSF). Investment in a digital monitoring and evaluation system will be prioritised, bringing processes initiated in 2022/23 to finality. The system will enable accountability across various levels of planning and reporting (MTSF, PGDS, sector and APP). The following outcomes will be pursued:

- Track the development impact of government policies, plans and programmes primarily through evaluation studies, but informed by monitoring data.
- Track whether the NDP/MTSF and PGDS are translated into effective service delivery programmes at provincial and district levels.
- Track progress at the coalface of service delivery through frontline monitoring, citizen-based monitoring, *Izimbizo* and the Presidential hotline to assess improvement in the lives of citizens.

The Provincial Evaluation Plan for 2023-2025 will be finalised to guide implementation for the cycle.

### ***Inter-governmental relations***

IGR will be providing strategic co-ordination and support in the development and monitoring of co-operative governance MOUs between the three spheres of government, as well as other government agencies and institutions. Inter-provincial collaborations will be the main focus of inter-governmental collaboration in 2023/24. IGR will play a leading role in co-ordinating the work of KZN provincial government councils constituted over the years by the Provincial Executive Council, most of which are chaired by the Premier and other members of the Provincial Executive Council, to ensure appropriate implementation of critical programmes agreed on by the council. These include cross-cutting matters that involve a number of departments, sectors and civil society as key stakeholders. The councils provide a platform where civil society can also participate. Examples include the Provincial Council on AIDS, Council on Climate Change and Sustainable Development, as well as the Social Cohesion and Moral Regeneration Council. There are currently nine councils in total.

In relation to the implementation of the OSS Revitalisation Strategy, the department, partnering with COGTA, will co-ordinate the integration of all fieldworkers into war-rooms to improve functionality. The work will entail the development of a concept document on the integration and co-ordination of fieldworkers, a plan for SMS conveners to support districts in ensuring real time submission of reports and referral of cases/issues to relevant departments and ongoing workshops/in-house capacitation of fieldworkers that will be co-ordinated in district clusters.

### ***International relations***

Bilateral diplomacy remains an important mechanism in strengthening bilateral relations between KZN and other overseas provinces/states. While political and economic activities continue to be the core of the relationship, the scope of bilateral co-operation has, over the years, expanded into other areas. KZN continues to promote a forward-looking and pragmatic international relations strategy that facilitates trade, attracts foreign investment, as well as projects that can present opportunities and place the province on the map. The department will continue to strive to ensure that it plays an active role in international relations for the benefit of the province and the country. The principal emphasis in the pursuit of KZN's international relations objectives includes:

- Promoting the South-South (southern hemisphere) Co-operation among the developing countries and also to enhance economic relations and co-operation with its neighbouring countries through its affiliation with the South African Development Community (SADC).
- Promoting Intra African Trade across the continent.
- Engaging actively with BRICS member states, with this being the cornerstone of South Africa's foreign policy.

### ***Protection of human rights***

The department is mandated to co-ordinate the implementation of programmes for the vulnerable, but also to prioritise human rights, which include disability rights, senior citizens' rights, women's rights, and children's rights. The Five-Year Plans for Vulnerable Groups (Women, Senior Citizens,

People with Disabilities, Youth, Farming Communities, Military Veterans and LGBTQI+) have been reviewed in line with policies of the 6<sup>th</sup> Administration and have been aligned with provincial and national priorities (2019-2024). The department will continue to undertake its provincial oversight role in programmes for farm dwellers, the physical access audit of state buildings for persons with disabilities, and capacity building for vulnerable groups, and this is an ongoing process. The department assisted with the profiling and placing of flood victims and will continue to improve on the wellbeing of all needs of vulnerable groups. The roll-out will continue in terms of developing a baseline database for human rights-related indicators in the province to determine the number of functional old age homes and disability centres, and again this is an ongoing process. The roll-out will continue for human rights monitoring of public facilities meant for senior citizens in the 11 districts. The implementation will continue for the inter-generational programme (dialogues), the Centenarian programme, monitoring of Covid-19 vaccination sites and provision for/prioritisation of people with special needs. There will also be implementation of empowerment sessions for people with albinism, and parents with disabled children. OTP will monitor the implementation of the active ageing programmes, such as the Golden Games. The roll-out of human rights awareness campaigns, such as the commemoration of National Human Rights Day, International Day for People with Disabilities and International Day for Senior Citizens, remains one of the priorities. As part of the department's outreach programmes, human rights awareness campaigns for farming communities and farm workers will also be prioritised. During Human Rights month, the department will host the Albinism Conference and the Senior Citizens' Summit on abuse. The department will participate in the back to school campaign, in partnership with OSS and the Provincial Legislature.

#### ***Public service transformation***

The department will monitor the implementation of the KZN Provincial HR Turnaround Strategy and consolidate implementation reports based on inputs from departments. Reporting on the strategy has identified a lack of progress with achievement of transformation targets related to 50 per cent women at SMS level and 2 per cent people with disabilities, as well as maintaining a vacancy rate below 10 per cent. In this regard, departments have developed remedial and sustainability plans to be tracked by COHOD on a quarterly basis.

In ensuring a healthy and safe environment in the public service, the implementation of the Provincial Employee Health and Wellness Strategy will be monitored, and progress will be reported to COHOD, the Provincial Executive Council, the Premier's Portfolio Committee and the Central Audit and Risk Committee. The Covid-19 pandemic and other recent traumatic events have increased the need for psycho-social services. Access and provision of psycho-social interventions will be strengthened.

The Provincial PERSAL Information Improvement Plan will be monitored to ensure that the information stored on PERSAL is up to date, credible and reliable.

#### ***Operation Sukuma Sakhe (OSS)***

Over and above ensuring the functionality of OSS, the department, working with the Capacity Building Unit from COGTA, will continue with the rolling out of the induction programme targeting councillors who assumed office after 1 November 2021, for all districts. The department will facilitate the process of structuring, co-ordination and integration of fieldworkers to rebrand OSS as requested by the current Premier. Working with COGTA, the department will continue the integration perspective of OSS and DDM to ensure alignment and integration, as DDM is synonymous with OSS.

Furniture and stationery for war-rooms will be procured in line with budget allocations and war-room audit findings by the department. The most needy war-rooms will be prioritised to fast-track interventions. Municipal Managers, as accounting officers, will receive war-room items for accountability and to maintain value for money spent on procuring war-room furniture and stationery. This will avoid delays in the distribution of war-room items by municipalities after receipt from the department. The department and COGTA will also conduct workshops with all stakeholders inclusive of *Amakhosi*, Mayors, Councillors, civil society, religious leaders and community leaders in general as part of reviving OSS in all districts and the Metro to ensure its effectiveness.

Inkululeko Development Projects (IDP) are integrated multi-purpose and multi-sectoral projects led by the Premier, to integrate development inter-departmentally. The projects further aim to deliver

safe, secure, high quality service delivery. The focus for 2023/24 will continue to be on IDP-1 (Ndumo) to ensure that projects that were not completed are being finalised, and it will include IDP-(uMzinyathi), with further detail as follows:

*IDP-1 (Ndumo)*

The departments with outstanding projects submitted their backlog eradication plans with all projects planned to be completed in 2023/24. The backlog relates to unfinished activities from 2022/23.

With regard to DOHS, the design processes of 1 000 houses were completed, and the project will be implemented in phases as funding of R40 million was made available for the first 400 houses. The project will be finalised in 2023/24 and handing over of houses to beneficiaries will take place.

EDTEA developed and submitted their revised plan for the Ndumo Retail Development, with clear milestones against which to report on, and presented this to the Ndumo community focusing on the Spatial Planning Land Use Management Act, No. 16 of 2003 application and the Environmental Impact Assessment application (land use availability). The anticipated commencement date of the project is March 2023 and the anticipated completion date for the project is December 2024, subject to approval of the lease agreement by the Ingonyama Trust Board.

Under DOT, a revised plan was developed and submitted for the upgrade of the road D1841 and four access roads leading to the offices of DSD. The project will be handed over in 2023/24.

Under DARD, the backlog eradication plan was presented and the Project Management Team made up of OTP, EDTEA, and DARD was endorsed as the departmental technical structure to support Ndumo A to ensure that the irrigation scheme is functioning. The project will be finalised by the end of 2023/24.

*IDP-2 (uMzinyathi)*

There is a need for spatial planning to be undertaken and an anchor project to be identified for IDP-2, which will include IDPs for Muden, Colenso, uMvoti and Inkosi Langalibalele Local Municipality.

***KZN Youth Empowerment Fund***

Since its creation in 2018/19, the KZN Youth Empowerment Fund received R100 million from OTP, and R20 million from EDTEA, in 2021/22 and in 2022/23, respectively. The first tranche of R50 million from OTP, transferred in 2018/19, was fully disbursed, but the second tranche of R50 million, received in 2022/23, was not disbursed by the end of the third quarter. As mentioned, the 4 000-plus applications are at various stages of the screening, recommendation, evaluation and award stages, with the due diligence processes for the eThekweni region only starting in the second week of February 2023. The funds can only be disbursed once the recommendations from the screening process have been considered by the grant evaluation committee, and subsequent approval is granted by the grant approval committee. As at February 2023, no funds were disbursed by the KZN Growth Fund Trust (KZNGFT), but it is envisaged that all funds will be disbursed to qualifying applicants in the first and second quarters of 2023/24, after which the OTP and EDTEA will monitor project progress and provide post-investment support. A further R100 million is allocated in 2023/24.

***His Majesty, the King's activities***

The events/cultural ceremonies planned remain unchanged from prior years. However, there may be variances after consultation has taken place with the new King on his new legacy and initiatives.

***KZN Zulu Royal House Trust (ZRHT)***

The expectations and list of beneficiaries of the reigning Monarch need to be reviewed and agreed upon before the start of the financial year, considering the inflationary increases in household spending and the constrained budget. The entity will continue to pursue fundraising and revenue generation opportunities in line with its strategic priorities for financial independence and sustainability. One of the pillars of the business development and fundraising strategy will be the development and implementation of a commercial farming strategy that seeks to exploit opportunities in agri-processing and value-chain beneficiation. The entity will also undertake the necessary due diligence exercise to further determine the feasibility potential investment opportunities, as outlined in

the draft business development and fundraising concept. The ZRHT will resume the co-ordination of a fundraising event that will celebrate the Zulu cultural heritage in 2023/24. This event was deferred from 2020/21 due to Covid-19 regulations and restrictions, and then thereafter it was put on hold until the succession matter was resolved.

#### ***Forensic Investigation Services***

The unit will continue to conduct follow-ups with departments to track the status of implementation of recommendations by Accounting Officers on investigations. The Fraud Prevention Plan strategies of all departments and public entities will also be reviewed. The unit is hoping to develop a stronger collaboration to strengthen provincial compliance and to foster greater initiatives with COGTA to deal with fraud, corruption, irregularities and mal-administration occurring within municipalities and municipal entities within the province. This will be done through an approved forensic investigations forensic framework for the unit.

## **4. Reprioritisation**

The department undertook reprioritisation and movement of funds between programmes and economic classifications, with the movements between programmes being the realignment of functions with the organisational structure. This is a continuation of the process that began in 2021/22 and was not completed. The movements are from Programme 2: Institutional Development to the other two programmes. The movements across economic categories are discussed below:

- *Compensation of employees* was increased by R17.355 million in 2023/24, with carry-through over the MTEF, to address carry-through costs of new appointments in 2022/23, as well as future appointments expected in 2023/24. The funding was all moved from *Goods and services*.
- *Goods and services* was reduced by R17.355 million in 2023/24, with carry-through over the MTEF, mainly against event-related items such as catering: departmental activity, travel and subsistence, as well as advertising. The reduction in the funding for events is carried through over the MTEF, as many events will be hosted virtually or reduced in number. Also reduced is computer services as this item was over-funded for the digital transformation strategy.

In addition to the reprioritisation, there was a reduction of R9.808 million across numerous *Goods and services* items to address the cut in budget for the baseline reduction related to the PES formula, as discussed in Section 7.1.

## **5. Procurement**

The department will continue to implement the procurement plan for procurement exceeding R500 000 and the demand management plan for procurement below R500 000 for 2023/24, to ensure that the organisation's needs are met. The department aims to reduce the turnaround time for procuring *Goods and services*. Internal controls, contract management and inventory management will continue to be strengthened. The department will also intensify its efforts to ensure that suppliers and service providers are paid within 30 days, in line with Treasury Regulation 8.2.3. All quotations and bids will be awarded in a manner which is fair, equitable, transparent, competitive and cost effective. To implement the KZN Digital Strategy approved by the Provincial Executive Council, the department rolled out its own tracking system to effectively manage the process of paying invoices on time. Note that OTP developed their own policy for procurement in line with the PPPFA and the revised regulations, as promulgated on 16 January 2023.

## **6. Receipts and financing**

### **6.1 Summary of receipts and financing**

Table 1.1 gives the sources of funding of Vote 1 from 2019/20 to 2025/26. The table also compares actual and budgeted receipts against actual and budgeted payments. The department receives a provincial allocation in the form of an equitable share.

Table 1.1 : Summary of receipts and financing

| R thousand                               | Audited Outcome |                |                | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates |                |                |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
|  | 2019/20         | 2020/21        | 2021/22        |                    |                        |                  | 2022/23               | 2023/24        | 2024/25        |
| Equitable share                          | 750 482         | 751 764        | 760 240        | 764 881            | 774 099                | 774 099          | 872 057               | 813 652        | 847 024        |
| Conditional grants                       | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| <b>Total receipts</b>                    | <b>750 482</b>  | <b>751 764</b> | <b>760 240</b> | <b>764 881</b>     | <b>774 099</b>         | <b>774 099</b>   | <b>872 057</b>        | <b>813 652</b> | <b>847 024</b> |
| <b>Total payments</b>                    | <b>704 970</b>  | <b>587 198</b> | <b>754 197</b> | <b>767 551</b>     | <b>776 769</b>         | <b>776 769</b>   | <b>872 057</b>        | <b>813 652</b> | <b>847 024</b> |
| Surplus/(Deficit) before financing       | 45 512          | 164 566        | 6 043          | (2 670)            | (2 670)                | (2 670)          | -                     | -              | -              |
| Financing                                |                 |                |                |                    |                        |                  |                       |                |                |
| of which                                 |                 |                |                |                    |                        |                  |                       |                |                |
| Provincial roll-overs                    | 1 000           | 11 000         | -              | -                  | -                      | -                | -                     | -              | -              |
| Provincial cash resources                | 6 900           | (77 104)       | 50 000         | 2 670              | 2 670                  | 2 670            | -                     | -              | -              |
| Suspension to future year                | (6 932)         | (43 068)       | -              | -                  | -                      | -                | -                     | -              | -              |
| <b>Surplus/(Deficit) after financing</b> | <b>46 480</b>   | <b>55 394</b>  | <b>56 043</b>  | <b>-</b>           | <b>-</b>               | <b>-</b>         | <b>-</b>              | <b>-</b>       | <b>-</b>       |

In 2019/20, the following adjustments are noted:

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

The under-spending of R46.480 million in 2019/20 was mainly attributed to *Goods and services*, largely due to communication related activities that were not undertaken because of challenges with utilising a single source provider. There was also under-spending against *Machinery and equipment* as the department was unable to secure additional office accommodation for new posts and existing staff by year-end.

In 2020/21, the following adjustments are noted:

- R11 million was rolled over from 2019/20 comprising the following:
  - R9.160 million for an international payment meant to be made in March 2020 to Microsoft for licence agreements, but was delayed due to approval needed from the South African Reserve Bank.
  - R1.840 million for orders committed in respect of computer equipment.
- A net amount of R77.104 million was reduced from the baseline in respect of provincial cash resources, as follows:
  - In the 2020/21 Main Appropriation, R50 million was allocated from provincial cash resources for the KZN Youth Empowerment Fund. However, this amount was subsequently suspended to 2021/22, as the national lockdown resulted in a significant reduction in economic activity in the province. As a result, there were insufficient requests for funding from potential beneficiaries of the KZN Youth Empowerment Fund to warrant a transfer in 2020/21.
  - R19.996 million was allocated due to the function shift of the Forensic Investigation Services component from Provincial Treasury to OTP with effect from 1 August 2020 in line with a Provincial Executive Council resolution in this regard.
  - The department's budget was decreased by R119.346 million in the Special Adjustments Estimate, to cater for the provincial response to the Covid-19 pandemic.
  - R21.754 million was reduced as a result of the non-implementation of the 2020/21 wage agreement due to the national fiscal consolidation efforts, with departments required to cut their *Compensation of employees* budgets.
  - R6 million was reduced in the Third Adjustments Estimate to support the DOE related to Covid-19 budget pressures.

- As mentioned, R50 million was suspended to 2021/22 related to the KZN Youth Empowerment Fund, offset by R6.932 million suspended from 2019/20 related to the roof repairs of the Moses Mabhida building, which did not commence as expected. These funds were then reallocated to the department in 2020/21.

The under-spending of R55.394 million was mainly attributed to expenditure not incurred for software upgrades for the Provincial Nerve Centre, e-Submission and e-Leave software, as well as tracking software to address audit findings. In addition, there were orders placed for tools of trade in respect of computer equipment and printers to facilitate working remotely. These orders were placed by year-end, but delivery had not occurred.

In 2021/22, a total of R58 million was allocated to the department, as follows:

- The department received R50 million, allocated from provincial cash resources, suspended from 2020/21 for transfer to the KZNGFT for the KZN Youth Empowerment Fund.
- R8 million was allocated being an addition made to the equitable share by National Treasury for the 2021 wage agreement.

The under-spending of R56.043 million was mainly attributed to *Goods and services* with a number of items under-spent impacted by the national lockdown for Covid-19. In addition, *Compensation of employees* was under-spent partly due to the additional R8 million received in the Adjustments Estimate for the non-pensionable allowance, but this was funded from savings as vacant posts were filled later than anticipated. The slow filling of vacant posts also contributed to the under-spending.

The growth in 2022/23 is low, mainly due to the once-off reallocation of the R50 million for the KZN Youth Empowerment Fund in 2021/22, as mentioned.

In 2022/23, the Main Appropriation was R767.551 million. There were additional allocations as follows:

- Additional funding of R6.548 million was allocated for the 2022 wage adjustment, with these funds received from National Treasury.
- There was a further allocation of R2.670 million in respect of donor funds received towards the April 2022 flood disaster response.

These allocations increased the baseline to R776.769 million. The department is projecting a balanced budget at year-end, as per the December 2022 IYM.

In 2023/24, the high growth relates to the following:

- There is a once-off allocation of R100 million funded from the Contingency Reserve for the KZN Youth Empowerment Fund.
- An addition of R6.354 million was made to the provincial fiscus by National Treasury for the carry-through costs of the 2022 wage adjustment.
- Mitigating the growth to a small extent was the equitable share reduction as a result of the annual updates of the data that informs the PES formula, as well as reduced provincial own revenue baselines.

The growth in 2024/25 is negative due to the once-off funding allocated in 2023/24, with inflationary growth of 4.1 per cent in 2025/26.

## 6.2 Departmental receipts

Table 1.2 reflects details of departmental receipts per main category over the seven-year period.

Details of the department's revenue are reflected in *Annexure – Vote 1: Office of the Premier*.

**Table 1.2 : Summary of departmental receipts collection**

| R thousand   | Audited Outcome |            |              | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates |              |              |
|--|-----------------|------------|--------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
|  | 2019/20         | 2020/21    | 2021/22      |                    |                        |                  | 2022/23               | 2023/24      | 2024/25      |
| Tax receipts   | -               | -          | -            | -                  | -                      | -                | -                     | -            | -            |
| Casino taxes   | -               | -          | -            | -                  | -                      | -                | -                     | -            | -            |
| Horse racing taxes                                   | -               | -          | -            | -                  | -                      | -                | -                     | -            | -            |
| Liquor licences                                      | -               | -          | -            | -                  | -                      | -                | -                     | -            | -            |
| Motor vehicle licences                               | -               | -          | -            | -                  | -                      | -                | -                     | -            | -            |
| Sale of goods and services other than capital assets | 193             | 178        | 165          | 337                | 337                    | 167              | 352                   | 368          | 385          |
| Transfers received                                   | -               | -          | -            | -                  | -                      | -                | -                     | -            | -            |
| Fines, penalties and forfeits                        | -               | -          | -            | -                  | -                      | -                | -                     | -            | -            |
| Interest, dividends and rent on land                 | 22              | 46         | 5            | 1                  | 1                      | 1                | 1                     | 1            | 1            |
| Sale of capital assets                               | -               | -          | -            | 1 068              | 1 068                  | 2 800            | 1 115                 | 1 165        | 1 217        |
| Transactions in financial assets and liabilities     | 4 666           | 284        | 974          | 56                 | 56                     | 101              | 58                    | 61           | 64           |
| <b>Total</b>   | <b>4 881</b>    | <b>508</b> | <b>1 144</b> | <b>1 462</b>       | <b>1 462</b>           | <b>3 069</b>     | <b>1 526</b>          | <b>1 595</b> | <b>1 667</b> |

*Sale of goods and services other than capital assets* comprises of revenue from commission on PERSAL deductions such as insurance premiums and garnishee orders and tender fees. The revenue trend fluctuates over the period due to the uncertain nature of this category. The growth over the MTEF is based on the 2022/23 Main Appropriation rather than the Revised Estimate.

