

VOTE 11

Co-operative Governance and Traditional Affairs

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|---------------------------------|---|
| Operational budget | R1 847 967 757 |
| MEC remuneration | R 2 098 243 |
| Total amount to be appropriated | R1 850 066 000 |
| Responsible MEC | MEC for Co-operative Governance and Traditional Affairs |
| Administering department | Co-operative Governance and Traditional Affairs |
| Accounting officer | Head: Co-operative Governance and Traditional Affairs |

1. Overview

Vision

The vision of the Department of Co-operative Governance and Traditional Affairs (COGTA) is: *Capable and co-operative governance for sustainable service delivery.*

Mission

The department's mission is: *To co-ordinate and foster co-operation among governance institutions and build capacity to accelerate delivery of high quality services to communities.*

Strategic outcomes

The department's strategic policy direction is to:

- Improve municipal and traditional institutional capacity.
- Improve co-ordination of service delivery.
- Improve institutional capacity.

Core functions

The mandate of the department is as follows:

- To co-ordinate all organs of state to ensure maximum impact.
- Interventionist approach.
- Improved internal and external co-operation and outcomes based Inter-governmental Relations (IGR) structures.
- Ensure single window of co-ordination and regulation of national, provincial and local government.

In essence, the department's mandate at the centre of integrated development has the following functions:

- Co-ordination, both vertically and horizontally, and doing away with the silo approach across the province.
- The key area of focus is planning. The department is repositioned as a critical ally of the Provincial Planning Commission to align planning across the three spheres of government, by strengthening Integrated Development Plans (IDPs).
- Ensuring alignment of priorities of both national and provincial departments implemented in a local space or with municipal IDPs.
- Ensure that the IDPs encapsulate the provincial priorities and budget in a co-ordinated manner.
- Enhance the IGR framework support integration (IGR framework to be reviewed and strengthened).
- Ensure seamless service delivery in a co-ordinated manner supported by emerging legislated processes.

- Put development planning at the centre stage.
- Put people at the centre of development.

The department will continue to support and ensure that there is alignment between the national, provincial, and local government priorities. Working together with different stakeholders in the province and countrywide, the department is committed to contributing toward realisation and achievement of government's priorities as spelt out in the MTSF.

Legislative mandate

The legislative mandate of COGTA is presented below.

Constitutional mandate

The mandates of COGTA are embodied in the following sections of the Constitution, 1996:

- Section 139 provides for provincial intervention in local government. This intervention in municipalities includes the issuing of directives and managing interventions by the Provincial Executive Council, in accordance with the provisions of Section 139(1) (a), (b) and (c).
- Section 154 determines that provincial governments must provide support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and perform their functions in accordance with the provisions of Section 154(1) and (2).
- Section 155(5) and (6) determines the types of municipalities to be established in KZN, where after the municipalities, by legislative and other measures, must be monitored and supported.
- Section 155(7) stipulates that provincial governments have legislative and executive authority to ensure effective performance by municipalities of their functions in respect of responsibilities listed in Schedules 4 and 5, by regulating the exercise by municipalities of their executive authority referred to in Section 156(1).
- Chapter 12 of the Constitution of the Republic of South Africa, 1996 recognises the institution of traditional leadership and emphasises the significant role it plays in preserving the customs of traditional communities. It further defines the institution as an organ of state which justifies its place in the democratic dispensation, especially in relation to governance issues.

Specific legislation for the department

- Disaster Management Act (Act No. 57 of 2002)
- Employment Equity Act (Act No. 55 of 1998)
- Fire Brigade Services Act (Act No. 99 of 1987)
- Infrastructure Development Act (Act No. 23 of 2014)
- KZN Cemeteries and Crematoria Act (Act No. 32 of 2000)
- KZN Determination of Types of Municipalities Act (Act No. 7 of 2000)
- KZN Planning and Development Act (PDA) (Act No. 6 of 2008)
- KZN Pounds Act (Act No. 3 of 2006)
- KZN Traditional Leadership and Governance Act (Act No. 5 of 2005)
- Labour Relations Act (Act No. 66 of 1995)
- Local Government Demarcation Act (Act No. 6 of 2004)
- Local Government Municipal Electoral Act (Act No. 27 of 2000)
- Municipal Finance Management Act (MFMA) (Act No. 53 of 2003)
- Municipal Fiscal Powers and Functions Act (Act No. 12 of 2007)
- Municipal Property Rates Act (Act No. 6 of 2004)
- Municipal Structures Act (Act No. 117 of 1998)
- Municipal Systems Act (Act No. 32 of 2000)

- Public Service Act (Proclamation No. 103 of 1994)
- Remuneration of Public Office Bearers Act (Act No. 20 of 1998)
- Spatial Planning and Land Use Management Act (SPLUMA) (Act No. 16 of 2013)
- The National House of Traditional Leaders Act (Act No. 22 of 2009)
- The White Paper on Traditional Leadership
- Traditional Leadership and Governance Framework Act (Act No. 41 of 2003)

General legislation for departments dealing with local government and traditional affairs

- Annual Division of Revenue Act (DORA)
- KZN Provincial Supply Chain Management (SCM) Policy Framework (2006)
- Preferential Procurement Policy Framework Act (PPPFA) (Act No. 5 of 2000) and revised regulations dated 16 January 2023
- Protection of Personal Information Act (Act No. 4 of 2013)
- Skills Development Act (Act No. 97 of 1998)
- Public Finance Management Act (PFMA) (Act No. 1 of 1999, as amended) and Treasury Regulations
- Public Service Regulations

Specific legislation applicable to municipalities

In addition to the above, there are particular pieces of legislation which apply specifically to municipalities and relate to the department's oversight, co-operation, co-ordination and alignment functions:

- Communal Land Rights Act (Act No. 11 of 2004)
- Development Facilitation Act (Act No. 67 of 1995)
- Water Services Act (Act No. 108 of 1997)

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

The department's budget is aligned to the NDP and the 2019-2024 MTSF, and contributes toward the following MTSF priorities:

- Priority 1 – Building a capable, ethical and developmental State.
- Priority 2 – Economic transformation and job creation.
- Priority 5 – Spatial integration, human settlements and local government.
- Priority 6 – Social cohesion and safe communities.

The 2024/25 APP contains a number of indicators that address the above-mentioned priorities. Some of these include:

- The implementation of the District Development Model (DDM) within the province.
- Support to municipalities to ensure the functionality of municipal Rapid Response Teams (RRTs).
- Support to municipalities to ensure the functionality of ward committees.
- Support to municipalities with the development of credible IDPs.
- Monitoring of all municipalities under intervention in line with their recovery plans.
- Investigation of all fraud, corruption and maladministration cases.
- Support to municipalities to improve their audit opinions.
- Monitoring of municipalities on the review of Water Service Development Plans (WSDPs).
- Support to municipalities with the implementation of the Community Work Programme (CWP) and the EPWP to create work opportunities.
- Ensuring that 30 per cent of procurement will be awarded to SMMEs, co-operatives, townships/rural enterprises and people with disabilities.

2. Review of the 2023/24 financial year

Section 2 provides a review of 2023/24, outlining the main achievements and progress made by the department during the year, as well as providing a brief discussion on challenges and new developments.

Local governance

The department provided support to local government institutions to strengthen governance, promote sound financial management, enhance public participation and improve capacity of municipalities with the aim of accelerating service delivery, as follows:

- Supported District Development Agencies (DDAs) towards achieving functionality by hosting a provincial workshop, conducting assessments and implementing DDA support plans.
- Assisted all 54 municipalities in developing and implementing a Performance Management System (PMS) to manage and measure institutional performance. In this regard, four municipalities received unqualified audit opinions with no findings (clean audit), 38 municipalities received unqualified opinions with emphasis of matters, ten municipalities received qualified audit outcomes, one municipality received an adverse audit outcome and the A-G has not yet finalised the Ray Nkonyeni Municipality's audit and this is anticipated to be finalised in February 2024.
- Supporting the strengthening of governance: The department supported various municipalities to comply with the Municipal Systems Act regulations on the appointment of senior managers. The department also supported various municipalities in maintaining functional oversight structures. In addition, in ensuring that municipalities under Section 139 intervention recover in terms of functionality, the department is monitoring the implementation of eight municipal recovery plans for municipalities placed under administration. The eight municipalities under intervention are the AbaQulusi Local Municipality, iNkosi Langalibalele Local Municipality, Mpofana Local Municipality, Msunduzi Local Municipality, Mtubatuba Local Municipality, uMkhanyakude District Municipality, uMzinyathi District Municipality and uThukela District Municipality.
- Promoting sound financial management: The department support the reduction of Unauthorised, Irregular, Fruitless and Wasteful (UIFW) expenditure in various municipalities. The municipalities were supported through the review of UIFW registers and by supporting municipalities in their Municipal Public Accounts Committees. The department also supported six municipalities in reducing their Eskom debt. Support included quarterly reviews of municipal cashflows, updating payment plans where necessary and monitoring municipal payments against committed payment plans. The municipalities supported included the Ulundi Local Municipality, Mpofana Local Municipality, Msunduzi Local Municipality, etc.
- Enhance public participation: The department increased the number of functional war-rooms with Community Development Workers (CDW) from 320 to 370. Support was provided to these war-rooms through quarterly functionality assessments, monitoring war-room activities and support of war-rooms by CDWs, and 186 war-rooms with CDWs are functional. The remaining 184 war-rooms are being supported to become functional.
- Improve capacity of municipalities: The department is the custodian of the Integrated Capacity Building Strategy for Local Government. The implementation of the strategy is monitored through quarterly internal and external stakeholder forums. Following the State of Local Government assessments, the department assisted municipalities in developing Municipal Support and Intervention Plans (MSIP). These plans identify bottleneck areas that affect the functionality of municipalities, the interventions needed to address functionality gaps and required stakeholders to address these gaps. Co-ordinated by assigned Local Government Specialists, quarterly engagements are held with all the 54 municipalities and respective intervention stakeholders, in which progress on the implementation of MSIPs are updated.

Development and planning

Accelerated sustainable development can be achieved through effective integrated planning, Local Economic Development (LED) and implementation of schemes and provision of basic services. As such, the department achieved the following:

- **Effective Integrated Planning:** Following the adoption of the Provincial Spatial Development Framework (PSDF), the department implemented measures to ensure that the framework is monitored for implementation. This includes reviewing the implementation framework and conducting assessments on the alignment of Municipal Spatial Development Frameworks (MSDF) to the PSDF. Also, the department developed and implemented an Integrated Land Use Information System. The system contains information, which includes property register data, municipal valuation data, scheme data and map viewers, to name a few. Users of the system are mainly municipalities, in which the data in the system is useful for municipal forward planning. The department supported municipalities through holding 11 Disaster Management Advisory Forums, where sector disaster management plans are assessed for alignment with draft municipal IDPs. Municipalities were also supported with disaster management planning to incorporate climate change adaption programmes.
- With regard to climate related incidents, the department purchased the integrated disaster communication system to feed warnings to disaster centres, and the system is in the process of being installed at the Provincial Disaster Management Centre (PDMC).
- Implemented seven Water Master Plan Intervention programmes in WSAs, including the water resource programme, water reticulation programme, water treatment, among others. There are seven standard interventions, which are implemented annually.
- **LED:** The department supported seven DDAs towards functionality. The support included functionality assessments, development and implementation monitoring of support plans. The seven DDAs supported were uMgungundlovu, uThukela, uMzinyathi, uMkhanyakude, iLembe, Harry Gwala and Ugu. The department also supported all 54 municipalities in monitoring their LED implementation strategies. Furthermore, the department supported two municipalities in packaging development partnerships, namely the Mpofana Local Municipality and the Ndwedwe Local Municipality.
- **Implementation of schemes:** The department supported various municipalities with the implementation of MSDF. Support included participation in the review of MSDFs through Project Steering Committees, making technical inputs, facilitating inputs by sector departments and tracking the expression of MSDF priority projects in municipal budgets.
- **Provision of basic services:** On a quarterly basis, the department convenes two infrastructure co-ordinating structure meetings, such as the Water and Sanitation Task team, and the Electricity Task Team. These forums assist in the planning, budgeting and steering of service delivery related projects. The 14 Water Service Authorities (WSAs) were monitored on the implementation of operations and maintenance, as well as the implementation of the Municipal Infrastructure Grant (MIG) funded Sanitation Project. The department is the custodian of the provincial Water Master Plan. The seven interventions contained in the Water Master Plan were monitored by the department and are the Water Resource programme, the Water Reticulation programme, the Water Treatment, Bulk Distribution and Storage programme, the Water Conservation Water Demand Management programme, the Financial Sustainability and Revenue Enhancement programme, the Operation and Maintenance programme and the Human Resources Development programme. The department also monitored the implementation of 10 Regional Bulk Infrastructure projects, through site visits and quarterly engagements with the Department of Water and Sanitation. The department is also the custodian of the provincial Electricity Master Plan, and support included the provision of technical support on the implementation of electricity infrastructure projects to the 24 licenced Energy Distributors. The department also provided technical support to all local municipalities on electrical infrastructure projects funded by the Integrated National Electrification Programme (INEP) and the departmental Massification programme, through the District Energy Forums.

Traditional institutional management

Good governance is critical for traditional institutions to provide effective support to communities. As a result, the department undertook the following:

- In ensuring good governance, the department supported the conclusion of the recognition of *Amakhosi* and *Amabambabukhosi*, within a period of six months from the *ubukhosi* position becoming vacant. Eleven positions of *ubukhosi* concluded their recognition processes within six months of becoming

vacant. The department also supported traditional communities in updating the family trees of newly recognised *Amakhosi* and *Amabambabukhosi*.

- The resolution of succession disputes is critical in ensuring that there is smooth governance with traditional communities. The department received and processed 33 succession disputes, and these were resolved. Using Local House of Traditional Leaders, the department conducted information sharing sessions with *Amakhosi* on conflict management.
- The department also monitored the implementation of five governance guidelines. This was conducted through quarterly assessments with a selected number of Local Houses. The guidelines monitored include the guidelines on departmental contributions towards expenses associated with the funerals of *Amakhosi*, *Amabambabukhosi* and *Iziphakanyiswa*, guidelines on monitoring Traditional Councils (TCs) in KZN, guidelines on the monitoring of the performance of *Izinduna*, as well as guidelines on the development of support plans for TCs and appointment letters and contracts for TC secretaries.
- In supporting co-operative governance, the department supported 111 recognised *Amakhosi* to participate in municipal councils. The *Amakhosi* in all 11 districts were supported in communicating the content of municipal meetings, facilitating participation issues, conducting performance reviews, and have their related municipal council meeting resolutions consolidated and presented to their respective Local Houses.
- In terms of the remuneration of *Izinduna*, a database of *Izinduna* is updated through monthly headcounts, conducted with the assistance of district offices and *Amakhosi*. As at the end of December 2023, the department paid 2 988 *Izinduna* at a total cost of R283.159 million. The department was allocated R171.331 million by Provincial Treasury to assist with the payment of stipends to *Izinduna* in 2023/24. The department also allocated R195.716 million, bringing the total budget for *Izinduna* in 2023/24 to R367.047 million.
- Also, the department was allocated a once-off amount of R631.083 million in 2023/24 by National Treasury to settle the backpay amount owed to *Izinduna* for the backpay from 01 April 2013 to 30 November 2016. These funds were specifically and exclusively allocated to the department, and the department received the full amount that they requested. The department indicated that 3 004 *Izinduna* qualified, of which 2 229 are currently on the PERSAL system, and 775 have been terminated (thus are no longer on the system, either by removal, resignation or death). It should be noted that, of the 2 229 currently on the system, 206 *Izinduna* had since exited the department and had to be paid through BAS. The 206 *Izinduna* were added to the 775 terminated. Thus, of the 981 terminated *Izinduna*, only 253 remain to be paid. As at December 2023, the total *Izinduna* or beneficiaries paid was 91 per cent (2 736 of 3 004) and this equates to 92 per cent of the budget (R580.596 million). The remaining 268 (9 per cent) *Izinduna* including current and terminated *Izinduna* will be paid an amount of R50.487 million following the finalisation of the legal/departmental processes of tracing beneficiaries and in the administration of deceased estates. The department anticipates these payments to be finalised by March 2024. The department undertook a verification of the accurate number of *Izinduna* present in each financial year (from November 2013/14 to April 2016/17), through conducting physical headcounts in their district offices with the assistance of *Amakhosi*. Each *Induna* was requested to bring their identification document to the offices to be verified. Also, the department liaised with the A-G and received the outcome of their verification processes through a computer-assisted audit tool. The department used signed appointment letters from *Amakhosi* and PERSAL reports to calculate the cost owed to *Izinduna*.
- With regard to the TC elections, these were planned to be undertaken in 2023/24 but were postponed to 2024/25 due to *Amakhosi* not being in favour of the elections. According to the department, traditional leaders throughout the country do not want to participate in the elections because they are disputing the formula that has been gazetted by the Minister of COGTA. The formula that *Amakhosi* are not happy about relates to the determination of the number of members of each TC. Prior to this, 60 per cent of the members were selected by *Amakhosi* and 40 per cent were elected democratically by communities. In the new formula, there is a new provision for an *Inkosi* to consult a committee of family members when selecting his 60 per cent and this is what *Amakhosi* are not happy about. The discussions are ongoing, and the sector is hoping for a resolution in 2024/25.

3. Outlook for the 2024/25 financial year

Section 3 looks at the key focus areas of 2024/25, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments. In 2024/25, the department will continue to co-ordinate spheres of government, support local government to promote good governance and enhance financial management in municipalities for improved service delivery, as well as provide support and build the capacity of traditional institutions. The department will also ensure the development of guidelines and procedures to regulate traditional government.

Local governance

The department will continue to co-ordinate support, promote good governance and enhance financial management in municipalities. The main focus for 2024/25 will be on:

- The implementation of the DDM with focus on the One Budget, One Plan for district municipalities, will continue. Support will be provided towards achieving functionality of DDAs through workshops, conducting assessments and implementing support plans.
- Providing support to municipalities in the development of IDPs through capacity building sessions, workshops, IDP forums and assessments. This is an annual exercise undertaken by the department.
- Continue to assist all 54 municipalities in developing and implementing PMS to manage and measure institutional performance. The PMS targets will be in line with the priorities, objectives and indicators contained in each municipality's IDP. This is an ongoing programme to support municipalities with performance management as it is audited by the A-G annually and has an impact on the audit opinion of municipalities (predetermined objectives).
- Assisting municipalities with plans to reduce UIFW. This is an ongoing project until all municipalities no longer have UIFW.
- Supporting municipalities with functional municipal oversight processes in respect of Section 80 Committees (Mayoral Committee Clusters, Mayoral Committees, oversight and standing committees) reporting to EXCO, EXCO reporting to Council in terms of Section 44 of the Municipal Systems Act, and Section 79 Committees reporting to Council in terms of the Municipal Structures Act. This is an annual exercise undertaken by the department.
- Providing support to municipalities by contracting and deploying governance and finance experts to municipalities to assist with the required skills, such as financial management, planning, human resources, among others. The department determines which municipality to support through their audit outcomes and the support is dependent on the availability of funding in the department.

Development and planning

The NDP stipulates that, for the country to support its long-term economic objectives and development goals, South Africa needs to focus on investing in basic services, such as electricity, water, sanitation, telecommunications and public transport. The main focus for 2024/25 will be to:

- Continue to map data in respect of climate related incidents and Municipal Schemes (GIS maps which plot where disaster incidents take place), to enhance the province's response to climate change. The department will complete the installation of the integrated disaster communication system.
- Monitor the implementation of service delivery programmes relating to electricity, water and sanitation, indigent policies, as well as operational and maintenance plans. The department provides support to municipalities to ensure that they implement business plans and achieve the milestones set therein. If the milestones are not achieved, the department will recover the unspent grants in line with the transfer manual.
- Support municipalities with the implementation of the Electricity Asset Management Framework in respect of maintenance and quarterly reporting to client forums, such as the National Energy Regulator of South Africa (NERSA) and Eskom. The department will put remedial action plans into place for those that are not compliant.
- Continue to implement seven Water Master Plan Intervention programmes in WSAs, including the water resource programme, water reticulation programme, water treatment, among others.

- Monitor municipalities on the review of their WSDPs to enhance existing municipal WSDPs, in collaboration with the Department of Water and Sanitation through WSDP review meetings. The department will put remedial actions plans into place for those municipalities that are not compliant.
- Support municipalities with the implementation of the Electricity Master Plan. This plan refers to licensed electricity distributors supported on project implementation of the Electricity Master Plan, through monthly meetings, reporting on budget expenditure and set timeframes.

Traditional institutional management

Traditional institutional governance remains central in supporting and building the capacity of traditional institutions. The main focus for 2024/25 will be to:

- Enhance traditional institutional governance by dealing with disputes, undertaking the recognition of *Amakhosi*, providing support to deceased *Amakhosi* families and participating in municipal councils.
- Update family trees and digitise the information for storage.
- Undertake the recognition of *Amakhosi* and *Amabambabukhosi* within the stipulated timeframes.
- Resolve emerging disputes and profile *Izizwe* (tribes) on customary law as a way of promoting a cultural and customary way of life.
- Support the Provincial and Local Houses of Khoisan and Traditional Leadership and TCs to ensure that they are functioning efficiently.
- Support *Amakhosi* to participate in the municipal councils. The support relates to communicating the meeting notices, agendas and relevant documents for the meetings, assisting with logistics, standardising participation and reviewing the performance of *Amakhosi*. Also, the department will assess the performance of *Izinduna* and TC secretaries in line with job descriptions.
- The department will provide financial and non financial support to TCs to perform their functions. Financial management support will include recording and accounting of finances of each TC. Non financial support will include capacity building workshop sessions on issues that will enhance the effective functioning of the councils.
- Over the 2024/25 MTEF, the department has budgeted to pay 3 077 *Izinduna* with a budget of R388.060 million in 2024/25, R407.601 million in 2025/26 and R414.146 million in 2026/27, in line with the number of *Izigodi*. The provincial allocation in this regard is R179.041 million in 2024/25, R187.062 million in 2025/26 and R195.667 million in 2026/27, and the difference is allocated from within the department's budget.
- It remains unclear when the TC elections will be undertaken because *Amakhosi* are not in favour of the elections as they are disputing the formula that has been gazetted by the Minister of COGTA.

4. Reprioritisation

The following main reprioritisation was undertaken over the 2024/25 MTEF:

- Amounts of R71.896 million in 2024/25 and R92.704 million in 2025/26 were reprioritised from Programme 3: Development and Planning mainly from *Goods and services* due to the scaling down of projects such as Corridor Development, the Small Town Rehabilitation programme and water and electricity infrastructure support projects. Also, *Compensation of employees* was reduced in line with the departmental plan to fill vacant posts in a staggered approach. These funds were reprioritised as follows:
 - An amount of R36.430 million in 2025/26 was moved to Programme 1: Administration, against *Compensation of employees* to cater for vacant posts, which include the Chief Operating Officer, two Deputy Directors and Director Information and Communication Technology (ICT). The funds also cater for the 1.5 per cent pay progression, increase for housing and medical allowances, as well as the cost of living adjustments in line with National Treasury guidelines. The increase also caters for the carry-through costs of the 2023 wage agreement. Also, *Goods and services* was increased in respect of agency support to cater for the appointment of security personnel. The increase is due to the security personnel working day and night shifts. In addition, *Buildings and other fixed*

structures was increased to cater for construction of the Ixopo offices, which will be used to accommodate district officials and *Amakhosi*.

- o Amounts of R49.363 million in 2024/25 and R18.492 million in 2025/26 were reprioritised to Programme 2: Local Governance mainly against *Compensation of employees* in respect of the planned filling of vacant posts, including Chief Director: Municipal Administration and Support, four Deputy Directors within Municipal Finance, Director: CDW and Rapid Response, among others. In addition, the funds cater for the 1.5 per cent adjustment for pay progression and the increase for the housing and the medical allowances, the cost of living adjustment in line with National Treasury guidelines, as well as the carry-through cost for the 2023 wage agreement.
- o Amounts of R23.333 million in 2024/25 and R37.782 million in 2025/26 were reprioritised to Programme 4: Traditional Institutional Management mainly against *Goods and services* in respect of operating payments to cater for the carry-through of the increase of 3 per cent in the proclamation signed in August 2023 and backdated to April 2023 for *Izinduna*.