*Interest, dividends and rent on land* is derived from interest on staff debts. The department is very conservative in terms of budgeting for this source due to its unpredictable nature.

*Sale of capital assets* is from the sale of redundant assets, such as motor vehicles and equipment. Revenue collected against this category depends on factors such as the asset disposal policy, size of the fleet and the price received at the auction, hence the unpredictable trend over the seven-year period. The department is reviewing the high revenue shown in the 2022/23 Revised Estimate.

*Transactions in financial assets and liabilities* is in respect of recoveries from previous financial years, such as staff debts. The collection fluctuates from 2019/20 to the 2022/23 Revised Estimate, in line with the recovery of staff debts. The budget over the MTEF is conservative in view of the unpredictable nature of this revenue stream.

### 6.3 Agency funding

Tables 1.3 and 1.4 reflect the details of agency funding for the period 2019/20 to 2025/26. The department received agency receipts in respect of the Manufacturing, Engineering and Related Services Sector Education and Training Authority (MERSETA) and the National Skills Fund (NSF).

**Table 1.3 : Details of agency funding receipts**

| R thousand     | Audited Outcome |               |               | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates |          |          |
|----------------|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|----------|----------|
|                | 2019/20         | 2020/21       | 2021/22       |                    |                        |                  | 2022/23               | 2023/24  | 2024/25  |
| Agency funding | 5 797           | 16 088        | 20 000        | 10 000             | 10 000                 | 8 674            | 1 925                 | -        | -        |
| NSF            | 1 687           | 1 687         | -             | -                  | -                      | -                | -                     | -        | -        |
| MERSETA        | 4 110           | 14 401        | 20 000        | 10 000             | 10 000                 | 8 674            | 1 925                 | -        | -        |
| <b>Total</b>   | <b>5 797</b>    | <b>16 088</b> | <b>20 000</b> | <b>10 000</b>      | <b>10 000</b>          | <b>8 674</b>     | <b>1 925</b>          | <b>-</b> | <b>-</b> |

**Table 1.4 : Details of agency funding payments and estimates**

| R thousand     | Audited Outcome |               |               | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates |          |          |
|----------------|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|----------|----------|
|                | 2019/20         | 2020/21       | 2021/22       |                    |                        |                  | 2022/23               | 2023/24  | 2024/25  |
| Agency funding | 4 538           | 14 649        | 13 089        | 10 000             | 10 000                 | 8 674            | 1 925                 | -        | -        |
| NSF            | 1 332           | 248           | -             | -                  | -                      | -                | -                     | -        | -        |
| MERSETA        | 3 206           | 14 401        | 13 089        | 10 000             | 10 000                 | 8 674            | 1 925                 | -        | -        |
| <b>Total</b>   | <b>4 538</b>    | <b>14 649</b> | <b>13 089</b> | <b>10 000</b>      | <b>10 000</b>          | <b>8 674</b>     | <b>1 925</b>          | <b>-</b> | <b>-</b> |

The department, through the Training Academy, received funding in the past from the NSF. The NSF project implemented learnerships, apprenticeships and skills programmes for the training of unemployed youth, in areas such as toolmaking and digital television installation. The contract between OTP and the NSF ended in March 2020 and no further training programmes are anticipated at this stage. No new funding is anticipated over the 2023/24 MTEF.

MERSETA was one of 23 SETAs that were established in terms of the Skills Development Act passed by the South African Parliament in 1998. MERSETA began functioning in 2000 and was established to play a central role in terms of ensuring that the National Skills Development Strategy of South Africa was fulfilled. The department received funding for training apprentices in various trades such as fitting and turning, electricians, spray painting, petrol and diesel mechanics. During 2020/21, the department, through the Training Academy, signed a new contract to the value of R55 million from MERSETA to train 200 apprentices and 892 skills programmes to be spent up to 2024. The department was allocated R44.401 million from 2020/21 to 2022/23. An additional R8.674 million was received in 2022/23, with a further R3 million still awaited. The amount of R1.925 million in 2023/24 is anticipated funding that will not be spent in 2022/23 and will be rolled over to 2023/24.

## 7. Payment summary

This section provides information pertaining to the Vote as a whole at an aggregated level, including payments and budgeted estimates by programme and economic classification.

Further details are given in Section 7, as well as in the *Annexure – Vote 1: Office of the Premier*.

### 7.1 Key assumptions

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

- All inflation related increases are based on CPI projections.
- Over the 2023/24 MTEF, National Treasury has provided provinces with the budget for the carry-through of the 3 per cent cost of living adjustment, which was implemented in 2022/23.
- The department has provided for *Compensation of employees* to increase by 11.9 per cent in 2023/24 (as based on the Revised Estimate) to provide for carry-through costs of filling critical vacant posts. There is growth of 6.8 per cent in 2024/25 and 0.7 per cent in the outer year of the MTEF. The low increase in 2025/26 is insufficient for the 1.5 per cent pay progression, and will be reviewed in the next budget process. No salary increases have been budgeted for in 2023/24 and 2025/26 in line with National Treasury guidelines. Additional funding was allocated in 2023/24, with carry-through, for the 2022 wage adjustment.
- OTP has budgeted R2.300 million per year over the MTEF to employ 38 people as interns to support administrative functions within the department, funded through internal reprioritisation.

### 7.2 Amendments to provincial and equitable share funding: 2021/22 to 2023/24 MTEF

Table 1.5 shows amendments to provincial and equitable share funding received by the department over the 2021/22, 2022/23 and 2023/24 MTEF periods.

The carry-through allocations for the outer year (i.e. 2025/26) are based on the incremental percentage used in the 2023/24 MTEF.

**Table 1.5 : Summary of amendments to provincial and equitable share allocations for the 2021/22 to 2023/24 MTEF**

| R thousand  | 2021/22       | 2022/23         | 2023/24         | 2024/25         | 2025/26         |
|---|---------------|-----------------|-----------------|-----------------|-----------------|
| <b>2021/22 MTEF period</b>  | <b>26 852</b> | <b>(44 739)</b> | <b>(72 520)</b> | <b>(75 874)</b> | <b>(79 363)</b> |
| Fiscal Consolidation budget cut   | (19 840)      | (20 912)        | (37 820)        | (39 522)        | (41 293)        |
| Compensation of employees budget cut (wage freeze and fiscal consolidation) | (46 362)      | (66 479)        | (81 989)        | (85 679)        | (89 517)        |
| Forensic Services function shift from Vote 6: Provincial Treasury           | 41 054        | 40 652          | 42 441          | 44 351          | 46 338          |
| KZN Youth Empowerment Funds suspended from 20/21                            | 50 000        | -               | -               | -               | -               |
| Adjustment to outer year  | -             | -               | 2 848           | 2 976           | 3 109           |
| District Champion of OSS/DDM responsibilities                               | 2 000         | 2 000           | 2 000           | 2 000           | 2 000           |
| <b>2022/23 MTEF period</b>  |               |                 |                 |                 |                 |
| <b>2023/24 MTEF period</b>  |               |                 | <b>96 546</b>   | <b>3 321</b>    | <b>390</b>      |
| Cost of living adjustment carry-through (3%)                                |               |                 | 6 354           | 7 287           | 7 372           |
| KZN Youth Empowerment Fund  |               |                 | 100 000         | -               | -               |
| PES data update and own revenue reductions                                  |               |                 | (9 808)         | (3 966)         | (6 982)         |
| <b>Total</b>  | <b>26 852</b> | <b>(44 739)</b> | <b>24 026</b>   | <b>(72 553)</b> | <b>(78 973)</b> |

In the 2021/22 MTEF, the following changes were made to the department's budget:

- The department's equitable share was reduced by R19.840 million and R46.362 million, both with carry-through over the MTEF. These relate to the country's poor economic performance and the need to stabilise the country's debt. Thus there were reductions made to the PES and these included a combination of freezing salary increases, as well as additional reductions implemented to support fiscal consolidation.
- The department's equitable share was increased by R41.054 million with carry-through, related to the function shift of the Forensic Investigation Services component from Provincial Treasury to OTP with effect from 1 August 2020 in line with a Provincial Executive Council resolution in this regard.
- The equitable share was increased by R50 million in 2021/22 only, related to the reallocation of funding for the KZN Youth Empowerment Fund suspended from 2020/21, as mentioned.
- The department's equitable share was increased by R2.848 million in 2023/24, with carry-through, for an adjustment to the outer year related to a recalculation of wage freeze cuts.
- The department's equitable share was increased by R2 million in each MTEF year for costs related to the OSS district champion's responsibilities.

In the 2022/23 MTEF, there were no changes to the department's allocation.

In the 2023/24 MTEF, the following changes were made to the department's budget:

- The department's equitable share was increased by R6.354 million with carry-through, related to the previously mentioned funding for the 2022 wage adjustment (3 per cent). The funds were allocated proportionately to all programmes.
- The department's equitable share was increased by a once-off amount of R100 million in 2023/24 for the KZN Youth Empowerment Fund, in line with the SOPA, 2022 pronouncement
- The department's equitable share was reduced by R9.808 million in 2023/24, R3.966 million in 2024/25 and R6.982 million in 2025/26. These reductions relate to the previously mentioned equitable share reduction as a result of the annual updates of the data that informs the PES formula, as well as reductions in the province's own revenue baseline. The cut was effected proportionately against all programmes. Details are provided in Section 8 at programme level.

### 7.3 Summary by programme and economic classification

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

The structure of the department consists of three programmes, and does not conform fully to the generic programme structure of the sector at this stage, but National Treasury approval was received in July 2018 for the deviation. Unique to KZN, following the signing of the proclamation to combine the former Department of the Royal Household (DRH) with Vote 1, the budget of the DRH was added to Vote 1's budget as a sub-programme under Programme 3, effective from 1 April 2015. Note also that the sub-programme: IGR was moved to Programme 1: Administration and this was approved by National Treasury. Note that the inclusion of the Forensic Investigation Services function is not part of the formal budget structure of Offices of the Premier but is in line with a Provincial Executive Council resolution in this regard.

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

| R thousand                   | Audited Outcome |                |                | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates |                |                |
|------------------------------|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
|                              | 2019/20         | 2020/21        | 2021/22        | 2022/23            |                        |                  | 2023/24               | 2024/25        | 2025/26        |
| 1. Administration            | 203 675         | 120 703        | 201 194        | 193 426            | 208 253                | 208 253          | 212 767               | 224 132        | 228 366        |
| 2. Institutional Development | 215 968         | 292 825        | 306 814        | 398 490            | 343 275                | 343 275          | 310 717               | 321 159        | 342 850        |
| 3. Policy and Governance     | 285 327         | 173 670        | 246 189        | 175 635            | 225 241                | 225 241          | 348 573               | 268 361        | 275 808        |
| <b>Total</b>                 | <b>704 970</b>  | <b>587 198</b> | <b>754 197</b> | <b>767 551</b>     | <b>776 769</b>         | <b>776 769</b>   | <b>872 057</b>        | <b>813 652</b> | <b>847 024</b> |

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

| R thousand  | Audited Outcome |                |                | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates |                |                |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
|   | 2019/20         | 2020/21        | 2021/22        | 2022/23            |                        |                  | 2023/24               | 2024/25        | 2025/26        |
| <b>Current payments</b>                             | <b>646 164</b>  | <b>504 344</b> | <b>586 929</b> | <b>690 192</b>     | <b>690 105</b>         | <b>690 105</b>   | <b>691 601</b>        | <b>729 576</b> | <b>759 183</b> |
| Compensation of employees                           | 312 673         | 312 270        | 321 427        | 352 442            | 339 185                | 339 185          | 379 583               | 405 511        | 408 319        |
| Goods and services                                  | 333 491         | 192 074        | 265 502        | 337 750            | 350 920                | 350 920          | 312 018               | 324 065        | 350 864        |
| Interest and rent on land                           | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| <b>Transfers and subsidies to:</b>                  | <b>52 732</b>   | <b>52 671</b>  | <b>121 106</b> | <b>52 881</b>      | <b>56 686</b>          | <b>56 686</b>    | <b>155 209</b>        | <b>57 693</b>  | <b>60 277</b>  |
| Provinces and municipalities                        | 112             | 148            | 212            | 73                 | 73                     | 73               | 76                    | 79             | 83             |
| Departmental agencies and accounts                  | 22 586          | 30 654         | 46 163         | 24 888             | 24 888                 | 24 888           | 25 983                | 27 152         | 28 368         |
| Higher education institutions                       | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Foreign governments and international organisations | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Public corporations and private enterprises         | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Non-profit institutions                             | -               | -              | 50 000         | -                  | -                      | -                | 100 000               | -              | -              |
| Households  | 30 034          | 21 869         | 24 731         | 27 920             | 31 725                 | 31 725           | 29 150                | 30 462         | 31 826         |
| <b>Payments for capital assets</b>                  | <b>5 865</b>    | <b>25 626</b>  | <b>46 162</b>  | <b>24 478</b>      | <b>29 978</b>          | <b>29 978</b>    | <b>25 247</b>         | <b>26 383</b>  | <b>27 564</b>  |
| Buildings and other fixed structures                | 1 378           | 5 365          | 17 847         | 1 877              | 5 877                  | 5 877            | 1 960                 | 2 048          | 2 140          |
| Machinery and equipment                             | 4 487           | 20 261         | 28 315         | 22 601             | 24 101                 | 24 101           | 23 287                | 24 335         | 25 424         |
| Heritage assets                                     | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Specialised military assets                         | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Biological assets                                   | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Land and sub-soil assets                            | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Software and other intangible assets                | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| <b>Payments for financial assets</b>                | <b>209</b>      | <b>4 557</b>   | <b>-</b>       | <b>-</b>           | <b>-</b>               | <b>-</b>         | <b>-</b>              | <b>-</b>       | <b>-</b>       |
| <b>Total</b>  | <b>704 970</b>  | <b>587 198</b> | <b>754 197</b> | <b>767 551</b>     | <b>776 769</b>         | <b>776 769</b>   | <b>872 057</b>        | <b>813 652</b> | <b>847 024</b> |

In 2022/23, OSS moved from the Premier's Priority sub-programme in Programme 3 to Programme 1 under the sub-programme: Inter-governmental Relations, and the Democracy Support unit, which comprises the Office of the Status of Women, Disability, Children's Rights and Elderly Persons, was moved from Programme 2 (Special Programmes sub-programme) to Programme 3 (Premier's Priority Programmes sub-programme) due to re-alignment with the recently approved amended organogram of the department. Prior years were restated for comparative purposes.

The department was subjected to budget cuts in 2020/21 to fund the provincial response to the Covid-19 pandemic, as well as cuts related to freezing public sector wages. In addition, the budget over the MTEF is impacted by the carry-through budget cuts related to the public sector wage freeze, as well as cuts related to fiscal consolidation and PES amendments. These cuts are shown in Table 1.5, and details thereof were provided in the 2021/22 *EPRE*. There were also budget cuts in the 2023/24 MTEF related to the previously mentioned PES reduction and reductions in the province's own revenue baseline. These cuts are shown in Table 1.5, and details are provided at programme level in Section 8.

In Programme 1: Administration, the decrease in 2020/21 was due to once-off funding in 2019/20, moved from Programme 2 for pressures from the Premier's inauguration and OSS outreach programmes, partly accounting for the decrease in 2020/21. Also impacting on the reduction in 2020/21 was funding reprioritised from this Vote, largely to the DOH and DOE for the provincial Covid-19 response. These cuts were once-off, accounting for the increase in 2021/22. However, the previously mentioned budget cuts related to fiscal consolidation, PES formula cuts, CPI projection cuts to *Compensation of employees*, as well as events cuts mitigated the increase and were mainly effected against this programme, carried through over the MTEF. The impact of these cuts is that Social Cohesion and Moral Regeneration programme events were scaled down in number and size. The cuts against *Compensation of employees* did not impact on service delivery as this is adjusting for a lower forecast CPI. The increase in the 2022/23 Adjusted Appropriation was to cater for audit fees and OSS activities which were under-budgeted for. In addition, the department received additional funding for the 3 per cent wage adjustment, with carry-over. Growth in this programme is low in 2023/24, largely due to the once-off nature of the spending in 2022/23, related to the completion of the security upgrades at the Premier's Parkside residence. Growth over the two outer years of the MTEF is inflationary only.

Programme 2: Institutional Development shows an increase in 2020/21 related to the centralisation of the IT services budget (R35 million) within this programme for the purchase of computer equipment, as well as IT related services for the whole department. Also impacting on the increase was the suspension of the Moses Mabhida roof repair funding from 2019/20 to 2020/21. Programme 2 shows an increase in 2021/22 as the centralisation of the ICT function to this programme added to the

growth. This process was not fully implemented in the past and was finalised in 2021/22. Historical records were not complete enough to allow restatement of prior year expenditure for comparative purposes. Note that this programme was subject to budget cuts in the 2021/22 MTEF, with the bulk of the cut effected against *Compensation of employees*, which impacts on the filling of posts in the outer years of the MTEF. The increase in the 2022/23 Main Appropriation relates to the planned filling of eight posts. However, the process of filling posts was slower than expected and some of this funding was moved to Programme 3 in the Adjusted Appropriation to fund the new King's coronation costs. There were also more activities such as events and campaigns planned as a result of national Covid-19 restrictions being eased. The bursaries budget is moved from Programme 2 to the Premier's Priority Programmes sub-programme in Programme 3 from 2023/24, to follow the movement of the Youth Directorate. The historical data was restated for comparative purposes. The reduction in the Adjusted Appropriation relates to the previously mentioned movement of the Democracy Support unit from this programme to Programme 3, in line with the approved revised organogram. Historical data was restated for comparative purposes. Also impacting on the reduction was the slow filling of posts, as mentioned. The lower baseline from 2023/24 is due to the impact of the movement of the Democracy Support unit from this programme to Programme 3, as well as the bursaries budget, as mentioned. Growth over the two outer years of the MTEF is inflationary only.

Programme 3 shows relatively higher spending in 2019/20 compared to 2020/21 due to in-year pressures related to the Social Cohesion and Moral Regeneration programme events, as well as budget cuts to fund the provincial Covid-19 response. Furthermore, an additional R2.900 million was received in 2019/20 for the launch of the DDM. The Social Cohesion and Moral Regeneration programme events spent significantly more in 2019/20, in line with the recommendations of the Moerane Commission of Inquiry *via* once-off events to address tolerance among communities. While there were some carry-through costs, these were significantly less going forward, hence the decrease in 2020/21. The reduction in 2020/21 was also due to the budget cuts related to the provincial response to Covid-19, with this programme subject to the biggest portion of the cuts. To lessen the impact of this cut, the 2021/22 cuts to the programme were far less, allowing a partial return to the original baseline, partly accounting for the strong growth in 2021/22. The increase in 2021/22 was also because of the once-off allocation of R50 million for the KZN Youth Empowerment Fund, reallocated from 2020/21, which accounts for the decrease in the 2022/23 Main Appropriation. The increase in the 2022/23 Adjusted Appropriation was due to reprioritisation for the traditional and formal coronation and hand-over ceremony in respect of His Majesty, the King, as well as the implementation of the monitoring and evaluation system. In addition, there was a movement of funds related to the previously mentioned movement of the Democracy Support unit from Programme 2 to this programme, in line with the approved revised organogram. Historical data was restated for comparative purposes. The significant growth in 2023/24 relates to the once-off addition of R100 million for the KZN Youth Empowerment Fund, accounting for the negative growth in 2024/25, mitigated by the once-off cost of the coronation of His Majesty, the King, amounting to R11.900 million. Growth in the outer years is inflationary only.

*Compensation of employees'* growth in the prior years was largely inflationary due to the ongoing implementation of the new organisational structure (approved in 2019/20). However, the department will not be in a position to fully implement the new organisational structure as anticipated, because of insufficient funding over the 2023/24 MTEF due to the budget cuts, as mentioned above. The funding in 2021/22 allowed for the filling of 19 posts. There was further filling of posts planned for 2022/23, with 50 filled by the end of the third quarter. However, due to the slow pace of filling these posts, the department reduced the budget in the Adjusted Appropriation, moving the funds to cover the costs of the new King's coronation, as well as the security upgrades at the Premier's Parkside residence. The growth of 11.9 per cent in 2023/24 is sufficient for the remaining 68 posts to be filled, with growth in 2024/25 at 6.8 per cent, which is sufficient for the anticipated wage increase and the 1.5 per cent pay progression. Growth in the outer year is at 0.7 per cent, which is insufficient for the 1.5 per cent pay progression, and will be reviewed in the next budget process.

The decrease against *Goods and services* in 2020/21 was due to funding reprioritised from OTP, largely to the DOH and DOE for the provincial Covid-19 response. These cuts were once-off,

accounting for the increase in 2021/22. As mentioned, from the 2021/22 MTEF, there were fiscal consolidation and PES budget cuts, with cuts implemented against advertising, computer services, contractors and consultants. With regard to contractors, the impact of the cuts meant a reduction in the number and size of events. The cuts against computer services and consultants had a minimal impact as these items were over-budgeted for. The growth in 2021/22 and 2022/23 was in line with the return to holding events as national lockdown requirements were eased, and the implementation of the monitoring and evaluation system, which will evaluate the impact of service delivery activities. The increase in the 2022/23 Adjusted Appropriation was largely due to the costs of the new King's coronation, as mentioned. As the coronation costs were once-off, the growth in 2023/24 is negative, with inflationary growth over the remainder of the MTEF. Note that the 2023/24 budget cuts were effected against this category, and details thereof are provided at programme level in Section 8.

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

- *Provinces and municipalities* caters for the payment of motor vehicle licences. The growth from 2019/20 to 2020/21 was due to new vehicles being licensed. The lower baseline from 2022/23 and over the MTEF is in line with the planned scrapping of redundant vehicles, with steady growth from the new base over the MTEF.
- *Departmental agencies and accounts* caters for transfers to the ZRHT and the 2023/24 MTEF provides for inflationary growth only. No budget cuts were implemented against this transfer. The high spending in 2020/21 relates to once-off funding for the ZRHT for purchasing vehicles for the Queens, funding for new fences at the palaces, as well as once-off Covid-19 expenses. Note that the budget for infrastructure, previously budgeted for under *Buildings and other fixed structures*, is included in the annual transfer.
- With regard to *Non-profit institutions*, funding of R50 million was allocated in 2020/21 and these funds were unspent and reallocated to 2021/22 for the KZN Youth Empowerment Fund, and were transferred to the KZNGFT. The department is allocated a further R100 million for transfer in 2023/24 and this will also be transferred to the KZNGFT. As mentioned, the Fund received R100 million from OTP, and R20 million from EDTEA. The first tranche of R50 million from OTP was fully disbursed, but the second tranche of R50 million and the R20 million from EDTEA, received in 2022/23, has not yet been disbursed as at February 2023. It is envisaged that all funds will be disbursed to qualifying applicants in the first and second quarters of 2023/24.
- *Households* consists of staff exit costs, medical aid contributions for ex-parliamentarians (PARMED), the Provincial Bursary Programme, etc. The fluctuations in the prior years relate to staff exit costs, which are difficult to accurately predict. The amount budgeted over the 2023/24 MTEF provides for staff exit costs, external bursaries and PARMED. Note that there are currently discussions underway with all stakeholders including Parliament and National Treasury regarding the movement of this function, as there was a finding by the A-G that this function is incorrectly placed in OTP. There is currently no finalisation of this issue.

With regard to *Buildings and other fixed structures*, the increase in 2021/22 was related to savings in *Goods and services* in Programme 3, allocated to *Buildings and other fixed structures* for the roof repairs at the Moses Mabhida building, with this once-off spending accounting for the decrease in the 2022/23 Main Appropriation. The increase in the Adjusted Appropriation was attributed to savings reprioritised from *Goods and services* due to challenges in sourcing additional office accommodation and this was reprioritised for security upgrades at the Premier's Parkside residence that commenced in 2021/22 and were completed in 2022/23. The MTEF budget provides for various projects, including the planned replacement of the cladding at the Moses Mabhida building to address water leaks.

*Machinery and equipment* relates to the purchase of essential office furniture and equipment for new appointments and the purchase of official vehicles. The increase in 2020/21 relates to security upgrades at all of the department's buildings, including security cameras and biometric access systems, as well as the replacement of departmental vehicles that have reached their expected lifespan. The increase in the 2022/23 Adjusted Appropriation was for the replacement of vehicles. The MTEF caters for the ongoing replacement of departmental vehicles, furniture and computer equipment.

Payments for financial assets is attributed to debts written off.

#### 7.4 Summary of conditional grant payments and estimates – Nil

#### 7.5 Summary of infrastructure payments and estimates

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

Table 1.8 : Summary of infrastructure payments and estimates by category

| R thousand   | Audited Outcome |               |               | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates |               |               |
|--|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
|  | 2019/20         | 2020/21       | 2021/22       |                    |                        |                  | 2022/23               | 2023/24       | 2024/25       |
| <b>Existing infrastructure assets</b>                | <b>4 533</b>    | <b>7 580</b>  | <b>21 669</b> | <b>6 177</b>       | <b>10 177</b>          | <b>8 807</b>     | <b>6 449</b>          | <b>6 739</b>  | <b>7 041</b>  |
| Maintenance and repair: Current                      | 3 155           | 2 215         | 3 822         | 4 300              | 4 300                  | 2 930            | 4 489                 | 4 691         | 4 901         |
| Upgrades and additions: Capital                      | 517             | -             | -             | -                  | -                      | -                | -                     | -             | -             |
| Refurbishment and rehabilitation: Capital            | 861             | 5 365         | 17 847        | 1 877              | 5 877                  | 5 877            | 1 960                 | 2 048         | 2 140         |
| <b>New infrastructure assets: Capital</b>            | <b>-</b>        | <b>-</b>      | <b>-</b>      | <b>-</b>           | <b>-</b>               | <b>-</b>         | <b>-</b>              | <b>-</b>      | <b>-</b>      |
| <b>Infrastructure transfers</b>                      | <b>3 500</b>    | <b>2 350</b>  | <b>19 455</b> | <b>2 625</b>       | <b>2 625</b>           | <b>2 625</b>     | <b>2 740</b>          | <b>2 863</b>  | <b>2 991</b>  |
| Infrastructure transfers: Current                    | -               | -             | -             | -                  | -                      | -                | -                     | -             | -             |
| Infrastructure transfers: Capital                    | 3 500           | 2 350         | 19 455        | 2 625              | 2 625                  | 2 625            | 2 740                 | 2 863         | 2 991         |
| <b>Infrastructure: Payments for financial assets</b> | <b>-</b>        | <b>-</b>      | <b>-</b>      | <b>-</b>           | <b>-</b>               | <b>-</b>         | <b>-</b>              | <b>-</b>      | <b>-</b>      |
| <b>Infrastructure: Leases</b>                        | <b>14 215</b>   | <b>8 335</b>  | <b>6 955</b>  | <b>9 676</b>       | <b>9 676</b>           | <b>8 384</b>     | <b>10 102</b>         | <b>10 556</b> | <b>11 029</b> |
| <b>Non infrastructure<sup>1</sup></b>                | <b>-</b>        | <b>-</b>      | <b>-</b>      | <b>-</b>           | <b>-</b>               | <b>-</b>         | <b>-</b>              | <b>-</b>      | <b>-</b>      |
| <b>Total</b>   | <b>22 248</b>   | <b>18 265</b> | <b>48 079</b> | <b>18 478</b>      | <b>22 478</b>          | <b>19 816</b>    | <b>19 291</b>         | <b>20 158</b> | <b>21 061</b> |
| Capital infrastructure                               | 4 878           | 7 715         | 37 302        | 4 502              | 8 502                  | 8 502            | 4 700                 | 4 911         | 5 131         |
| Current infrastructure                               | 17 370          | 10 550        | 10 777        | 13 976             | 13 976                 | 11 314           | 14 591                | 15 247        | 15 930        |

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

With regard to *Maintenance and repair: Current* over the 2023/24 MTEF, the funding is to address backlogs in scheduled and *ad hoc* maintenance projects. The buildings targeted for routine maintenance include the Moses Mabhida building in Pietermaritzburg, the Marine building in Durban and the Premier's Parkside residence. These repairs are undertaken on a needs basis and are determined in-year. The growth in this category is inflationary only.

*Upgrades and additions: Capital* in 2019/20 relates to the Terry Street parking facility that was developed alongside the Moses Mabhida building.

*Refurbishment and rehabilitation: Capital* reflects expenditure related to projects at the Premier's Parkside residence and the Moses Mabhida building. The low spending in 2019/20 and the high spending in 2020/21 relate to the suspension of the funding for the roof repairs at the Moses Mabhida building to 2020/21. It is noted that the department cut its infrastructure budget by R2.100 million in 2020/21 against the roof repairs project at the Moses Mabhida building as the project was impacted by the national lockdown. The increase in 2021/22 relates to savings from events held on a smaller scale as a result of the national lockdown restrictions, reprioritised from *Goods and services* for the final phase of the roof repair project at the Moses Mabhida building. The increase in the 2022/23 Adjusted Appropriation was due to savings reprioritised from *Goods and services* due to challenges in sourcing additional office accommodation and this was reprioritised for the security upgrades at the Premier's Parkside residence that commenced in 2021/22 and were completed in 2022/23. The 2023/24 MTEF provides for refurbishment of the department's buildings, including planned replacement of the cladding at the Moses Mabhida building to address water leaks.

*Infrastructure transfers: Capital* relates to the transfer to the ZRHT for infrastructure projects at the Royal palaces, with inflationary growth over the MTEF. Planned projects include upgrading the King's official palace at Nyokeni and maintenance and repairs of all Royal palaces.

*Infrastructure: Leases* relates to the lease of buildings for use by the department. Currently, the department leases a number of buildings, including offices in the Invesco Centre in Pietermaritzburg and the Marine building in Durban. The high spending in 2019/20 relates to once-off arrears billed by DOPW related to under-billing in previous financial years, accounting for the decrease in 2020/21. The department is, through DOPW, looking for accommodation that is cheaper than the Invesco Centre. There is currently no progress in this regard.

## 7.6 Summary of Public Private Partnerships – Nil

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

Over the 2023/24 MTEF, the OTP will exercise oversight over one public entity, namely ZRHT. Table 1.9 shows transfers made to ZRHT, as well as the KZNGFT. The financial summary received from ZRHT is given in *Annexure – Vote 1: Office of the Premier*. Note that no financial summary is included for the KZNGFT in the Annexure, as the entity reports to EDTEA.

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

| R thousand                          | Audited Outcome |               |               | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates |               |               |
|-------------------------------------|-----------------|---------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
|                                     | 2019/20         | 2020/21       | 2021/22       | 2022/23            |                        |                  | 2023/24               | 2024/25       | 2025/26       |
| <b>Transfers to public entities</b> | <b>22 586</b>   | <b>30 654</b> | <b>46 163</b> | <b>24 888</b>      | <b>24 888</b>          | <b>24 888</b>    | <b>25 983</b>         | <b>27 152</b> | <b>28 368</b> |
| Zulu Royal House Trust              | 22 586          | 30 654        | 46 163        | 24 888             | 24 888                 | 24 888           | 25 983                | 27 152        | 28 368        |
| 3.3 Royal Household                 |                 |               |               |                    |                        |                  |                       |               |               |
| <b>Transfers to other entities</b>  | <b>-</b>        | <b>-</b>      | <b>50 000</b> | <b>-</b>           | <b>-</b>               | <b>-</b>         | <b>100 000</b>        | <b>-</b>      | <b>-</b>      |
| KZNGFT                              | -               | -             | 50 000        | -                  | -                      | -                | 100 000               | -             | -             |
| 3.2 Premier's Priority Prog.        |                 |               |               |                    |                        |                  |                       |               |               |
| <b>Total</b>                        | <b>22 586</b>   | <b>30 654</b> | <b>96 163</b> | <b>24 888</b>      | <b>24 888</b>          | <b>24 888</b>    | <b>125 983</b>        | <b>27 152</b> | <b>28 368</b> |

The ZRHT was established in 2009/10 as an entity in terms of the KZN Royal Household Trust Act, 2007, but is now governed by the KZN Zulu Royal House Trust Act, 2018. The entity was registered as a Schedule 3C provincial public entity in 2012/13. The MTEF budget provides for the various operational costs of the ZRHT such as municipal costs, fuel, food supplies, etc., relating to the Queens and other members of the Royal family. The MTEF provides for inflationary increases only.

In 2020/21, the department budgeted to transfer the second tranche of funding for the KZN Youth Empowerment Fund, to the KZNGFT, as mentioned. This funding was suspended in the 2020/21 Adjusted Appropriation as economic activity was insufficient to generate funding requests largely due to the Covid-19 pandemic, and the funding was reallocated in 2021/22. A further R100 million was allocated to the fund in 2023/24, with these funds allocated to OTP from the contingency reserve to honour a commitment made in SOPA, 2022. As mentioned, the first tranche of R50 million has been disbursed, with the second tranche totalling R70 million expected to be dispersed by mid-2023/24.

## 7.8 Transfers to local government

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

## 7.9 Transfers and subsidies

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

Programme 1 reflects the following transfers:

- *Provinces and municipalities* relates to the motor vehicle licences for the department as a whole. The trend from 2019/20 to 2021/22 is due to new vehicles being licensed. The lower baseline from 2022/23 and over the MTEF is in line with the planned scrapping of redundant vehicles, with steady growth over the 2023/24 MTEF.
- *Households* caters for social benefits relating to staff exit costs, as well as medical aid contributions for ex-parliamentarians (PARMED). Note that there are currently discussions underway with all stakeholders including National Parliament and National Treasury regarding the correct placement of this function, possibly to the Legislature or National Parliament, as there was a finding by the A-G that this function is incorrectly placed in OTP. There is no progress in this regard, at this stage. The increase in the 2022/23 Adjusted Appropriation relates to staff exit costs due to a number of staff retiring, while the PARMED amount decreased as a result of the natural attrition of beneficiaries. The high base in 2023/24 will be reviewed in-year and the baseline will be adjusted in the next budget process.

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

| R thousand                          | Audited Outcome |               |                | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates |               |               |
|-------------------------------------|-----------------|---------------|----------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
|                                     | 2019/20         | 2020/21       | 2021/22        |                    |                        |                  | 2022/23               | 2023/24       | 2024/25       |
| <b>1. Administration</b>            | <b>4 490</b>    | <b>1 672</b>  | <b>1 896</b>   | <b>1 529</b>       | <b>2 659</b>           | <b>2 659</b>     | <b>1 597</b>          | <b>1 669</b>  | <b>1 744</b>  |
| Provinces and municipalities        | 103             | 148           | 212            | 73                 | 73                     | 73               | 76                    | 79            | 83            |
| Motor vehicle licences              | 103             | 148           | 212            | 73                 | 73                     | 73               | 76                    | 79            | 83            |
| Households                          | 4 387           | 1 524         | 1 684          | 1 456              | 2 586                  | 2 586            | 1 521                 | 1 590         | 1 661         |
| Staff exit costs                    | 3 200           | 211           | 534            | -                  | 1 602                  | 1 602            | -                     | -             | -             |
| PARMED                              | 1 187           | 1 313         | 1 150          | 1 456              | 984                    | 984              | 1 521                 | 1 590         | 1 661         |
| <b>2. Institutional Development</b> | <b>293</b>      | <b>1 003</b>  | <b>3 374</b>   | <b>26 464</b>      | <b>26 596</b>          | <b>26 596</b>    | <b>68</b>             | <b>71</b>     | <b>74</b>     |
| Households                          | 293             | 1 003         | 3 374          | 26 464             | 26 596                 | 26 596           | 68                    | 71            | 74            |
| Staff exit costs                    | 293             | 1 003         | 3 374          | 65                 | 5 193                  | 5 193            | 68                    | 71            | 74            |
| Provincial Bursary Programme        | -               | -             | -              | 26 399             | 21 403                 | 21 403           | -                     | -             | -             |
| <b>3. Policy and Governance</b>     | <b>47 949</b>   | <b>49 996</b> | <b>115 836</b> | <b>24 888</b>      | <b>27 431</b>          | <b>27 431</b>    | <b>153 544</b>        | <b>55 953</b> | <b>58 459</b> |
| Provinces and municipalities        | 9               | -             | -              | -                  | -                      | -                | -                     | -             | -             |
| Motor vehicle licences              | 9               | -             | -              | -                  | -                      | -                | -                     | -             | -             |
| Departmental agencies and accounts  | 22 586          | 30 654        | 46 163         | 24 888             | 24 888                 | 24 888           | 25 983                | 27 152        | 28 368        |
| ZRHT                                | 22 586          | 30 654        | 46 163         | 24 888             | 24 888                 | 24 888           | 25 983                | 27 152        | 28 368        |
| Non-profit institutions             | -               | -             | 50 000         | -                  | -                      | -                | 100 000               | -             | -             |
| KZN Growth Fund Trust               | -               | -             | 50 000         | -                  | -                      | -                | 100 000               | -             | -             |
| Households                          | 25 354          | 19 342        | 19 673         | -                  | 2 543                  | 2 543            | 27 561                | 28 801        | 30 091        |
| Staff exit costs                    | 835             | 1 200         | 1 851          | -                  | 2 543                  | 2 543            | -                     | -             | -             |
| Provincial Bursary Programme        | 24 519          | 18 142        | 17 822         | -                  | -                      | -                | 27 561                | 28 801        | 30 091        |
| <b>Total</b>                        | <b>52 732</b>   | <b>52 671</b> | <b>121 106</b> | <b>52 881</b>      | <b>56 686</b>          | <b>56 686</b>    | <b>155 209</b>        | <b>57 693</b> | <b>60 277</b> |

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

- *Departmental agencies and accounts* relates to transfers to the ZRHT, as detailed in Section 7.7.
- The amount of R50 million reflected against *Non-profit institutions* is for the KZN Youth Empowerment Fund. The first tranche of R50 million was transferred to the KZNGFT in 2018/19, with the second tranche allocated in 2020/21, but reallocated to the department in 2021/22, as mentioned, and these funds were transferred to the KZNGFT. A further amount of R100 million is allocated toward this in 2023/24, as mentioned.
- *Households* caters for external bursaries and staff exit costs. It must be noted that, although the Provincial Bursary Programme was decentralised back to the departments from which the funds were originally moved, a portion of the budget remains for the external bursaries administered by the OTP, and were originally administered under Programme 2, but shifted to the Premier's Priority Programmes sub-programme in Programme 3 from 2023/24 to follow the movement of the Youth directorate. The historical data was restated for comparative purposes. The growth in the bursaries budget over the MTEF is inflationary only. The budget for bursaries is based on previous intakes, which range between 150 and 200, and include progressing and new intake students. The department has made a minimal provision for staff exit costs under Programme 2 over the MTEF.

## 8. Programme description

The services rendered by this department are, as per the generic sector structure, categorised under three programmes, the details of which are discussed below. However, the department does not conform fully to the generic programme structure of the sector at this stage, but National Treasury approval was obtained for the deviation, as explained.

The amounts for each programme are summarised in terms of economic classification, with details given in *Annexure – Vote 1: Office of the Premier*.

### 8.1 Programme 1: Administration

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

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

The objectives of this programme are as follows:

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

Tables 1.11 and 1.12 reflect a summary of payments and estimates relating to this programme, by sub-programme and economic classification, for the period 2019/20 to 2025/26. The programme was subject to fiscal consolidation cuts over the 2021/22 MTEF and these were effected across all sub-programmes and the cuts remain in the baseline. The programme's budget was cut over the 2023/24 MTEF by R2.915 million in 2023/24, with carry-through. The cuts were across all sub-programmes and against *Goods and services*. This will impact on some services such as events, which will have to be scaled down.