5. Procurement

The department uses a manual requisition and ordering system, which ensures compliance to SCM practices in line with financial and SCM delegations of the department. With the amended PPPFA regulations of 2022 taking effect in January 2023, the department also amended its SCM policy to be in line with the revised regulations to ensure that all future procurement is in line with the relevant and updated regulations.

The department will continue to implement government policies on procurement in order to maximise the current budget allocation. The major procurement to be undertaken continues to include the support to municipalities in the form of financial experts to assist municipalities with positive audit outcomes, appointment of governance experts to ensure good governance in municipalities and appointment of administrators to assist with sound administration within the municipalities.

The department will continue to procure water and electricity infrastructure and will comply with relevant prescripts. The provision of electrification projects will be undertaken in priority areas in line with prescripts. Also, some construction, rehabilitation and refurbishment of CSCs will continue in the province. There will be continuous support by the PDMC to provide relief to disaster stricken communities in the form of blankets, food parcels, plastic sheeting and relief boxes.

As a result of continuous killing of *Amakhosi* in the province, the department has embarked on strengthening security for *Amakhosi* by supplying and commissioning high mast security lights at *Amakhosi* priority areas. Furthermore, Wi-Fi connectivity has also been prioritised in 2024/25 to the *Amakhosi* areas. These projects are being implemented in the last quarter of 2023/24.

6. Receipts and financing

6.1 Summary of receipts

Table 11.1 indicates the sources of funding for Vote 11 over the seven-year period from 2020/21 to 2026/27. 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, and a national conditional grant allocation in respect of the EPWP Integrated Grant for Provinces. This grant is incentive driven and allocations are based on previous year's performance.

Table 11.1 shows that there is negative growth of 24 per cent from 2023/24 to 2024/25, because of the once-off allocation for the payment of *Izinduna*. The growth of 4.2 per cent in 2025/26 and 4.5 per cent in 2026/27 are in line with National Treasury guidelines. It should be noted that the growth was to some extent mitigated by the carry-through 2023/24 MTEF budget cuts, as well as the 2024/25 MTEF budget cuts, which are detailed later.

Table 11.1 : Summary of receipts and financing

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | | | 2024/25 | 2025/26 | 2026/27 |
| Equitable share | 1 416 965 | 1 779 557 | 1 818 040 | 2 441 053 | 2 431 053 | 2 431 053 | 1 848 066 | 1 927 713 | 2 014 718 |
| Conditional grants | 2 777 | 1 994 | 1 993 | 1 960 | 1 960 | 1 960 | 2 000 | - | - |
| EPWP Integrated Grant for Provinces | 2 777 | 1 994 | 1 993 | 1 960 | 1 960 | 1 960 | 2 000 | - | - |
| Total receipts | 1 419 742 | 1 781 551 | 1 820 033 | 2 443 013 | 2 433 013 | 2 433 013 | 1 850 066 | 1 927 713 | 2 014 718 |
| Total payments | 1 513 868 | 1 781 877 | 1 819 626 | 2 443 013 | 2 435 509 | 2 435 509 | 1 850 066 | 1 927 713 | 2 014 718 |
| Surplus/(Deficit) before financing | (94 126) | (326) | 407 | - | (2 496) | (2 496) | - | - | - |
| Financing | | | | | | | | | |
| of which | | | | | | | | | |
| Provincial roll-over | 24 182 | - | - | - | 2 496 | 2 496 | - | - | - |
| Provincial cash resources | 70 000 | 9 000 | - | - | - | - | - | - | - |
| Surplus/(Deficit) after financing | 56 | 8 674 | 407 | - | - | - | - | - | - |

In 2020/21, an amount of R24.182 million of the equitable share was rolled over from 2019/20 in respect of the water, sanitation and electricity backlog study. In addition, the department received an additional R70 million from provincial cash resources toward the drilling and equipping of boreholes programme. Also in 2020/21, the Covid-19 pandemic resulted in the department's budget being reduced by R408.164 million, and this was formalised in the Special Adjustments Estimate, with the funds allocated toward the provincial Covid-19 response. Also, the department's budget was cut by R51.240 million under Programme 1 against *Compensation of employees* in the Second Adjustments Estimate. This relates to the provision made for the 2020 cost of living adjustment, and this cut was effected by National Treasury as this matter was in court and was unlikely to be resolved before the end of the financial year.

The department minimally under-spent the 2020/21 budget by R56 000 due to reduced travelling costs by officials within the department, especially during the initial stages of the national lockdown.

In 2021/22, the department received provincial cash resources of R9 million to cater for the cost of repairing infrastructure damaged during the unrests that took place in the province in July 2021. The department under-spent the 2021/22 budget by R8.674 million against *Buildings and other fixed structures*, largely in respect of this additional R9 million. The additional funding was to cater for the five Community Service Centres (CSCs) that were vandalised and looted. According to the department, because the funds were only received late in September 2021, DOPW did not approve the use of emergency procurement toward project implementation. The department was dependent on DOPW for the procurement and was only able to spend R326 000 by the end of the year.

In 2022/23, the department received no additional allocations, but the budget was impacted on by the carry-through of the 2021/22 MTEF budget cuts. The department under-spent its 2022/23 budget by R407 000 at year-end. This related to the TC elections that were not undertaken. The department had planned to undertake the elections in March 2023 but could not due to an appeal that took place on 8 February 2023. Also, the department indicated that *Amakhosi* were not in favour of the elections and, as such, could not undertake the elections and these elections were postponed.

In the 2023/24 Main Appropriation, the department's budget was reduced by the carry-through fiscal consolidation cuts from the 2021/22 MTEF by R93.008 million in 2023/24, R97.193 million in 2024/25 and R101.547 million in 2025/26 effected against *Compensation of employees* and *Goods and services*. In addition, the budget was reduced by the wage freeze and fiscal consolidation cuts, totalling R212.784 million in 2023/24, R222.359 million in 2024/25 and R232.321 million in 2025/26 effected against *Compensation of employees*. These all related to the carry-through cuts from the 2021/22 MTEF. Also over the 2023/24 MTEF, the department's budget was further cut by R23.184 million, R9.375 million and R16.504 million as a result of data updates of the equitable share formula and own revenue reduction effected against Programmes 1, 2 and 3, against *Goods and services*, *Buildings and other fixed structures* and *Machinery and equipment*.

Also in 2023/24, a once-off amount of R631.083 million was allocated to the department by National Treasury in respect of the equitable share towards the backpay of 3 004 *Izinduna*. This was allocated to Programme 4 against *Goods and services*.

In the 2023/24 Adjusted Appropriation, the department received a roll-over amount of R2.496 million from 2022/23 to 2023/24 for the provision of water in hot spot areas in the iLembe District Municipality. This related to donor funding received from the African Union (AU) and allocated to OTP in the 2022/23 Adjustments Estimate to assist with water distribution to communities after the April 2022 flood disaster. The donor funding was not utilised by OTP in 2022/23, and they requested that the funds be rolled over to 2023/24, but allocated to the department in the Adjustments Estimate as COGTA is now responsible for this project. The funds were allocated against *Transfers and subsidies to: Provinces and municipalities* under Programme 3 for transfer to the iLembe District Municipality.

Also in the 2023/24 Adjusted Appropriation, the department's equitable share budget was decreased by an amount of R10 million in respect of the provincial Crime Fighting Initiative for allocation to Vote 9: Community Safety and Liaison, as announced by the Honourable Premier in the 2023 SOPA. The cut was effected under Programme 1, against *Compensation of employees* due to an internal moratorium on the filling of vacant posts. The department is projecting a balanced budget at the end of 2023/24 as per the December IYM.

Over the 2024/25 MTEF, the department's budget shows negative growth from 2023/24 to 2024/25, mainly due to the once-off allocation in 2023/24 for the backpay to *Izinduna*, and the carry-through 2023/24 MTEF budget cuts, as well as the 2024/25 MTEF budget cuts. The growth of 4.5 per cent in the outer year of the MTEF is in line with inflation, although the growth was to some extent mitigated by the 2024/25 MTEF budget cuts in the amount of R69.522 million in 2024/25, R68.697 million in 2025/26 and R73.527 million in 2026/27. Also, the department was allocated R2 million for the EPWP Integrated Grant for Provinces in 2024/25.

6.2 Departmental receipts collection

Table 11.2 reflects departmental receipts for the period 2020/21 to 2026/27. Details of these receipts are presented in *Annexure – Vote 11: Co-operative Governance and Traditional Affairs*.

Table 11.2 : Summary of departmental receipts collection

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|--------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | | | 2024/25 | 2025/26 | 2026/27 |
| Tax receipts | - | - | - | - | - | - | - | - | - |
| Casino taxes | - | - | - | - | - | - | - | - | - |
| Horse racing taxes | - | - | - | - | - | - | - | - | - |
| Liquor licences | - | - | - | - | - | - | - | - | - |
| Motor vehicle licences | - | - | - | - | - | - | - | - | - |
| Sale of goods and services other than capital assets | 1 519 | 1 574 | 1 598 | 2 438 | 2 438 | 1 735 | 1 730 | 1 732 | 1 734 |
| Transfers received | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | - | - | - | - | - | - | - | - | - |
| Interest, dividends and rent on land | 871 | 1 463 | 91 | 66 | 66 | 116 | 69 | 72 | 75 |
| Sale of capital assets | 1 506 | - | 2 580 | 1 600 | 1 600 | - | 1 600 | 1 700 | 1 800 |
| Transactions in financial assets and liabilities | 31 423 | 7 021 | 1 689 | 1 462 | 1 462 | 1 888 | 1 528 | 1 597 | 1 668 |
| Total | 35 319 | 10 058 | 5 958 | 5 566 | 5 566 | 3 739 | 4 927 | 5 101 | 5 277 |

Sale of goods and services other than capital assets derives its revenue from commission on PERSAL deductions such as insurance premiums and garnishee orders, sale of maps and publications, parking fees, tender fees and rental from officials occupying state houses. The fluctuating trend from 2022/23 to 2024/25 is due to the unpredictable nature of this source. The budget over the MTEF is conservative but falls in line with historic collection trends.

Interest, dividends and rent on land relates to interest derived from staff debts. The revenue trend is very volatile due to the uncertain nature of this source as it depends on the outstanding debts and the interest rate charged. The MTEF budget is very conservative, due to the unpredictable nature of this source.

Sale of capital assets relates to the sale of redundant assets such as motor vehicles and old office equipment. The high collection in 2022/23 related to an auction of redundant motor vehicles. Revenue from this source is very difficult to budget for as it relies on the volume of fleet and the performance of the auction. The 2023/24 Revised Estimate reflects no revenue due to a directive issued by OTP to all departments to halt the processes of disposing of state vehicles that have reached the end of their life span. The revenue budget grows over the MTEF in line with the departmental asset disposal policy.

Transactions in financial assets and liabilities includes the recovery of staff debts such as breached bursary contracts and refunds related to previous years' expenditure. The high collection in 2020/21 includes the refund of R27.364 million from the IEC in respect of the TC elections that were to take place in February 2020 but were postponed, as mentioned, as well as a refund of R2.223 million from the Department of International Relations and Co-operation for international travel not undertaken by the department in 2019/20. The revenue budget shows conservative growth over the 2024/25 MTEF due to the unpredictable nature of this category.

6.3 Donor and agency funding – Nil

7. Payment summary

Section 7 reflects payments and budgeted estimates for programmes and economic classifications. Details are given in Section 9, as well as *Annexure – Vote 11: Co-operative Governance and Traditional Affairs*.

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 2024/25 MTEF, National Treasury provided partial funding for the carry-through of the 2023 wage agreement to the Departments of Education, Health and Social Development only. As such, the department has undertaken reprioritisation to cater for the carry-through 2023 wage agreement over the 2024/25 MTEF within its baseline.
- In terms of *Compensation of employees*, the department made provision for a 13.3 per cent growth (R104.068 million) in 2024/25 (as based on the 2023/24 Adjusted Appropriation), 5 per cent (R44.403 million) in 2025/26 and 3.5 per cent (R32.230 million) in 2026/27. The high growth in 2024/25 is to provide for filling critical vacant posts. The increase in 2025/26 allows for a 3 per cent growth plus the 1.5 per cent for pay progression. The slightly low increase in 2026/27 is sufficient for 3 per cent growth and does not fully cater for the 1.5 per cent pay progression and will be reviewed in the next budget process. The department plans to fill 153 vacant posts in 2024/25, 13 vacant posts in 2025/26 and 120 vacant posts in 2026/27.

7.2 Amendments to provincial and equitable share funding: 2022/23 to 2024/25 MTEF

Table 11.3 shows amendments to the provincial and equitable share funding over the 2022/23, 2023/24 and 2024/25 MTEF periods, and excludes conditional grant funding. The carry-through allocations for the outer year (i.e. 2026/27) are based on the incremental percentage used in the 2024/25 MTEF.

Table 11.3 : Summary of amendments to provincial and equitable share allocations for the 2022/23 to 2024/25 MTEF

| R thousand | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
|---|---------|----------|----------|----------|----------|
| 2022/23 MTEF period | - | - | - | - | - |
| 2023/24 MTEF period | | 607 899 | 1 939 | (5 060) | (5 288) |
| Cost of living adjustment carry-through (3%) | | - | 11 314 | 11 444 | 11 959 |
| PES data update and own revenue reduction | | (23 184) | (9 375) | (16 504) | (17 247) |
| Izinduna backpay | | 631 083 | - | - | - |
| 2024/25 MTEF period | | | (69 522) | (68 697) | (73 527) |
| Fiscal consolidation reduction by National Treasury | | | (69 522) | (68 697) | (73 527) |
| Total | - | 607 899 | (67 583) | (73 757) | (78 815) |

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

Over the 2023/24 MTEF, the department received additional allocations of R11.314 million in 2024/25 and R11.444 million in 2025/26 relating to the 3 per cent cost of living adjustment carry-through from National Treasury. Also, the department was allocated an amount of R631.083 million from National Treasury in 2023/24 only, to settle the backpay amount owed to *Izinduna* in this province. The additional allocations were to some extent mitigated by the 2023/24 MTEF budget cuts implemented by National Treasury amounting to R23.184 million in 2023/24, R9.375 million in 2024/25 and R16.504 million in

2025/26 in line with the equitable share data update and own revenue reduction. The budget cuts were effected against Programmes 2, 3 and 4, against *Goods and services*, *Buildings and other fixed structures* and *Machinery and equipment*. The budget cuts resulted in the department scaling down on some water and electricity projects and CSC projects, and reducing the procurement of stationery, etc.

Over the 2024/25 MTEF, the department's budget was cut again by an aggregate amount of R211.746 million in line with the fiscal consolidation reduction by National Treasury. These cuts were effected against Programmes 2 and 3, and against *Goods and services* (consultants' costs), *Transfers and subsidies to: Provinces and municipalities* and *Buildings and other fixed structures*.

The impact of these cuts will be that the department will scale down on projects such as the governance and financial experts under Programme 2, against *Goods and services*. Under Programme 3, the cut will impact on the Corridor Development, Small Town Rehabilitation programme and water and electricity infrastructure support projects under *Goods and services* and *Transfers and subsidies to: Provinces and municipalities*. Also, some CSC projects, including Hlomindleni new park home and ablution, Mavela new construction, Nkwanyana new park home and ablution, and the rehabilitation at Ngqungqulu, under *Buildings and other fixed structures*, will be postponed to future dates.

7.3 Summary by programme and economic classification

The services rendered by the department are categorised under four programmes. The department received approval from National Treasury in June 2018 to deviate slightly from the uniform budget structure for the COGTA sector and this deviation continues to be in place. Tables 11.4 and 11.5 provide a summary of the Vote's payments and budgeted estimates over the seven-year period, by programme and economic classification, respectively.

Table 11.4 : Summary of payments and estimates by programme: Co-operative Governance and Traditional Affairs

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | | | 2024/25 | 2025/26 | 2026/27 |
| 1. Administration | 363 772 | 462 748 | 435 739 | 454 095 | 422 159 | 429 129 | 489 465 | 512 130 | 571 087 |
| 2. Local Governance | 302 261 | 313 542 | 337 076 | 322 551 | 339 604 | 341 696 | 383 077 | 391 869 | 395 422 |
| 3. Development and Planning | 302 505 | 494 918 | 479 085 | 434 051 | 412 654 | 392 476 | 336 408 | 347 251 | 351 469 |
| 4. Traditional Institutional Management | 545 330 | 510 669 | 567 726 | 1 232 316 | 1 261 092 | 1 272 208 | 641 116 | 676 463 | 696 740 |
| Total | 1 513 868 | 1 781 877 | 1 819 626 | 2 443 013 | 2 435 509 | 2 435 509 | 1 850 066 | 1 927 713 | 2 014 718 |

Table 11.5 : Summary of payments and estimates by economic classification: Co-operative Governance and Traditional Affairs

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | | | 2024/25 | 2025/26 | 2026/27 |
| Current payments | 1 328 607 | 1 429 962 | 1 525 555 | 2 346 901 | 2 289 048 | 2 287 839 | 1 777 429 | 1 830 635 | 1 937 024 |
| Compensation of employees | 706 163 | 729 258 | 746 691 | 824 765 | 780 886 | 779 384 | 884 954 | 929 357 | 961 587 |
| Goods and services | 622 436 | 700 257 | 778 771 | 1 522 136 | 1 508 162 | 1 508 455 | 892 475 | 901 278 | 975 437 |
| Interest and rent on land | 8 | 447 | 93 | - | - | - | - | - | - |
| Transfers and subsidies to: | 38 830 | 231 248 | 234 321 | 24 670 | 95 682 | 96 118 | 8 049 | 8 517 | 7 794 |
| Provinces and municipalities | 491 | 188 504 | 181 489 | 16 600 | 87 320 | 87 299 | 900 | 910 | 920 |
| Departmental agencies and accounts | - | 13 000 | 1 | - | - | - | - | - | - |
| Higher education institutions | - | - | 1 280 | 1 280 | - | - | 1 280 | 1 280 | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 26 082 | 19 820 | 40 433 | 250 | 250 | 250 | 250 | 250 | 250 |
| Households | 12 257 | 9 924 | 11 118 | 6 540 | 8 112 | 8 569 | 5 619 | 6 077 | 6 624 |
| Payments for capital assets | 144 711 | 108 902 | 59 452 | 71 442 | 50 779 | 51 552 | 64 588 | 88 561 | 69 900 |
| Buildings and other fixed structures | 99 383 | 79 528 | 26 884 | 39 969 | 23 290 | 23 590 | 30 567 | 66 251 | 49 000 |
| Machinery and equipment | 36 433 | 16 403 | 31 189 | 15 131 | 12 418 | 12 890 | 22 571 | 8 360 | 10 350 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 8 895 | 12 971 | 1 379 | 16 342 | 15 071 | 15 072 | 11 450 | 13 950 | 10 550 |
| Payments for financial assets | 1 720 | 11 765 | 298 | - | - | - | - | - | - |
| Total | 1 513 868 | 1 781 877 | 1 819 626 | 2 443 013 | 2 435 509 | 2 435 509 | 1 850 066 | 1 927 713 | 2 014 718 |

Programme 1 mainly provides for the improvement of the department's ICT systems, and the maintenance and upgrading of various departmental buildings. The reduction in the 2023/24 Adjusted Appropriation was due to funds moved from *Compensation of employees* as a result of the internal moratorium on the

filling of vacant posts implemented at the beginning of the financial year until December 2023, *Goods and services* mainly due to various projects that were unlikely to be implemented/fully implemented in 2023/24, or were paid for in the prior year, namely maintenance of office buildings, the purchase of a house at 42 Temple Street in Pietermaritzburg to be used as departmental offices which was paid for in 2022/23, the CFO support projects and the IT strategies project, among others. The increase in the 2023/24 Revised Estimate was in respect of the payment of outstanding invoices for lease of official buildings, as well as the procurement of stationery for the departmental stores, among others. Funds from Programme 3 will be reprioritised to offset the pressures. Programme 1 reflects an increasing trend over the 2024/25 MTEF due to reprioritisation to this programme to cater for vacant posts, the 1.5 per cent pay progression, increase for housing and medical allowances, the cost of living adjustments and the carry-through costs of the 2023 wage agreement. The increase also relates to the appointment of security personnel and the construction of the Ixopo offices, as mentioned. The programme will continue to cater for the improvement of the department's ICT systems, and the maintenance, renovations and upgrades to various departmental buildings, fleet services, among others. Over the 2024/25 MTEF, Programme 1 provides for the filling of 64 critical vacant posts, including Chief Operating Officer, two Deputy Directors and Director ICT, among others. The budget has sufficient growth to provide for these vacant posts and caters for the 1.5 per cent pay progression and the carry-through of the 3 per cent cost of living adjustment over the MTEF. Programme 1 was not affected by the 2024/25 MTEF budget cuts.

Programme 2 caters for the training of municipal councillors, governance and financial experts, municipal administrators, and community outreach programmes (including *Izimbizo* and community dialogues with ward committees as part of the Back to Basics campaigns), among others. The increase in the 2023/24 Adjusted Appropriation was due to funds moved from Programme 1 to this programme against *Goods and services* to cater for the appointment of service providers pertaining to the revenue and debt management project. Also, the funds were allocated to other economic categories to cater for the cost of the 2023 wage agreement, higher than budgeted staff exit costs, claims against the state in respect of an arbitration case against the department concerning two officials, and for the payment of invoices from 2022/23 for the procurement of office furniture. The increase in the 2023/24 Revised Estimate was in respect of the support to municipal representatives at uMkhanyakude, Msunduzi, uThukela, uMzinyathi and Mtubatuba, as well as filling vacant posts within the Public Participation sub-programme, which were not adequately budgeted for. Funds from Programme 3 will be reprioritised to offset the pressures. Programme 2 reflects an increasing trend over the 2024/25 MTEF due to reprioritisation to this programme to cater for vacant posts, the 1.5 per cent pay progression, increase for housing and medical allowances, the cost of living adjustments and the carry-through costs of the 2023 wage agreement. The increase was to some extent impacted by the 2024/25 MTEF budget cuts, effected only in 2025/26 and 2026/27 in this programme against *Goods and services* in respect of consultants' costs. This will impact on the governance and financial experts that will be scaled down. Over the MTEF, the budget provides for the filling of 69 vacant posts, namely Chief Director: Municipal Administration and Support, four Deputy Directors within Municipal Finance, Director: CDW and Rapid Response, among others. The budget has sufficient growth to fill all vacant posts and has budgeted for the 1.5 per cent pay progression and the carry-through of the 3 per cent cost of living adjustment over the MTEF.

Programme 3 caters for various projects such as disaster management, nodal plans, implementation of spatial equity norms and standards, the SDF support, Geospatial Land Register and Development Application Management System programmes, Small Town Rehabilitation, Massification and Corridor Development programmes, construction of CSCs and houses for *Amakhosi (Imizi Yezizwe)*, among others. The decrease in the 2023/24 Adjusted Appropriation mainly relates to *Goods and services* and *Buildings and other fixed structures* due to various projects that were unlikely to be implemented/fully implemented in 2023/24, namely Massification (including electrification) and Small Town Rehabilitation projects in various municipalities, as well as the maintenance and construction of CSCs and houses for *Amakhosi*, among others. This was mainly due to enforced savings to provide for other areas of spending pressures. Also, savings were realised from the KwaXolo Caves project and the development of a geospatial land register and application management system that have not yet commenced, and the department thus put the commencement of the projects on hold, in order to cater for urgent service delivery projects. Also, *Compensation of employees* was reduced as a result of the internal moratorium on the filling of vacant posts to fund various service delivery programmes. The decrease in the Revised Estimate was due to slow

moving projects such as the war on leaks and illegal dumping, etc. The funds will be moved to Programmes 1, 2 and 4 to offset spending pressures. The decrease in the programme over the 2024/25 MTEF is mainly due to the reprioritisation to Programmes 1, 2 and 4. Also, the decrease is attributed to the 2024/25 MTEF budget cuts implemented against *Goods and services*, *Transfers and subsidies to: Provinces and municipalities* and *Buildings and other fixed structures*. The impact of these cuts will result in the scaling down of projects such as the Corridor Development, Small Town Rehabilitation programme and water and electricity infrastructure support projects under *Goods and services*, *Transfers and subsidies to: Provinces and municipalities* and some CSC projects, such as Hlomindleni new park home and ablution, Mavela new construction, Nkwanyana new park home and ablution, and rehabilitation at Ngqungqulu, under *Buildings and other fixed structures*. These projects will be postponed to future dates. The MTEF allocations provide for the maintenance, refurbishment, rehabilitation, and construction of CSCs including Mhlungwini, Hlope, etc., and houses for *Amakhosi*, disaster management relief stock (blankets, food parcels, beds for stricken communities, plastic sheeting, fire alarms), as well as Disaster Management Summits. Also, the department will continue with priority water service delivery interventions in terms of the Water Master Plan, and electrification projects. The 2024/25 budget provides for the filling of 12 vacant posts, namely Chief Town and Regional Planners (OSD), Deputy Director: Control GIS Technicians (OSD), Director: Land Use Management, Deputy Director: Project Manager (CSC), Deputy Directors: Project and Planning, among others. The budget has sufficient growth to fill all vacant posts and caters for the 1.5 per cent pay progression and the carry-through of the 3 per cent cost of living adjustment over the MTEF.