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

| R thousand                     | Audited Outcome |                |                | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates |                |                |
|--------------------------------|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
|                                | 2019/20         | 2020/21        | 2021/22        |                    |                        |                  | 2022/23               | 2023/24        | 2024/25        |
| 1. Premier Support             | 33 411          | 24 568         | 26 456         | 31 024             | 30 855                 | 30 855           | 31 691                | 33 308         | 33 172         |
| 2. Executive Council Support   | 14 772          | 11 484         | 11 574         | 9 325              | 11 870                 | 11 870           | 10 840                | 11 372         | 10 430         |
| 3. Director-General Support    | 17 116          | 18 037         | 22 723         | 21 815             | 22 219                 | 22 219           | 22 299                | 23 477         | 23 831         |
| 4. Financial Management        | 86 112          | 40 995         | 104 964        | 109 772            | 115 450                | 113 594          | 111 763               | 117 871        | 122 314        |
| 5. Intergovernmental Relations | 52 264          | 25 619         | 35 477         | 21 490             | 27 859                 | 29 715           | 36 174                | 38 104         | 38 619         |
| <b>Total</b>                   | <b>203 675</b>  | <b>120 703</b> | <b>201 194</b> | <b>193 426</b>     | <b>208 253</b>         | <b>208 253</b>   | <b>212 767</b>        | <b>224 132</b> | <b>228 366</b> |

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

| R thousand  | Audited Outcome |                |                | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates |                |                |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
|   | 2019/20         | 2020/21        | 2021/22        |                    |                        |                  | 2022/23               | 2023/24        | 2024/25        |
| <b>Current payments</b>                             | <b>194 203</b>  | <b>112 167</b> | <b>168 893</b> | <b>177 728</b>     | <b>185 025</b>         | <b>185 025</b>   | <b>194 635</b>        | <b>205 184</b> | <b>208 570</b> |
| Compensation of employees                           | 93 037          | 83 733         | 97 833         | 92 729             | 95 356                 | 95 356           | 101 895               | 106 481        | 105 024        |
| Goods and services                                  | 101 166         | 28 434         | 71 060         | 84 999             | 89 669                 | 89 669           | 92 740                | 98 703         | 103 546        |
| Interest and rent on land                           | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| <b>Transfers and subsidies to:</b>                  | <b>4 490</b>    | <b>1 672</b>   | <b>1 896</b>   | <b>1 529</b>       | <b>2 659</b>           | <b>2 659</b>     | <b>1 597</b>          | <b>1 669</b>   | <b>1 744</b>   |
| Provinces and municipalities                        | 103             | 148            | 212            | 73                 | 73                     | 73               | 76                    | 79             | 83             |
| Departmental agencies and accounts                  | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Higher education institutions                       | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Foreign governments and international organisations | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Public corporations and private enterprises         | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Non-profit institutions                             | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Households  | 4 387           | 1 524          | 1 684          | 1 456              | 2 586                  | 2 586            | 1 521                 | 1 590          | 1 661          |
| <b>Payments for capital assets</b>                  | <b>4 982</b>    | <b>6 857</b>   | <b>30 405</b>  | <b>14 169</b>      | <b>20 569</b>          | <b>20 569</b>    | <b>16 535</b>         | <b>17 279</b>  | <b>18 052</b>  |
| Buildings and other fixed structures                | 1 378           | 5 365          | 17 847         | 1 877              | 5 877                  | 5 877            | 1 960                 | 2 048          | 2 140          |
| Machinery and equipment                             | 3 604           | 1 492          | 12 558         | 12 292             | 14 692                 | 14 692           | 14 575                | 15 231         | 15 912         |
| Heritage assets                                     | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Specialised military assets                         | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Biological assets                                   | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Land and sub-soil assets                            | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Software and other intangible assets                | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| <b>Payments for financial assets</b>                | <b>-</b>        | <b>7</b>       | <b>-</b>       | <b>-</b>           | <b>-</b>               | <b>-</b>         | <b>-</b>              | <b>-</b>       | <b>-</b>       |
| <b>Total</b>  | <b>203 675</b>  | <b>120 703</b> | <b>201 194</b> | <b>193 426</b>     | <b>208 253</b>         | <b>208 253</b>   | <b>212 767</b>        | <b>224 132</b> | <b>228 366</b> |

The significant decrease in 2020/21 in most sub-programmes and particularly in *Goods and services* is attributed to the once-off budget cuts to provide for the provincial response to the Covid-19 pandemic. As mentioned, the 2023/24 budget cuts of R2.915 million in 2023/24, with carry-through, were also effected against *Goods and services* and all sub-programmes, but mainly the Financial Management sub-programme, and will mainly impact on the events budget, which will be scaled down.

The sub-programme: Premier Support provides technical, administrative and advisory support to the Premier in executing her constitutional mandate. Growth in 2022/23 is high to cater for increased

travel and subsistence costs due to the *post* Covid-19 relaxation of restrictions on travel. The growth over the first two years of the MTEF is inflationary only. The negative growth in the outer year will be addressed in the next budget process.

The sub-programme: Executive Council Support renders secretariat support services to the Provincial Executive Council. The high spending in 2019/20 relates to the Premier's Inauguration and additional meetings undertaken following the 2019 general elections, hence the negative growth in 2020/21. The increase in the 2022/23 Adjusted Appropriation relates to funding for the Command Centre for Disaster Management, which was responsible for co-ordinating the province's response to the April 2022 flood disaster. There were also minor increases to correct the incorrect placement of staff budgets, carried through over the 2023/24 MTEF. The MTEF budget mainly caters for the Provincial Command Council commitments (mainly travelling, catering and communication costs), which is the executive authority that has been put in place to oversee the provincial responses to unforeseeable and unavoidable events, as well as monitor the progress and impact of interventions. Also scheduled each year are two Provincial Executive Council Makgotlas and a workshop on Executive Council Manual Compliance. The negative growth in the outer year will be addressed in the next budget process.

The Director-General Support sub-programme provides operational support to the Director-General in strategically managing the province. In 2020/21, there was reprioritisation to this sub-programme to cater for support for the roll-out and implementation of the DDM activities and implementation of the approved IGR Strategy. Growth over the MTEF is low due to the carry-through impact of the 2021/22 budget cuts and this will impact on the number and scale of events held. The budget will mainly be utilised to enhance performance management and accountability through monitoring and evaluation, e.g. holding of COHOD meetings.

The Financial Management sub-programme provides financial management support and advisory services to the Premier and Director-General in fulfilling their legislative and oversight functions and in promoting good corporate governance. The significant increase in 2021/22 relates to savings under *Goods and services* in Programme 3, allocated to *Buildings and other fixed structures* against the Financial Management sub-programme for the roof repairs at the Moses Mabhida building. There were savings due to the scaling down of stakeholder activities and engagements (events) as a result of the national lockdown regulations. Also moved from *Goods and services* in Programme 2 were savings due to reduced advertising costs in respect of campaigns and radio slots that were severely impacted on by the national lockdown regulations, allocated to *Machinery and equipment* in the Financial Management sub-programme for the replacement of departmental vehicles that reached their expected lifespan, and this was not budgeted for. There was movement of funding from this sub-programme to IT services in Programme 2 over the MTEF as part of the centralisation of IT services. Historical records were not complete enough to allow restatement of prior year expenditure for comparative purposes. The increase in the Adjusted Appropriation relates to reprioritisation from Programme 2 for the replacement of motor vehicles, as well as increases to correct the incorrect placement of staff budgets, carried through over the MTEF. The decrease in 2023/24 relates to the once-off amount in 2022/23 for motor vehicle replacement, as well as the bulk of the 2023/24 MTEF budget cuts effected against this sub-programme. Growth in the outer years is inflationary only.

The purpose of the IGR sub-programme is to improve inter- and intra-governmental relations and promote effective co-operative governance through implementation of the IGR Act. OTP co-ordinates all departments to ensure effective delivery of all MTSF outcomes. The increase in 2021/22 was to cover inter-governmental and related activities and associated increased foreign travel expenses due to the easing in the national lockdown restrictions. The decrease in the 2022/23 Main Appropriation was attributed to cost containment, mainly related to restricting events and travel to address pressures elsewhere in the budget, such as the Digital Transformation project. The increase in the 2022/23 Adjusted Appropriation relates to reprioritisation for OSS activities. The high growth in 2023/24 is due to the movement of OSS from Programme 2 to this programme to align with the new organogram, with the historical data restated for comparative purposes. Growth over the remainder of the MTEF is mainly inflationary, and the carry-through of the 2021/22 budget cuts account for the relatively low growth. The budget over the MTEF will be used for projects such as the roll-out of the IGR Toolkit, which will empower IGR practitioners to play a more visible and central role in IGR structures at the

provincial, district and local government level. The IGR Toolkit will also enable practitioners to participate more fully within OSS and DDM structures.

*Compensation of employees* shows growth in 2021/22 attributed to the filling of six vacant posts, as well as for the 2021 wage increase. The increase in the 2022/23 Adjusted Appropriation relates to the 3 per cent increase in salaries for all staff. The growth in 2023/24 is due to the movement of OSS from Programme 2 to this programme from 2023/24, with the historical data restated for comparative purposes. There is also provision for the filling of nine posts. The increase in 2024/25 is inflationary only and includes the carry-through costs of the 2022 cost of living adjustment, while the growth in the outer year caters for the pay progression only.

*Goods and services* over the MTEF is subjected to budget cuts which limits growth, particularly in the outer year, with the cuts resulting in events being scaled down in number and size. In total R2.195 million, with carry-through was cut in 2023/24, mainly against communications and travel and subsistence. The impact of this is the scaling down in number and size of activities, mainly events, due to the cuts. The department centralised certain functions under Programme 1, such as fleet maintenance and telephone expenses against *Goods and services*, as well as the procurement of office furniture and motor vehicles against *Machinery and equipment*. This process was not fully implemented in the past and was finalised in 2022/23. Historical records were not complete enough to allow restatement of expenditure for comparative purposes. The increase in the 2022/23 Adjusted Appropriation relates to funding for the Command Centre for Disaster Management, which was responsible for co-ordinating the province's response to the April 2022 flood disaster. There was also reprioritisation for OSS activities. Growth over the 2023/24 MTEF is inflationary only.

*Transfers and subsidies to: Provinces and municipalities* relates to motor vehicle licences.

*Transfers and subsidies to: Households* caters for payments in respect of staff exit costs and PARMED. The fluctuating trend is largely attributed to fluctuating leave gratuity payments, as well as the fact that PARMED beneficiary numbers are decreasing from year-to-year due to natural attrition. The high base in 2019/20 relates to once-off funding for staff exit costs, including the former Premier, following the 2019 elections, as well as a retiring DDG, hence the decrease in 2020/21. The increase in the 2022/23 Adjusted Appropriation is for higher than expected staff exit costs. The MTEF funding only caters for PARMED and increases are inflationary.

*Buildings and other fixed structures* historical spending relates to projects such as the Terry Street parking project, as well as the roof repairs project at the Moses Mabhida building. The significant increase in 2021/22 relates to the roof repairs at the Moses Mabhida building, as mentioned. The increase in the 2022/23 Adjusted Appropriation was to cater for the completion of the security upgrades at the Premier's Parkside residence. The 2023/24 MTEF provides for refurbishment of the department's buildings including planned replacement of the cladding at the Moses Mabhida building to address water leaks.

*Machinery and equipment* takes into account the movement of funding from other programmes in 2021/22 due to a decision taken to centralise office furniture and vehicle procurement under Programme 1. Historical records were not complete enough to allow restatement of expenditure for comparative purposes. The increase in the 2022/23 Adjusted Appropriation relates to reprioritisation from Programme 2 for the replacement of motor vehicles. The budget over the MTEF provides for the replacement of furniture and computer equipment.

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

### **Service delivery measures: Administration**

Table 1.13 illustrates service delivery measures pertaining to Programme 1. It is noted that the OTP sector has not yet agreed on standardised service delivery measures.

Two measures are annual in nature and no Estimated performance for 2022/23 is available. Note that only a few main measures are reflected below, and the full set of measures is detailed in the department's APP.

**Table 1.13 : Service delivery measures: Administration**

| Outputs                             | Performance indicators   | Estimated performance  | Medium-term targets |                           |                           |                           |
|-------------------------------------|--|--|---------------------|---------------------------|---------------------------|---------------------------|
|                                     |  | 2022/23  | 2023/24             | 2024/25                   | 2025/26                   |                           |
| <b>1. Executive Council Support</b> |  |  |                     |                           |                           |                           |
| 1.1                                 | Effective and efficient Provincial Executive Council and key committees administrative support service | • No. of Provincial Executive Council decision matrix implementation progress reports submitted to the Executive Council | 12                  | 24                        | 24                        | 24                        |
| <b>2. Financial Management</b>      |  |  |                     |                           |                           |                           |
| 2.1                                 | Audit improvement  | • % reduction of wasteful and fruitless expenditure  | Annual              | 20% from 2022/23 baseline | 20% from 2023/24 baseline | 20% from 2024/25 baseline |
|                                     |  | • % reduction of irregular expenditure   | Annual              | 20% from 2022/23 baseline | 20% from 2023/24 baseline | 20% from 2024/25 baseline |
|                                     |  | • % of invoices paid within 30 days  | 90%                 | 90%                       | 90%                       | 90%                       |
| <b>3. IGR</b>                       |  |  |                     |                           |                           |                           |
| 3.1                                 | Strengthening IGR structures   | • No. of Premier's Co-ordinating Forum decision matrix implementation reports  | 4                   | 4                         | 4                         | 4                         |
|                                     |  | • No. of COHOD meeting decision matrixes implementation reports  | 12                  | 12                        | 12                        | 12                        |
| 3.2                                 | International Relations strategy implementation  | • No. of International Relations and ODA Strategy implementation monitoring reports                                      | 2                   | 2                         | 2                         | 2                         |
|                                     |  | • No. of Twinning Agreements reviewed in line with the South African Foreign policy                                      | 8                   | 8                         | 8                         | 8                         |

## 8.2 Programme 2: Institutional Development

The purpose of this programme is to co-ordinate the transformation of the public service and provide institutional development and support to the KZN provincial government, and the objectives are:

- Provide a comprehensive and professional internal legal support service to the department and to provide a comprehensive, professional, inter-departmental, transversal state law advisory service to the respective provincial line function departments.
- Facilitate, co-ordinate, monitor and promote strategic human resource management and development services.
- Co-ordinate provincial government ICT in the province and render internal ICT support and auxiliary services.
- Provide an integrated and co-ordinated government communication service within the provincial government and the department.
- To mitigate and eliminate incidence of unethical conduct by government officials with a view to improving good governance.

The programme does not fully conform to the generic programme structure as the Special Programmes sub-programme falls under Programme 3 in terms of the sector structure, however approval was obtained from National Treasury for the deviation. Note that the inclusion of Forensic Investigation Services is not part of the formal generic budget structure of Offices of the Premier, but is in line with a Provincial Executive Council resolution in this regard.

Tables 1.14 and 1.15 summarise payments and estimates relating to this programme, by sub-programme and economic classification, for the period 2019/20 to 2025/26. Note that the centralisation of the ICT function to this programme adds to the perceived growth as historical records were not complete enough to allow restatement of expenditure for comparative purposes.

In 2020/21, this programme was subject to cuts to fund the provincial response to the Covid-19 pandemic, as well as cuts related to the freezing of public sector wages. Also, the programme was subject to fiscal consolidation cuts over the 2021/22 MTEF to *Compensation of employees* and events cuts across all sub-programmes, but mainly the Strategic Human Resources, Special Programmes, as well as the Forensic Investigations and Integrity Management sub-programmes.

This programme was also cut over the 2023/24 MTEF by R4.676 million, with carry-through, effected against all sub-programmes against *Goods and services*, which will result in the scaling back of planned events.

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

| R thousand  | Audited Outcome |                |                | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates |                |                |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
|   | 2019/20         | 2020/21        | 2021/22        |                    |                        |                  | 2022/23               | 2023/24        | 2024/25        |
| 1. Strategic Human Resources                        | 72 395          | 71 564         | 76 108         | 103 873            | 81 430                 | 81 430           | 83 569                | 86 667         | 88 981         |
| 2. Information Communication Technology (ICT)       | 29 256          | 114 988        | 123 065        | 88 097             | 81 928                 | 90 639           | 83 676                | 86 032         | 99 790         |
| 3. Legal Services                                   | 12 209          | 11 936         | 12 847         | 12 371             | 14 194                 | 14 194           | 12 997                | 13 608         | 14 020         |
| 4. Communication Services                           | 51 551          | 51 380         | 51 533         | 73 053             | 66 805                 | 66 805           | 69 921                | 71 385         | 81 419         |
| 5. Special Programmes                               | 10 284          | 10 730         | 12 928         | 85 926             | 59 352                 | 68 052           | 16 140                | 16 870         | 12 881         |
| 6. Forensic Investigations and Integrity Management | 40 273          | 32 227         | 30 333         | 35 170             | 39 566                 | 22 155           | 44 414                | 46 597         | 45 759         |
| <b>Total</b>  | <b>215 968</b>  | <b>292 825</b> | <b>306 814</b> | <b>398 490</b>     | <b>343 275</b>         | <b>343 275</b>   | <b>310 717</b>        | <b>321 159</b> | <b>342 850</b> |

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

| R thousand  | Audited Outcome |                |                | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates |                |                |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
|   | 2019/20         | 2020/21        | 2021/22        |                    |                        |                  | 2022/23               | 2023/24        | 2024/25        |
| <b>Current payments</b>                             | <b>215 298</b>  | <b>273 426</b> | <b>287 733</b> | <b>363 545</b>     | <b>309 098</b>         | <b>309 098</b>   | <b>301 937</b>        | <b>311 984</b> | <b>333 264</b> |
| Compensation of employees                           | 116 836         | 130 429        | 125 982        | 175 580            | 142 098                | 142 098          | 153 180               | 161 654        | 165 240        |
| Goods and services                                  | 98 462          | 142 997        | 161 751        | 187 965            | 167 000                | 167 000          | 148 757               | 150 330        | 168 024        |
| Interest and rent on land                           | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| <b>Transfers and subsidies to:</b>                  | <b>293</b>      | <b>1 003</b>   | <b>3 374</b>   | <b>26 464</b>      | <b>26 596</b>          | <b>26 596</b>    | <b>68</b>             | <b>71</b>      | <b>74</b>      |
| Provinces and municipalities                        | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Departmental agencies and accounts                  | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Higher education institutions                       | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Foreign governments and international organisations | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Public corporations and private enterprises         | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Non-profit institutions                             | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Households  | 293             | 1 003          | 3 374          | 26 464             | 26 596                 | 26 596           | 68                    | 71             | 74             |
| <b>Payments for capital assets</b>                  | <b>377</b>      | <b>18 352</b>  | <b>15 707</b>  | <b>8 481</b>       | <b>7 581</b>           | <b>7 581</b>     | <b>8 712</b>          | <b>9 104</b>   | <b>9 512</b>   |
| Buildings and other fixed structures                | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Machinery and equipment                             | 377             | 18 352         | 15 707         | 8 481              | 7 581                  | 7 581            | 8 712                 | 9 104          | 9 512          |
| Heritage assets                                     | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Specialised military assets                         | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Biological assets                                   | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Land and sub-soil assets                            | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Software and other intangible assets                | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| <b>Payments for financial assets</b>                | <b>-</b>        | <b>44</b>      | <b>-</b>       | <b>-</b>           | <b>-</b>               | <b>-</b>         | <b>-</b>              | <b>-</b>       | <b>-</b>       |
| <b>Total</b>  | <b>215 968</b>  | <b>292 825</b> | <b>306 814</b> | <b>398 490</b>     | <b>343 275</b>         | <b>343 275</b>   | <b>310 717</b>        | <b>321 159</b> | <b>342 850</b> |

The Strategic Human Resources sub-programme facilitates, co-ordinates, monitors and promotes strategic human resources and development within provincial government, as well as internally within the OTP. This sub-programme includes the Training Academy. The growth in the 2022/23 Main Appropriation relates to the planned filling of eight posts. However, the process of filling posts was slower than expected and some of this funding was moved to Programme 3 in the Adjusted Appropriation to fund the new King's coronation costs. The growth in 2023/24 is inflationary only, as is the growth in the two outer years of the MTEF. Activities over the 2023/24 MTEF include the implementation of Human Resource Management and Development strategies, policies and projects through hosting of relevant strategic forums, the roll-out of the implementation plan of the KZN Provincial HR Turnaround Strategy in all provincial departments, and interventions to automate various HR processes will continue to be investigated, among others.