Programme 4 caters for the recognition and installation of *Amakhosi*, cultural events, capacity building programmes for *Amakhosi* and the remuneration of *Amakhosi*, *Izinduna* and TC secretaries, etc. The increase in the 2023/24 Adjusted Appropriation was mainly due to funds moved from Programme 3 to *Goods and services* to cater for the increase in respect of TC secretaries' stipends (from R6 000 budgeted for in the main budget to R8 000 per month) and the salary backpay to *Izinduna* in line with the signed proclamation in August 2023 mandating a 3 per cent increase backdated to April 2023. Also, portion of the funds was moved to *Compensation of employees* to cater for the cost of the 2023 wage agreement, as well as the salary backpay to *Amakhosi* in line with the signed proclamation in August 2023 mandating a 3 per cent increase backdated to April 2023. The further increase in the Revised Estimate relates to the appointment of 193 *Izinduna* approved by the Provincial Executive Council. Funds will be moved from Programme 3 to cater for this increase. As explained earlier, the 2023/24 budget included a once-off amount for the payment of backpay to *Izinduna* in this province, and this accounts for the substantial decrease from 2023/24 to 2024/25. The MTEF allocations include reprioritisation from Programme 3 to cater for the carry-through of the increase of 3 per cent in the proclamation signed in August 2023 and backdated to April 2023 for *Izinduna*, as well as inflationary increments. The allocations also cater for the planned filling of vacant posts, the payment and remuneration of *Amakhosi*, *Izinduna* and TC secretaries, support to traditional institutions, installation and recognition of *Amakhosi*, dispute resolutions, as well as events (such as cultural, *imbizo*, installations, etc.). The 2024/25 budget provides for the filling of eight critical vacant posts, including Deputy Directors: Dispute Resolution, Deputy Director: Traditional Governance, Director: Secretariat/Head Researcher – Commission, Deputy Directors: Research Commission, among others. The department has sufficient growth to fill all vacant posts and has budgeted for the 1.5 per cent pay progression and the carry-through of the 3 per cent cost of living adjustment over the MTEF. Programme 4 was not affected by the 2024/25 MTEF budget cuts.

Compensation of employees reflects healthy growth over the 2024/25 MTEF. The growth caters for the filling of 153 vacant posts, the carry-through of the 3 per cent cost of living adjustment, etc. The decrease in the 2023/24 Adjusted Appropriation and the Revised Estimate was due to the non-filling of vacant posts as a result of lengthy internal recruitment processes, as well as resignations, deaths and retirements. Also, the department had placed an internal moratorium on the filling of vacant posts until December 2023 to fund various service delivery programmes. This category shows growth of 13.3 per cent from the 2023/24 Adjusted Appropriation to 2024/25. Also, there is an increase of 5 per cent in 2025/26 and 3.5 per cent in 2026/27. The budget provides for the planned filling of 153 critical vacant posts in 2024/25, 13 critical vacant posts in 2025/26 and 120 critical vacant posts in 2026/27, as mentioned. The budget has sufficient growth to fill these vacant posts and caters for the 1.5 per cent pay progression over the MTEF. The low growth in 2026/27 will be reviewed in the next budget process.

Goods and services fluctuates over the period under review. This category caters for projects such as nodal plans, implementation of spatial equity norms and standards, the SDF support, Geospatial Land Register and Development Application Management System programmes, Small Town Rehabilitation, the Massification and Corridor Development programmes, among others. The decrease in the 2023/24 Adjusted Appropriation was mainly due to various projects that were unlikely to be implemented/fully implemented in 2023/24, namely Massification (including electrification) and Small Town Rehabilitation projects in various municipalities, as well as the maintenance of CSCs and houses for Amakhosi, among others. This was mainly due to enforced savings to provide for other areas of spending pressures. This category caters for the payment of stipends to about 294 TC secretaries and *Izinduna*. TC secretaries are paid a stipend, which increased from R1 600 to R8 000 per month per TC secretary from 1 April 2023. The department is currently paying 2 972 *Izinduna* a stipend of R10 292 per month, with a budget of R367.047 million in 2023/24, and 3 077 *Izinduna* over the MTEF with a budget of R388.060 million in 2024/25, R407.601 million in 2025/26 and R414.146 million in 2026/27, in line with the number of *Izigodi*. The provincial allocation in this regard is R179.041 million in 2024/25, R187.062 million in 2025/26 and R195.667 million in 2026/27. The high 2023/24 allocation included R631.083 million in respect of backpay owed to *Izinduna* in this province, as explained. This category also houses the budget for the EPWP Integrated Grant for Provinces. The grant allocation has increased slightly in 2024/25 in comparison to 2023/24 due to the incentive nature of the grant. The grant is allocated annually and, hence no funds are allocated in the two outer years of the 2024/25 MTEF, at this stage. The budget over the MTEF includes additional funds allocated for the strengthening of the province's support interventions in municipalities placed under administration in terms of Section 139 of the Constitution, and for projects under the Small Town Rehabilitation, Corridor Development and Massification programmes, water and electrification projects, among others. This category was impacted by the 2024/25 MTEF budget cuts, effected against consultants' costs. This will impact on the governance and financial experts, the Small Town Rehabilitation, Corridor Development and Massification programmes, as well as Disaster Management projects that will be scaled down.

Interest and rent on land caters for penalties and interest paid by the department, such as the payment made to the South African Revenue Services (SARS) related to an amended SARS reconciliation for the previous year that resulted in interest charged against the department.

Transfers and subsidies to: Provinces and municipalities fluctuates over the period, in line with spending patterns of municipalities, and caters for various projects under the Disaster Management, Corridor Development, Small Town Rehabilitation and Massification programmes, among others. No funds were transferred in 2020/21 due to the budget cuts in response to the Covid-19 pandemic. The increase in the 2023/24 Adjusted Appropriation was in respect of various projects including electrification projects, the construction of a fire and disaster management centre, and the equipping of an existing disaster management centre with emergency communication and information management technology, and the procurement and fitting of furniture and operational appliances, the installation of solar street lights and high masts to assist with the improvement of security within towns, among others. This category was impacted by the 2024/25 MTEF budget cuts and, as such, no funds have been allocated over the MTEF for transfers to municipalities. The impact is that the department will scale down on new projects to be undertaken over the 2024/25 MTEF in respect of Disaster Management, Corridor Development, Small Town Rehabilitation and Massification programmes, among others. Also, it is noted that the allocation under this category is reviewed in-year and annually because the department usually budgets for projects under *Goods and services* and then shifts the funds to *Transfers and subsidies to: Provinces and municipalities* during the Adjustments Estimate for transfer to municipalities, after an annual departmental exercise indicates that the municipalities have the necessary capacity to deliver on the projects themselves.

Transfers and subsidies to: Departmental agencies and accounts caters for various once-off projects. The amount of R13 million in 2021/22 was mainly in respect of the transfer to the Agri-business Development Agency (ADA) for the construction of the KwaXolo greenhouse tunnel, as well as additional hydroponic tunnels and open field irrigation on a farm in Bulwer. This was a once-off transfer and hence there are no allocations from 2022/23 onward.

The allocations against *Transfers and subsidies to: Higher education institutions* are in respect of a programme of action to improve the resilience of human settlements through improved spatial planning and land use management in the province. The department is in partnership with the University of KwaZulu-Natal (UKZN), where four post-doctoral academic experts are contracted to undertake the project. The project aims to provide diagnostic case studies on the April 2022 flood disaster, recommend areas to address in the provincial guidelines, and provide provincial protocol and a guiding framework for Land Use Schemes and zoning of vulnerable areas, among others. The 2023/24 transfer was withdrawn by the department because UKZN has not finalised the appointment of the four post-doctoral students to undertake the project, and the funds will now be transferred in 2024/25 and 2025/26 in line with the duration of the project.

Transfers and subsidies to: Non-profit institutions mainly relates to the traditional levies and trust account in the prior years. The amounts are usually determined at the end of the financial year, and hence are not yet included from 2023/24 onwards. The amounts in 2023/24 and over the 2024/25 MTEF relate to the transfer to the Tembe Trust Account in support of the Umthayi Amarula festival to celebrate the first fruits of the marula fruits, which are brewed into a traditional beer by all households in the Tembe Traditional Community, and this is presented to the *Inkosi* at his residence in the form of a colourful festival.

Transfers and subsidies to: Households fluctuates over the period due to staff exit costs, as well as bursaries to external students. The increase in the 2023/24 Adjusted Appropriation and Revised Estimate was in respect of higher than budgeted staff exit costs. The MTEF provides for external bursaries and staff exit costs. The decrease over the MTEF relates to the number of bursaries reduced in line with the number of qualifying applications. Also, the payment of staff exit costs is not always predictable and the department keeps the budget at a minimum and adjusts it in-year if necessary.

Buildings and other fixed structures fluctuates over the period and relates to the construction and rehabilitation of CSCs and *Imizi Yezizwe*. The decrease in the 2023/24 Adjusted Appropriation was attributed to the slow movement of CSC projects in respect of new construction, refurbishment and rehabilitation projects, and changes needed to be made to the implementation plan for *Imizi Yezizwe* from a transfer to in-house implementation. The MTEF allocations provide for the construction of the Hlomindleni Traditional Administrative Centre (TAC) park home project, the construction of Othaka, Nkhwanyana, Nsimbini and Mahlayizeni TACs, etc. Also, various rehabilitation projects will be implemented including the Mhlungwini, Ngcolosi, Qiniselani Manyuswa, Hlope, Khoza Bhejane, Sobonakhona, Qadi, Emandleni, Mangwebuthanani, Mpungose, Mngomezulu, Nibela, Amangwane, Shabalala Matiwane CSCs, etc. A portion of the 2024/25 MTEF budget cuts was effected against this category, and the department will scale down on the construction and rehabilitation of CSC projects.

Machinery and equipment caters for departmental fleet, computer and office equipment, etc. The 2022/23 amount included the purchase of an integrated disaster communication system, for the PDMC and mapping of disaster incidents data. The decrease in the 2023/24 Adjusted Appropriation was due to delays in the procurement of office furniture and equipment due to the non-filling of vacant posts. The high 2024/25 allocation includes the budget for the procurement of four water tankers for the department to be used for the transportation of water to areas affected by water crisis, when the need arises. These are once-off and hence the decrease in the outer years. The MTEF allocations also cater for the upgrade of IT equipment and purchases for new appointees. The allocations in the two outer years of the MTEF are in line with the department's project list.

Software and other intangible assets caters for the purchase, maintenance and upgrade of existing software, including the GIS software upgrade, the Environmental Systems Research Institute (ESRI) licence, Mimecast licence, Exinda licence, Symantec licence and Secure Sockets Layer (SSL) licence, among others. The low 2022/23 amount was due to the renewal cycle of the software licences.

Payments for financial assets relates to write-offs of staff debts (mainly in respect of salary over-payments for both officials and *Izinduna*) who have passed away, and these debts are older than five years. The high amount in 2021/22 relates to debts written off and clearing of suspense accounts that were identified as irrecoverable. This included the Ingwe fraud of R7.500 million cleared in line with the legal ruling by legal experts, as well as other tax related debts, etc. The department indicated that it was defrauded in respect of a transfer payment of R7.500 million made in 2015, that was meant for the Ingwe Local

Municipality. On 14 October 2015, after the project was gazetted and the necessary authorisation was obtained for the payment to be made, an SCM clerk changed the account number of the Ingwe Local Municipality and replaced it with that of Imvusa Trading, which was approved on 15 October 2015 by the SCM supervisor. On 11 November 2015, the department disbursed R7.500 million in accordance with the payment requisition form which contained Imvusa Trading banking details instead of those of the Ingwe Local Municipality. As Ingwe Local Municipality did not receive the funds, they lodged a complaint to the department and that is how it was found that the funds were transferred to Imvusa Trading.

7.4 Summary of conditional grant payments and estimates

Tables 11.6 and 11.7 summarise conditional grant payments and budgeted estimates over the seven-year period, by grant name and economic classification, respectively. Detailed information on the conditional grant is given in the *Annexure – Vote 11: Co-operative Governance and Traditional Affairs*.

Note that the historical figures in Tables 11.6 and 11.7 reflect actual expenditure per grant and should not be compared to those figures reflected in Table 11.1, which represent the actual receipts for each grant.

Table 11.6 : Summary of conditional grant payments and estimates by name

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-------------------------------------|-----------------|--------------|--------------|--------------------|------------------------|------------------|-----------------------|----------|----------|
| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | | | 2024/25 | 2025/26 | 2026/27 |
| EPWP Integrated Grant for Provinces | 2 777 | 1 994 | 1 993 | 1 960 | 1 960 | 1 960 | 2 000 | - | - |
| Total | 2 777 | 1 994 | 1 993 | 1 960 | 1 960 | 1 960 | 2 000 | - | - |

Table 11.7 : Summary of conditional grants payments and estimates by economic classification

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|--------------|--------------|--------------------|------------------------|------------------|-----------------------|----------|----------|
| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | | | 2024/25 | 2025/26 | 2026/27 |
| Current payments | 2 777 | 1 994 | 1 993 | 1 960 | 1 960 | 1 960 | 2 000 | - | - |
| Compensation of employees | - | - | - | - | - | - | - | - | - |
| Goods and services | 2 777 | 1 994 | 1 993 | 1 960 | 1 960 | 1 960 | 2 000 | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | - | - | - | - | - | - | - | - | - |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 2 777 | 1 994 | 1 993 | 1 960 | 1 960 | 1 960 | 2 000 | - | - |

EPWP Integrated Grant for Provinces: Funds were allocated to Programme 3, against *Goods and services* in respect of this grant, and are utilised for the appointment of EPWP learnerships. The EPWP learnerships relate to the Municipal In-Service Programme (MISP), which seeks to bridge the youth skills gap identified. The objectives of the MISP are to create jobs and training opportunities for the unemployed youth across various sectors, to ensure participation of youth in community service delivery, and also to provide in-service training opportunities for youth in TVET colleges to complete their qualifications. The grant is allocated annually, and is based on the previous year's performance, and hence no funds are allocated in the two outer years of the 2024/25 MTEF, at this stage. The department funded its learnership initiatives using both the EPWP Integrated Grant for Provinces and the equitable share. The department will appoint 250 in-service trainees in 2024/25 using the EPWP Integrated Grant for Provinces allocation. Also, the department will use its equitable share to top up the grant allocation for the appointment of an additional 250 in-service trainees.

7.5 Summary of infrastructure payments and estimates

Table 11.8 summarises the infrastructure expenditure and estimates relating to the department. Further detailed information on infrastructure is provided in the 2024/25 ECE. The infrastructure expenditure reflects a fluctuating trend over the period.

Table 11.8 : Summary of infrastructure payments and estimates by category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|---------------|
| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | | | 2024/25 | 2025/26 | 2026/27 |
| Existing infrastructure assets | 14 692 | 15 619 | 28 559 | 38 120 | 29 050 | 30 358 | 25 797 | 33 251 | 24 500 |
| Maintenance and repair: Current | 2 613 | 5 368 | 10 972 | 17 251 | 14 546 | 14 610 | 10 000 | 5 000 | 4 000 |
| Upgrades and additions: Capital | - | - | - | - | - | - | - | - | - |
| Refurbishment and rehabilitation: Capital | 12 079 | 10 251 | 17 587 | 20 869 | 14 504 | 15 748 | 15 797 | 28 251 | 20 500 |
| New infrastructure assets: Capital | 87 304 | 69 277 | 9 297 | 19 100 | 8 786 | 7 842 | 14 770 | 38 000 | 28 500 |
| Infrastructure transfers | - | 201 020 | 179 100 | 15 700 | 86 605 | 86 605 | - | - | - |
| Infrastructure transfers: Current | - | - | - | - | - | - | - | - | - |
| Infrastructure transfers: Capital | - | 201 020 | 179 100 | 15 700 | 86 605 | 86 605 | - | - | - |
| Infrastructure: Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Infrastructure: Leases | 12 800 | 30 329 | 25 749 | 29 004 | 17 870 | 23 243 | 27 272 | 29 633 | 31 510 |
| Non infrastructure¹ | 13 012 | 17 115 | 22 112 | 23 238 | 23 238 | 23 238 | - | - | - |
| Total | 127 808 | 333 360 | 264 817 | 125 162 | 165 549 | 171 286 | 67 839 | 100 884 | 84 510 |
| Capital infrastructure | 99 383 | 280 548 | 205 984 | 55 669 | 109 895 | 110 195 | 30 567 | 66 251 | 49 000 |
| Current infrastructure | 15 413 | 35 697 | 36 721 | 46 255 | 32 416 | 37 853 | 37 272 | 34 633 | 35 510 |

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

Maintenance and repair: Current caters for the maintenance of infrastructure, including departmental buildings, *Imizi Yezizwe*, CSCs and TC buildings, etc. The 2023/24 Adjusted Appropriation was reduced due to various projects that were unlikely to be implemented/fully implemented in 2023/24, namely maintenance of office buildings, etc. The 2024/25 MTEF caters for the maintenance of various district offices, including renovations of the Mayville building, day-to-day maintenance of all departmental buildings, current renovations and refurbishments at Wadley House, waterproofing to the roof at the Mayville building, among others. The low amounts are in line with the number of projects planned.

Refurbishment and rehabilitation: Capital caters for the refurbishment and renovation of existing CSCs and TACs infrastructure. The fluctuations are in line with progress in renovating various CSCs. The decrease in the 2023/24 Adjusted Appropriation was due to slow movement of CSC projects, as a result of lengthy SCM processes. The budget over the MTEF caters for the rehabilitation of the Mhlungwini, Ngcolosi, Qiniselani Manyuswa, Hlope, Khoza Bhejane, Sobonakhona, Qadi, Emandleni, Mangwebuthanani, Mpungose, Mngomezulu, Nibela, Amangwane, Shabalala Matiwane CSCs, etc. A portion of the 2024/25 MTEF budget cuts was effected against this category, and the department will scale down on the rehabilitation of CSC projects.

New infrastructure assets: Capital caters mainly for the construction of CSCs and *Imizi Yezizwe*, TACs, as well as drilling and equipping of boreholes. The category fluctuates due to the nature of the construction activities. The decrease in the 2023/24 Adjusted Appropriation was due to slow movement of CSC projects, as a result of lengthy SCM processes. The 2024/25 MTEF allocations cater for the construction of the Hlomindleni TAC park home project, the construction of Othaka, Nkhwanyana, Nsimbini and Mahlayizeni TACs, etc. This category was impacted by the 2024/25 MTEF budget cuts and the department will scale down on the number of new CSCs/TACs projects.

Infrastructure transfers: Capital caters for transfers to various municipalities for infrastructure projects such as the construction of TACs and CSCs, and the Corridor Development, Disaster Management, Massification and Small Town Rehabilitation programmes, among others. There were no transfers to municipalities in 2020/21 due to the budget cuts. The increase in the 2023/24 Adjusted Appropriation was to provide for the implementation of projects by municipalities. These include electrification projects, the construction of a fire and disaster management centre, and the equipping of an existing disaster management centre with emergency communication and information management technology and the procurement and fitting of furniture and operational appliances, as well as the installation of solar street lights and high masts to assist with the improvement of security in towns. There are no allocations over the 2024/25 MTEF because it was impacted on by the 2024/25 MTEF budget cuts, as explained. However, the department usually budgets for further projects under *Goods and services* and then shifts the funds to

Transfers and subsidies to: Provinces and municipalities during the Adjustments Estimate for transfer to municipalities, after an annual departmental exercise indicates that the municipalities have the necessary capacity to deliver on the particular projects themselves. As such, the category will be reviewed in-year, and funds will be allocated but at a reduced scale.

Infrastructure: Leases caters for the buildings leased by the department. The decrease in the 2023/24 Adjusted Appropriation was due to outstanding invoices from 2022/23 that were budgeted to be paid in 2023/24, but the department received and paid for these invoices in 2022/23, and this resulted in savings. The allocations over the MTEF provide for building leases such as Southern Life Plaza, uMzinyathi District office, Amajuba District office, among others.

Non infrastructure is in respect of the personnel budget and tools of trade used in the completion of all infrastructure projects. The allocations over the MTEF provide for the costs associated with infrastructure projects, such as personnel and capital equipment, as well as subsistence and travel costs.

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

Table 11.9 shows transfers made by the department to public entities that are listed in terms of Schedule 3 of the PFMA, as well as other entities. The public entity ADA does not fall under the auspices of the department but was merely used as an implementing agent.

Table 11.9 : Summary of departmental transfers to public entities (listed i.t.o. Schedule 3 of the PMFA) and other entities

| R thousand | Sub-programme | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|------------------------------|---------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | | 2020/21 | 2021/22 | 2022/23 | 2023/24 | | | 2024/25 | 2025/26 | 2026/27 |
| Transfers to public entities | | - | 13 000 | - | - | - | - | - | - | - |
| ADA | 3.3: LED | - | 13 000 | - | - | - | - | - | - | - |
| Transfers to other entities | | - | - | 3 000 | - | - | - | - | - | - |
| uThukela DDA | 3.3: LED | - | - | 3 000 | - | - | - | - | - | - |
| Total | | - | 13 000 | 3 000 | - | - | - | - | - | - |

The once-off amount of R13 million in 2021/22 was in respect of a transfer to ADA for the construction of the KwaXolo greenhouse tunnel, additional hydroponic tunnels and open field irrigation on a farm in Bulwer, as explained. The amount was once-off, hence there are no allocations from 2022/23 onward.

In 2022/23, the department transferred R3 million to the uThukela DDA in the uThukela District Municipality to operationalise the implementation of the Rural LED programme. The amount was once-off, hence there are no allocations from 2023/24 onward.

7.8 Transfers to local government

Table 11.10 details the transfers to local government, summarised according to categories A, B and C. Table 11.11 provides the departmental transfers to local government by grant name. Detailed information on the departmental transfers to local government by transfer/grant type, category and municipality is given in *Annexure – Vote 11: Co-operative Governance and Traditional Affairs*.

Transfers to local government exclude funds in respect of motor vehicle licences. These funds will not be transferred to any municipality, hence the amounts are not reflected in Tables 11.10 and 11.11.

Table 11.10 : Summary of departmental transfers to local government by category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | | | 2024/25 | 2025/26 | 2026/27 |
| Category A | - | - | - | - | - | - | - | - | - |
| Category B | - | 72 720 | 101 100 | 15 700 | 84 109 | 84 109 | - | - | - |
| Category C | - | 115 300 | 77 000 | - | 2 496 | 2 496 | - | - | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | - | 188 020 | 178 100 | 15 700 | 86 605 | 86 605 | - | - | - |

Table 11.11 : Summary of departmental transfers to local government by grant name

| R thousand | Sub-programme | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|------------------------------|------------------------------------|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | | 2020/21 | 2021/22 | 2022/23 | | | | 2024/25 | 2025/26 | 2026/27 |
| | | | | | | | | | | |
| Municipal Excellence Awards | 2.5: Mun. Perf. Mon., Rep. & Eval. | - | - | 2 000 | - | - | - | - | - | - |
| Corridor Development prog. | 3.3: LED | - | - | 11 200 | - | - | - | - | - | - |
| Small Town Rehabilitation | 3.3: LED | - | 33 920 | 67 900 | 15 700 | 17 100 | 17 100 | - | - | - |
| CSC Infrastructure Support | 3.3: LED | - | 7 500 | - | - | - | - | - | - | - |
| Co-operative support for LED | 3.3: LED | - | - | 10 000 | - | - | - | - | - | - |
| Massification prog. | 3.4: Mun. Infra. | - | 22 600 | 20 000 | - | 63 009 | 63 009 | - | - | - |
| Roll-over (AU donor funds) | 3.4: Mun. Infra. | - | - | - | - | 2 496 | 2 496 | - | - | - |
| Water Intervention prog. | 3.4: Mun. Infra. | - | 124 000 | 57 000 | - | - | - | - | - | - |
| Disaster Management prog. | 3.5: Disaster Mgt. | - | - | 10 000 | - | 4 000 | 4 000 | - | - | - |
| Total | | - | 188 020 | 178 100 | 15 700 | 86 605 | 86 605 | - | - | - |

The fluctuation in transfers to local government is attributed to the spending patterns of municipalities, and caters mainly for projects under the Corridor, Massification, Disaster Management and the Small Town Rehabilitation programmes, as well as the water intervention programme, among others.

No funds were transferred in 2020/21 due to spending pressures within the department resulting from the budget cuts effected toward the provincial response to the Covid-19 pandemic.

In the 2023/24 Adjusted Appropriation, funds were moved to *Transfers and subsidies to: Provinces and municipalities* for implementing service delivery projects in municipalities, including electrification projects, the construction of a fire and disaster management centre, and the equipping of an existing disaster management centre with emergency communication and information management technology and the procurement and fitting of furniture and operational appliances, as well as the installation of solar street lights and high masts to assist with the improvement of security in towns. Also, the department received R2.496 million for the provision of water in hot spot areas in the iLembe District Municipality. The funds were received from the AU, as explained. There are no allocations over the 2024/25 MTEF as a portion of the 2024/25 MTEF budget cuts was effected against the category. However, the department usually budgets for further projects under *Goods and services* and then shifts the funds to *Transfers and subsidies to: Provinces and municipalities* during the Adjustments Estimate for transfer to municipalities, after an annual departmental exercise indicates that the municipalities have the necessary capacity to deliver on the particular projects themselves. As such, the category will be reviewed in-year, and funds will be allocated for projects at a reduced scale.

7.9 Transfers and subsidies

Table 11.12 gives a summary of *Transfers and subsidies* expenditure and estimates at an item level for each programme of the department.

Details are provided in the paragraphs before and after the table. *Transfers and subsidies* fluctuates over the period due to various projects undertaken at different times.

- *Transfers and subsidies* under Programme 1 fluctuates over the seven-year period due to the following:
 - *Provinces and municipalities* relates to the payment of motor vehicle licences.
 - *Households* caters for the payment of staff exit costs, external bursaries and claims against the state. Also included is the uMsekeli Municipal Support Services pensioners' medical aid obligation.
- *Transfers and subsidies* under Programme 2 fluctuates over the seven-year period due to the following:
 - The once-off allocation against *Provinces and municipalities* in 2022/23 relates to the Municipal Excellence Awards to support municipalities that budgeted more than the National Treasury norm of 8 per cent on repairs and maintenance based on the property, plant and equipment budget for 2021/22, and taking into account how much of the repairs and maintenance budget was spent. There are no amounts allocated over the MTEF in this regard as this is an annual event and the recipient municipalities are determined in-year during the Adjustments Estimate. The event for 2023/24 is yet to be held and, as such, no funds have been allocated.
 - *Households* caters mainly for the payment of staff exit costs and claims against the state.

Table 11.12 : Summary of transfers and subsidies by programme and main category

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | | | 2024/25 | 2025/26 | 2026/27 |
| 1. Administration | 8 710 | 7 457 | 7 037 | 6 240 | 5 450 | 5 405 | 6 019 | 6 487 | 6 894 |
| Provinces and municipalities | 491 | 484 | 389 | 900 | 715 | 640 | 900 | 910 | 920 |
| Motor vehicle licences | 491 | 484 | 389 | 900 | 715 | 640 | 900 | 910 | 920 |
| Departmental agencies and accounts | - | - | 1 | - | - | - | - | - | - |
| Households | 8 219 | 6 973 | 6 647 | 5 340 | 4 735 | 4 765 | 5 119 | 5 577 | 5 974 |
| Staff exit costs | 6 238 | 4 973 | 4 133 | 3 470 | 3 347 | 3 376 | 3 230 | 3 274 | 3 403 |
| Bursaries and claims against the state | 1 981 | 2 000 | 2 514 | 1 870 | 1 388 | 1 389 | 1 889 | 2 303 | 2 571 |
| 2. Local Governance | 1 181 | 753 | 2 543 | 550 | 1 692 | 1 792 | 450 | 200 | 300 |
| Provinces and municipalities | - | - | 2 000 | - | - | - | - | - | - |
| Municipal Excellence Award | - | - | 2 000 | - | - | - | - | - | - |
| Households | 1 181 | 753 | 543 | 550 | 1 692 | 1 792 | 450 | 200 | 300 |
| Staff exit costs | 1 181 | 753 | 543 | 550 | 1 692 | 1 145 | 450 | 200 | 300 |
| Claims against the state | - | - | - | - | - | 647 | - | - | - |
| 3. Development and Planning | 1 190 | 202 132 | 183 704 | 17 030 | 87 664 | 87 990 | 1 330 | 1 580 | 350 |
| Provinces and municipalities | - | 188 020 | 179 100 | 15 700 | 86 605 | 86 605 | - | - | - |
| Corridor Development programme | - | - | 11 200 | - | - | - | - | - | - |
| Disaster Management programme | - | - | 10 000 | - | 4 000 | 4 000 | - | - | - |
| Massification prog (incl. elec. projects) | - | 22 600 | 20 000 | - | 63 009 | 63 009 | - | - | - |
| CSC Infrastructure Support | - | 7 500 | - | - | - | - | - | - | - |
| Co-operative support for LED | - | - | 10 000 | - | - | - | - | - | - |
| Small Town Rehabilitation programme | - | 33 920 | 67 900 | 15 700 | 17 100 | 17 100 | - | - | - |
| Water Intervention programme | - | 124 000 | 57 000 | - | - | - | - | - | - |
| Roll-over AU donor funds for flood (from OTP) | - | - | - | - | 2 496 | 2 496 | - | - | - |
| uThukela DDA | - | - | 3 000 | - | - | - | - | - | - |
| Departmental agencies and accounts | - | 13 000 | - | - | - | - | - | - | - |
| ADA | - | 13 000 | - | - | - | - | - | - | - |
| Higher education institutions | - | - | 1 280 | 1 280 | - | - | 1 280 | 1 280 | - |
| Households | 1 190 | 1 112 | 3 324 | 50 | 1 059 | 1 385 | 50 | 300 | 350 |
| Staff exit costs | 1 190 | 1 112 | 3 324 | 50 | 1 059 | 1 385 | 50 | 300 | 350 |
| 4. Traditional Institutional Management | 27 749 | 20 906 | 41 037 | 850 | 876 | 931 | 250 | 250 | 250 |
| Provinces and municipalities | - | - | - | - | - | 54 | - | - | - |
| Misallocated claims against the state | - | - | - | - | - | 54 | - | - | - |
| Non-profit institutions | 26 082 | 19 820 | 40 433 | 250 | 250 | 250 | 250 | 250 | 250 |
| Traditional levies and trust account | 26 082 | 19 620 | 40 183 | - | - | - | - | - | - |
| Tembe Trust Account | - | 200 | 250 | 250 | 250 | 250 | 250 | 250 | 250 |
| Households | 1 667 | 1 086 | 604 | 600 | 626 | 627 | - | - | - |
| Staff exit costs | 1 667 | 1 029 | 522 | 600 | 626 | 627 | - | - | - |
| Claims against the state | - | 57 | 82 | - | - | - | - | - | - |
| Total | 38 830 | 231 248 | 234 321 | 24 670 | 95 682 | 96 118 | 8 049 | 8 517 | 7 794 |

- *Transfers and subsidies* under Programme 3 shows significant fluctuations due to the following:
 - *Provinces and municipalities* represents municipal projects under the Corridor, Small Town Rehabilitation, Massification and Schemes Support programmes, nodal plans, etc. The category fluctuates in line with various projects undertaken. No funds were transferred in 2020/21 due to the budget cuts in response to the Covid-19 pandemic. The increase in the 2023/24 Adjusted Appropriation caters for electrification projects, the construction of a fire and disaster management centre, and the equipping of an existing disaster management centre with emergency communication and information management technology and the procurement and fitting of furniture and operational appliances, as well as the installation of solar street lights and high masts to assist with the improvement of security in towns. Also, the department received a roll-over of R2.496 million for the provision of water in hot spot areas in the iLembe District Municipality, as mentioned. There are no allocations over the 2024/25 MTEF as a portion of the 2024/25 MTEF budget cuts was effected against the category. The category is reviewed in-year, and annually. Details of transfers to local government are given in Section 7.8.
 - *Departmental agencies and accounts* relates to the transfer of R13 million to ADA in 2021/22 and this was in respect of the construction of the KwaXolo greenhouse tunnel, as well as additional hydroponic tunnels and open field irrigation on a farm in Bulwer. This was once-off, hence there are no allocations from 2022/23 onward.
 - *Higher education institutions* relates to funds to be transferred to UKZN for a programme of action to improve the resilience of human settlements through improved spatial planning and land use management in the province. The 2023/24 transfer was withdrawn by the department because UKZN has not finalised the appointment of the four post-doctoral students to undertake the project,

and the funds will now be transferred in 2024/25 and 2025/26 in line with the duration of the project.

- o *Households* caters for the payment of staff exit costs.
- *Transfers and subsidies* under Programme 4 are as follows:
 - o The amount against *Provinces and municipalities* in the 2023/24 Revised Estimate was a misallocation and will be corrected. It relates to claims against the state (third party claim for car damage) and should have been captured against *Households*.
 - o *Non-profit institutions* relates to the transfer in respect of the traditional levies and trust account that was moved from the various economic categories within Programme 4. There are no amounts in 2023/24 and over the MTEF as the amounts for the traditional levies and trust account are only determined at the end of the year, when expenditure has been incurred. The amounts from 2021/22 onward against the Tembe Trust Account relate to donations to support the Umthayi Amarula Festival, as explained.
 - o *Households* caters for staff exit costs and claims against the state (third party claim for car damage).

8. Programme description

The services rendered by the department are categorised under four programmes. Details are given in the *Annexure – Vote 11: Co-operative Governance and Traditional Affairs*.

The department received approval from National Treasury in June 2018 to deviate slightly from the uniform budget and programme structure for the sector, and the deviation is as follows:

- The sub-programme: Rural Development Facilitation from Programme 4 was incorporated into Programme 3.
- The sub-programme: Traditional Land Administration was shifted within Programme 4 and was incorporated into the sub-programme: Traditional Resource Administration.
- The sub-programme: IDP Co-ordination was shifted within Programme 2 and was incorporated into the sub-programme Municipal Performance, Monitoring, Reporting and Evaluation.

8.1 Programme 1: Administration

This programme comprises all support services within the department, the Office of the MEC and all special projects. This programme largely conforms to the uniform budget and programme structure for the Co-operative Governance and Traditional Affairs sector. Tables 11.13 and 11.14 illustrate a summary of payments and estimates for the financial years 2020/21 to 2026/27 relating to Programme 1.

In 2020/21, a portion of the department's budget cuts was effected under Programme 1 under all sub-programmes against *Compensation of employees*. Also, Programme 1 was affected by the fiscal consolidation cuts over the 2021/22 MTEF against *Compensation of employees*, *Goods and services* and *Transfers and subsidies to: Households* across all sub-programmes, but mainly affecting the Corporate Services sub-programme.

This programme was not affected by the 2023/24 and 2024/25 MTEF budget cuts.

Table 11.13 : Summary of payments and estimates by sub-programme: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-----------------------|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2020/21 | 2021/22 | 2022/23 | | 2023/24 | | 2024/25 | 2025/26 | 2026/27 |
| 1. Office of the MEC | 12 716 | 14 442 | 16 953 | 15 383 | 23 352 | 26 441 | 23 290 | 18 227 | 22 799 |
| 2. Corporate Services | 351 056 | 448 306 | 418 786 | 438 712 | 398 807 | 402 688 | 466 175 | 493 903 | 548 288 |
| Total | 363 772 | 462 748 | 435 739 | 454 095 | 422 159 | 429 129 | 489 465 | 512 130 | 571 087 |

Table 11.14 : Summary of payments and estimates by economic classification: Administration

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | | | 2024/25 | 2025/26 | 2026/27 |
| Current payments | 312 260 | 415 307 | 414 084 | 425 791 | 397 320 | 404 180 | 455 866 | 471 193 | 538 143 |
| Compensation of employees | 170 403 | 174 761 | 179 105 | 196 293 | 174 449 | 175 377 | 228 273 | 238 889 | 246 516 |
| Goods and services | 141 849 | 240 099 | 234 886 | 229 498 | 222 871 | 228 803 | 227 593 | 232 304 | 291 627 |
| Interest and rent on land | 8 | 447 | 93 | - | - | - | - | - | - |
| Transfers and subsidies to: | 8 710 | 7 457 | 7 037 | 6 240 | 5 450 | 5 405 | 6 019 | 6 487 | 6 894 |
| Provinces and municipalities | 491 | 484 | 389 | 900 | 715 | 640 | 900 | 910 | 920 |
| Departmental agencies and accounts | - | - | 1 | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 8 219 | 6 973 | 6 647 | 5 340 | 4 735 | 4 765 | 5 119 | 5 577 | 5 974 |
| Payments for capital assets | 42 797 | 28 219 | 14 320 | 22 064 | 19 389 | 19 544 | 27 580 | 34 450 | 26 050 |
| Buildings and other fixed structures | - | - | 700 | - | 120 | 420 | 4 300 | 17 000 | 11 000 |
| Machinery and equipment | 33 902 | 15 248 | 12 241 | 5 722 | 4 198 | 4 052 | 11 830 | 3 500 | 4 500 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 8 895 | 12 971 | 1 379 | 16 342 | 15 071 | 15 072 | 11 450 | 13 950 | 10 550 |
| Payments for financial assets | 5 | 11 765 | 298 | - | - | - | - | - | - |
| Total | 363 772 | 462 748 | 435 739 | 454 095 | 422 159 | 429 129 | 489 465 | 512 130 | 571 087 |

The sub-programme: Office of the MEC provides for the printing of the departmental APP, budget speech, Section 131 of the MFMA report, annual report, OSS initiatives, as well as filling of critical vacant posts. The fluctuating trend is in line with projects undertaken and the filling of critical vacant posts. The high 2023/24 Adjusted Appropriation and Revised Estimate was in respect of events and travel and subsistence costs. The amount in 2024/25 includes the once-off purchase of four water tankers, and this accounts for the decrease in 2025/26.

The sub-programme: Corporate Services houses the bulk of Programme 1's budget and provides for the department's ICT system, maintenance of departmental buildings, financial management, and auxiliary services, among others. The decrease in the 2023/24 Adjusted Appropriation was partly due to the R10 million, moved to DCSL in respect of the provincial Crime Fighting Initiative and the internal moratorium on the filling of vacant posts implemented at the beginning of the financial year until December 2023, as discussed. The slight increase in the Revised Estimate can be attributed to the payment of outstanding invoices paid in respect of the lease of official buildings, as well as the procurement of stationery for the departmental stores. The 2024/25 MTEF allocations also cater for the department's ICT system, SITA costs, maintenance and upgrading of departmental buildings, among others. The increase over the MTEF is due to reprioritisation to *Compensation of employees* to cater for the filling of vacant posts, which include the Chief Operating Officer, two Deputy Directors and Director ICT. The funds also cater for the 1.5 per cent pay progression, increase for housing and medical allowances, as well as the cost of living adjustments in line with National Treasury guidelines. The increase also caters for the carry-through costs of the 2023 wage agreement. Also, a portion of the reprioritisation was moved to *Goods and services* to cater for the improvement of the department's ICT systems, as well as the ICT operational costs (payment of yearly licences) for the department that were not fully catered for in the previous budget process. The growth was also due to inflationary increments.

Compensation of employees increases over the MTEF period, and provides for the filling of critical vacant posts, among others. The decrease in the 2023/24 Adjusted Appropriation relates to the R10 million, moved to DCSL in respect of the provincial Crime Fighting Initiative and the internal moratorium on the filling of vacant posts implemented at the beginning of the financial year until December 2023, as discussed. *Compensation of employees* shows a high increase of 30.9 per cent from the 2023/24 Adjusted Appropriation to 2024/25 to cater for the filling of 64 vacant posts. The growth of 4.7 per cent in 2025/26 is in line with national guidelines, while the growth of 3.2 per cent in 2026/27 is low and will be reviewed in the next budget process. Funds were reprioritised to this category over the 2024/25 MTEF to cater for vacant posts, the 1.5 per cent pay progression, increase for housing and medical allowances, as well as the 3 per cent carry-through costs of the 2023 wage agreement.

Goods and services fluctuates over the MTEF period due to once-off projects in 2021/22 such as the Microsoft migration, and the ESRI licence projects. The decrease in the 2023/24 Adjusted Appropriation was due to various projects that were unlikely to be implemented/fully implemented in 2023/24, or were paid for in the prior year, namely maintenance of office buildings, the purchase of a house at 42 Temple Street in Pietermaritzburg to be used as departmental offices, which was paid for in 2022/23, the CFO support projects and the IT strategies project, as detailed earlier. The MTEF budget provides for the implementation of various maintenance and repair projects, advertising costs and the running costs for the departmental fleet, SITA, ICT, among others. The 2024/25 MTEF growth is due to the reprioritisation undertaken from Programme 2 in respect of agency support to cater for the appointment of security personnel in various departmental offices. The increase is due to the security personnel working day and night shifts. The growth is also inflation related.

Interest and rent on land relates to an amended SARS reconciliation for the previous year that resulted in interest charged against the department, and hence there is no expenditure in 2023/24 and over the MTEF.

Transfers and subsidies to: Provinces and municipalities relates to the payment of motor vehicle licences.

Transfers and subsidies to: Households provides for staff exit costs, external bursaries, claims against the state, and the uMsekeli Municipal Support Services pensioners' medical aid obligation, as explained. The MTEF allocations are in this regard.

The once-off amounts against *Buildings and other fixed structures* in 2022/23 and 2023/24 are for the purchase of guardhouses for the Mkondeni offices and Wadley House, respectively.

Machinery and equipment provides for the purchase of new and replacement vehicles and computer equipment. The high amount in 2024/25 is for the purchase of four water tankers for the department, and this accounts for the reduction in the two outer years of the MTEF.

Software and other intangible assets caters for the purchase, maintenance and upgrade of existing software, including the GIS software upgrade, ESRI licence, Mimecast licence, Exinda licence, Symantec licence and SSL licence, among others. The low 2022/23 amount was due to the renewal cycle of the software licences.

Payments for financial assets relates to the write-off of debts. The high 2021/22 amount included the Ingwe fraud of R7.500 million cleared in line with the legal ruling by legal experts, as well as other tax related debts, etc., as explained.

Service delivery measures: Administration

Table 11.15 illustrates the main service delivery measures pertaining to Programme 1. The performance indicators provided fully comply with the customised measures for the COGTA sector. The table includes both sector and non-sector measures.

It should be noted that departments did not previously report on the performance indicators of Programme 1. However, from 2024/25, National Treasury has requested that they report on them.

Table 11.15: Service delivery measures: Administration

| Outputs | Performance indicators | Estimated Performance | Medium-term targets | | |
|--|---|-----------------------|---------------------|---------|---------|
| | | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
| 1.1 Office of the MEC | | | | | |
| 1.1.1 Site inspections conducted | • No. of site inspections conducted | 2 | 2 | 2 | 2 |
| 1.2 Corporate Services | | | | | |
| 1.2.1 Clean audit opinion achieved | • No. of departmental clean audit opinions achieved | 1 | 1 | 1 | 1 |
| 1.2.2 Payment of suppliers within 30 days | • % of suppliers/invoices paid within the 30-day period | 100% | 100% | 100% | 100% |
| 1.2.3 People with disabilities employed | • % of people with disabilities employed | 2% | 7% | 7% | 7% |
| 1.2.4 All employees disclosing financial interests | • % of employees compliant with financial disclosure submission | 100% | 100% | 100% | 100% |
| 1.2.5 Graduate interns recruited | • No. of graduate interns recruited | 100 | 15 | 100 | 100 |
| 1.2.6 Compliance with ICT governance framework | • % of compliance with ICT governance framework | 100% | 100% | 100% | 100% |

Table 11.15: Service delivery measures: Administration

| Outputs | | Performance indicators | Estimated Performance | Medium-term targets | | |
|---------|---|--|-----------------------|---------------------|---------|---------|
| | | | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
| 1.2.7 | Reduction of UIFW | • % reduction of UIFW | 50% | 50% | 50% | 50% |
| 1.2.8 | Procurement awarded to designated groups | • % of procurement awarded to designated groups | 30% | 60% | 60% | 60% |
| 1.2.9 | Transactions assessed to identify irregular expenditure | • % of transactions assessed to identify irregular expenditure | 100% | 100% | 100% | 100% |
| 1.2.10 | Transactions subjected to determination tests for UIFW | • % of transactions subjected to determination tests for UIFW | 100% | 100% | 100% | 100% |
| 1.2.11 | Complaints received monitored for resolution | • % of complaints received monitored for resolution | 100% | 100% | 100% | 100% |
| 1.2.12 | Performance reviews conducted | • No. of performance reviews conducted | 4 | 4 | 4 | 4 |
| 1.2.13 | Evaluation studies conducted on departmental programmes | • No. of evaluation studies conducted on departmental programmes | 2 | 2 | 2 | 2 |
| 1.2.14 | Research studies conducted | • No. of research studies conducted | 2 | 2 | 2 | 2 |
| 1.2.15 | Compliance with legislation | • % compliance with legislation | 100% | 100% | 100% | 100% |
| 1.2.16 | Internal communication strategies implemented | • No. of internal communication strategies implemented | 1 | 1 | 1 | 1 |
| 1.2.17 | Local government communication plans implemented | • No. of local government communication plans implemented | 1 | 1 | 1 | 1 |

8.2 Programme 2: Local Governance

The purpose of the programme is to co-ordinate, support, promote and enhance governance, administration and public participation in local government.

This programme conforms to the uniform budget and programme structure for the Co-operative Governance and Traditional Affairs sector.

Tables 11.16 and 11.17 illustrate a summary of payments and estimates for 2020/21 to 2026/27 relating to Programme 2.

In 2020/21, a portion of the department's budget cuts was effected under Programme 2 under all sub-programmes against *Compensation of employees*.

In addition, Programme 2 was subjected to the fiscal consolidation cuts over the 2021/22 MTEF against *Compensation of employees, Goods and services, Transfers and subsidies to: Provinces and municipalities*, as well as *Machinery and equipment* across all sub-programmes, except the sub-programme: Municipal Finance.

Also, Programme 2 was affected by the 2023/24 MTEF budget cuts under the sub-programme: Municipal Finance, against *Goods and services*.

In addition, this programme was impacted by the 2024/25 MTEF budget cuts under the sub-programme: Municipal Finance, against *Goods and services* (consultants' costs) in 2025/26 and 2026/27.