The ICT sub-programme co-ordinates provincial government ICT policy and renders internal ICT support and auxiliary services to the department. The IT services budget of R35 million was centralised within this sub-programme from 2020/21 for the department as a whole, for the purchase of computer equipment, as well as IT related services. This accounts for the increase in 2020/21. Historical records were not complete enough to allow restatement of prior year expenditure for comparative purposes. Mitigating the increase in 2020/21 was the movement of the Office Support and Auxiliary Services responsibility from this sub-programme to Programme 1, as mentioned. Again, historical records were not complete enough to allow restatement of prior year expenditure for comparative purposes. The increase in 2021/22 was to fund the digital transformation strategy which entails the digitisation of all internal processes such as memoranda, submissions, leave, orders and tenders. The decrease in the 2022/23 Main Appropriation was due to the digital transformation

strategy funding being once-off in 2021/22, funded through internal reprioritisation. The sub-programme was further reduced in the 2022/23 Adjusted Appropriation attributed to slow recruitment processes with funding moved to Programme 3 for the new King's coronation costs. The projected over-spending in the Revised Estimate relates to incorrect linking of staff on PERSAL to this sub-programme, also affecting the Special Programmes and Forensic Investigations and Integrity Management sub-programmes. The department will correct this before the end of 2022/23. Growth over the remainder of the MTEF is inflationary only. Activities over the MTEF include the continuation of the digital transformation strategy, including asset management processes.

The Legal Services sub-programme provides comprehensive and professional internal legal support services to OTP and provides inter-departmental, transversal state law advisory services to departments. The decrease in the 2022/23 Adjusted Appropriation is attributed to slow recruitment processes, with funding moved to Programme 3 for the new King's coronation costs. Growth over the MTEF is minimal due to the need to contain costs.

The Communication Services sub-programme provides integrated and co-ordinated government communication services in the province, as well as internally within OTP. The increase in 2022/23 is due to more activities such as events and campaigns planned as a result of more people being vaccinated and national restrictions being eased. The decrease in the 2022/23 Adjusted Appropriation is attributed to funding moved to Programme 3 for the new King's coronation costs. Growth is inflationary only over the MTEF, and this sub-programme will continue to co-ordinate various communication publications, campaigns and strategies, such as Simama, Anti-Rape, Anti-Xenophobia, Human Rights Day, Youth Day, Heritage Day, etc. This sub-programme also administers the Communication Forum which meets bi-annually and includes all departments.

The Special Programmes sub-programme includes the Office of the Ombudsperson and Democracy Support Services. Democracy Support Services ensures that government translates its constitutional, political and global commitments into measurable and meaningful programmes on gender, disability, children, as well as senior citizens and other vulnerable groups. The decrease in the 2022/23 Adjusted Appropriation is attributed to the re-alignment of the recently approved amended organogram in respect of the Democracy Support unit, that comprises the Office of the Status of Women, Disability, Children's Rights and Elderly Persons. As mentioned, this sub-programme is projecting over-spending in the 2022/23 Revised Estimate due to the incorrect linking of staff, which will be corrected before year-end. The decrease in 2023/24 relates to the movement of the Democracy Support unit to Programme 3, as well as the movement of the OSS function to Programme 1, as mentioned. Historical data was restated for comparative purposes. Activities over the 2023/24 MTEF include the continued implementation of the inter-generational programme (dialogues), the Centenarian programme, as well as the provision for/prioritisation of people with special needs, among others.

The Forensic Investigations and Integrity Management sub-programme was a new sub-programme in the 2021/22 MTEF to accommodate the Forensic Investigation Services function moved from Provincial Treasury. The department also moved the Integrity function from the Special Programmes sub-programme to this new sub-programme due to similarities in the areas of operation. Historical figures were restated for comparative purposes. The low spending in 2021/22 relates to vacant posts not filled, with funding reprioritised for the digital transformation strategy. The department notes that the Integrity Management staff were moved to this sub-programme on PERSAL in 2022/23, hence the increase in the 2022/23 Main Appropriation. The increase in the 2022/23 Adjusted Appropriation is attributed to funding moved within Programme 2 for the filling of posts to address concerns raised by the Legislature in terms of the slow pace of finalisation of forensic investigations. The projected under-spending in the Revised Estimate relates to the incorrect linking of staff on PERSAL, as mentioned, to be corrected by the end of 2022/23. Growth is inflationary only over the remainder of the MTEF. Activities planned over the MTEF include follow-ups with departments to track the status of implementation of recommendations by Accounting Officers on investigations. The Fraud Prevention Plan strategies of all departments and public entities will also be reviewed, and provincial compliance will be strengthened to deal with fraud, corruption, irregularities and maladministration occurring within municipalities and municipal entities within the province. This will be done through an approved forensic investigations forensic framework for the unit.

The increase in *Compensation of employees* from 2019/20 to 2020/21 relates to the filling of prioritised critical posts. The decrease in 2021/22 relates to staff exits and fewer interns, with minimal growth thereafter as a result of the wage freeze and budget cuts. The decrease in the 2022/23 Adjusted Appropriation is due to the re-alignment of the recently approved amended organogram in respect of the Democracy Support unit, comprising the Office of the Status of Women, Disability, Children's Rights and Elderly Persons, with these moved to Programme 3. The increase in 2023/24 caters for the filling of 42 vacant posts. This increase is mitigated by the movement of the Democracy Support unit to Programme 3, as well as the movement of the OSS function to Programme 1, as mentioned. The growth in 2024/25 is sufficient for pay progression and includes the carry-through costs of the 2022 cost of living adjustment. The growth in the outer year caters for pay progression only.

*Goods and services* reflects growth in 2020/21 related to provision for training programmes within the Training Academy. The decrease in the 2022/23 Adjusted Appropriation is attributed to savings from advertising costs due to scaling down communication activities in respect of departmental activities during the flood disaster, as many areas were inaccessible, with funding moved to Programme 3 for the King's coronation, as well as for OSS costs. The decrease in 2023/24 relates to the movement of the Democracy Support unit to Programme 3, as well as the movement of the OSS function to Programme 1, as mentioned. The category also provides for costs for communication and hosting of service delivery events and campaigns, such as the Anti-Rape campaign, Human Rights Day, Heritage Day, etc. This category is subjected to budget cuts which limits growth, with the cuts resulting in events being scaled down in number and size. In total R4.676 million, with carry-through was cut in 2023/24, mainly against event related costs, with a plan to scale down on these activities. The growth over the MTEF is fairly low mainly due to the budget cuts from the 2021/22 MTEF, which were largely effected against contractors related to reduced event costs, as well as computer services due to savings from economies of scale as a result of the centralisation of this function to this programme.

*Transfers and subsidies to: Households* provides for the external bursaries budget of OTP, as well as staff exit costs. Note that the bursary function is moved to Programme 3 in 2023/24, and historical data was restated. In the 2022/23 Adjusted Appropriation, the category was increased marginally to fund exit costs for early retirements and natural attrition. There is only a minimal provision for staff exit costs over the 2023/24 MTEF and the department will reprioritise in-year, should the need arise.

The high spending against *Machinery and equipment* in 2020/21 relates to the purchase of furniture, laptops, etc. for the appointment of new staff. The further increase in 2021/22 relates to the previously mentioned centralisation of IT services to this programme. Historical records were not complete enough to allow restatement of prior year expenditure for comparative purposes. In the 2022/23 Adjusted Appropriation, the category was increased marginally to fund motor vehicle purchases in Programme 1. There is inflationary growth over the MTEF.

The department wrote off various losses against *Payments for financial assets* in 2020/21.

## Service delivery measures: Institutional Development

Table 1.16 illustrates service delivery measures pertaining to Programme 2. Note that only a few main measures are reflected, and the full set of measures is detailed in the APP. Note that some measures have changed from the 2022/23 EPRE due to alignment with the 2023/24 APP.

**Table 1.16 : Service delivery measures: Institutional Development**

| Outputs   | Performance indicators  | Estimated performance | Medium-term targets |         |         |
|---|---|-----------------------|---------------------|---------|---------|
|   |   | 2022/23               | 2023/24             | 2024/25 | 2025/26 |
| <b>1. Strategic Human Resources</b>                       |   |                       |                     |         |         |
| 1.1 Operations management productivity assessment reports | • No. of reports on the implementation of the Operations Management Framework | 4                     | 4                   | 4       | 4       |
| 1.2 Public service training sessions                      | • No. of training sessions  | 100                   | 160                 | 200     | 200     |
| <b>2. Legal Services</b>                                  |   |                       |                     |         |         |
| 2.1 Reports on provincial legislative compliance          | • No. of quarterly reports on provincial legislative programme                | 4                     | 4                   | 4       | 4       |

**Table 1.16 : Service delivery measures: Institutional Development**

| Outputs  | Performance indicators   | Estimated performance | Medium-term targets |         |         |
|--|--|-----------------------|---------------------|---------|---------|
|  |  | 2022/23               | 2023/24             | 2024/25 | 2025/26 |
| <b>3. Communication Services</b>                                       |  |                       |                     |         |         |
| 3.1 Reports on implementation of the provincial communication strategy | • No. of monitoring reports on implementation of provincial communication strategy | 4                     | 4                   | 4       | 4       |
| <b>4. Special Programmes</b>   |  |                       |                     |         |         |
| 4.1 Ethics and integrity campaign (I Do Right)                         | • No. of awareness workshops on fraud and ethics                                   | 14                    | 14                  | 14      | 14      |
| 4.2 Ombudsperson co-ordination   | • No. of OTP Ombudsperson reports  | 2                     | 2                   | 2       | 2       |

### 8.3 Programme 3: Policy and Governance

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

- To improve the Public Policy and Research Management System and planning co-ordination in the province and within the department.
- To improve and facilitate the co-ordination and alignment of transversal policies, strategies, short- and long-term plans and programmes, as well as the reporting and monitoring of these.
- Oversee the implementation of the government wide monitoring and evaluation framework in the province through the monitoring and evaluation programmes and provincial performance reporting.
- Promote the culture of engagement, by co-ordinating stakeholder participation, and priority programmes.
- Co-ordinate the activities related to the upliftment of the youth in the province by engaging with all relevant stakeholders in the public and private spheres.
- Promote inclusive and synergistic governance by providing support services to his Majesty, the King and the Royal Household.

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

Tables 1.17 and 1.18 provide a summary of payments and estimates by sub-programme and economic classification for the period 2019/20 to 2025/26.

In 2020/21, this programme was subject to cuts to fund the provincial response to the Covid-19 pandemic. In addition, the programme was subject to fiscal consolidation cuts over the 2021/22 MTEF and these were effected across all sub-programmes and the cuts remain in the baseline. This programme was also cut over the 2023/24 MTEF by R2.217 million, with carry-through. The 2023/24 MTEF budget cuts were effected against all sub-programmes and against *Goods and services*. This will result in events needing to be held on a reduced scale.

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

| R thousand                       | Audited Outcome |                |                | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates |                |                |
|----------------------------------|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
|                                  | 2019/20         | 2020/21        | 2021/22        | 2022/23            |                        |                  | 2023/24               | 2024/25        | 2025/26        |
| 1. Provincial Policy Management  | 48 073          | 35 517         | 24 515         | 36 974             | 41 006                 | 38 310           | 50 149                | 59 816         | 54 399         |
| 2. Premier's Priority Programmes | 161 823         | 64 733         | 135 247        | 71 345             | 91 638                 | 91 695           | 218 859               | 125 125        | 135 727        |
| 3. Royal Household               | 75 431          | 73 420         | 86 427         | 67 316             | 92 597                 | 95 236           | 79 565                | 83 420         | 85 682         |
| <b>Total</b>                     | <b>285 327</b>  | <b>173 670</b> | <b>246 189</b> | <b>175 635</b>     | <b>225 241</b>         | <b>225 241</b>   | <b>348 573</b>        | <b>268 361</b> | <b>275 808</b> |

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

| R thousand  | Audited Outcome |                |                | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates |                |                |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
|   | 2019/20         | 2020/21        | 2021/22        | 2022/23            |                        |                  | 2023/24               | 2024/25        | 2025/26        |
| <b>Current payments</b>                             | <b>236 663</b>  | <b>118 751</b> | <b>130 303</b> | <b>148 919</b>     | <b>195 982</b>         | <b>195 982</b>   | <b>195 029</b>        | <b>212 408</b> | <b>217 349</b> |
| Compensation of employees                           | 102 800         | 98 108         | 97 612         | 84 133             | 101 731                | 101 731          | 124 508               | 137 376        | 138 055        |
| Goods and services                                  | 133 863         | 20 643         | 32 691         | 64 786             | 94 251                 | 94 251           | 70 521                | 75 032         | 79 294         |
| Interest and rent on land                           | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| <b>Transfers and subsidies to:</b>                  | <b>47 949</b>   | <b>49 996</b>  | <b>115 836</b> | <b>24 888</b>      | <b>27 431</b>          | <b>27 431</b>    | <b>153 544</b>        | <b>55 953</b>  | <b>58 459</b>  |
| Provinces and municipalities                        | 9               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Departmental agencies and accounts                  | 22 586          | 30 654         | 46 163         | 24 888             | 24 888                 | 24 888           | 25 983                | 27 152         | 28 368         |
| Higher education institutions                       | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Foreign governments and international organisations | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Public corporations and private enterprises         | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Non-profit institutions                             | -               | -              | 50 000         | -                  | -                      | -                | 100 000               | -              | -              |
| Households  | 25 354          | 19 342         | 19 673         | -                  | 2 543                  | 2 543            | 27 561                | 28 801         | 30 091         |
| <b>Payments for capital assets</b>                  | <b>506</b>      | <b>417</b>     | <b>50</b>      | <b>1 828</b>       | <b>1 828</b>           | <b>1 828</b>     | <b>-</b>              | <b>-</b>       | <b>-</b>       |
| Buildings and other fixed structures                | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Machinery and equipment                             | 506             | 417            | 50             | 1 828              | 1 828                  | 1 828            | -                     | -              | -              |
| Heritage assets                                     | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Specialised military assets                         | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Biological assets                                   | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Land and sub-soil assets                            | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Software and other intangible assets                | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| <b>Payments for financial assets</b>                | <b>209</b>      | <b>4 506</b>   | <b>-</b>       | <b>-</b>           | <b>-</b>               | <b>-</b>         | <b>-</b>              | <b>-</b>       | <b>-</b>       |
| <b>Total</b>  | <b>285 327</b>  | <b>173 670</b> | <b>246 189</b> | <b>175 635</b>     | <b>225 241</b>         | <b>225 241</b>   | <b>348 573</b>        | <b>268 361</b> | <b>275 808</b> |

The Provincial Policy Management sub-programme provides for strategic planning, research co-ordination, and monitoring and evaluation. The PPC resides in this sub-programme. The decrease in 2021/22 was due to the deferred implementation of the monitoring and evaluation system, which will evaluate the impact of service delivery activities. The project was deferred due to slow tender processes and this accounts for the high growth in the 2022/23 Main Appropriation. The increase in the 2022/23 Adjusted Appropriation was to provide for the Implementation of the Monitoring and Evaluation Impact Assessment project in response to the April 2022 flood disaster. Activities planned over the MTEF include the distribution of the PGDS and abridged version translated into isiZulu to create awareness throughout the province, as well as a knowledge sharing platform (seminar) for Evaluation and Research.

The sub-programme: Premier's Priority Programmes promotes the culture of engagement by co-ordinating stakeholder participation, priority programmes incorporating Veterans' Support, HIV and AIDS, OSS, the co-ordination of the Inkululeko Development projects (phases 2 and 3) in Ndumo and uMzinyathi, as well as the Poverty Eradication Master Plan co-ordination. The high growth in 2021/22 is due to the once-off transfer of the second tranche of R50 million for the KZN Youth Empowerment Fund, accounting for the negative growth in 2022/23. The increase in the 2022/23 Adjusted Appropriation was due to the re-alignment of the department's revised organogram in respect of the Democracy Support unit, with funding moved from Programme 2, as mentioned. The significant growth in 2023/24 relates to the previously mentioned once-off allocation of R100 million for the KZN Youth Empowerment Fund, accounting for the negative growth in 2024/25, as well as the movement of the Democracy Support unit to this programme, as mentioned. Growth in the outer year is inflationary only. Activities planned over the MTEF include the implementation of OSS/DDM integration, the integrated development and support of vulnerable groups, with more emphasis on military veterans, people with disability, women and farming communities, deepening citizenry participation through District Multi-Sectoral Stakeholder Forums and repurposing the Moral Regeneration and Social Cohesion agenda, among others.

The sub-programme: Royal Household provides support services to His Majesty, the King and the Royal Household. The department implemented the 2021/22 MTEF wage freeze budget cuts against this sub-programme, resulting in negative growth in 2021/22 and minimal growth thereafter. The cuts result in no new appointments being possible over the 2023/24 MTEF. The increase in 2021/22 relates to activities/events for the Royal Household under the King's Support component, as a result of the easing of the national lockdown restrictions, the unanticipated funerals for the late King and Queen, as well as an increased transfer to the ZRHT for the replacement of fencing at the seven palaces as the poor condition of the fences posed safety and security risks for the Queens and *Amazinyane*. The increase in the 2022/23 Adjusted Appropriation was for both the traditional and formal coronation and

hand-over ceremonies in respect of His Majesty, the King. These once-off costs account for the decrease in 2023/24. The 2023/24 MTEF provides for inflationary increases in the transfer to the ZRHT, as well as for His Majesty, the King's ceremonies such as *Umkhosi Womhlanga* (Reed Dance), *Umkhosi Wamaganu* (annual Amarula Festival), *Umkhosi Woselwa* (Thanksgiving), homecoming of *Abakhwetha*, various operational costs of the unit, and renovations to the Royal palaces.

The negative growth in *Compensation of employees* in 2020/21 and 2021/22 was due to posts vacated through natural attrition. The increase in the 2022/23 Adjusted Appropriation was due to the re-alignment of the department's revised organogram in respect of the Democracy Support unit, with funding moved from Programme 2, as mentioned. There is sufficient funding for existing posts over the 2023/24 MTEF and the planned filling of 15 vacant posts in 2023/24, as well as to fill some posts in 2024/25. The MTEF includes funding for the carry-through costs of the 2022 cost of living adjustment. Growth in the outer year is for pay progression only.

*Goods and services* included funding for the PPC, OSS, Diakonia Council of Churches, as well as various events. The significantly higher spending in 2019/20 compared to 2020/21 was due to in-year pressures related to the Social Cohesion and Moral Regeneration programme events. Furthermore, an additional R2.900 million was received for the launch of the DDM. There was also a significant decrease in 2020/21 due to Covid-19 related cuts, as well as the movement of the Nerve Centre and the centralisation of IT services under Programme 2. Historical costs were restated as records were not kept at this level. As mentioned, these cuts affect the appointment of contractors (events) and consultants. The growth in 2021/22 and 2022/23 was in line with the return to holding events as national lockdown restrictions were eased, and the implementation of the monitoring and evaluation system. The negative growth in 2023/24 is due to once-off costs related to the King's coronation, as well as the monitoring and evaluation system. This category is subjected to budget cuts which limits growth, with the cuts resulting in events being scaled down in number and size. In total, R2.217 million, with carry-through, was cut in 2023/24, mainly against contractors and business advisory services. The impact of this is that events will have to be reduced in scale. The outer years' growth is inflationary only.

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

*Transfers and subsidies to: Non-profit institutions* relates to the R50 million allocated to the KZN Youth Empowerment Fund in 2020/21 but was unspent and suspended to 2021/22. A further amount of R100 million is allocated for this purpose in 2023/24. These funds will be transferred to the KZNGFT, as explained.

*Transfers and subsidies to: Households* provides for the payment of external bursaries and staff exit costs. Details are provided in Section 7.9: Transfers and subsidies.