Table 11.16 : Summary of payments and estimates by sub-programme: Local Governance

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | | | 2024/25 | 2025/26 | 2026/27 |
| 1. Municipal Administration | 54 035 | 53 387 | 58 376 | 55 750 | 60 191 | 59 743 | 61 018 | 67 867 | 63 948 |
| 2. Municipal Finance | 45 708 | 41 088 | 45 648 | 30 505 | 34 823 | 34 893 | 27 410 | 28 978 | 29 769 |
| 3. Public Participation | 165 349 | 180 640 | 186 373 | 185 433 | 197 254 | 199 880 | 233 857 | 230 825 | 236 895 |
| 4. Capacity Development | 10 473 | 9 103 | 9 228 | 10 313 | 9 123 | 9 135 | 16 076 | 13 548 | 13 799 |
| 5. Municipal Perf., Monitoring, Reporting and Evaluation | 26 696 | 29 324 | 37 451 | 40 550 | 38 213 | 38 045 | 44 716 | 50 651 | 51 011 |
| Total | 302 261 | 313 542 | 337 076 | 322 551 | 339 604 | 341 696 | 383 077 | 391 869 | 395 422 |

Table 11.17 : Summary of payments and estimates by economic classification: Local Governance

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | | | 2024/25 | 2025/26 | 2026/27 |
| Current payments | 300 304 | 312 242 | 330 550 | 321 539 | 337 432 | 339 328 | 375 226 | 389 709 | 393 622 |
| Compensation of employees | 242 377 | 252 747 | 264 192 | 271 352 | 275 575 | 278 089 | 316 683 | 334 776 | 341 497 |
| Goods and services | 57 927 | 59 495 | 66 358 | 50 187 | 61 857 | 61 239 | 58 543 | 54 933 | 52 125 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 1 181 | 753 | 2 543 | 550 | 1 692 | 1 792 | 450 | 200 | 300 |
| Provinces and municipalities | - | - | 2 000 | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 1 181 | 753 | 543 | 550 | 1 692 | 1 792 | 450 | 200 | 300 |
| Payments for capital assets | 776 | 547 | 3 983 | 462 | 480 | 576 | 7 401 | 1 960 | 1 500 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 776 | 547 | 3 983 | 462 | 480 | 576 | 7 401 | 1 960 | 1 500 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 302 261 | 313 542 | 337 076 | 322 551 | 339 604 | 341 696 | 383 077 | 391 869 | 395 422 |

The sub-programme: Municipal Administration provides oversight and functionality of IGR structures (such as MINMEC, MUNIMEC, Municipal IGR fora, etc.), enforcement of legislation and policy in local government, as well as the implementation of integrity management programmes in municipalities. The increase in the 2023/24 Adjusted Appropriation against *Compensation of employees* was to cater for the 2023 wage agreement. The growth over the 2024/25 MTEF is inflationary. The low amount in 2026/27 compared to 2025/26 will be reviewed. The allocations over the MTEF cater for the training of municipal councillors, community outreach programmes, forensic investigations to be undertaken, as well as the appointment of municipal administrators as approved by the Provincial Executive Council.

The sub-programme: Municipal Finance includes the financial experts' clean audit programme and special intervention projects, such as financial interventions in affected municipalities, etc. Also, the sub-programme assists with attending to irregular and wasteful expenditure and audit outcomes of the municipalities. The increase in the 2023/24 Adjusted Appropriation against *Compensation of employees* was to cater for the 2023 wage agreement. The decrease over the 2024/25 MTEF was due to budget cuts effected, as well as reprioritisation from the sub-programme, and these reductions will impact on the appointment of governance and financial experts that will be scaled down. The MTEF caters for municipal projects, such as the development and maintenance of Indigent Registers for municipalities, used for keeping record of all households that qualify for free basic services, financial experts' clean audit programme, planned filling of critical vacant posts, etc.

The sub-programme: Public Participation houses the bulk of the budget of Programme 2 and provides for cell phone contracts, travel and subsistence and furniture for CDWs, in order to improve their work and reporting. The sub-programme also provides for the deployment of skilled professionals and administrators in municipalities, as well as the provision of support to OSS in addressing service delivery needs of the communities, particularly communities in remote and rural areas, among others. The increase in the 2023/24 Adjusted Appropriation against *Goods and services* was mainly to cater for the appointment of service providers pertaining to the revenue and debt management project, which was under-budgeted for. The growth over the 2024/25 MTEF can be attributed to the reprioritisation against *Compensation of employees* in respect of the planned filling of vacant posts, the 1.5 per cent adjustment for pay progression and the increase for the housing and the medical allowances, the cost of living adjustment in line with National Treasury guidelines, as well as the carry-through for the 2023 wage agreement. The MTEF provides for various community outreach programmes and public participation projects in municipalities. These projects involve *Izimbizo* and community dialogues with ward committees as part of the Back to Basics campaigns. Over the MTEF, the department will also monitor and support municipalities to promote participation in community-based local governance processes,

respond to community concerns, establish youth units, as well as implement gender-based violence and femicide responsive programmes, among others. The growth over the MTEF is mainly inflationary.

The main function of the sub-programme: Capacity Development is to ensure the development and implementation of a comprehensive capacity building strategy for local government and traditional institutions. The high amount in 2024/25 is in respect of the roll-out of a leadership and good governance course offered by UKZN for 20 *Amakhosi* in 2024/25 only at this stage, as well as training of TC secretaries and *Izinduna* on roles and responsibilities. Also, the amount caters for new and replacement laptops for CDWs and for the development of a programme geared towards voter mobilisation relating to the 2024 general elections, which is to be implemented in all districts and the Metro. These account for the reduction in the two outer years of the MTEF, as some of these projects are once-off. The MTEF allocations cater for accredited councillor training, capacity building (skills audit), LED capacity building and women councillor training in areas of need, such as financial and project management.

The sub-programme: Municipal Performance, Monitoring, Reporting and Evaluation relates to strategic planning support to municipalities, with a focus on development planning, capacity building and the review and development of IDPs in various municipalities. The MTEF growth is mainly inflationary and the allocations are to support municipalities to improve their standard of service delivery and governance through the improvement of PMS in municipalities, municipal service awards, travel and subsistence costs, etc.

Compensation of employees reflects an increasing trend over the period, and provides for the filling of vacant posts, among others. The increase in the 2023/24 Adjusted Appropriation against *Compensation of employees* was to cater for the 2023 wage agreement. The category shows an increase of 14.9 per cent from the 2023/24 Adjusted Appropriation to 2024/25, growth of 5.7 per cent in 2025/26 and growth of 2 per cent in 2026/27, which is low and will be reviewed in the next budget process. The high increase in 2024/25 is for the filling of 69 vacant posts in 2024/25. Over the 2024/25 MTEF, the budget provides for the filling of 69 critical vacant posts in 2024/25 and seven posts in 2025/26, as well as the 1.5 per cent pay progression and the carry-through of the 3 per cent cost of living adjustment, among others.

Goods and services provides mainly for the deployment of additional skilled professionals and administrators in municipalities, cell phone contracts for CDWs, laptops, travel and subsistence and furniture, etc. The increase in the 2023/24 Adjusted Appropriation against *Goods and services* was to mainly cater for the appointment of service providers pertaining to the revenue and debt management project, which was under-budgeted for. There is inflationary growth over the MTEF and the allocations provide for the financial experts' clean audit programme and special intervention projects, such as financial interventions in affected municipalities, etc., improving standards of service delivery and governance in municipalities, the capacity building skills audit project in municipalities, among others. The high 2024/25 allocation relates to various once-off projects, explained in the sub-programmes. A portion of the 2024/25 MTEF cuts was effected against this category in the two outer years of the MTEF.

The expenditure in 2022/23 against *Transfers and subsidies to: Provinces and municipalities* was in respect of the Municipal Excellence Awards. There are no allocations in 2023/24 and over the MTEF, at this stage, and this will be reviewed in-year.

Transfers and subsidies to: Households caters for staff exit costs.

Machinery and equipment caters for furniture and office and computer equipment for the filling of critical posts, as well as new and replacement vehicles. The MTEF allocations are in line with the department's project plan and cater for the replacement of laptops, desktops and purchase of computer equipment for new staff.

Service delivery measures: Local Governance

Table 11.18 illustrates the main service delivery measures pertaining to Programme 2. The performance indicators provided fully comply with the customised measures for the COGTA sector. The table includes both sector and non-sector measures. It is noted that some indicators have been discontinued from 2024/25.

Table 11.18 : Service delivery measures: Local Governance

| Outputs | Performance indicators | Estimated Performance | Medium-term targets | | | |
|------------|---|-----------------------|---------------------|---------|---------|--|
| | | 2023/24 | 2024/25 | 2025/26 | 2026/27 | |
| 2.1 | Municipal Governance and Administration | | | | | |
| 2.1.1 | Municipal Administration support provided to municipalities | 54 | 54 | 54 | 54 | |
| 2.1.2 | Oversight structures functional | 54 | 54 | 54 | 54 | |
| 2.1.3 | Municipalities under intervention monitored in line with the municipal turnaround plans | 100% | 100% | 100% | 100% | |
| 2.1.4 | Performance assessment of ministerial representatives | 100% | - | - | - | |
| 2.2 | Municipal Finance | | | | | |
| 2.2.1 | Reduction of UIFW in municipalities | 54 | 54 | 54 | 54 | |
| 2.2.2 | Municipalities achieving unqualified audit outcomes | 54 | 54 | 54 | 54 | |
| 2.2.3 | Support municipalities with reduction of Eskom debt | 3 | 3 | 3 | 3 | |
| 2.2.4 | Support municipalities with reduction in consumer debt through active citizen participation | 54 | 54 | 54 | 54 | |
| 2.2.5 | Reduction in government debt | 54 | 54 | 54 | 54 | |
| 2.2.6 | Section 131 reports of the MFMA submitted | 1 | 1 | 1 | 1 | |
| 2.2.7 | Municipalities guided to comply with MPRA | 44 | 44 | 44 | 44 | |
| 2.2.8 | Municipalities monitored on the implementation of indigent policies | 53 | 53 | 53 | 53 | |
| 2.2.9 | Identified municipalities supported to resolve unfunded budgets | 100% | - | - | - | |
| 2.3 | Public Participation | | | | | |
| 2.3.1 | Ward committees functional | 44 | 44 | 44 | 44 | |
| 2.3.2 | War-rooms functional | 420 | 370 | 320 | 320 | |
| 2.3.3 | Municipal RRTs functional | 44 | 44 | 44 | 44 | |
| 2.3.4 | Municipalities monitored on the implementation of GBVF responsive programmes | 54 | 54 | 54 | 54 | |
| 2.3.5 | Municipalities supported to promote participation in community-based local governance processes | 54 | 54 | 54 | 54 | |
| 2.3.6 | Municipalities supported to respond to community concerns | 44 | 44 | 44 | 44 | |
| 2.3.7 | Municipalities supported with the establishment of youth units | 54 | 54 | 54 | 54 | |
| 2.4 | Capacity Building | | | | | |
| 2.4.1 | Capacity building strategy developed and implemented | 1 | 1 | 1 | 1 | |
| 2.4.2 | Capacity building interventions conducted in municipalities | 16 | 16 | 16 | 16 | |
| 2.5 | Municipal Performance Monitoring, Reporting and Evaluation | | | | | |
| 2.5.1 | Municipalities supported with performance management systems | 54 | 54 | 54 | 54 | |
| 2.5.2 | Municipal performance reports compiled | 1 | 1 | 1 | 1 | |
| 2.5.3 | Municipal evaluations conducted | 2 | 1 | 1 | 1 | |
| 2.5.4 | Quarterly municipal performance assessments conducted | 54 | 54 | 54 | 54 | |
| 2.5.5 | Municipal support and intervention plans monitored | 54 | - | - | - | |

8.3 Programme 3: Development and Planning

The purpose of this programme is to promote informed integrated planning and development in the province. This programme largely conforms to the uniform budget and programme structure for the Co-operative Governance and Traditional Affairs sector. Tables 11.19 and 11.20 illustrate a summary of payments and estimates for 2020/21 to 2026/27.

Table 11.19 : Summary of payments and estimates by sub-programme: Development and Planning

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|-------------------------------|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | | | 2024/25 | 2025/26 | 2026/27 |
| 1. Spatial Planning | 25 464 | 27 254 | 30 964 | 44 543 | 35 654 | 33 581 | 37 103 | 41 327 | 35 552 |
| 2. Land Use Management | 27 414 | 25 120 | 28 232 | 28 111 | 27 153 | 27 382 | 27 799 | 27 992 | 28 564 |
| 3. Local Economic Development | 88 697 | 145 261 | 184 276 | 158 902 | 127 052 | 121 619 | 116 600 | 127 146 | 146 374 |
| 4. Municipal Infrastructure | 143 903 | 266 240 | 189 919 | 142 749 | 163 643 | 149 116 | 106 545 | 104 441 | 88 304 |
| 5. Disaster Management | 17 027 | 31 043 | 45 694 | 59 746 | 59 152 | 60 778 | 48 361 | 46 345 | 52 675 |
| Total | 302 505 | 494 918 | 479 085 | 434 051 | 412 654 | 392 476 | 336 408 | 347 251 | 351 469 |

Table 11.20 : Summary of payments and estimates by economic classification: Development and Planning

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | | | 2024/25 | 2025/26 | 2026/27 |
| Current payments | 200 523 | 212 708 | 254 754 | 375 185 | 301 780 | 280 959 | 307 741 | 296 120 | 312 869 |
| Compensation of employees | 136 478 | 145 993 | 139 969 | 180 790 | 149 206 | 148 376 | 167 124 | 173 193 | 184 045 |
| Goods and services | 64 045 | 66 715 | 114 785 | 194 395 | 152 574 | 132 583 | 140 617 | 122 927 | 128 824 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 1 190 | 202 132 | 183 704 | 17 030 | 87 664 | 87 990 | 1 330 | 1 580 | 350 |
| Provinces and municipalities | - | 188 020 | 179 100 | 15 700 | 86 605 | 86 605 | - | - | - |
| Departmental agencies and accounts | - | 13 000 | - | - | - | - | - | - | - |
| Higher education institutions | - | - | 1 280 | 1 280 | - | - | 1 280 | 1 280 | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 1 190 | 1 112 | 3 324 | 50 | 1 059 | 1 385 | 50 | 300 | 350 |
| Payments for capital assets | 100 792 | 80 078 | 40 627 | 41 836 | 23 210 | 23 527 | 27 337 | 49 551 | 38 250 |
| Buildings and other fixed structures | 99 383 | 79 528 | 26 184 | 39 969 | 23 170 | 23 170 | 26 267 | 49 251 | 38 000 |
| Machinery and equipment | 1 409 | 550 | 14 443 | 1 867 | 40 | 357 | 1 070 | 300 | 250 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 302 505 | 494 918 | 479 085 | 434 051 | 412 654 | 392 476 | 336 408 | 347 251 | 351 469 |

In 2020/21, a portion of the department's budget cuts were effected under Programme 3 under all sub-programmes against *Compensation of employees* and *Goods and services*. In addition, Programme 3 was subjected to the fiscal consolidation cuts over the 2021/22 MTEF against *Compensation of employees*, *Goods and services*, *Transfers and subsidies to: Provinces and municipalities*, as well as *Software and other intangible assets* across all sub-programmes, with the exception of Municipal Infrastructure. The 2023/24 MTEF budget cuts were effected against the sub-programmes: Local Economic Development and Disaster Management against *Buildings and other fixed structures* and *Machinery and equipment*. The 2023/24 MTEF budget cuts had a negative effect on projects such as the Small Town Rehabilitation programme and disaster management projects. These projects were scaled down. Also, the department reduced the procurement of stationery, etc. Again, the bulk of the 2024/25 MTEF budget cuts was effected against this programme under the sub-programmes: Local Economic Development and Municipal Infrastructure. These cuts were effected against *Goods and services*, *Transfers and subsidies to: Provinces and municipalities*, and *Buildings and other fixed structures*.

The sub-programme: Spatial Planning caters for Schemes Support (housing schemes in support of home-ownership) and SDF support in municipalities. The decrease in the 2023/24 Adjusted Appropriation and a further decrease in the Revised Estimate against *Compensation of employees* was as a result of the internal moratorium on the filling of vacant posts to fund various service delivery programmes. The decrease from the 2023/24 Main Appropriation to the 2024/25 MTEF can be attributed to reprioritisation from the sub-programme against *Goods and services* (consultants' costs) in order to cater for the filling of vacant posts in other sub-programmes. The MTEF allocations are in line with spending on various municipal projects, such as the Schemes Support, SDF support, nodal plans, Building Plans Information Management System, Geospatial Database Development, Contacts and Address Database and GIS Functionality, among others.

The sub-programme: Land Use Management caters for projects such as the town settlement formalisation support, support to municipalities with the implementation of SPLUMA, development of provincial norms and standards, development planning legislation, as well as the remuneration of board members dealing

with appeals, such as the Town Planning Appeals Board and the KZN Planning and Development Act (PDA) Tribunal Appeals Board. The MTEF caters for projects such as record keeping for municipalities for SPLUMA, SPLUMA processes and the Sustainable Development Goal localisation framework.

The sub-programme: Local Economic Development caters for transfers undertaken for the Small Town Rehabilitation programme such as taxi rank upgrades and pothole repairs, for development initiatives, for support to CSCs for effective functionality and provision of infrastructure for *Imizi Yezizwe*. The substantial decrease in the 2023/24 Adjusted Appropriation and a further decrease in the Revised Estimate was against *Compensation of employees* as a result of the internal moratorium on the filling of vacant posts to fund various service delivery programmes. The reduction was also against *Goods and services* mainly due to enforced savings against various projects that are unlikely to be implemented/fully implemented in the current year, namely Massification (including electrification) and Small Town Rehabilitation projects in various municipalities, as well as the maintenance of CSCs and *Imizi Yezizwe*, among others. A further decrease was made against *Buildings and other fixed structures* mainly due to the slow movement of CSC projects in respect of new construction, refurbishment and rehabilitation projects, and changes needed to be made to the implementation plan for *Imizi Yezizwe* from a transfer to in-house implementation. The decrease over the 2024/25 MTEF relates to the budget cuts effected, as well as reprioritisation from this sub-programme, mainly to Programmes 1 and 2 and to other sub-programmes within Programme 3, as explained. The budget cuts and reprioritisation will result in scaling down the number of projects undertaken under the Small Town Rehabilitation, Corridor Development, and LED programmes. The MTEF allocations cater for the construction of new, as well as refurbishment and rehabilitation of CSCs, *Imizi Yezizwe*, etc.

The sub-programme: Municipal Infrastructure supports municipalities in service delivery utilising various IGR fora, in improving delivery and maintenance of basic water services, production and maintenance of energy sources, etc. The substantial increase in the 2023/24 Adjusted Appropriation was for electrification projects in various municipalities. The reduction in the Revised Estimate was due to late receipt of invoices pertaining to the construction, refurbishment and rehabilitation projects and slow moving projects such as the war on leaks and illegal dumping etc. The decrease over the 2024/25 MTEF relates to reprioritisation from this sub-programme to Programmes 1, 2 and 4, as indicated. The reprioritisation will result in the scaling down of water and electricity projects, as indicated. The MTEF budget provides for operational and maintenance plans, increasing water connections to low income housing communities, electrification projects, among others.

The sub-programme: Disaster Management caters for Disaster Risk Management planning, holding Provincial and Municipal Disaster Management Advisory Forums, among others. The decrease over the MTEF relates to reprioritisation from the sub-programme. The allocations will support municipalities with fire brigade services, maintain functional disaster management centres, provision of disaster management relief stock (blankets, food parcels, beds for stricken communities, plastic sheeting, fire alarms), as well as Disaster Management Summits. Also, the budget caters for new construction, as well as the refurbishment and rehabilitation of CSCs, among others.

Compensation of employees shows growth over the period and provides for the filling of posts, among others. The MTEF allocations show growth of 12 per cent from the 2023/24 Adjusted Appropriation to 2024/25, an increase of 3.6 per cent in 2025/26 (which is low and will be reviewed in the next budget process) and an increase of 6.3 per cent in 2026/27. The increase in 2024/25 MTEF caters for the filling of 12 critical vacant posts in 2024/25, six posts in 2025/26 and 120 posts in 2026/27, as explained. The budget has sufficient growth to fill all vacant posts and provides for the 1.5 per cent pay progression and the carry-through of the 3 per cent cost of living adjustment over the MTEF.

Goods and services relates to various projects undertaken under the Small Town Rehabilitation, Massification, Corridor Development, water intervention programmes, nodal plans, implementation of spatial equity norms and standards, the SDF support, Geospatial Land Register and Development Application Management System programmes, among others. The department usually budgets for these programmes against this category and the funds are shifted to *Transfers and subsidies to: Provinces and municipalities* in-year after an annual exercise indicates that the municipalities have the necessary capacity to deliver on the particular projects themselves. As such, funds were shifted from this category during the

2023/24 Adjustments Estimate to *Transfers and subsidies to: Provinces and municipalities* in respect of the Small Town Rehabilitation, Massification and water intervention programmes. The further decrease in the Revised Estimate relates to late receipt of invoices pertaining to the construction, refurbishment and rehabilitation projects and slow moving projects such as the war on leaks and illegal dumping, etc. The decrease over the 2024/25 MTEF relates to the budget cuts effected, as well as reprioritisation from this category to Programmes 1, 2 and to other sub-programmes within Programme 3, as explained. The budget cuts and reprioritisation will result in scaling down the number of projects undertaken under the Small Town Rehabilitation, Corridor Development, and LED programmes. The allocations over the MTEF are in respect of projects undertaken under the Small Town Rehabilitation, Corridor Development, and LED programmes, but at a reduced scale.

Transfers and subsidies to: Provinces and municipalities caters for the Small Town Rehabilitation, Corridor Development and Massification programmes, among others, which are originally budgeted for under *Goods and services*, as explained. The fluctuating trend is in line with the transfers to the municipalities. No funds were transferred in 2020/21 due to the budget cuts in response to the Covid-19 pandemic. The increase in the 2023/24 Adjusted Appropriation was in respect of various projects including electrification projects, the construction of a fire and disaster management centre, and the equipping of an existing disaster management centre with emergency communication and information management technology, and the procurement and fitting of furniture and operational appliances, the installation of solar street lights and high masts to assist with the improvement of security within towns, among others. This category was impacted by the 2024/25 budget cuts and, as such, no funds have been allocated over the MTEF for transfers to municipalities. The impact is that no new projects will be undertaken over the MTEF in respect of the Disaster Management, Corridor Development, Small Town Rehabilitation and Massification programmes, among others. However, the allocation under this category is reviewed in-year and annually. This is because the department usually budgets for projects under *Goods and services* and then shifts the funds to *Transfers and subsidies to: Provinces and municipalities* during the Adjustments Estimate for transfer to municipalities, after an annual departmental exercise indicates that the municipalities have the necessary capacity to deliver on the projects themselves. Funds will be allocated to these projects at a reduced scale.

Transfers and subsidies to: Departmental agencies and accounts caters for various once-off projects. The amount of R13 million in 2021/22 was in respect of the transfer to ADA for the construction of the KwaXolo greenhouse tunnel, as well as additional hydroponic tunnels and open field irrigation on a farm in Bulwer. This was a once-off transfer and hence there are no allocations from 2022/23 onward.

The allocations against *Transfers and subsidies to: Higher education institutions* are in respect of a programme of action to improve the resilience of human settlements through improved spatial planning and land use management in the province. The department is in partnership with UKZN, where four post-doctoral academic experts will be contracted to undertake the project. The project aims to provide diagnostic case studies on the April 2022 flood disaster, to recommend areas to address in the provincial guidelines, and to provide a provincial protocol and guiding framework for Land Use Schemes and zoning of vulnerable areas, among others. The 2023/24 transfer was withdrawn by the department because UKZN has not finalised the appointment of the four post-doctoral students to undertake the project, and the funds will now be transferred in 2024/25 and 2025/26 in line with the duration of the project.

Transfers and subsidies to: Households caters mainly for staff exit costs. The increase in the 2023/24 Adjusted Appropriation and Revised Estimate relates to funds moved to this category in respect of higher than budgeted staff exit costs.

Buildings and other fixed structures provides for the construction and rehabilitation of CSCs and houses for Amakhosi, among others. The category fluctuates in line with the number of projects undertaken. The decrease in the 2023/24 Adjusted Appropriation was attributed to the slow movement of CSC projects in respect of new construction, as well as refurbishment and rehabilitation projects, and changes needed to be made to the implementation plan for *Imizi Yezizwe* from a transfer to in-house implementation. A portion of the 2024/25 MTEF budgets cuts was effected against this category and this will impact on the number of water and electricity and CSCs projects undertaken. The projects to be undertaken will also be scaled down. The MTEF allocations cater for the rehabilitation of the Mhlungwini, Ngcolosi, Qiniselani

Manyuswa, Hlope, Khoza Bhejane, Sobonakhona, Qadi, Emandleni, Mangwebuthanani, Mpungose, Mngomezulu, Nibela, Amangwane, Shabalala Matiwane CSCs, the construction of the Hlomindleni TAC park home project, and the construction of Othaka, Nkhwanyana, Nsimbini and Mahlayizeni TACs, etc.

Machinery and equipment caters for office and computer equipment. The high amount in 2022/23 was in respect of the purchase of office and computer equipment for existing and newly appointed staff, as well as the procurement of an integrated disaster communication system, which will be used by the PDMC and mapping of disaster incidents data, as explained, among others.

Service delivery measures: Development and Planning

Table 11.21 gives the main service delivery measures pertaining to Programme 3. The performance indicators provided do not comply fully with the customised measures for the COGTA sector and are currently being reviewed by the department. The table includes both sector and non-sector measures. It is noted that some indicators have been discontinued from 2024/25 and from 2025/26.

Table 11.21 : Service delivery measures: Development and Planning

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | | |
|--------------|--|--|---------------------|---------|---------|-----|
| | | 2023/24 | 2024/25 | 2025/26 | 2026/27 | |
| 3.1 | Spatial Planning | | | | | |
| 3.1.1 | Provincial SDFs monitored for implementation | • No. of provincial SDFs monitored for implementation | 1 | 1 | 1 | 1 |
| 3.1.2 | Municipalities supported with the implementation of SDFs | • No. of municipalities supported with the implementation of SDFs | 54 | 54 | 54 | 54 |
| 3.1.3 | Municipalities supported with the implementation of Land Use Schemes | • No. of municipalities supported with the implementation of Land Use Schemes | 44 | 44 | 44 | 44 |
| 3.2 | Development Information Services | | | | | |
| 3.2.1 | Provincial Integrated Land Information System implemented | • No. of functional Integrated Land Information Systems implemented | 1 | 1 | 1 | 1 |
| 3.2.2 | Institutional GIS capacity strengthened | • No. of institutional GIS capacity strengthening programmes implemented | 4 | 4 | 4 | 4 |
| 3.3 | Land Use Management | | | | | |
| 3.3.1 | Co-ordinated awareness programmes on the importance and impact of land use management and planning | • No. of awareness programmes on the importance and impact of land use management and planning conducted | 4 | 4 | 4 | 4 |
| 3.3.2 | Municipalities supported to implement an effective Land Use Management system | • No. of municipalities supported to implement an effective Land Use Management system | 44 | 44 | 44 | 44 |
| 3.3.3 | Provincial Land Use Management and Development protocols developed | • No. of Provincial Land Use Management and Development protocols developed | 1 | 1 | - | - |
| 3.4.1 | Local Economic Development (Special initiatives) | | | | | |
| 3.4.1.1 | Support functionality of DDAs | • No. of DDAs supported to achieve 80% functionality | 7 | 7 | 7 | 7 |
| 3.4.1.2 | Monitor implementation of municipal LED strategies | • No. of municipal LED strategies monitored for implementation | 54 | 54 | 54 | 54 |
| 3.4.1.3 | Municipalities supported to implement the Provincial Small Town Revitalisation Strategy | • No. of municipalities supported to implement the Provincial Small Town Revitalisation Strategy | 4 | 3 | 3 | 3 |
| 3.4.1.4 | Municipalities supported to package partnership opportunities that will create economic growth | • No. of municipalities supported to package development partnerships | 6 | 6 | 6 | 6 |
| 3.4.1.5 | Economically depressed municipalities supported with revitalisation | No. of economically depressed municipalities supported with revitalisation | 3 | - | - | - |
| 3.4.2 | Local Economic Development (CSCs) | | | | | |
| 3.4.2.1 | CSCs rehabilitated/ maintained | • No. of identified CSCs rehabilitated/ maintained | 8 | 8 | 8 | 8 |
| 3.4.2.2 | New CSCs at construction phase | • No. of CSCs at construction phase | 2 | 2 | 2 | 2 |
| 3.4.2.3 | Identified <i>Imizi Yezizwe</i> at construction phase | • No. of identified <i>Imizi Yezizwe</i> at construction phase | 6 | 6 | - | - |
| 3.4.2.4 | Municipalities and TCs supported with functionality | • No. of municipalities supported with Grade 1 CSCs functionality | 23 | 24 | 24 | 24 |
| 3.4.2.5 | Municipalities and TCs supported with functionality | • No. of TCs supported with Grade 2 CSCs functionality | 30 | 30 | 30 | 30 |
| 3.4.3 | Local Economic Development (EPWP) | | | | | |
| 3.4.3.1 | Increase participation in public employment programmes | • No. of EPWP work opportunities created | 1 000 | 1 000 | 500 | 500 |

Table 11.21 : Service delivery measures: Development and Planning

| Outputs | | | Performance indicators | Estimated performance | Medium-term targets | | |
|---------|--|---|---|-----------------------|---------------------|---------|---------|
| | | | | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
| 3.4.4 | Local Economic Development (CWP) | | | | | | |
| 3.4.4.1 | Work opportunities reported through CWP | • | No. of work opportunities reported through CWP | 45 000 | 45 000 | 45 000 | 45 000 |
| 3.5 | Municipal Infrastructure | | | | | | |
| 3.5.1 | Infrastructure co-ordinating structures functional (water, sanitation task team, electricity task team, MIG forum) | • | No. of infrastructure co-ordinating structures achieving 80% functionality | 2 | 2 | 2 | 2 |
| 3.5.2 | Water Service Authorities monitored on implementation of operation and maintenance | • | No. of Water Service Authorities monitored on implementation of operation and maintenance | 14 | 14 | 14 | 14 |
| 3.5.3 | Municipalities supported to increase provision of basic level of sanitation services | • | % of MIG funded sanitation projects monitored for implementation | 100% | 100% | 100% | 100% |
| 3.5.4 | Municipalities supported with the implementation of electrification programmes | • | No. of municipalities supported with the implementation of electrification programmes | 32 | 15 | 15 | 15 |
| 3.5.5 | Reduction in delays in water use licences approval | • | % of water use licence applications monitored for approval | 100% | 100% | 100% | 100% |
| 3.5.6 | Bulk water supply projects monitored for implementation | • | % of regional bulk infrastructure projects monitored for implementation | 100% | 100% | 100% | 100% |
| 3.5.7 | Alternative water resource supplies provided to municipalities | • | No. of alternative water resource supply programmes implemented in municipalities | 2 | 2 | 2 | 2 |
| 3.5.8 | Districts monitored on the spending of national grants | • | No. of districts monitored on the spending of national grants | 10 | 10 | 10 | 10 |
| 3.5.9 | Municipalities supported with the implementation of the EAMF | • | No. of municipalities supported with the implementation of the EAMF | 24 | 24 | 24 | 24 |
| 3.5.10 | Municipalities monitored on the implementation of infrastructure delivery programmes | • | No. of municipalities monitored on the implementation of infrastructure delivery programmes | 53 | 53 | 53 | 53 |
| 3.5.11 | Water Master Plan Intervention programmes implemented | • | No. of Water Master Plan Intervention programmes implemented | 7 | 7 | 7 | 7 |
| 3.5.12 | Municipalities monitored on the review of Water Service Development Plans | • | No. of municipalities monitored on the review of Water Service Development Plans | 13 | 13 | 13 | 13 |
| 3.5.13 | Municipalities supported with the implementation of the EMP | • | No. of municipalities supported with the implementation of the EMP | 24 | 24 | 24 | 24 |
| 3.5.14 | COGTA infrastructure transfers and in-house projects monitored | • | % of COGTA infrastructure transfers and in-house projects monitored | 100% | 100% | 100% | 100% |
| 3.6 | Disaster Management | | | | | | |
| 3.6.1 | Municipalities supported to maintain functional disaster management centres | • | No. of municipalities supported to maintain functional disaster management centres | 11 | 11 | 11 | 11 |
| 3.6.2 | Disaster management advisory forums held | • | No. provincial disaster management advisory forums held | 4 | 4 | 4 | 4 |
| 3.6.3 | Municipalities supported on fire brigade services | • | No. of municipalities supported on fire brigade services | 11 | 11 | 11 | 11 |
| 3.6.4 | Districts and Metro supported with the development of disaster management policies | • | No. of districts and metro supported with the development of disaster management policies | 11 | 11 | 11 | 11 |
| 3.6.5 | Municipalities supported to develop/review disaster management plans incorporating climate change adaptation | • | No. of municipalities supported to develop/review disaster management plans incorporating climate change adaptation | 11 | 11 | 11 | 11 |
| 3.6.6 | Disaster emergency recovery grants monitored | • | % disaster emergency recovery grants monitored | 100% | 100% | 100% | 100% |
| 3.6.7 | Contingency plan developed to manage future disasters | • | No. of contingency plans developed to manage future disasters | 2 | 2 | 2 | 2 |
| 3.6.8 | Integrated communication systems installed | • | No. of integrated communication systems installed | 1 | - | - | - |
| 3.6.9 | Draft provincial disaster risk profiles developed for disaster-prone areas | • | No. of draft provincial disaster risk profiles developed for disaster-prone areas | 1 | - | - | - |

8.4 Programme 4: Traditional Institutional Management

The purpose of this programme is to support and enhance the capacity of TCs. This programme largely conforms to the uniform budget and programme structure for the Co-operative Governance and Traditional Affairs sector. Tables 11.22 and 11.23 illustrate a summary of payments and estimates for 2020/21 to 2026/27 relating to Programme 4.

Table 11.22 : Summary of payments and estimates by sub-programme: Traditional Institutional Management

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | | | 2024/25 | 2025/26 | 2026/27 |
| 1. Traditional Institutional Administration | 471 476 | 442 622 | 473 694 | 1 145 074 | 1 171 920 | 1 179 066 | 547 635 | 574 113 | 587 530 |
| 2. Traditional Resource Administration | 73 854 | 68 047 | 94 032 | 87 242 | 89 172 | 93 142 | 93 481 | 102 350 | 109 210 |
| Total | 545 330 | 510 669 | 567 726 | 1 232 316 | 1 261 092 | 1 272 208 | 641 116 | 676 463 | 696 740 |

Table 11.23 : Summary of payments and estimates by economic classification: Traditional Institutional Management

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | | | 2024/25 | 2025/26 | 2026/27 |
| Current payments | 515 520 | 489 705 | 526 167 | 1 224 386 | 1 252 516 | 1 263 372 | 638 596 | 673 613 | 692 390 |
| Compensation of employees | 156 905 | 155 757 | 163 425 | 176 330 | 181 656 | 177 542 | 172 874 | 182 499 | 189 529 |
| Goods and services | 358 615 | 333 948 | 362 742 | 1 048 056 | 1 070 860 | 1 085 830 | 465 722 | 491 114 | 502 861 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 27 749 | 20 906 | 41 037 | 850 | 876 | 931 | 250 | 250 | 250 |
| Provinces and municipalities | - | - | - | - | - | 54 | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 26 082 | 19 820 | 40 433 | 250 | 250 | 250 | 250 | 250 | 250 |
| Households | 1 667 | 1 086 | 604 | 600 | 626 | 627 | - | - | - |
| Payments for capital assets | 346 | 58 | 522 | 7 080 | 7 700 | 7 905 | 2 270 | 2 600 | 4 100 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 346 | 58 | 522 | 7 080 | 7 700 | 7 905 | 2 270 | 2 600 | 4 100 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | 1 715 | - | - | - | - | - | - | - | - |
| Total | 545 330 | 510 669 | 567 726 | 1 232 316 | 1 261 092 | 1 272 208 | 641 116 | 676 463 | 696 740 |

In 2020/21, a portion of the department's budget cuts was effected under Programme 4 under both sub-programmes against *Compensation of employees*. Also, Programme 4 was subjected to the fiscal consolidation cuts over the 2021/22 MTEF against *Compensation of employees* and *Goods and services* across both sub-programmes. The 2023/24 MTEF budget cuts were effected against the sub-programme: Traditional Institutional Administration against *Goods and services* in respect of operating payments. The department reduced the procurement of office supplies such as stationery. This programme was not affected by the 2024/25 MTEF budget cuts.

The sub-programme: Traditional Institutional Administration provides for the remuneration of *Amakhosi*, *Izinduna* and TC secretaries, support to traditional institutions and the TC elections, installation and recognition of *Amakhosi*, dispute resolutions, among others. The substantial increase in 2023/24 was attributed to the once-off amount of R631.083 million allocated by National Treasury to settle the backpay owed to the *Izinduna* in this province, and this accounts for the decrease from 2023/24 to 2024/25. The increase in the 2023/24 Adjusted Appropriation was mainly due to funds moved from Programme 3 to *Goods and services* to cater for the increase in respect of TC secretaries' stipends (from R6 000 budgeted for in the main budget to R8 000 per month) and the salary backpay to *Izinduna* in line with the signed proclamation in August 2023 mandating a 3 per cent increase backdated to April 2023. Also, portion of the funds was moved to *Compensation of employees* to cater for the cost of the 2023 wage agreement, as well as the salary backpay to *Amakhosi* in line with the signed proclamation in August 2023 mandating a 3 per cent increase backdated to April 2023. The further increase in the Revised Estimate relates to the appointment of 193 *Izinduna* approved by the Provincial Executive Council. Funds will be moved from Programme 3 to cater for this increase. The MTEF allocations include reprioritisation from Programme 3 to cater for the carry-through of the increase of 3 per cent in the proclamation signed in August 2023 and backdated to April 2023 for *Izinduna*, as well as inflationary increments. The allocations also cater for the planned filling of vacant posts, the payment and remuneration of *Amakhosi*, *Izinduna* and TC secretaries, support to traditional institutions, installation and recognition of *Amakhosi*, dispute resolutions, as well as events (such as cultural, *imbizo*, installations, etc.). Over the 2024/25 MTEF, the department has budgeted to pay 3 077 *Izinduna* with a budget of R388.060 million in 2024/25, R407.601 million in 2025/26 and R414.146 million in 2026/27, in line with the number of *Izigodi*. The provincial allocation in this regard is

R179.041 million in 2024/25, R187.062 million in 2025/26 and R195.667 million in 2026/27, and the difference is allocated from within the department's budget.

The sub-programme: Traditional Resource Administration caters for the implementation of financial controls in municipalities and capacity building programmes for *Amakhosi*. The increase in the 2023/24 Adjusted Appropriation and Revised Estimate, as well as over the MTEF was due to reprioritisation to this sub-programme for communication and travel and subsistence costs. The MTEF allocations provide for various initiatives, including a knowledge sharing seminar between Traditional Leaders and experts in various fields, research and capacity building programmes, among others.

Compensation of employees caters for the filling of posts, among others. The increase in the 2023/24 Adjusted Appropriation was to cater for the cost of the 2023 wage agreement, as well as salary backpay to *Amakhosi* in line with the signed proclamation in August 2023 mandating a 3 per cent increase backdated to April 2023. The MTEF allocations show negative growth of 4.8 per cent in 2024/25 (which will be reviewed in-year), and growth of 5.6 per cent in 2025/26 and 3.9 per cent in 2026/27. The allocations over the MTEF cater for the filling of eight critical vacant posts, as explained. The budget for 2024/25 will be reviewed in line with filling of the eight posts, the 1.5 per cent pay progression and the carry-through of the 3 per cent cost of living adjustment.

Goods and services relates to the sitting allowance of TC members, dispute resolutions, capacity building programmes, installation and recognition of *Amakhosi*, stipends for *Izinduna*, among others. The substantial increase in 2023/24 was attributed to the once-off amount of R631.083 million allocated by National Treasury to settle the backpay owed to the *Izinduna* in this province, and this accounts for the decrease in 2024/25. The increase in the 2023/24 Adjusted Appropriation was mainly due to funds moved from Programme 3 to *Goods and services* to cater for the increase in respect of TC secretaries' stipends (from R6 000 budgeted for in the main budget to R8 000 per month) and the salary backpay to *Izinduna* in line with the signed proclamation in August 2023 mandating a 3 per cent increase backdated to April 2023. The further increase in the Revised Estimate relates to the appointment of 193 *Izinduna* approved by the Provincial Executive Council. The allocations over the 2024/25 MTEF cater for the remuneration of *Izinduna* including the additional 193, support to traditional institutions, events, installation and recognition of *Amakhosi*, etc.

The small amount against *Transfers and subsidies to: Provinces and municipalities* in the 2023/24 Revised Estimate was a misallocation and will be corrected. It relates to claims against the state (third party claim for car damage) and should have been captured against *Transfers and subsidies to: Households*.

Transfers and subsidies to: Non-profit institutions relates to expenditure for the traditional levies and trust account moved from the various economic categories within Programme 4, as explained. There is no expenditure in this regard in 2023/24 and over the MTEF as the amounts for the traditional levies and trust account are only determined at the end of the year, when expenditure has been incurred. The amounts against this category from 2023/24 relate to the donations to the Tembe Trust Account in support of the Umthayi Amarula Festival, as explained.

Transfers and subsidies to: Households caters for staff exit costs.

Machinery and equipment caters for the purchase of office and computer equipment, etc. The increase in the 2023/24 Adjusted Appropriation was for the payment of invoices from 2022/23 for the procurement of office furniture. The allocations over the MTEF are for the purchase of new and replacement office and computer equipment, as well as furniture for the department and the TCs.

Payments for financial assets in 2020/21 was in respect of write-offs of staff debts older than five years (mainly in respect of salary over-payments for both officials and *Izinduna*) who have passed away.

Service delivery measures: Traditional Institutional Management

Table 11.24 illustrates the main service delivery measures pertaining to Programme 4. The table includes sector and non-sector measures.

Table 11.24 : Service delivery measures: Traditional Institutional Management

| Outputs | Performance indicators | Estimated performance | Medium-term targets | | | |
|---|--|-----------------------|---------------------|---------|---------|--|
| | | 2023/24 | 2024/25 | 2025/26 | 2026/27 | |
| 4.1. Traditional Institutional Administration | | | | | | |
| 4.1.1 Implementation of guidelines by institutions of traditional leadership monitored | • No. of guidelines monitored for implementation | 5 | 5 | 5 | 5 | |
| 4.1.2 Resolution of succession claims/disputes | • % of traditional leadership succession disputes processed | 100% | 100% | 100% | 100% | |
| 4.1.3 Amakhosi recognised | • % of Amakhosi/ Amabambabukhosi recognitions concluded within 6 months of the ubukhosi position becoming vacant | 100% | 100% | 100% | 100% | |
| 4.1.4 Family trees updated | • % of recognised Amakhosi/ Amabambabukhosi with updated family trees | 100% | 100% | 100% | 100% | |
| 4.1.5 Traditional Affairs turnaround strategies implemented | • No. of Traditional Affairs turnaround strategies implemented | 1 | 1 | 1 | 1 | |
| 4.1.6 Information sharing sessions on conflict management conducted with Amakhosi | • No. of information sharing sessions on conflict management conducted with Amakhosi | 10 | 12 | 12 | 12 | |
| 4.2. Traditional Resource Administration | | | | | | |
| 4.2.1 Functionality of the Provincial and Local House(s) and its sub-committees monitored | • No. of Provincial Houses monitored for functionality | 1 | 1 | 1 | 11 | |
| | • No. of Local Houses monitored for functionality | 11 | 11 | 11 | 11 | |
| 4.2.2 Maintained consolidated database of support given to Amakhosi (Provincial House) | • No. of databases of co-ordinated government support maintained | 1 | 1 | 1 | 1 | |
| 4.2.3 Maintained database of Izinduna | • No. of Izinduna databases maintained | 1 | 1 | 1 | 1 | |
| 4.2.4 Participation of Amakhosi in municipal councils supported | • % of Amakhosi supported to participate in municipal councils | 100% | 100% | 100% | 100% | |
| 4.2.5 Anti GBVF Intervention/campaigns for traditional leadership | • No. of Anti GBVF interventions/campaigns for traditional leadership | 2 | 2 | 2 | 2 | |
| 4.2.6 TCs supported to perform their functions | • No. of TCs supported to perform their functions | 307 | 307 | 307 | 307 | |
| 4.2.7 Identified traditional affairs officials assessed in line with job descriptions | • % of identified traditional affairs officials assessed in line with job descriptions | 100% | - | - | - | |

9 Other programme information

9.1 Personnel numbers and costs

Table 11.25 provides detail of the department's approved establishment and personnel numbers, per level and programme. This category includes the payment of CDWs, over the MTEF. The table also gives a breakdown of employees' dispensation classification. Details are provided in the paragraphs below.