The amounts against *Machinery and equipment* mainly relate to the purchase of departmental vehicles, office furniture and computer equipment for newly appointed staff. The decrease in 2021/22 was related to savings realised in respect of office furniture and equipment requirements that were put on hold, pending the securing of additional office accommodation. No provision is made at this stage over the MTEF and this will be reviewed once additional office accommodation is secured.

*Payments for financial assets* relates to losses written-off.

### **Service delivery measures: Policy and Governance**

Table 1.19 provides information on the service delivery measures pertaining to Programme 3. It is noted that the OTP sector has not yet agreed on standardised service delivery measures.

Note that only a few main measures are reflected, and the full set of measures is detailed in the department's APP. Note also that some measures have changed from the 2022/23 *EPRE* due to alignment with the 2023/24 APP.

Table 1.19 : Service delivery measures: Policy and Governance

| Outputs                                      | Performance indicators   | Estimated performance  |         | Medium-term targets |         |   |
|--|--|--|---------|---------------------|---------|---|
|  |  | 2022/23  | 2023/24 | 2024/25             | 2025/26 |   |
| <b>1. Premier's Priority Programmes</b>      |  |  |         |                     |         |   |
| 1.1  | Integrated Planning System: Consolidated planning alignment report | • No. of consolidated provincial strategic planning alignment reports  | 1       | 1                   | 1       | 1 |
| 1.2  | Strategic partnership co-ordination reports                        | • No. of MRM and social cohesion co-ordination reports   | 4       | 4                   | 4       | 4 |
|  |  | • No. of progress reports compiled on the interventions co-ordinated for farm dwellers and farm workers                              | 4       | 4                   | 4       | 4 |
| 1.3  | Progress reports on implementation of GBVF plan                    | • No. of monitoring reports on the implementation of the Provincial Gender Based Violence and Femicide Strategic Implementation Plan | 4       | 4                   | 4       | 4 |
| <b>2. King's Support and Royal Household</b> |  |  |         |                     |         |   |
| 2.1  | Reports on support plan to the Zulu Monarch                        | • No. of reports compiled on the implementation of the KZN Government Service Support Plan to the Zulu Monarch                       | 4       | 4                   | 4       | 4 |
|  | Entity Oversight: ZRHT APP Plan Assessment report                  | • No. of monitoring reports compiled on the performance of the ZRHT  | 4       | 4                   | 4       | 4 |

## 9. Other programme information

### 9.1 Personnel numbers and costs

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

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

|   | Audited Outcome         |                |                         |                |                         |                | Revised Estimate |            |                         |                | Medium-term Estimates   |                |                         |                |                         |                | Average annual growth over MTEF |                   |                  |  |
|---|-------------------------|----------------|-------------------------|----------------|-------------------------|----------------|------------------|------------|-------------------------|----------------|-------------------------|----------------|-------------------------|----------------|-------------------------|----------------|---------------------------------|-------------------|------------------|--|
|   | 2019/20                 |                | 2020/21                 |                | 2021/22                 |                | 2022/23          |            |                         |                | 2023/24                 |                | 2024/25                 |                | 2025/26                 |                | 2022/23 - 2025/26               |                   |                  |  |
|   | Pers. Nos. <sup>1</sup> | Costs          | Pers. Nos. <sup>1</sup> | Costs          | Pers. Nos. <sup>1</sup> | Costs          | Filled posts     | Add. posts | Pers. Nos. <sup>1</sup> | Costs          | Pers. growth rate               | Costs growth rate | % Costs of Total |  |
| <b>R thousands</b>                          |                         |                |                         |                |                         |                |                  |            |                         |                |                         |                |                         |                |                         |                |                                 |                   |                  |  |
| <b>Salary level</b>                         |                         |                |                         |                |                         |                |                  |            |                         |                |                         |                |                         |                |                         |                |                                 |                   |                  |  |
| 1 – 7                                       | 274                     | 45 958         | 246                     | 81 957         | 232                     | 83 636         | 232              | -          | 232                     | 82 802         | 244                     | 102 968        | 244                     | 123 878        | 244                     | 124 286        | 1.7%                            | 14.5%             | 28.7%            |  |
| 8 – 10                                      | 99                      | 104 725        | 130                     | 61 163         | 131                     | 63 260         | 143              | -          | 143                     | 70 162         | 170                     | 76 978         | 170                     | 69 833         | 170                     | 70 735         | 5.9%                            | 0.3%              | 18.3%            |  |
| 11 – 12                                     | 73                      | 73 710         | 80                      | 71 363         | 78                      | 73 629         | 84               | -          | 84                      | 74 414         | 95                      | 79 996         | 95                      | 84 368         | 95                      | 87 482         | 4.2%                            | 5.5%              | 21.4%            |  |
| 13 – 16                                     | 65                      | 79 656         | 69                      | 85 338         | 69                      | 87 390         | 75               | -          | 75                      | 83 721         | 91                      | 91 727         | 91                      | 97 217         | 91                      | 96 247         | 6.7%                            | 4.8%              | 24.0%            |  |
| Other                                       | 33                      | 8 624          | 33                      | 12 449         | 38                      | 13 512         | 31               | -          | 31                      | 28 085         | 31                      | 27 914         | 31                      | 30 215         | 31                      | 29 569         | -                               | 1.7%              | 7.6%             |  |
| <b>Total</b>                                | <b>544</b>              | <b>312 673</b> | <b>558</b>              | <b>312 270</b> | <b>548</b>              | <b>321 427</b> | <b>565</b>       | <b>-</b>   | <b>565</b>              | <b>339 185</b> | <b>631</b>              | <b>379 583</b> | <b>631</b>              | <b>405 511</b> | <b>631</b>              | <b>408 319</b> | <b>3.8%</b>                     | <b>6.4%</b>       | <b>100.0%</b>    |  |
| <b>Programme</b>                            |                         |                |                         |                |                         |                |                  |            |                         |                |                         |                |                         |                |                         |                |                                 |                   |                  |  |
| 1. Administration                           | 129                     | 93 037         | 139                     | 83 733         | 142                     | 97 833         | 149              | -          | 149                     | 95 356         | 160                     | 101 895        | 160                     | 106 481        | 160                     | 105 024        | 2.4%                            | 3.3%              | 26.6%            |  |
| 2. Institutional Development                | 236                     | 116 836        | 239                     | 130 429        | 223                     | 125 982        | 232              | -          | 232                     | 142 098        | 279                     | 153 180        | 279                     | 161 654        | 279                     | 165 240        | 6.3%                            | 5.2%              | 40.7%            |  |
| 3. Policy and Governance                    | 179                     | 102 800        | 180                     | 98 108         | 183                     | 97 612         | 184              | -          | 184                     | 101 731        | 192                     | 124 508        | 192                     | 137 376        | 192                     | 138 055        | 1.4%                            | 10.7%             | 32.7%            |  |
| <b>Total</b>                                | <b>544</b>              | <b>312 673</b> | <b>558</b>              | <b>312 270</b> | <b>548</b>              | <b>321 427</b> | <b>565</b>       | <b>-</b>   | <b>565</b>              | <b>339 185</b> | <b>631</b>              | <b>379 583</b> | <b>631</b>              | <b>405 511</b> | <b>631</b>              | <b>408 319</b> | <b>3.8%</b>                     | <b>6.4%</b>       | <b>100.0%</b>    |  |
| <b>Employee dispensation classification</b> |                         |                |                         |                |                         |                |                  |            |                         |                |                         |                |                         |                |                         |                |                                 |                   |                  |  |
| P.S.A. appointees not covered by OSDs       | 504                     | 292 761        | 518                     | 287 573        | 503                     | 295 343        | 527              | -          | 527                     | 311 145        | 593                     | 347 654        | 593                     | 372 145        | 593                     | 373 458        | 4.0%                            | 6.3%              | 91.7%            |  |
| Legal Professionals                         | 7                       | 11 288         | 7                       | 12 248         | 7                       | 12 922         | 7                | -          | 7                       | 13 703         | 7                       | 14 306         | 7                       | 14 950         | 7                       | 15 620         | -                               | 4.5%              | 3.8%             |  |
| Others (interns, EPWP, learnerships)        | 33                      | 8 624          | 33                      | 12 449         | 38                      | 13 162         | 31               | -          | 31                      | 14 337         | 31                      | 17 623         | 31                      | 18 416         | 31                      | 19 241         | -                               | 10.3%             | 4.5%             |  |
| <b>Total</b>                                | <b>544</b>              | <b>312 673</b> | <b>558</b>              | <b>312 270</b> | <b>548</b>              | <b>321 427</b> | <b>565</b>       | <b>-</b>   | <b>565</b>              | <b>339 185</b> | <b>631</b>              | <b>379 583</b> | <b>631</b>              | <b>405 511</b> | <b>631</b>              | <b>408 319</b> | <b>3.8%</b>                     | <b>6.4%</b>       | <b>100.0%</b>    |  |

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

The department obtained approval to fill 118 posts in 2022/23, but filled only 50 of these posts by the end of the third quarter, with the remainder at various stages in the recruitment process. It is anticipated that the balance of 68 posts will be filled in the early part of 2023/24. However, past history indicates that this process may carry-over into 2024/25.

The department will not fully implement the entire organisational structure over the MTEF due to budget constraints. The strong growth in personnel numbers and costs in 2021/22 is in line with filling of posts, with further growth in 2022/23 and 2023/24 to cover some of the remaining appointments. Further posts will be filled in a staggered approach should funding become available. *Compensation of employees* was reduced by budget cuts in 2020/21 due to the provincial Covid-19 response and the wage freeze. In addition, there were cuts over the 2021/22 MTEF related to the public sector wage freeze, as well as fiscal consolidation cuts. These cuts influence the growth in *Compensation of employees*. Despite the cuts, the growth in 2023/24 is 11.9 per cent, related to the planned filling of 29 posts, followed by growth of 6.8 per cent in 2024/25, which is sufficient for a wage increase and pay progression. However, past history indicates that this process may carry over into 2024/25. Growth in

the outer year is in line with the wage freeze and only partly provides for the pay progression, and this will be addressed in the next budget process. The MTEF includes funding for the carry-through costs of the 2022 cost of living adjustment.

## 9.2 Training

Table 1.21 reflects payments and estimates on training per programme, providing actual and estimated expenditure on training for the period 2019/20 to 2025/26. The department is required by the Skills Development Act to budget at least 1 per cent of its salary expense for staff training. The department is slightly under this target over the MTEF, reducing from 0.8 per cent in 2023/24 to 0.6 per cent in 2025/26, and this will be addressed in-year and in the next budget process.

**Table 1.21 : Information on training: Office of the Premier**

| R thousand                               | Audited Outcome |              |              | Main<br>Appropriation | Adjusted<br>Appropriation | Revised<br>Estimate | Medium-term Estimates |              |              |
|--|-----------------|--------------|--------------|-----------------------|---------------------------|---------------------|-----------------------|--------------|--------------|
|  | 2019/20         | 2020/21      | 2021/22      |                       |                           |                     | 2022/23               | 2023/24      | 2024/25      |
| Number of staff                          | 544             | 558          | 548          | 565                   | 565                       | 565                 | 631                   | 631          | 631          |
| Number of personnel trained              | 335             | 350          | 350          | 350                   | 350                       | 350                 | 350                   | 350          | 350          |
| of which                                 |                 |              |              |                       |                           |                     |                       |              |              |
| Male                                     | 85              | 85           | 85           | 85                    | 85                        | 85                  | 85                    | 85           | 85           |
| Female                                   | 250             | 265          | 265          | 265                   | 265                       | 265                 | 265                   | 265          | 265          |
| Number of training opportunities         | 459             | 479          | 484          | 489                   | 489                       | 489                 | 489                   | 489          | 489          |
| of which                                 |                 |              |              |                       |                           |                     |                       |              |              |
| Tertiary                                 | 390             | 410          | 415          | 420                   | 420                       | 420                 | 420                   | 420          | 420          |
| Workshops                                | 50              | 50           | 50           | 50                    | 50                        | 50                  | 50                    | 50           | 50           |
| Seminars                                 | 19              | 19           | 19           | 19                    | 19                        | 19                  | 19                    | 19           | 19           |
| Other                                    | -               | -            | -            | -                     | -                         | -                   | -                     | -            | -            |
| Number of bursaries offered              | 20              | 21           | 21           | 21                    | 21                        | 21                  | 21                    | 21           | 21           |
| Number of interns appointed              | 53              | 56           | 56           | 56                    | 56                        | 56                  | 56                    | 56           | 56           |
| Number of learnerships appointed         | -               | -            | -            | -                     | -                         | -                   | -                     | -            | -            |
| Number of days spent on training         | -               | -            | -            | -                     | -                         | -                   | -                     | -            | -            |
| <b>Payments on training by programme</b> |                 |              |              |                       |                           |                     |                       |              |              |
| 1. Administration                        | -               | -            | -            | 232                   | 172                       | 598                 | 400                   | 405          | 423          |
| 2. Institutional Development             | 1 213           | 1 000        | 1 325        | 2 412                 | 2 087                     | 2 190               | 2 454                 | 2 320        | 1 980        |
| 3. Policy and Governance                 | 34              | 466          | 18           | 75                    | 125                       | 16                  | 125                   | 144          | 150          |
| <b>Total</b>                             | <b>1 247</b>    | <b>1 466</b> | <b>1 343</b> | <b>2 719</b>          | <b>2 384</b>              | <b>2 804</b>        | <b>2 979</b>          | <b>2 869</b> | <b>2 553</b> |

## ANNEXURE – VOTE 1: OFFICE OF THE PREMIER

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

| R thousand   | Audited Outcome |            |              | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates |              |              |
|--|-----------------|------------|--------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
|  | 2019/20         | 2020/21    | 2021/22      |                    |                        |                  | 2022/23               | 2023/24      | 2024/25      |
| <b>Tax receipts</b>  | -               | -          | -            | -                  | -                      | -                | -                     | -            | -            |
| Casino taxes   | -               | -          | -            | -                  | -                      | -                | -                     | -            | -            |
| Horse racing taxes   | -               | -          | -            | -                  | -                      | -                | -                     | -            | -            |
| Liquor licences  | -               | -          | -            | -                  | -                      | -                | -                     | -            | -            |
| Motor vehicle licences   | -               | -          | -            | -                  | -                      | -                | -                     | -            | -            |
| <b>Sale of goods and services other than capital assets</b>                        | <b>193</b>      | <b>178</b> | <b>165</b>   | <b>337</b>         | <b>337</b>             | <b>167</b>       | <b>352</b>            | <b>368</b>   | <b>385</b>   |
| Sale of goods and services produced by department (excluding capital assets)       | 193             | 178        | 165          | 337                | 337                    | 167              | 352                   | 368          | 385          |
| Sales by market establishments   | 11              | 12         | 3            | 16                 | 16                     | -                | 17                    | 18           | 19           |
| Administrative fees  | -               | -          | -            | -                  | -                      | -                | -                     | -            | -            |
| Other sales  | 182             | 166        | 162          | 321                | 321                    | 167              | 335                   | 350          | 366          |
| <i>Of which</i>  |                 |            |              |                    |                        |                  |                       |              |              |
| <i>Commission</i>  | 182             | 155        | 160          | 168                | 168                    | 167              | 175                   | 183          | 191          |
| Sale of scrap, waste, arms and other used current goods (excluding capital assets) | -               | -          | -            | -                  | -                      | -                | -                     | -            | -            |
| <b>Transfers received from:</b>  | -               | -          | -            | -                  | -                      | -                | -                     | -            | -            |
| Other governmental units   | -               | -          | -            | -                  | -                      | -                | -                     | -            | -            |
| Higher education institutions  | -               | -          | -            | -                  | -                      | -                | -                     | -            | -            |
| Foreign governments  | -               | -          | -            | -                  | -                      | -                | -                     | -            | -            |
| International organisations  | -               | -          | -            | -                  | -                      | -                | -                     | -            | -            |
| Public corporations and private enterprises  | -               | -          | -            | -                  | -                      | -                | -                     | -            | -            |
| Households and non-profit institutions   | -               | -          | -            | -                  | -                      | -                | -                     | -            | -            |
| <b>Fines, penalties and forfeits</b>   | -               | -          | -            | -                  | -                      | -                | -                     | -            | -            |
| <b>Interest, dividends and rent on land</b>  | <b>22</b>       | <b>46</b>  | <b>5</b>     | <b>1</b>           | <b>1</b>               | <b>1</b>         | <b>1</b>              | <b>1</b>     | <b>1</b>     |
| Interest   | 22              | 46         | 5            | 1                  | 1                      | 1                | 1                     | 1            | 1            |
| Dividends  | -               | -          | -            | -                  | -                      | -                | -                     | -            | -            |
| Rent on land   | -               | -          | -            | -                  | -                      | -                | -                     | -            | -            |
| <b>Sale of capital assets</b>  | -               | -          | -            | <b>1 068</b>       | <b>1 068</b>           | <b>2 800</b>     | <b>1 115</b>          | <b>1 165</b> | <b>1 217</b> |
| Land and sub-soil assets   | -               | -          | -            | -                  | -                      | -                | -                     | -            | -            |
| Other capital assets   | -               | -          | -            | 1 068              | 1 068                  | 2 800            | 1 115                 | 1 165        | 1 217        |
| <b>Transactions in financial assets and liabilities</b>                            | <b>4 666</b>    | <b>284</b> | <b>974</b>   | <b>56</b>          | <b>56</b>              | <b>101</b>       | <b>58</b>             | <b>61</b>    | <b>64</b>    |
| <b>Total</b>   | <b>4 881</b>    | <b>508</b> | <b>1 144</b> | <b>1 462</b>       | <b>1 462</b>           | <b>3 069</b>     | <b>1 526</b>          | <b>1 595</b> | <b>1 667</b> |