Table 11.25 : Summary of departmental personnel numbers and costs by component

| | Audited Outcome | | | | | | Revised Estimate | | | | Medium-term Estimates | | | | | | Average annual growth over MTEF | | |
|---|-------------------------|---------|-------------------------|---------|-------------------------|---------|------------------|--------------|-------------------------|---------|-------------------------|---------|-------------------------|---------|-------------------------|---------|---------------------------------|-------------------|------------------|
| | 2020/21 | | 2021/22 | | 2022/23 | | 2023/24 | | | | 2024/25 | | 2025/26 | | 2026/27 | | 2023/24 - 2026/27 | | |
| | Pers. Nos. ¹ | Costs | Pers. Nos. ¹ | Costs | Pers. Nos. ¹ | Costs | Filled posts | Addit. posts | Pers. Nos. ¹ | Costs | Pers. Nos. ¹ | Costs | Pers. Nos. ¹ | Costs | Pers. Nos. ¹ | Costs | Pers. growth rate | Costs growth rate | % Costs of Total |
| | | | | | | | | | | | | | | | | | | | |
| R thousands | | | | | | | | | | | | | | | | | | | |
| Salary level | | | | | | | | | | | | | | | | | | | |
| 1 – 7 | 650 | 241 460 | 735 | 245 193 | 703 | 252 626 | 702 | 21 | 723 | 271 597 | 810 | 317 066 | 811 | 332 498 | 811 | 340 884 | 3.9% | 7.9% | 35.4% |
| 8 – 10 | 174 | 136 013 | 225 | 138 438 | 212 | 143 438 | 237 | 17 | 254 | 134 779 | 279 | 166 297 | 281 | 175 050 | 281 | 181 287 | 3.4% | 10.4% | 18.4% |
| 11 – 12 | 179 | 148 891 | 157 | 145 218 | 159 | 150 218 | 156 | 8 | 164 | 160 954 | 194 | 182 233 | 197 | 194 067 | 197 | 197 786 | 6.3% | 7.1% | 20.7% |
| 13 – 16 | 53 | 75 258 | 64 | 82 914 | 64 | 82 914 | 58 | 6 | 64 | 76 499 | 79 | 97 770 | 80 | 102 099 | 80 | 104 517 | 7.7% | 11.0% | 10.6% |
| Other | 1 255 | 104 541 | 747 | 117 495 | 1 093 | 117 495 | 56 | 680 | 736 | 135 555 | 732 | 121 588 | 738 | 125 643 | 858 | 137 113 | 5.2% | 0.4% | 14.9% |
| Total | 2 311 | 706 163 | 1 928 | 729 258 | 2 231 | 746 691 | 1 209 | 732 | 1 941 | 779 384 | 2 094 | 884 954 | 2 107 | 929 357 | 2 227 | 961 587 | 4.7% | 7.3% | 100.0% |
| Programme | | | | | | | | | | | | | | | | | | | |
| 1. Administration | 543 | 170 403 | 393 | 174 761 | 335 | 179 105 | 340 | 27 | 367 | 175 377 | 431 | 228 273 | 431 | 238 889 | 431 | 246 516 | 5.5% | 12.0% | 24.7% |
| 2. Local Governance | 666 | 242 377 | 517 | 252 747 | 537 | 264 192 | 535 | 6 | 541 | 278 089 | 610 | 316 683 | 617 | 334 776 | 617 | 341 497 | 4.5% | 7.1% | 35.7% |
| 3. Development and Planning | 666 | 136 478 | 590 | 145 993 | 939 | 139 969 | 178 | 392 | 570 | 148 376 | 582 | 167 124 | 588 | 173 193 | 708 | 184 045 | 7.5% | 7.4% | 18.9% |
| 4. Traditional Institutional Management | 436 | 156 905 | 428 | 155 757 | 420 | 163 425 | 156 | 307 | 463 | 177 542 | 471 | 172 874 | 471 | 182 499 | 471 | 189 529 | 0.6% | 2.2% | 20.6% |
| Total | 2 311 | 706 163 | 1 928 | 729 258 | 2 231 | 746 691 | 1 209 | 732 | 1 941 | 779 384 | 2 094 | 884 954 | 2 107 | 929 357 | 2 227 | 961 587 | 4.7% | 7.3% | 100.0% |
| Employee dispensation classification | | | | | | | | | | | | | | | | | | | |
| PSA appointees not covered by OSDs | 1 039 | 585 338 | 1 150 | 579 848 | 1 103 | 597 281 | 1 143 | 52 | 1 195 | 631 867 | 1 348 | 747 620 | 1 355 | 787 470 | 1 355 | 807 800 | 4.3% | 8.5% | 83.4% |
| PSA appointees to be covered by OSDs | - | - | 21 | 20 697 | 22 | 20 697 | 1 | - | 1 | 6 641 | 4 | 6 768 | 4 | 6 960 | 4 | 7 140 | 58.7% | 2.4% | 0.8% |
| Prof. Nurses, Staff Nurses, Nursing Assist. | 1 | 620 | 1 | 718 | 1 | 718 | 1 | - | 1 | 713 | 1 | 724 | 1 | 735 | 1 | 746 | - | 1.5% | 0.1% |
| Legal Professionals | 6 | 4 789 | 4 | 5 367 | 7 | 5 367 | 4 | - | 4 | 1 915 | 3 | 3 201 | 3 | 3 201 | 3 | 3 201 | (9.1%) | 18.7% | 0.3% |
| Engineering Prof. and related occupations | 10 | 10 875 | 5 | 5 133 | 5 | 5 133 | 4 | - | 4 | 2 693 | 6 | 5 053 | 6 | 5 348 | 6 | 5 587 | 14.5% | 27.5% | 0.5% |
| Others such as interns, learnerships, etc | 1 255 | 104 541 | 747 | 117 495 | 1 093 | 117 495 | 56 | 680 | 736 | 135 555 | 732 | 121 588 | 738 | 125 643 | 858 | 137 113 | 5.2% | 0.4% | 14.9% |
| Total | 2 311 | 706 163 | 1 928 | 729 258 | 2 231 | 746 691 | 1 209 | 732 | 1 941 | 779 384 | 2 094 | 884 954 | 2 107 | 929 357 | 2 227 | 961 587 | 4.7% | 7.3% | 100.0% |

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

Compensation of employees reflects healthy growth over the 2024/25 MTEF. The growth caters for the filling of vacant posts, among others. This category shows growth of 13.3 per cent from the 2023/24 Adjusted Appropriation to 2024/25. Also, there is an increase of 5 per cent in 2025/26 and 3.5 per cent in 2026/27. The department plans to fill 153 vacant posts in 2024/25, 13 vacant posts in 2025/26 and 120 vacant posts in 2026/27, as mentioned. The department has catered for sufficient growth to fill all vacant posts and has budgeted for the 1.5 per cent pay progression and the carry-through of the 3 per cent cost of living adjustment over the MTEF. The low increase in 2026/27 is sufficient for the 1.5 per cent pay progression and will be reviewed in the next budget process. *Others (interns, EPWP, learnerships)* includes the CDWs appointed to bridge the gap between government and the community and strengthen integration and co-ordination of services provided by government and access to these services by communities. These officials are included against the respective salary levels (mainly level 6).

9.2 Training

Table 11.26 gives a summary of departmental spending and information on training per programme over the seven-year period from 2020/21 to 2026/27. The department is required by the Skills Development Act to budget at least 1 per cent of its salary expenses on staff training, to cater for human resource development, and the department meets this requirement.

Table 11.26 : Information on training: Co-operative Governance and Traditional Affairs

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|--------------|--------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | | | 2024/25 | 2025/26 | 2026/27 |
| Number of staff | 2 311 | 1 928 | 2 231 | 1 941 | 1 941 | 1 941 | 2 094 | 2 107 | 2 227 |
| Number of personnel trained | - | 1 709 | 1 709 | 1 168 | 1 709 | 1 709 | 1 168 | 1 168 | 1 168 |
| of which | | | | | | | | | |
| Male | - | 685 | 690 | 450 | 690 | 690 | 450 | 450 | 450 |
| Female | - | 1 024 | 1 019 | 718 | 1 019 | 1 019 | 718 | 718 | 718 |
| Number of training opportunities | - | 95 | 107 | 116 | 185 | 107 | 140 | 155 | 175 |
| of which | | | | | | | | | |
| Tertiary | - | 9 | 12 | 15 | 24 | 12 | 20 | 20 | 25 |
| Workshops | - | 20 | 24 | 27 | 17 | 24 | 35 | 40 | 45 |
| Seminars | - | 15 | 17 | 20 | 54 | 17 | 20 | 25 | 30 |
| Other | - | 51 | 54 | 54 | 90 | 54 | 65 | 70 | 75 |
| Number of bursaries offered | - | 90 | 114 | 90 | 72 | 90 | 100 | 120 | 130 |
| Number of interns appointed | 72 | 72 | 72 | 52 | - | 72 | 100 | 120 | 150 |
| Number of learnerships appointed | - | - | - | - | 147 | - | - | - | 10 |
| Number of days spent on training | - | 140 | 147 | 300 | 300 | 147 | 147 | 147 | 147 |
| Payments on training by programme | | | | | | | | | |
| 1. Administration | 51 | 1 088 | 2 058 | 1 444 | 1 602 | 1 328 | 1 000 | 1 000 | 1 000 |
| 2. Local Governance | - | - | - | - | - | - | - | - | - |
| 3. Development and Planning | - | - | - | - | - | - | - | - | - |
| 4. Traditional Institutional Management | - | - | - | - | - | - | - | - | - |
| Total | 51 | 1 088 | 2 058 | 1 444 | 1 602 | 1 328 | 1 000 | 1 000 | 1 000 |

The training budget is centralised under Programme 1 against the sub-programme: Corporate Services, Directorate: Human Capital Development, which aims to facilitate the management of all training undertaken in the department and ensuring that training is obtained from accredited training institutions. Expenditure on training fluctuates and is based on the training needs of staff during a particular period. The department reviews the staff training needs on an annual basis.

Training programmes prioritised over the 2024/25 MTEF will form part of the Workplace Skills and Personal Development Plans and will be implemented using the allocated budget to ensure the capacitation and enhancement of employees' skills. Also, interns will be appointed to participate in the internship programme for 24 months. Furthermore, the department will continue to support employees, as well as youth who are pursuing or furthering their studies through different institutions. That will be guided by the departmental approved policies and procedures. Employees will also be encouraged to enrol for free online courses offered by the National School of Governance (NSG). Job specific training programmes will be prioritised, and accredited training providers will be sourced following proper SCM processes. The department will ensure that budget allocated for bursary benefits those that have limited or no means at all to pursue qualifications for employability and promotions in order to contribute to the alleviation of unemployment and to government priorities.

ANNEXURE – VOTE 11: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

Table 11.A : Details of departmental receipts: Co-operative Governance and Traditional Affairs

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------------|--------------|--------------------|------------------------|------------------|-----------------------|--------------|--------------|
| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | | | 2024/25 | 2025/26 | 2026/27 |
| Tax receipts | - | - | - | - | - | - | - | - | - |
| Casino taxes | - | - | - | - | - | - | - | - | - |
| Horse racing taxes | - | - | - | - | - | - | - | - | - |
| Liquor licences | - | - | - | - | - | - | - | - | - |
| Motor vehicle licences | - | - | - | - | - | - | - | - | - |
| Sale of goods and services other than capital assets | 1 519 | 1 574 | 1 598 | 2 438 | 2 438 | 1 735 | 1 730 | 1 732 | 1 734 |
| Sale of goods and services produced by department (excluding capital assets) | 1 519 | 1 569 | 1 598 | 2 438 | 2 438 | 1 735 | 1 730 | 1 732 | 1 734 |
| Sale by market establishments | 702 | 678 | 635 | 1 478 | 1 478 | 800 | 620 | 621 | 622 |
| Administrative fees | - | - | - | - | - | - | - | - | - |
| Other sales | 817 | 891 | 963 | 960 | 960 | 935 | 1 110 | 1 111 | 1 112 |
| Of which | | | | | | | | | |
| Commission | 563 | 828 | 925 | 650 | 650 | 650 | 974 | 974 | 974 |
| Tender documents | 254 | 21 | 15 | 294 | 294 | 294 | 25 | 25 | 25 |
| Sale: Asset <R5000 | - | 39 | - | - | - | - | 150 | 150 | 150 |
| Sale of scrap, waste, arms and other used current goods (excluding capital assets) | - | 5 | - | - | - | - | - | - | - |
| Transfers received from: | - | - | - | - | - | - | - | - | - |
| Other governmental units | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments | - | - | - | - | - | - | - | - | - |
| International organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Households and non-profit institutions | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | - | - | - | - | - | - | - | - | - |
| Interest, dividends and rent on land | 871 | 1 463 | 91 | 66 | 66 | 116 | 69 | 72 | 75 |
| Interest | 871 | 1 463 | 91 | 66 | 66 | 116 | 69 | 72 | 75 |
| Dividends | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Sale of capital assets | 1 506 | - | 2 580 | 1 600 | 1 600 | - | 1 600 | 1 700 | 1 800 |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Other capital assets | 1 506 | - | 2 580 | 1 600 | 1 600 | - | 1 600 | 1 700 | 1 800 |
| Transactions in financial assets and liabilities | 31 423 | 7 021 | 1 689 | 1 462 | 1 462 | 1 888 | 1 528 | 1 597 | 1 668 |
| Total | 35 319 | 10 058 | 5 958 | 5 566 | 5 566 | 3 739 | 4 927 | 5 101 | 5 277 |

Table 11.B : Payments and estimates by economic classification: Co-operative Governance and Traditional Affairs

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2023/24 | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
| Current payments | 1 328 607 | 1 429 962 | 1 525 555 | 2 346 901 | 2 289 048 | 2 287 839 | 1 777 429 | 1 830 635 | 1 937 024 |
| Compensation of employees | 706 163 | 729 258 | 746 691 | 824 765 | 780 886 | 779 384 | 884 954 | 929 357 | 961 587 |
| Salaries and wages | 624 672 | 646 025 | 655 474 | 728 960 | 684 066 | 682 685 | 787 445 | 823 574 | 851 242 |
| Social contributions | 81 491 | 83 233 | 91 217 | 95 805 | 96 820 | 96 699 | 97 509 | 105 783 | 110 345 |
| Goods and services | 622 436 | 700 257 | 778 771 | 1 522 136 | 1 508 162 | 1 508 455 | 892 475 | 901 278 | 975 437 |
| Administrative fees | 476 | 1 031 | 1 583 | 3 391 | 3 187 | 3 797 | 3 047 | 3 253 | 3 528 |
| Advertising | 7 111 | 15 074 | 13 258 | 9 937 | 12 223 | 14 363 | 10 372 | 11 622 | 15 125 |
| Minor assets | 414 | 598 | 1 146 | 751 | 366 | 1 044 | 1 130 | 346 | 358 |
| Audit cost: External | 6 521 | 9 427 | 9 536 | 9 333 | 8 135 | 8 135 | 8 000 | 9 000 | 10 500 |
| Bursaries: Employees | 16 | 45 | 1 177 | 1 000 | 1 300 | 1 290 | 1 319 | 1 770 | 1 894 |
| Catering: Departmental activities | 603 | 759 | 2 002 | 4 909 | 3 761 | 4 697 | 4 119 | 4 177 | 5 268 |
| Communication (G&S) | 10 128 | 14 611 | 14 264 | 14 734 | 15 778 | 15 932 | 16 624 | 18 700 | 19 439 |
| Computer services | 29 735 | 52 423 | 40 164 | 41 967 | 28 038 | 25 823 | 47 759 | 43 881 | 75 438 |
| Cons & prof sev: Business and advisory services | 91 902 | 83 594 | 120 808 | 179 012 | 115 402 | 101 448 | 111 754 | 99 513 | 100 994 |
| Infrastructure and planning | - | - | - | - | - | - | - | - | - |
| Laboratory services | - | - | - | - | - | - | - | - | - |
| Scientific and technological services | - | - | - | - | - | - | - | - | - |
| Legal services | 7 376 | 15 204 | 15 117 | 11 270 | 13 179 | 14 637 | 12 420 | 12 425 | 14 430 |
| Contractors | 2 320 | 12 931 | 13 681 | 40 011 | 46 348 | 40 113 | 46 809 | 41 733 | 40 207 |
| Agency and support / outsourced services | 9 001 | 9 766 | 6 184 | 9 000 | 10 852 | 7 410 | 12 000 | 13 000 | 13 000 |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt. motor transport) | 15 209 | 14 960 | 21 493 | 20 110 | 20 476 | 20 968 | 20 400 | 21 400 | 23 431 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | 67 | 67 | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 1 234 | 4 084 | 4 790 | 4 500 | 7 843 | 7 828 | 4 500 | 5 500 | 6 000 |
| Inventory: Chemicals, fuel, oil, gas, wood and coal | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 1 313 | 3 488 | 3 525 | 5 000 | 7 514 | 7 514 | 4 000 | 6 500 | 8 000 |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | 7 158 | 6 652 | 8 527 | 8 200 | 21 345 | 22 044 | 13 000 | 11 000 | 16 000 |
| Consumable supplies | 1 933 | 4 339 | 3 037 | 4 272 | 10 604 | 9 574 | 12 013 | 3 906 | 5 516 |
| Consumable: Stationery, printing and office supplies | 5 310 | 13 234 | 8 678 | 11 153 | 11 001 | 13 134 | 10 117 | 10 948 | 11 500 |
| Operating leases | 15 387 | 33 467 | 29 010 | 33 730 | 22 461 | 25 531 | 32 677 | 35 666 | 37 798 |
| Property payments | 36 028 | 48 994 | 61 984 | 64 176 | 60 797 | 61 072 | 54 556 | 54 860 | 65 389 |
| Transport provided: Departmental activity | - | - | - | - | - | 787 | - | - | - |
| Travel and subsistence | 11 956 | 18 240 | 34 655 | 39 472 | 59 244 | 61 763 | 48 190 | 54 853 | 57 837 |
| Training and development | 51 | 1 088 | 2 058 | 1 444 | 1 602 | 1 328 | 1 000 | 1 000 | 1 000 |
| Operating payments | 358 340 | 330 985 | 355 157 | 1 004 764 | 1 026 067 | 1 037 234 | 416 669 | 436 225 | 442 785 |
| Venues and facilities | - | - | - | - | 571 | 921 | - | - | - |
| Rental and hiring | 2 914 | 5 263 | 6 937 | - | 1 | 1 | - | - | - |
| Interest and rent on land | 8 | 447 | 93 | - | - | - | - | - | - |
| Interest | 8 | 447 | 93 | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 38 830 | 231 248 | 234 321 | 24 670 | 95 682 | 96 118 | 8 049 | 8 517 | 7 794 |
| Provinces and municipalities | 491 | 188 504 | 181 489 | 16 600 | 87 320 | 87 299 | 900 | 910 | 920 |
| Provinces | 491 | 484 | 389 | 900 | 715 | 694 | 900 | 910 | 920 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 491 | 484 | 389 | 900 | 715 | 694 | 900 | 910 | 920 |
| Municipalities | - | 188 020 | 181 100 | 15 700 | 86 605 | 86 605 | - | - | - |
| Municipalities | - | 188 020 | 178 100 | 15 700 | 86 605 | 86 605 | - | - | - |
| Municipal agencies and funds | - | - | 3 000 | - | - | - | - | - | - |
| Departmental agencies and accounts | - | 13 000 | 1 | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Entities receiving transfers | - | 13 000 | 1 | - | - | - | - | - | - |
| Higher education institutions | - | - | 1 280 | 1 280 | - | - | 1 280 | 1 280 | - |
| 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 | 26 082 | 19 820 | 40 433 | 250 | 250 | 250 | 250 | 250 | 250 |
| Households | 12 257 | 9 924 | 11 118 | 6 540 | 8 112 | 8 569 | 5 619 | 6 077 | 6 624 |
| Social benefits | 10 276 | 7 867 | 8 522 | 4 670 | 6 724 | 6 533 | 3 730 | 3 774 | 4 053 |
| Other transfers to households | 1 981 | 2 057 | 2 596 | 1 870 | 1 388 | 2 036 | 1 889 | 2 303 | 2 571 |
| Payments for capital assets | 144 711 | 108 902 | 59 452 | 71 442 | 50 779 | 51 552 | 64 588 | 88 561 | 69 900 |
| Buildings and other fixed structures | 99 383 | 79 528 | 26 884 | 39 969 | 23 290 | 23 590 | 30 567 | 66 251 | 49 000 |
| Buildings | 19 787 | 11 521 | 25 876 | 39 969 | 23 170 | 23 170 | 30 567 | 66 251 | 49 000 |
| Other fixed structures | 79 596 | 68 007 | 1 008 | - | 120 | 420 | - | - | - |
| Machinery and equipment | 36 433 | 16 403 | 31 189 | 15 131 | 12 418 | 12 890 | 22 571 | 8 360 | 10 350 |
| Transport equipment | 1 238 | 3 964 | 21 866 | 3 070 | 1 600 | 1 600 | 9 800 | 3 000 | 4 000 |
| Other machinery and equipment | 35 195 | 12 439 | 9 323 | 12 061 | 10 818 | 11 290 | 12 771 | 5 360 | 6 350 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 8 895 | 12 971 | 1 379 | 16 342 | 15 071 | 15 072 | 11 450 | 13 950 | 10 550 |
| Payments for financial assets | 1 720 | 11 765 | 298 | - | - | - | - | - | - |
| Total | 1 513 868 | 1 781 877 | 1 819 626 | 2 443 013 | 2 435 509 | 2 435 509 | 1 850 066 | 1 927 713 | 2 014 718 |

Table 11.C : Payments and estimates by economic classification: Administration

| R thousand | Audited Outcome | | | Main | Adjusted | Revised | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|----------------|----------------|----------------|-----------------------|----------------|----------------|
| | 2020/21 | 2021/22 | 2022/23 | Appropriation | Appropriation | Estimate | 2024/25 | 2025/26 | 2026/27 |
| Current payments | 312 260 | 415 307 | 414 084 | 425 791 | 397 320 | 404 180 | 455 866 | 471 193 | 538 143 |
| Compensation of employees | 170 403 | 174 761 | 179 105 | 196 293 | 174 449 | 175 377 | 228 273 | 238 889 | 246 516 |
| Salaries and wages | 150 323 | 154 312 | 155 664 | 172 659 | 149 553 | 150 742 | 204 837 | 212 213 | 218 123 |
| Social contributions | 20 080 | 20 449 | 23 441 | 23 634 | 24 896 | 24 635 | 23 436 | 26 676 | 28 393 |
| Goods and services | 141 849 | 240 099 | 234 886 | 229 498 | 222 871 | 228 803 | 227 593 | 232 304 | 291 627 |
| Administrative fees | 223 | 689 | 879 | 912 | 933 | 931 | 949 | 1 000 | 1 049 |
| Advertising | 6 933 | 14 986 | 13 123 | 9 801 | 12 165 | 14 264 | 9 900 | 11 000 | 14 448 |
| Minor assets | 154 | 507 | 588 | 412 | 201 | 508 | 350 | 346 | 358 |
| Audit cost: External | 6 521 | 9 427 | 9 536 | 9 333 | 8 135 | 8 135 | 8 000 | 9 000 | 10 500 |
| Bursaries: Employees | 16 | 45 | 1 177 | 1 000 | 1 300 | 1 290 | 1 319 | 1 770 | 1 894 |
| Catering: Departmental activities | 29 | 300 | 688 | 463 | 667 | 733 | 360 | 380 | 385 |
| Communication (G&S) | 5 451 | 8 850 | 8 690 | 7 466 | 7 827 | 8 130 | 8 032 | 8 614 | 8 725 |
| Computer services | 29 735 | 52 423 | 40 164 | 41 967 | 27 424 | 25 209 | 45 917 | 43 881 | 75 438 |
| Cons & prof sev: Business and advisory services | 7 121 | 16 384 | 7 063 | 4 617 | 726 | 1 316 | 551 | 573 | 3 594 |
| Infrastructure and planning | - | - | - | - | - | - | - | - | - |
| Laboratory services | - | - | - | - | - | - | - | - | - |
| Scientific and technological services | - | - | - | - | - | - | - | - | - |
| Legal services | 7 376 | 15 204 | 15 117 | 10 070 | 13 179 | 14 637 | 8 070 | 8 075 | 10 080 |
| Contractors | 1 209 | 2 002 | 4 046 | 3 361 | 8 335 | 8 231 | 8 059 | 4 493 | 6 677 |
| Agency and support / outsourced services | 1 471 | - | 88 | 9 000 | 10 852 | 7 410 | 12 000 | 13 000 | 13 000 |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt. motor transport) | 15 209 | 14 960 | 21 493 | 20 110 | 20 476 | 20 968 | 20 400 | 21 400 | 23 431 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | 67 | 67 | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Chemicals, fuel, oil, gas, wood and coal | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 1 857 | 2 519 | 2 686 | 2 158 | 3 789 | 3 763 | 2 300 | 2 834 | 3 003 |
| Consumable: Stationery, printing and office supplies | 4 830 | 11 522 | 7 724 | 8 195 | 10 460 | 12 728 | 7 885 | 8 826 | 9 331 |
| Operating leases | 14 047 | 32 151 | 27 472 | 29 230 | 19 689 | 22 733 | 29 923 | 32 514 | 34 493 |
| Property payments | 36 028 | 48 984 | 59 594 | 64 166 | 60 797 | 61 072 | 54 556 | 54 860 | 65 389 |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | 3 509 | 8 056 | 12 388 | 5 793 | 14 132 | 14 987 | 8 022 | 8 738 | 8 832 |
| Training and development | 51 | 1 088 | 2 058 | 1 444 | 1 602 | 1 328 | 1 000 | 1 000 | 1 000 |
| Operating payments | 79 | 2 | 312 | - | 114 | 362 | - | - | - |
| Venues and facilities | - | - | - | - | - | - | - | - | - |
| Rental and hiring | - | - | - | - | 1 | 1 | - | - | - |
| Interest and rent on land | 8 | 447 | 93 | - | - | - | - | - | - |
| Interest | 8 | 447 | 93 | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 8 710 | 7 457 | 7 037 | 6 240 | 5 450 | 5 405 | 6 019 | 6 487 | 6 894 |
| Provinces and municipalities | 491 | 484 | 389 | 900 | 715 | 640 | 900 | 910 | 920 |
| Provinces | 491 | 484 | 389 | 900 | 715 | 640 | 900 | 910 | 920 |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | 491 | 484 | 389 | 900 | 715 | 640 | 900 | 910 | 920 |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | 1 | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Entities receiving transfers | - | - | 1 | - | - | - | - | - | - |
| 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 | 8 219 | 6 973 | 6 647 | 5 340 | 4 735 | 4 765 | 5 119 | 5 577 | 5 974 |
| Social benefits | 6 238 | 4 973 | 4 133 | 3 470 | 3 347 | 3 376 | 3 230 | 3 274 | 3 403 |
| Other transfers to households | 1 981 | 2 000 | 2 514 | 1 870 | 1 388 | 1 389 | 1 889 | 2 303 | 2 571 |
| Payments for capital assets | 42 797 | 28 219 | 14 320 | 22 064 | 19 389 | 19 544 | 27 580 | 34 450 | 26 050 |
| Buildings and other fixed structures | - | - | 700 | - | 120 | 420 | 4 300 | 17 000 | 11 000 |
| Buildings | - | - | 700 | - | - | - | 4 300 | 17 000 | 11 000 |
| Other fixed structures | - | - | - | - | 120 | 420 | - | - | - |
| Machinery and equipment | 33 902 | 15 248 | 12 241 | 5 722 | 4 198 | 4 052 | 11 830 | 3 500 | 4 500 |
| Transport equipment | 1 238 | 3 964 | 9 731 | 3 070 | 1 600 | 1 600 | 9 800 | 3 000 | 4 000 |
| Other machinery and equipment | 32 664 | 11 284 | 2 510 | 2 652 | 2 598 | 2 452 | 2 030 | 500 | 500 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | 8 895 | 12 971 | 1 379 | 16 342 | 15 071 | 15 072 | 11 450 | 13 950 | 10 550 |
| Payments for financial assets | 5 | 11 765 | 298 | - | - | - | - | - | - |
| Total | 363 772 | 462 748 | 435 739 | 454 095 | 422 159 | 429 129 | 489 465 | 512 130 | 571 087 |