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

| R thousand  | Audited Outcome |                |                | Main           | Adjusted       | Revised        | Medium-term Estimates |                |                |
|---|-----------------|----------------|----------------|----------------|----------------|----------------|-----------------------|----------------|----------------|
|   | 2019/20         | 2020/21        | 2021/22        | Appropriation  | Appropriation  | Estimate       | 2023/24               | 2024/25        | 2025/26        |
| <b>Current payments</b>                               | <b>646 164</b>  | <b>504 344</b> | <b>586 929</b> | <b>690 192</b> | <b>690 105</b> | <b>690 105</b> | <b>691 601</b>        | <b>729 576</b> | <b>759 183</b> |
| Compensation of employees                             | 312 673         | 312 270        | 321 427        | 352 442        | 339 185        | 339 185        | 379 583               | 405 511        | 408 319        |
| Salaries and wages                                    | 278 866         | 275 189        | 283 877        | 318 095        | 303 384        | 302 238        | 340 339               | 364 300        | 364 793        |
| Social contributions                                  | 33 807          | 37 081         | 37 550         | 34 347         | 35 801         | 36 947         | 39 244                | 41 211         | 43 526         |
| Goods and services                                    | 333 491         | 192 074        | 265 502        | 337 750        | 350 920        | 350 920        | 312 018               | 324 065        | 350 864        |
| Administrative fees                                   | 3 912           | 798            | 1 879          | 3 641          | 3 493          | 3 007          | 3 320                 | 3 505          | 3 666          |
| Advertising   | 30 005          | 41 254         | 32 381         | 57 227         | 46 577         | 45 932         | 54 935                | 53 332         | 64 450         |
| Minor assets  | 635             | 1 135          | 3 050          | 6 111          | 7 536          | 3 891          | 6 013                 | 6 015          | 7 918          |
| Audit cost: External                                  | 4 813           | 4 646          | 6 740          | 5 100          | 6 050          | 5 479          | 6 056                 | 6 418          | 6 791          |
| Bursaries: Employees                                  | 229             | 117            | 246            | 1 260          | 1 260          | 808            | 1 030                 | 1 046          | 1 093          |
| Catering: Departmental activities                     | 5 476           | 2 471          | 7 834          | 8 089          | 23 610         | 25 910         | 4 736                 | 5 553          | 5 409          |
| Communication (G&S)                                   | 11 203          | 12 644         | 14 617         | 20 062         | 19 043         | 19 322         | 16 179                | 17 539         | 16 902         |
| Computer services                                     | 34 831          | 50 040         | 96 444         | 63 778         | 61 669         | 59 569         | 59 569                | 52 576         | 62 635         |
| Cons. and prof. serv.: Business and advisory services | 17 328          | 1 370          | 5 682          | 13 494         | 20 819         | 23 607         | 14 914                | 20 831         | 15 292         |
| Infrastructure and planning                           | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Laboratory services                                   | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Scientific and technological services                 | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Legal services  | 478             | 1 081          | 2 159          | 1 696          | 2 640          | 2 351          | 1 771                 | 1 862          | 1 930          |
| Contractors   | 109 431         | 2 390          | 8 006          | 37 635         | 20 715         | 21 777         | 32 299                | 29 617         | 38 418         |
| Agency and support / outsourced services              | 11 552          | 6 919          | 1 358          | 970            | 470            | 425            | 1 225                 | 1 210          | 1 285          |
| Entertainment   | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Fleet services (including government motor transport) | 9 824           | 6 312          | 7 881          | 8 465          | 8 745          | 12 464         | 8 632                 | 9 039          | 9 444          |
| Housing   | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Inventory: Clothing material and accessories          | -               | -              | 9              | 40             | 10             | 36             | 10                    | 10             | 10             |
| Inventory: Farming supplies                           | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Inventory: Food and food supplies                     | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Inventory: Chemicals, fuel, oil, gas, wood and coal   | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Inventory: Learner and teacher support material       | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Inventory: Materials and supplies                     | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Inventory: Medical supplies                           | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Inventory: Medicine                                   | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Medsas inventory interface                            | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Inventory: Other supplies                             | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Consumable supplies                                   | 3 932           | 7 066          | 7 807          | 3 378          | 9 403          | 16 767         | 7 205                 | 7 696          | 8 166          |
| Consumable: Stationery, printing and office supplies  | 6 241           | 7 675          | 6 070          | 13 188         | 12 045         | 7 868          | 12 234                | 13 045         | 13 912         |
| Operating leases                                      | 17 396          | 10 990         | 9 705          | 18 833         | 15 577         | 12 090         | 19 325                | 20 426         | 21 498         |
| Property payments                                     | 19 985          | 18 228         | 18 705         | 19 141         | 22 841         | 23 648         | 24 904                | 25 770         | 22 747         |
| Transport provided: Departmental activity             | 5 198           | 495            | 4 672          | 7 710          | 11 755         | 13 666         | 1 709                 | 2 453          | 2 563          |
| Travel and subsistence                                | 33 767          | 11 337         | 21 622         | 39 452         | 36 762         | 36 525         | 34 401                | 37 630         | 38 308         |
| Training and development                              | 1 247           | 1 466          | 1 343          | 2 719          | 2 384          | 2 804          | 2 979                 | 2 869          | 2 553          |
| Operating payments                                    | 868             | 2 385          | 744            | 391            | 2 043          | 234            | 1 060                 | 1 151          | 1 203          |
| Venues and facilities                                 | 5 140           | 1 255          | 6 548          | 5 370          | 15 473         | 12 384         | 4 336                 | 4 472          | 4 671          |
| Rental and hiring                                     | -               | -              | -              | -              | -              | 356            | -                     | -              | -              |
| Interest and rent on land                             | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Interest  | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Rent on land  | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| <b>Transfers and subsidies</b>                        | <b>52 732</b>   | <b>52 671</b>  | <b>121 106</b> | <b>52 881</b>  | <b>56 686</b>  | <b>56 686</b>  | <b>155 209</b>        | <b>57 693</b>  | <b>60 277</b>  |
| Provinces and municipalities                          | 112             | 148            | 212            | 73             | 73             | 73             | 76                    | 79             | 83             |
| Provinces   | 112             | 148            | 212            | 73             | 73             | 73             | 76                    | 79             | 83             |
| Provincial Revenue Funds                              | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Provincial agencies and funds                         | 112             | 148            | 212            | 73             | 73             | 73             | 76                    | 79             | 83             |
| Municipalities  | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Municipalities  | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Municipal agencies and funds                          | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Departmental agencies and accounts                    | 22 586          | 30 654         | 46 163         | 24 888         | 24 888         | 24 888         | 25 983                | 27 152         | 28 368         |
| Social security funds                                 | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Entities receiving transfers                          | 22 586          | 30 654         | 46 163         | 24 888         | 24 888         | 24 888         | 25 983                | 27 152         | 28 368         |
| Higher education institutions                         | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Foreign governments and international organisations   | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Public corporations and private enterprises           | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Public corporations                                   | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Subsidies on production                               | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Other transfers                                       | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Private enterprises                                   | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Subsidies on production                               | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Other transfers                                       | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Non-profit institutions                               | -               | -              | 50 000         | -              | -              | -              | 100 000               | -              | -              |
| Households  | 30 034          | 21 869         | 24 731         | 27 920         | 31 725         | 31 725         | 29 150                | 30 462         | 31 826         |
| Social benefits                                       | 5 515           | 3 727          | 6 909          | 1 521          | 10 322         | 10 322         | 1 589                 | 1 661          | 1 735          |
| Other transfers to households                         | 24 519          | 18 142         | 17 822         | 26 399         | 21 403         | 21 403         | 27 561                | 28 801         | 30 091         |
| <b>Payments for capital assets</b>                    | <b>5 865</b>    | <b>25 626</b>  | <b>46 162</b>  | <b>24 478</b>  | <b>29 978</b>  | <b>29 978</b>  | <b>25 247</b>         | <b>26 383</b>  | <b>27 564</b>  |
| Buildings and other fixed structures                  | 1 378           | 5 365          | 17 847         | 1 877          | 5 877          | 5 877          | 1 960                 | 2 048          | 2 140          |
| Buildings   | 1 378           | 5 365          | 17 847         | 1 877          | 5 877          | 5 877          | 1 960                 | 2 048          | 2 140          |
| Other fixed structures                                | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Machinery and equipment                               | 4 487           | 20 261         | 28 315         | 22 601         | 24 101         | 24 101         | 23 287                | 24 335         | 25 424         |
| Transport equipment                                   | 2 301           | 12 907         | 6 311          | 4 473          | 7 573          | 7 573          | 4 387                 | 4 584          | 4 789          |
| Other machinery and equipment                         | 2 186           | 7 354          | 22 004         | 18 128         | 16 528         | 16 528         | 18 900                | 19 751         | 20 635         |
| Heritage assets                                       | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Specialised military assets                           | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Biological assets                                     | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Land and sub-soil assets                              | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Software and other intangible assets                  | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| <b>Payments for financial assets</b>                  | <b>209</b>      | <b>4 557</b>   | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>              | <b>-</b>       | <b>-</b>       |
| <b>Total</b>  | <b>704 970</b>  | <b>587 198</b> | <b>754 197</b> | <b>767 551</b> | <b>776 769</b> | <b>776 769</b> | <b>872 057</b>        | <b>813 652</b> | <b>847 024</b> |

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

| R thousand  | Audited Outcome |                |                | Main           | Adjusted       | Revised        | Medium-term Estimates |                |                |
|---|-----------------|----------------|----------------|----------------|----------------|----------------|-----------------------|----------------|----------------|
|   | 2019/20         | 2020/21        | 2021/22        | Appropriation  | Appropriation  | Estimate       | 2023/24               | 2024/25        | 2025/26        |
| <b>Current payments</b>                               | <b>194 203</b>  | <b>112 167</b> | <b>168 893</b> | <b>177 728</b> | <b>185 025</b> | <b>185 025</b> | <b>194 635</b>        | <b>205 184</b> | <b>208 570</b> |
| Compensation of employees                             | 93 037          | 83 733         | 97 833         | 92 729         | 95 356         | 95 356         | 101 895               | 106 481        | 105 024        |
| Salaries and wages                                    | 82 868          | 74 645         | 86 185         | 83 610         | 85 803         | 86 451         | 91 945                | 95 985         | 94 058         |
| Social contributions                                  | 10 169          | 9 088          | 11 648         | 9 119          | 9 553          | 8 905          | 9 950                 | 10 496         | 10 966         |
| Goods and services                                    | 101 166         | 28 434         | 71 060         | 84 999         | 89 669         | 89 669         | 92 740                | 98 703         | 103 546        |
| Administrative fees                                   | 1 579           | 372            | 896            | 1 468          | 1 457          | 1 280          | 1 596                 | 1 622          | 1 694          |
| Advertising   | 223             | 2 804          | 415            | 150            | 250            | 271            | 350                   | 382            | 399            |
| Minor assets  | 126             | 287            | 2 071          | 3 287          | 2 740          | 911            | 5 633                 | 5 735          | 7 625          |
| Audit cost: External                                  | 4 813           | 4 646          | 6 740          | 5 100          | 6 050          | 5 479          | 6 056                 | 6 418          | 6 791          |
| Bursaries: Employees                                  | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Catering: Departmental activities                     | 1 942           | 1 365          | 3 382          | 2 000          | 7 644          | 5 918          | 2 380                 | 2 603          | 2 553          |
| Communication (G&S)                                   | 4 669           | 158            | 4 504          | 7 756          | 7 556          | 5 490          | 5 373                 | 6 518          | 6 030          |
| Computer services                                     | 751             | 428            | -              | 1 497          | -              | 497            | 619                   | 657            | 701            |
| Cons. and prof. serv.: Business and advisory services | 1 410           | 232            | 43             | 1 309          | 759            | 1 439          | 1 609                 | 1 459          | 1 525          |
| Infrastructure and planning                           | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Laboratory services                                   | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Scientific and technological services                 | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Legal services  | -               | 121            | -              | 500            | 500            | 483            | 500                   | 510            | 533            |
| Contractors   | 32 092          | 459            | 3 217          | 1 805          | 2 620          | 3 022          | 4 451                 | 4 795          | 5 027          |
| Agency and support / outsourced services              | 60              | 2 275          | 514            | 210            | 10             | 103            | 150                   | 160            | 167            |
| Entertainment   | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Fleet services (including government motor transport) | 7 552           | -              | 7 285          | 7 550          | 7 750          | 11 749         | 8 031                 | 8 433          | 8 811          |
| Housing   | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Inventory: Clothing material and accessories          | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Inventory: Farming supplies                           | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Inventory: Food and food supplies                     | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Inventory: Chemicals, fuel, oil, gas, wood and coal   | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Inventory: Learner and teacher support material       | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Inventory: Materials and supplies                     | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Inventory: Medical supplies                           | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Inventory: Medicine                                   | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Medsas inventory interface                            | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Inventory: Other supplies                             | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Consumable supplies                                   | 664             | 4 808          | 5 430          | 2 214          | 5 574          | 9 671          | 1 886                 | 2 073          | 2 312          |
| Consumable: Stationery, printing and office supplies  | 2 151           | 3 493          | 2 214          | 3 698          | 3 536          | 3 652          | 3 979                 | 4 134          | 4 278          |
| Operating leases                                      | 15 705          | 1 094          | 8 340          | 16 252         | 12 437         | 10 397         | 16 275                | 17 233         | 18 005         |
| Property payments                                     | 12 977          | 737            | 13 183         | 14 790         | 15 090         | 15 267         | 16 970                | 17 580         | 18 367         |
| Transport provided: Departmental activity             | 79              | 134            | 1 192          | 100            | 370            | 571            | 959                   | 1 432          | 1 161          |
| Travel and subsistence                                | 12 557          | 4 205          | 9 281          | 13 957         | 12 377         | 11 253         | 14 113                | 15 070         | 15 594         |
| Training and development                              | -               | -              | -              | 232            | 172            | 598            | 400                   | 405            | 423            |
| Operating payments                                    | 470             | 413            | 66             | 269            | 269            | 156            | 310                   | 351            | 367            |
| Venues and facilities                                 | 1 346           | 403            | 2 287          | 855            | 2 508          | 1 106          | 1 100                 | 1 133          | 1 183          |
| Rental and hiring                                     | -               | -              | -              | -              | -              | 356            | -                     | -              | -              |
| Interest and rent on land                             | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Interest  | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Rent on land  | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| <b>Transfers and subsidies</b>                        | <b>4 490</b>    | <b>1 672</b>   | <b>1 896</b>   | <b>1 529</b>   | <b>2 659</b>   | <b>2 659</b>   | <b>1 597</b>          | <b>1 669</b>   | <b>1 744</b>   |
| Provinces and municipalities                          | 103             | 148            | 212            | 73             | 73             | 73             | 76                    | 79             | 83             |
| Provinces   | 103             | 148            | 212            | 73             | 73             | 73             | 76                    | 79             | 83             |
| Provincial Revenue Funds                              | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Provincial agencies and funds                         | 103             | 148            | 212            | 73             | 73             | 73             | 76                    | 79             | 83             |
| Municipalities  | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Municipalities  | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Municipal agencies and funds                          | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Departmental agencies and accounts                    | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Social security funds                                 | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Entities receiving transfers                          | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Higher education institutions                         | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Foreign governments and international organisations   | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Public corporations and private enterprises           | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Public corporations                                   | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Subsidies on production                               | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Other transfers                                       | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Private enterprises                                   | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Subsidies on production                               | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Other transfers                                       | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Non-profit institutions                               | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Households  | 4 387           | 1 524          | 1 684          | 1 456          | 2 586          | 2 586          | 1 521                 | 1 590          | 1 661          |
| Social benefits                                       | 4 387           | 1 524          | 1 684          | 1 456          | 2 586          | 2 586          | 1 521                 | 1 590          | 1 661          |
| Other transfers to households                         | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| <b>Payments for capital assets</b>                    | <b>4 982</b>    | <b>6 857</b>   | <b>30 405</b>  | <b>14 169</b>  | <b>20 569</b>  | <b>20 569</b>  | <b>16 535</b>         | <b>17 279</b>  | <b>18 052</b>  |
| Buildings and other fixed structures                  | 1 378           | 5 365          | 17 847         | 1 877          | 5 877          | 5 877          | 1 960                 | 2 048          | 2 140          |
| Buildings   | 1 378           | 5 365          | 17 847         | 1 877          | 5 877          | 5 877          | 1 960                 | 2 048          | 2 140          |
| Other fixed structures                                | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Machinery and equipment                               | 3 604           | 1 492          | 12 558         | 12 292         | 14 692         | 14 692         | 14 575                | 15 231         | 15 912         |
| Transport equipment                                   | 2 215           | 634            | 6 311          | 4 473          | 6 873          | 6 873          | 4 387                 | 4 584          | 4 789          |
| Other machinery and equipment                         | 1 389           | 858            | 6 247          | 7 819          | 7 819          | 7 819          | 10 188                | 10 647         | 11 123         |
| Heritage assets                                       | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Specialised military assets                           | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Biological assets                                     | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Land and sub-soil assets                              | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| Software and other intangible assets                  | -               | -              | -              | -              | -              | -              | -                     | -              | -              |
| <b>Payments for financial assets</b>                  | <b>-</b>        | <b>7</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>              | <b>-</b>       | <b>-</b>       |
| <b>Total</b>  | <b>203 675</b>  | <b>120 703</b> | <b>201 194</b> | <b>193 426</b> | <b>208 253</b> | <b>208 253</b> | <b>212 767</b>        | <b>224 132</b> | <b>228 366</b> |

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

| R thousand  | Audited Outcome |                |                | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates |                |                |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
|   | 2019/20         | 2020/21        | 2021/22        |                    |                        |                  | 2022/23               | 2023/24        | 2024/25        |
| <b>Current payments</b>                               | <b>215 298</b>  | <b>273 426</b> | <b>287 733</b> | <b>363 545</b>     | <b>309 098</b>         | <b>309 098</b>   | <b>301 937</b>        | <b>311 984</b> | <b>333 264</b> |
| Compensation of employees                             | 116 836         | 130 429        | 125 982        | 175 580            | 142 098                | 142 098          | 153 180               | 161 654        | 165 240        |
| Salaries and wages                                    | 104 402         | 113 807        | 110 963        | 159 367            | 126 147                | 123 494          | 141 527               | 149 176        | 152 649        |
| Social contributions                                  | 12 434          | 16 622         | 15 019         | 16 213             | 15 951                 | 18 604           | 11 653                | 12 478         | 12 591         |
| Goods and services                                    | 98 462          | 142 997        | 161 751        | 187 965            | 167 000                | 167 000          | 148 757               | 150 330        | 168 024        |
| Administrative fees                                   | 471             | 240            | 385            | 778                | 706                    | 681              | 427                   | 519            | 533            |
| Advertising   | 27 156          | 38 027         | 31 755         | 55 619             | 44 239                 | 44 814           | 52 486                | 50 812         | 61 816         |
| Minor assets  | 379             | 808            | 832            | 1 334              | 1 666                  | 712              | 380                   | 280            | 293            |
| Audit cost: External                                  | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Bursaries: Employees                                  | 229             | 117            | 246            | 1 260              | 1 200                  | 808              | 760                   | 761            | 795            |
| Catering: Departmental activities                     | 509             | 40             | 104            | 1 355              | 982                    | 2 271            | 658                   | 663            | 713            |
| Communication (G&S)                                   | 6 510           | 12 441         | 10 047         | 10 696             | 10 757                 | 13 351           | 9 679                 | 9 880          | 9 679          |
| Computer services                                     | 19 213          | 45 269         | 96 433         | 62 281             | 61 669                 | 59 072           | 52 026                | 51 819         | 61 830         |
| Cons. and prof. serv.: Business and advisory services | 10 835          | 664            | 3 572          | 4 750              | 8 640                  | 7 945            | 3 767                 | 4 937          | 5 083          |
| Infrastructure and planning                           | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Laboratory services                                   | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Scientific and technological services                 | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Legal services  | 478             | 960            | 2 159          | 1 196              | 2 140                  | 1 868            | 1 271                 | 1 352          | 1 397          |
| Contractors   | 5 296           | 617            | 1 306          | 16 999             | 6 099                  | 7 397            | 3 613                 | 3 660          | 4 180          |
| Agency and support / outsourced services              | 11 054          | 4 371          | 53             | 560                | 50                     | 154              | 100                   | 90             | 115            |
| Entertainment   | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Fleet services (including government motor transport) | 217             | 5 537          | -              | 15                 | 15                     | 2                | -                     | -              | -              |
| Housing   | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Inventory: Clothing material and accessories          | -               | -              | 9              | 40                 | 10                     | 36               | 10                    | 10             | 10             |
| Inventory: Farming supplies                           | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Inventory: Food and food supplies                     | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Inventory: Chemicals, fuel, oil, gas, wood and coal   | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Inventory: Learner and teacher support material       | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Inventory: Materials and supplies                     | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Inventory: Medical supplies                           | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Inventory: Medicine                                   | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Medsas inventory interface                            | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Inventory: Other supplies                             | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Consumable supplies                                   | 17              | 1 289          | 577            | 511                | 906                    | 407              | 779                   | 947            | 990            |
| Consumable: Stationery, printing and office supplies  | 2 871           | 2 715          | 2 330          | 5 292              | 4 821                  | 2 399            | 3 905                 | 4 525          | 4 778          |
| Operating leases                                      | 1 167           | 9 374          | 909            | 1 936              | 1 143                  | 1 143            | 1 725                 | 1 803          | 2 040          |
| Property payments                                     | 4 986           | 17 003         | 5 393          | 4 351              | 7 751                  | 8 381            | 7 934                 | 8 190          | 4 380          |
| Transport provided: Departmental activity             | -               | -              | -              | 1 700              | 625                    | 414              | -                     | -              | -              |
| Travel and subsistence                                | 5 090           | 2 508          | 4 197          | 12 412             | 8 632                  | 11 141           | 6 743                 | 7 722          | 7 370          |
| Training and development                              | 1 213           | 1 000          | 1 325          | 2 412              | 2 087                  | 2 190            | 2 454                 | 2 320          | 1 980          |
| Operating payments                                    | 363             | 2              | 67             | 22                 | 24                     | 26               | -                     | -              | -              |
| Venues and facilities                                 | 408             | 15             | 52             | 2 545              | 2 045                  | 1 788            | 40                    | 40             | 42             |
| Rental and hiring                                     | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Interest and rent on land                             | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Interest  | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Rent on land  | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| <b>Transfers and subsidies</b>                        | <b>293</b>      | <b>1 003</b>   | <b>3 374</b>   | <b>26 464</b>      | <b>26 596</b>          | <b>26 596</b>    | <b>68</b>             | <b>71</b>      | <b>74</b>      |
| Provinces and municipalities                          | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Provinces   | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Provincial Revenue Funds                              | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Provincial agencies and funds                         | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Municipalities  | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Municipalities  | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Municipal agencies and funds                          | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Departmental agencies and accounts                    | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Social security funds                                 | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Entities receiving transfers                          | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Higher education institutions                         | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Foreign governments and international organisations   | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Public corporations and private enterprises           | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Public corporations                                   | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Subsidies on production                               | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Other transfers                                       | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Private enterprises                                   | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Subsidies on production                               | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Other transfers                                       | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Non-profit institutions                               | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Households  | 293             | 1 003          | 3 374          | 26 464             | 26 596                 | 26 596           | 68                    | 71             | 74             |
| Social benefits                                       | 293             | 1 003          | 3 374          | 65                 | 5 193                  | 5 193            | 68                    | 71             | 74             |
| Other transfers to households                         | -               | -              | -              | 26 399             | 21 403                 | 21 403           | -                     | -              | -              |
| <b>Payments for capital assets</b>                    | <b>377</b>      | <b>18 352</b>  | <b>15 707</b>  | <b>8 481</b>       | <b>7 581</b>           | <b>7 581</b>     | <b>8 712</b>          | <b>9 104</b>   | <b>9 512</b>   |
| Buildings and other fixed structures                  | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Buildings   | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Other fixed structures                                | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Machinery and equipment                               | 377             | 18 352         | 15 707         | 8 481              | 7 581                  | 7 581            | 8 712                 | 9 104          | 9 512          |
| Transport equipment                                   | -               | 12 273         | -              | -                  | 700                    | 700              | -                     | -              | -              |
| Other machinery and equipment                         | 377             | 6 079          | 15 707         | 8 481              | 6 881                  | 6 881            | 8 712                 | 9 104          | 9 512          |
| Heritage assets                                       | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Specialised military assets                           | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Biological assets                                     | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Land and sub-soil assets                              | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Software and other intangible assets                  | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| <b>Payments for financial assets</b>                  | <b>-</b>        | <b>44</b>      | <b>-</b>       | <b>-</b>           | <b>-</b>               | <b>-</b>         | <b>-</b>              | <b>-</b>       | <b>-</b>       |
| <b>Total</b>  | <b>215 968</b>  | <b>292 825</b> | <b>306 814</b> | <b>398 490</b>     | <b>343 275</b>         | <b>343 275</b>   | <b>310 717</b>        | <b>321 159</b> | <b>342 850</b> |

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

| R thousand  | Audited Outcome |                |                | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates |                |                |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
|   | 2019/20         | 2020/21        | 2021/22        |                    |                        |                  | 2022/23               | 2023/24        | 2024/25        |
| <b>Current payments</b>                               | <b>236 663</b>  | <b>118 751</b> | <b>130 303</b> | <b>148 919</b>     | <b>195 982</b>         | <b>195 982</b>   | <b>195 029</b>        | <b>212 408</b> | <b>217 349</b> |
| Compensation of employees                             | 102 800         | 98 108         | 97 612         | 84 133             | 101 731                | 101 731          | 124 508               | 137 376        | 138 055        |
| Salaries and wages                                    | 91 596          | 86 737         | 86 729         | 75 118             | 91 434                 | 92 293           | 106 867               | 119 139        | 118 086        |
| Social contributions                                  | 11 204          | 11 371         | 10 883         | 9 015              | 10 297                 | 9 438            | 17 641                | 18 237         | 19 969         |
| Goods and services                                    | 133 863         | 20 643         | 32 691         | 64 786             | 94 251                 | 94 251           | 70 521                | 75 032         | 79 294         |
| Administrative fees                                   | 1 862           | 186            | 598            | 1 395              | 1 330                  | 1 046            | 1 297                 | 1 364          | 1 439          |
| Advertising   | 2 626           | 423            | 211            | 1 458              | 2 088                  | 847              | 2 099                 | 2 138          | 2 235          |
| Minor assets  | 130             | 40             | 147            | 1 490              | 3 130                  | 2 268            | -                     | -              | -              |
| Audit cost: External                                  | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Bursaries: Employees                                  | -               | -              | -              | -                  | 60                     | -                | 270                   | 285            | 298            |
| Catering: Departmental activities                     | 3 025           | 1 066          | 4 348          | 4 734              | 14 984                 | 17 721           | 1 698                 | 2 287          | 2 143          |
| Communication (G&S)                                   | 24              | 45             | 66             | 1 610              | 730                    | 481              | 1 127                 | 1 141          | 1 193          |
| Computer services                                     | 14 867          | 4 343          | 11             | -                  | -                      | -                | 100                   | 100            | 104            |
| Cons. and prof. serv.: Business and advisory services | 5 083           | 474            | 2 067          | 7 435              | 11 420                 | 14 223           | 9 538                 | 14 435         | 8 684          |
| Infrastructure and planning                           | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Laboratory services                                   | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Scientific and technological services                 | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Legal services  | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Contractors   | 72 043          | 1 314          | 3 483          | 18 831             | 11 996                 | 11 358           | 24 235                | 21 162         | 29 211         |
| Agency and support / outsourced services              | 438             | 273            | 791            | 200                | 410                    | 168              | 975                   | 960            | 1 003          |
| Entertainment   | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Fleet services (including government motor transport) | 2 055           | 775            | 596            | 900                | 980                    | 713              | 601                   | 606            | 633            |
| Housing   | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Inventory: Clothing material and accessories          | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Inventory: Farming supplies                           | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Inventory: Food and food supplies                     | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Inventory: Chemicals, fuel, oil, gas, wood and coal   | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Inventory: Learner and teacher support material       | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Inventory: Materials and supplies                     | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Inventory: Medical supplies                           | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Inventory: Medicine                                   | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Medsas inventory interface                            | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Inventory: Other supplies                             | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Consumable supplies                                   | 3 251           | 969            | 1 800          | 653                | 2 923                  | 6 689            | 4 540                 | 4 676          | 4 864          |
| Consumable: Stationery, printing and office supplies  | 1 219           | 1 467          | 1 526          | 4 198              | 3 688                  | 1 817            | 4 350                 | 4 386          | 4 856          |
| Operating leases                                      | 524             | 522            | 456            | 744                | 1 204                  | 550              | 1 325                 | 1 390          | 1 453          |
| Property payments                                     | 2 022           | 488            | 129            | -                  | -                      | -                | -                     | -              | -              |
| Transport provided: Departmental activity             | 5 119           | 361            | 3 480          | 5 910              | 10 760                 | 12 681           | 750                   | 1 021          | 1 402          |
| Travel and subsistence                                | 16 120          | 4 624          | 8 144          | 13 083             | 15 753                 | 14 131           | 13 545                | 14 838         | 15 344         |
| Training and development                              | 34              | 466            | 18             | 75                 | 125                    | 16               | 125                   | 144            | 150            |
| Operating payments                                    | 35              | 1 970          | 611            | 100                | 1 750                  | 52               | 750                   | 800            | 836            |
| Venues and facilities                                 | 3 386           | 837            | 4 209          | 1 970              | 10 920                 | 9 490            | 3 196                 | 3 299          | 3 446          |
| Rental and hiring                                     | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Interest and rent on land                             | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Interest  | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Rent on land  | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| <b>Transfers and subsidies</b>                        | <b>47 949</b>   | <b>49 996</b>  | <b>115 836</b> | <b>24 888</b>      | <b>27 431</b>          | <b>27 431</b>    | <b>153 544</b>        | <b>55 953</b>  | <b>58 459</b>  |
| Provinces and municipalities                          | 9               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Provinces   | 9               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Provincial Revenue Funds                              | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Provincial agencies and funds                         | 9               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Municipalities  | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Municipalities  | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Municipal agencies and funds                          | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Departmental agencies and accounts                    | 22 586          | 30 654         | 46 163         | 24 888             | 24 888                 | 24 888           | 25 983                | 27 152         | 28 368         |
| Social security funds                                 | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Entities receiving transfers                          | 22 586          | 30 654         | 46 163         | 24 888             | 24 888                 | 24 888           | 25 983                | 27 152         | 28 368         |
| Higher education institutions                         | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Foreign governments and international organisations   | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Public corporations and private enterprises           | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Public corporations                                   | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Subsidies on production                               | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Other transfers                                       | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Private enterprises                                   | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Subsidies on production                               | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Other transfers                                       | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Non-profit institutions                               | -               | -              | 50 000         | -                  | -                      | -                | 100 000               | -              | -              |
| Households  | 25 354          | 19 342         | 19 673         | -                  | 2 543                  | 2 543            | 27 561                | 28 801         | 30 091         |
| Social benefits                                       | 835             | 1 200          | 1 851          | -                  | 2 543                  | 2 543            | -                     | -              | -              |
| Other transfers to households                         | 24 519          | 18 142         | 17 822         | -                  | -                      | -                | 27 561                | 28 801         | 30 091         |
| <b>Payments for capital assets</b>                    | <b>506</b>      | <b>417</b>     | <b>50</b>      | <b>1 828</b>       | <b>1 828</b>           | <b>1 828</b>     | -                     | -              | -              |
| Buildings and other fixed structures                  | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Buildings   | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Other fixed structures                                | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Machinery and equipment                               | 506             | 417            | 50             | 1 828              | 1 828                  | 1 828            | -                     | -              | -              |
| Transport equipment                                   | 86              | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Other machinery and equipment                         | 420             | 417            | 50             | 1 828              | 1 828                  | 1 828            | -                     | -              | -              |
| Heritage assets                                       | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Specialised military assets                           | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Biological assets                                     | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Land and sub-soil assets                              | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| Software and other intangible assets                  | -               | -              | -              | -                  | -                      | -                | -                     | -              | -              |
| <b>Payments for financial assets</b>                  | <b>209</b>      | <b>4 506</b>   | -              | -                  | -                      | -                | -                     | -              | -              |
| <b>Total</b>  | <b>285 327</b>  | <b>173 670</b> | <b>246 189</b> | <b>175 635</b>     | <b>225 241</b>         | <b>225 241</b>   | <b>348 573</b>        | <b>268 361</b> | <b>275 808</b> |

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

| R thousand  | Audited Outcome |                |               | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates |               |               |
|---|-----------------|----------------|---------------|--------------------|------------------------|------------------|-----------------------|---------------|---------------|
|   | 2019/20         | 2020/21*       | 2021/22*      |                    |                        |                  | 2022/23               | 2023/24       | 2024/25       |
| <b>Revenue</b>                                    |                 |                |               |                    |                        |                  |                       |               |               |
| <b>Tax revenue</b>                                | -               | -              | -             | -                  | -                      | -                | -                     | -             | -             |
| <b>Non-tax revenue</b>                            | 22 776          | 30 864         | 48 794        | 25 105             | 26 606                 | 26 606           | 26 210                | 27 389        | 28 609        |
| Sale of goods and services other than cap. assets | -               | -              | -             | -                  | -                      | -                | -                     | -             | -             |
| Entity revenue other than sales                   | 190             | 210            | 126           | 217                | 508                    | 508              | 227                   | 237           | 241           |
| Transfers received***                             | 22 586          | 30 654         | 48 668        | 24 888             | 26 098                 | 26 098           | 25 983                | 27 152        | 28 368        |
| <i>Of which:</i>                                  |                 |                |               |                    |                        |                  |                       |               |               |
| <i>OTP</i>  | 19 086          | 28 304         | 26 708        | 22 263             | 22 263                 | 22 263           | 23 243                | 24 289        | 25 377        |
| <i>Capital projects**</i>                         | 3 500           | 2 350          | 19 455        | 2 625              | 2 625                  | 2 625            | 2 740                 | 2 863         | 2 991         |
| <i>Roll-over: OTP</i>                             | -               | -              | 2 505         | -                  | 1 210                  | 1 210            | -                     | -             | -             |
| Sale of capital assets                            | -               | -              | -             | -                  | -                      | -                | -                     | -             | -             |
| Financial transactions in assets and liabilities  | -               | -              | -             | -                  | -                      | -                | -                     | -             | -             |
| Other non-tax revenue                             | -               | -              | -             | -                  | -                      | -                | -                     | -             | -             |
| <b>Total revenue</b>                              | <b>22 776</b>   | <b>30 864</b>  | <b>48 794</b> | <b>25 105</b>      | <b>26 606</b>          | <b>26 606</b>    | <b>26 210</b>         | <b>27 389</b> | <b>28 609</b> |
| <b>Expenses</b>                                   |                 |                |               |                    |                        |                  |                       |               |               |
| <b>Programmes</b>                                 |                 |                |               |                    |                        |                  |                       |               |               |
| 1. Administration                                 | 5 008           | 4 345          | 5 206         | 5 699              | 6 404                  | 6 404            | 7 360                 | 7 690         | 8 034         |
| 2. Operations Management                          | 12 156          | 20 181         | 44 382        | 15 909             | 16 902                 | 16 902           | 15 450                | 16 199        | 16 975        |
| 3. Fund Raising                                   | 3 069           | 60             | -             | 3 497              | 3 300                  | 3 300            | 3 400                 | 3 500         | 3 600         |
| <b>Total</b>                                      | <b>20 233</b>   | <b>24 586</b>  | <b>49 588</b> | <b>25 105</b>      | <b>26 606</b>          | <b>26 606</b>    | <b>26 210</b>         | <b>27 389</b> | <b>28 609</b> |
| <b>Economic classification</b>                    |                 |                |               |                    |                        |                  |                       |               |               |
| <b>Current expenses</b>                           | <b>20 211</b>   | <b>24 552</b>  | <b>24 449</b> | <b>25 079</b>      | <b>23 954</b>          | <b>23 954</b>    | <b>26 183</b>         | <b>24 383</b> | <b>25 468</b> |
| Compensation of employees                         | 3 390           | 3 385          | 3 087         | 3 844              | 3 844                  | 3 844            | 3 938                 | 4 115         | 4 294         |
| Goods and services                                | 16 804          | 21 167         | 21 362        | 21 235             | 20 110                 | 20 110           | 22 245                | 20 268        | 21 174        |
| Interest on rent and land                         | 17              | -              | -             | -                  | -                      | -                | -                     | -             | -             |
| Transfers and subsidies                           | -               | -              | -             | -                  | -                      | -                | -                     | -             | -             |
| Payments for capital assets                       | 22              | 34             | 25 139        | 26                 | 2 652                  | 2 652            | 27                    | 3 006         | 3 141         |
| Payments for financial assets                     | -               | -              | -             | -                  | -                      | -                | -                     | -             | -             |
| <b>Total expenses</b>                             | <b>20 233</b>   | <b>24 586</b>  | <b>49 588</b> | <b>25 105</b>      | <b>26 606</b>          | <b>26 606</b>    | <b>26 210</b>         | <b>27 389</b> | <b>28 609</b> |
| <b>Surplus / (Deficit)</b>                        | <b>2 543</b>    | <b>6 278</b>   | <b>(794)</b>  | -                  | -                      | -                | -                     | -             | -             |
| <b>Adjustments for Surplus / (Deficit)</b>        | <b>(2 543)</b>  | <b>(6 278)</b> | <b>794</b>    | -                  | -                      | -                | -                     | -             | -             |
| <i>Provision for non-cash items</i>               | <i>(2 543)</i>  | <i>(6 278)</i> | <i>794</i>    | -                  | -                      | -                | -                     | -             | -             |
| <b>Surplus / (Deficit) after adjustments</b>      | <b>-</b>        | <b>-</b>       | <b>-</b>      | <b>-</b>           | <b>-</b>               | <b>-</b>         | <b>-</b>              | <b>-</b>      | <b>-</b>      |

\*Note: Prior year numbers have been restated in line with the AFS

\*\*Note: The funding for the capital projects was only allocated by OTP to the ZRHT from 2020/21 onward, however, the historic figures have been restated to show the budget trend

\*\*\*Note: The transfer as reflected in Table 1.9 includes transfers for operational expenses, as well as capital projects

Table 1.G : Personnel summary for ZRHT

|                                | Audited Outcome |         |         | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates |         |         |
|--------------------------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
|                                | 2019/20         | 2020/21 | 2021/22 |                    |                        |                  | 2022/23               | 2023/24 | 2024/25 |
| <b>Board members</b>           |                 |         |         |                    |                        |                  |                       |         |         |
| Personnel cost (R thousand)    | 67              | 82      | 86      | 91                 | 91                     | 91               | 95                    | 105     | 110     |
| Personnel numbers (head count) | 7               | 7       | 7       | 7                  | 7                      | 7                | 7                     | 7       | 7       |
| Unit cost                      | 10              | 12      | 12      | 13                 | 13                     | 13               | 14                    | 15      | 16      |
| <b>Executive management</b>    |                 |         |         |                    |                        |                  |                       |         |         |
| Personnel cost (R thousand)    | -               | 626     | 1 110   | 1 102              | 1 102                  | 1 102            | 1 128                 | 1 178   | 1 229   |
| <i>of which:</i>               |                 |         |         |                    |                        |                  |                       |         |         |
| <i>Chief Financial Officer</i> | -               | 626     | 1 110   | 1 102              | 1 102                  | 1 102            | 1 128                 | 1 178   | 1 229   |
| <i>Chief Executive Officer</i> | -               | -       | -       | -                  | -                      | -                | -                     | -       | -       |
| Personnel numbers (head count) | -               | 1       | 1       | 1                  | 1                      | 1                | 1                     | 1       | 1       |
| Unit cost                      | -               | 626     | 1 110   | 1 102              | 1 102                  | 1 102            | 1 128                 | 1 178   | 1 229   |
| <b>Senior management</b>       |                 |         |         |                    |                        |                  |                       |         |         |
| Personnel cost (R thousand)    | 1 036           | 1 036   | 1 072   | 1 062              | 1 062                  | 1 062            | 1 088                 | 1 137   | 1 187   |
| Personnel numbers (head count) | 1               | 1       | 1       | 1                  | 1                      | 1                | 1                     | 1       | 1       |
| Unit cost                      | 1 036           | 1 036   | 1 072   | 1 062              | 1 062                  | 1 062            | 1 088                 | 1 137   | 1 187   |
| <b>Middle management</b>       |                 |         |         |                    |                        |                  |                       |         |         |
| Personnel cost (R thousand)    | 945             | 461     | -       | -                  | -                      | -                | -                     | -       | -       |
| Personnel numbers (head count) | 1               | 1       | -       | -                  | -                      | -                | -                     | -       | -       |
| Unit cost                      | 945             | 461     | -       | -                  | -                      | -                | -                     | -       | -       |
| <b>Professionals</b>           |                 |         |         |                    |                        |                  |                       |         |         |
| Personnel cost (R thousand)    | 661             | 514     | 86      | 555                | 555                    | 555              | 569                   | 594     | 620     |
| Personnel numbers (head count) | 2               | 1       | 1       | 1                  | 1                      | 1                | 1                     | 1       | 1       |
| Unit cost                      | 331             | 514     | 86      | 555                | 555                    | 555              | 569                   | 594     | 620     |
| <b>Semi-skilled</b>            |                 |         |         |                    |                        |                  |                       |         |         |
| Personnel cost (R thousand)    | 646             | 646     | 701     | 1 004              | 1 004                  | 1 004            | 1 029                 | 1 075   | 1 122   |
| Personnel numbers (head count) | 3               | 3       | 3       | 3                  | 4                      | 4                | 4                     | 4       | 4       |
| Unit cost                      | 215             | 215     | 234     | 335                | 251                    | 251              | 257                   | 269     | 281     |
| <b>Very low skilled</b>        |                 |         |         |                    |                        |                  |                       |         |         |
| Personnel cost (R thousand)    | 102             | 102     | 118     | 121                | 121                    | 121              | 124                   | 131     | 136     |
| Personnel numbers (head count) | 1               | 1       | 1       | 1                  | 1                      | 1                | 1                     | 1       | 1       |
| Unit cost                      | 102             | 102     | 118     | 121                | 121                    | 121              | 124                   | 131     | 136     |
| <b>Total for entity</b>        |                 |         |         |                    |                        |                  |                       |         |         |
| Personnel cost (R thousand)*   | 3 390           | 3 385   | 3 087   | 3 844              | 3 844                  | 3 844            | 3 938                 | 4 115   | 4 294   |
| Personnel numbers (head count) | 8               | 8       | 7       | 7                  | 8                      | 8                | 8                     | 8       | 8       |
| Unit cost                      | 424             | 423     | 441     | 549                | 481                    | 481              | 492                   | 514     | 537     |

\*Note: The differences between the the detailed categories and the numbers as reflected in the 2022/23 EPRE relate to rounding