Table 11.D : Payments and estimates by economic classification: Local Governance

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2020/21 | 2021/22 | 2022/23 | | | | 2024/25 | 2025/26 | 2026/27 |
| Current payments | 300 304 | 312 242 | 330 550 | 321 539 | 337 432 | 339 328 | 375 226 | 389 709 | 393 622 |
| Compensation of employees | 242 377 | 252 747 | 264 192 | 271 352 | 275 575 | 278 089 | 316 683 | 334 776 | 341 497 |
| Salaries and wages | 205 890 | 215 562 | 224 984 | 229 214 | 234 169 | 236 057 | 272 265 | 287 296 | 292 445 |
| Social contributions | 36 487 | 37 185 | 39 208 | 42 138 | 41 406 | 42 032 | 44 418 | 47 480 | 49 052 |
| Goods and services | 57 927 | 59 495 | 66 358 | 50 187 | 61 857 | 61 239 | 58 543 | 54 933 | 52 125 |
| Administrative fees | 146 | 172 | 438 | 578 | 493 | 490 | 709 | 692 | 798 |
| Advertising | 5 | 17 | 72 | 36 | 58 | 99 | 472 | 622 | 677 |
| Minor assets | 183 | 86 | 86 | 18 | 57 | 137 | 265 | - | - |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 430 | 430 | 527 | 1 666 | 487 | 628 | 1 221 | 1 268 | 1 327 |
| Communication (G&S) | 4 006 | 4 570 | 4 507 | 4 244 | 4 696 | 4 530 | 4 388 | 4 507 | 5 054 |
| Computer services | - | - | - | - | - | - | - | - | - |
| Cons & prof sev: Business and advisory services | 38 468 | 26 708 | 35 521 | 19 162 | 30 637 | 30 230 | 16 500 | 13 500 | 13 500 |
| Infrastructure and planning | - | - | - | - | - | - | - | - | - |
| Laboratory services | - | - | - | - | - | - | - | - | - |
| Scientific and technological services | - | - | - | - | - | - | - | - | - |
| Legal services | - | - | - | - | - | - | - | - | - |
| Contractors | 1 011 | 8 171 | 7 967 | 15 050 | 11 323 | 10 971 | 19 500 | 17 800 | 13 650 |
| Agency and support / outsourced services | 7 530 | 9 766 | 6 096 | - | - | - | - | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt. motor transport) | - | - | - | - | - | - | - | - | - |
| 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 | - | - | 348 | - | - | - | - | - | - |
| Consumable supplies | 67 | 928 | 115 | 74 | 1 759 | 1 257 | 998 | 107 | 118 |
| Consumable: Stationery, printing and office supplies | 350 | 1 132 | 266 | 678 | 278 | 277 | 1 327 | 1 131 | 1 144 |
| Operating leases | 493 | 464 | 756 | 870 | 1 019 | 1 045 | 1 005 | 1 091 | 1 156 |
| Property payments | - | - | - | - | - | - | - | - | - |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | 4 578 | 4 127 | 9 493 | 7 591 | 10 724 | 11 213 | 11 773 | 13 815 | 14 286 |
| Training and development | - | - | - | - | - | - | - | - | - |
| Operating payments | 660 | 1 078 | 166 | 220 | 326 | 362 | 385 | 400 | 415 |
| Venues and facilities | - | - | - | - | - | - | - | - | - |
| Rental and hiring | - | 1 846 | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 1 181 | 753 | 2 543 | 550 | 1 692 | 1 792 | 450 | 200 | 300 |
| Provinces and municipalities | - | - | 2 000 | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | 2 000 | - | - | - | - | - | - |
| Municipalities | - | - | 2 000 | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Entities receiving transfers | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 1 181 | 753 | 543 | 550 | 1 692 | 1 792 | 450 | 200 | 300 |
| Social benefits | 1 181 | 753 | 543 | 550 | 1 692 | 1 145 | 450 | 200 | 300 |
| Other transfers to households | - | - | - | - | - | 647 | - | - | - |
| Payments for capital assets | 776 | 547 | 3 983 | 462 | 480 | 576 | 7 401 | 1 960 | 1 500 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 776 | 547 | 3 983 | 462 | 480 | 576 | 7 401 | 1 960 | 1 500 |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | 776 | 547 | 3 983 | 462 | 480 | 576 | 7 401 | 1 960 | 1 500 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 302 261 | 313 542 | 337 076 | 322 551 | 339 604 | 341 696 | 383 077 | 391 869 | 395 422 |

Table 11.E : Payments and estimates by economic classification: Development and Planning

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | | | 2024/25 | 2025/26 | 2026/27 |
| Current payments | 200 523 | 212 708 | 254 754 | 375 185 | 301 780 | 280 959 | 307 741 | 296 120 | 312 869 |
| Compensation of employees | 136 478 | 145 993 | 139 969 | 180 790 | 149 206 | 148 376 | 167 124 | 173 193 | 184 045 |
| Salaries and wages | 123 762 | 132 696 | 125 186 | 164 545 | 133 509 | 132 825 | 151 780 | 157 414 | 167 433 |
| Social contributions | 12 716 | 13 297 | 14 783 | 16 245 | 15 697 | 15 551 | 15 344 | 15 779 | 16 612 |
| Goods and services | 64 045 | 66 715 | 114 785 | 194 395 | 152 574 | 132 583 | 140 617 | 122 927 | 128 824 |
| Administrative fees | 107 | 170 | 266 | 905 | 368 | 274 | 339 | 361 | 381 |
| Advertising | 173 | 71 | 63 | 100 | - | - | - | - | - |
| Minor assets | 72 | - | 139 | 164 | 96 | 42 | 60 | - | - |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 144 | 29 | 787 | 943 | 751 | 474 | 455 | 501 | 544 |
| Communication (G&S) | 671 | 1 191 | 1 067 | 1 492 | 551 | 467 | 1 007 | 1 074 | 1 115 |
| Computer services | - | - | - | - | 614 | 614 | 1 842 | - | - |
| Cons & prof sev: Business and advisory services | 46 313 | 40 502 | 75 354 | 155 233 | 80 262 | 66 044 | 94 703 | 85 440 | 83 900 |
| Infrastructure and planning | - | - | - | - | - | - | - | - | - |
| Laboratory services | - | - | - | - | - | - | - | - | - |
| Scientific and technological services | - | - | - | - | - | - | - | - | - |
| Legal services | - | - | - | - | - | - | - | - | - |
| Contractors | - | 916 | 1 129 | 3 000 | 16 815 | 12 142 | 3 300 | 1 000 | 1 000 |
| Agency and support / outsourced services | - | - | - | - | - | - | - | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt. motor transport) | - | - | - | - | - | - | - | - | - |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 1 234 | 4 084 | 4 790 | 4 500 | 7 843 | 7 828 | 4 500 | 5 500 | 6 000 |
| Inventory: Chemicals, fuel, oil, gas, wood and coal | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 1 313 | 3 488 | 3 525 | 5 000 | 7 514 | 7 514 | 4 000 | 6 500 | 8 000 |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | 7 158 | 6 652 | 8 179 | 8 200 | 21 345 | 22 044 | 13 000 | 11 000 | 16 000 |
| Consumable supplies | 9 | 892 | 236 | 1 483 | 4 858 | 4 093 | 7 405 | 655 | 485 |
| Consumable: Stationery, printing and office supplies | 130 | 580 | 688 | 876 | 234 | 101 | 345 | 364 | 384 |
| Operating leases | 847 | 852 | 782 | 1 641 | 965 | 979 | 891 | 915 | 968 |
| Property payments | - | 10 | 2 390 | - | - | - | - | - | - |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | 2 505 | 3 769 | 8 315 | 10 358 | 10 358 | 9 966 | 8 770 | 9 617 | 10 047 |
| Training and development | - | - | - | - | - | - | - | - | - |
| Operating payments | 455 | 92 | 138 | 500 | - | 1 | - | - | - |
| Venues and facilities | - | - | - | - | - | - | - | - | - |
| Rental and hiring | 2 914 | 3 417 | 6 937 | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 1 190 | 202 132 | 183 704 | 17 030 | 87 664 | 87 990 | 1 330 | 1 580 | 350 |
| Provinces and municipalities | - | 188 020 | 179 100 | 15 700 | 86 605 | 86 605 | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | 188 020 | 179 100 | 15 700 | 86 605 | 86 605 | - | - | - |
| Municipalities | - | 188 020 | 176 100 | 15 700 | 86 605 | 86 605 | - | - | - |
| Municipal agencies and funds | - | - | 3 000 | - | - | - | - | - | - |
| Departmental agencies and accounts | - | 13 000 | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Entities receiving transfers | - | 13 000 | - | - | - | - | - | - | - |
| Higher education institutions | - | - | 1 280 | 1 280 | - | - | 1 280 | 1 280 | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on production | - | - | - | - | - | - | - | - | - |
| Other transfers | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 1 190 | 1 112 | 3 324 | 50 | 1 059 | 1 385 | 50 | 300 | 350 |
| Social benefits | 1 190 | 1 112 | 3 324 | 50 | 1 059 | 1 385 | 50 | 300 | 350 |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 100 792 | 80 078 | 40 627 | 41 836 | 23 210 | 23 527 | 27 337 | 49 551 | 38 250 |
| Buildings and other fixed structures | 99 383 | 79 528 | 26 184 | 39 969 | 23 170 | 23 170 | 26 267 | 49 251 | 38 000 |
| Buildings | 19 787 | 11 521 | 25 176 | 39 969 | 23 170 | 23 170 | 26 267 | 49 251 | 38 000 |
| Other fixed structures | 79 596 | 68 007 | 1 008 | - | - | - | - | - | - |
| Machinery and equipment | 1 409 | 550 | 14 443 | 1 867 | 40 | 357 | 1 070 | 300 | 250 |
| Transport equipment | - | - | 12 135 | - | - | - | - | - | - |
| Other machinery and equipment | 1 409 | 550 | 2 308 | 1 867 | 40 | 357 | 1 070 | 300 | 250 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 302 505 | 494 918 | 479 085 | 434 051 | 412 654 | 392 476 | 336 408 | 347 251 | 351 469 |

Table 11.F : Payments and estimates by economic classification: Traditional Institutional Management

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|----------------|----------------|
| | 2020/21 | 2021/22 | 2022/23 | | | | 2024/25 | 2025/26 | 2026/27 |
| Current payments | 515 520 | 489 705 | 526 167 | 1 224 386 | 1 252 516 | 1 263 372 | 638 596 | 673 613 | 692 390 |
| Compensation of employees | 156 905 | 155 757 | 163 425 | 176 330 | 181 656 | 177 542 | 172 874 | 182 499 | 189 529 |
| Salaries and wages | 144 697 | 143 455 | 149 640 | 162 542 | 166 835 | 163 061 | 158 563 | 166 651 | 173 241 |
| Social contributions | 12 208 | 12 302 | 13 785 | 13 788 | 14 821 | 14 481 | 14 311 | 15 848 | 16 288 |
| Goods and services | 358 615 | 333 948 | 362 742 | 1 048 056 | 1 070 860 | 1 085 830 | 465 722 | 491 114 | 502 861 |
| Administrative fees | - | - | - | 996 | 1 393 | 2 102 | 1 050 | 1 200 | 1 300 |
| Advertising | - | - | - | - | - | - | - | - | - |
| Minor assets | 5 | 5 | 333 | 157 | 12 | 357 | 455 | - | - |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | - | - | - | 1 837 | 1 856 | 2 862 | 2 083 | 2 028 | 3 012 |
| Communication (G&S) | - | - | - | 1 532 | 2 704 | 2 805 | 3 197 | 4 505 | 4 545 |
| Computer services | - | - | - | - | - | - | - | - | - |
| Cons & prof sev: Business and advisory services | - | - | 2 870 | - | 3 777 | 3 858 | - | - | - |
| Infrastructure and planning | - | - | - | - | - | - | - | - | - |
| Laboratory services | - | - | - | - | - | - | - | - | - |
| Scientific and technological services | - | - | - | - | - | - | - | - | - |
| Legal services | - | - | - | 1 200 | - | - | 4 350 | 4 350 | 4 350 |
| Contractors | 100 | 1 842 | 539 | 18 600 | 9 875 | 8 769 | 15 950 | 18 440 | 18 880 |
| Agency and support / outsourced services | - | - | - | - | - | - | - | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt. motor transport) | - | - | - | - | - | - | - | - | - |
| 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 | - | - | - | 557 | 198 | 461 | 1 310 | 310 | 1 910 |
| Consumable: Stationery, printing and office supplies | - | - | - | 1 404 | 29 | 28 | 560 | 627 | 641 |
| Operating leases | - | - | - | 1 989 | 788 | 774 | 858 | 1 146 | 1 181 |
| Property payments | - | - | - | 10 | - | - | - | - | - |
| Transport provided: Departmental activity | - | - | - | - | - | 787 | - | - | - |
| Travel and subsistence | 1 364 | 2 288 | 4 459 | 15 730 | 24 030 | 25 597 | 19 625 | 22 683 | 24 672 |
| Training and development | - | - | - | - | - | - | - | - | - |
| Operating payments | 357 146 | 329 813 | 354 541 | 1 004 044 | 1 025 627 | 1 036 509 | 416 284 | 435 825 | 442 370 |
| Venues and facilities | - | - | - | - | 571 | 921 | - | - | - |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 27 749 | 20 906 | 41 037 | 850 | 876 | 931 | 250 | 250 | 250 |
| Provinces and municipalities | - | - | - | - | - | 54 | - | - | - |
| Provinces | - | - | - | - | - | 54 | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | 54 | - | - | - |
| 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 | 26 082 | 19 820 | 40 433 | 250 | 250 | 250 | 250 | 250 | 250 |
| Households | 1 667 | 1 086 | 604 | 600 | 626 | 627 | - | - | - |
| Social benefits | 1 667 | 1 029 | 522 | 600 | 626 | 627 | - | - | - |
| Other transfers to households | - | 57 | 82 | - | - | - | - | - | - |
| Payments for capital assets | 346 | 58 | 522 | 7 080 | 7 700 | 7 905 | 2 270 | 2 600 | 4 100 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 346 | 58 | 522 | 7 080 | 7 700 | 7 905 | 2 270 | 2 600 | 4 100 |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | 346 | 58 | 522 | 7 080 | 7 700 | 7 905 | 2 270 | 2 600 | 4 100 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | 1 715 | - | - | - | - | - | - | - | - |
| Total | 545 330 | 510 669 | 567 726 | 1 232 316 | 1 261 092 | 1 272 208 | 641 116 | 676 463 | 696 740 |

Table 11.G : Payments and estimates by economic classification: EPWP Integrated Grant for Provinces (Prog 3: Development and Planning)

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|--------------|--------------|--------------------|------------------------|------------------|-----------------------|----------|----------|
| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2023/24 | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
| Current payments | 2 777 | 1 994 | 1 993 | 1 960 | 1 960 | 1 960 | 2 000 | - | - |
| Compensation of employees | - | - | - | - | - | - | - | - | - |
| Salaries and wages | - | - | - | - | - | - | - | - | - |
| Social contributions | - | - | - | - | - | - | - | - | - |
| Goods and services | 2 777 | 1 994 | 1 993 | 1 960 | 1 960 | 1 960 | 2 000 | - | - |
| Administrative fees | - | - | - | - | - | - | - | - | - |
| Advertising | - | - | - | - | - | - | - | - | - |
| Minor assets | - | - | - | - | - | - | - | - | - |
| Audit cost: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | - | - | - | - | - | - | - | - | - |
| Communication (G&S) | - | - | - | - | - | - | - | - | - |
| Computer services | - | - | - | - | - | - | - | - | - |
| Cons & prof sev: Business and advisory services | 2 777 | 1 994 | 1 993 | 1 960 | 1 960 | 1 960 | 2 000 | - | - |
| Infrastructure and planning | - | - | - | - | - | - | - | - | - |
| Laboratory services | - | - | - | - | - | - | - | - | - |
| Scientific and technological services | - | - | - | - | - | - | - | - | - |
| Legal services | - | - | - | - | - | - | - | - | - |
| Contractors | - | - | - | - | - | - | - | - | - |
| Agency and support / outsourced services | - | - | - | - | - | - | - | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (incl. govt. motor transport) | - | - | - | - | - | - | - | - | - |
| 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 | - | - | - | - | - | - | - | - | - |
| Consumable: Stationery, printing and office supplies | - | - | - | - | - | - | - | - | - |
| Operating leases | - | - | - | - | - | - | - | - | - |
| Property payments | - | - | - | - | - | - | - | - | - |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | - | - | - | - | - | - | - | - | - |
| Training and development | - | - | - | - | - | - | - | - | - |
| Operating payments | - | - | - | - | - | - | - | - | - |
| Venues and facilities | - | - | - | - | - | - | - | - | - |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| 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 | - | - | - | - | - | - | - | - | - |
| Social benefits | - | - | - | - | - | - | - | - | - |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | - | - | - | - | - | - | - | - | - |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | - | - | - |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | - | - | - | - | - | - | - | - | - |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payments for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 2 777 | 1 994 | 1 993 | 1 960 | 1 960 | 1 960 | 2 000 | - | - |

Table 11.H : Summary of transfers to local government

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|----------------|----------------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2020/21 | 2021/22 | 2022/23 | | | | 2024/25 | 2025/26 | 2026/27 |
| A KZN2000 eThekweni | - | - | - | - | - | - | - | - | - |
| Total: Ugu Municipalities | - | 39 700 | 15 200 | 3 700 | 20 700 | 20 700 | - | - | - |
| B KZN212 uMdoni | - | - | 4 000 | 3 700 | - | - | - | - | - |
| B KZN213 uMzombe | - | - | - | - | 20 700 | 20 700 | - | - | - |
| B KZN214 uMuziwabantu | - | - | 4 600 | - | - | - | - | - | - |
| B KZN216 Ray Nkonyeni | - | 14 000 | - | - | - | - | - | - | - |
| C DC21 Ugu District Municipality | - | 25 700 | 6 600 | - | - | - | - | - | - |
| Total: uMgungundlovu Municipalities | - | 54 920 | 64 300 | - | 20 700 | 20 700 | - | - | - |
| B KZN221 uMshwathi | - | 7 500 | 5 000 | - | - | - | - | - | - |
| B KZN222 uMngeni | - | - | - | - | - | - | - | - | - |
| B KZN223 Mpofana | - | - | 3 000 | - | - | - | - | - | - |
| B KZN224 iMpindle | - | - | - | - | - | - | - | - | - |
| B KZN225 Msunduzi | - | 15 000 | 16 600 | - | - | - | - | - | - |
| B KZN226 Mkhambathini | - | 14 420 | 14 500 | - | 20 700 | 20 700 | - | - | - |
| B KZN227 Richmond | - | - | 5 200 | - | - | - | - | - | - |
| C DC22 uMgungundlovu District Municipality | - | 18 000 | 20 000 | - | - | - | - | - | - |
| Total: uThukela Municipalities | - | - | 15 900 | 7 100 | 7 100 | 7 100 | - | - | - |
| B KZN235 Okhahlamba | - | - | 15 900 | 7 100 | 7 100 | 7 100 | - | - | - |
| B KZN237 iNkosi Langalibalele | - | - | - | - | - | - | - | - | - |
| B KZN238 Alfred Duma | - | - | - | - | - | - | - | - | - |
| C DC23 uThukela District Municipality | - | - | - | - | - | - | - | - | - |
| Total: uMzinyathi Municipalities | - | 9 100 | 11 500 | - | 31 609 | 31 609 | - | - | - |
| B KZN241 eNdumeni | - | 1 600 | - | - | - | - | - | - | - |
| B KZN242 Nquthu | - | - | - | - | 31 609 | 31 609 | - | - | - |
| B KZN244 uMsinga | - | - | - | - | - | - | - | - | - |
| B KZN245 uMvoti | - | - | - | - | - | - | - | - | - |
| C DC24 uMzinyathi District Municipality | - | 7 500 | 11 500 | - | - | - | - | - | - |
| Total: Amajuba Municipalities | - | 13 800 | 9 900 | - | - | - | - | - | - |
| B KZN252 Newcastle | - | 8 700 | - | - | - | - | - | - | - |
| B KZN253 eMadlangeni | - | - | - | - | - | - | - | - | - |
| B KZN254 Dannhauser | - | - | - | - | - | - | - | - | - |
| C DC25 Amajuba District Municipality | - | 5 100 | 9 900 | - | - | - | - | - | - |
| Total: Zululand Municipalities | - | - | 13 600 | 3 000 | - | - | - | - | - |
| B KZN261 eDumbe | - | - | 10 600 | - | - | - | - | - | - |
| B KZN262 uPhongolo | - | - | - | - | - | - | - | - | - |
| B KZN263 Abaqulusi | - | - | - | 3 000 | - | - | - | - | - |
| B KZN265 Nongoma | - | - | - | - | - | - | - | - | - |
| B KZN266 Ulundi | - | - | - | - | - | - | - | - | - |
| C DC26 Zululand District Municipality | - | - | 3 000 | - | - | - | - | - | - |
| Total: uMkhanyakude Municipalities | - | 11 500 | 10 000 | 1 900 | - | - | - | - | - |
| B KZN271 uMhlabyalingana | - | - | - | - | - | - | - | - | - |
| B KZN272 Jozini | - | - | - | - | - | - | - | - | - |
| B KZN275 Mtubatuba | - | 11 500 | - | 1 900 | - | - | - | - | - |
| B KZN276 Big Five Hlabisa | - | - | - | - | - | - | - | - | - |
| C DC27 uMkhanyakude District Municipality | - | - | 10 000 | - | - | - | - | - | - |
| Total: King Cetshwayo Municipalities | - | - | 500 | - | - | - | - | - | - |
| B KZN281 uMfolozi | - | - | - | - | - | - | - | - | - |
| B KZN282 uMhlathuze | - | - | 500 | - | - | - | - | - | - |
| B KZN286 Nkandla | - | - | - | - | - | - | - | - | - |
| C DC28 King Cetshwayo District Municipality | - | - | - | - | - | - | - | - | - |
| Total: iLembe Municipalities | - | 25 000 | 26 000 | - | 5 496 | 5 496 | - | - | - |
| B KZN291 Mandeni | - | - | 5 000 | - | - | - | - | - | - |
| B KZN292 KwaDukuza | - | - | - | - | - | - | - | - | - |
| B KZN293 Ndwedwe | - | - | 5 000 | - | 3 000 | 3 000 | - | - | - |
| B KZN294 Maphumulo | - | - | - | - | - | - | - | - | - |
| C DC29 iLembe District Municipality | - | 25 000 | 16 000 | - | 2 496 | 2 496 | - | - | - |
| Total: Harry Gwala Municipalities | - | 34 000 | 11 200 | - | 1 000 | 1 000 | - | - | - |
| B KZN433 Greater Kokstad | - | - | 1 000 | - | - | - | - | - | - |
| B KZN434 uBuhlebezwe | - | - | 5 000 | - | - | - | - | - | - |
| B KZN435 uMzimkhulu | - | - | - | - | - | - | - | - | - |
| B KZN436 Dr Nkosazana Dlamini Zuma | - | - | 5 200 | - | 1 000 | 1 000 | - | - | - |
| C DC43 Harry Gwala District Municipality | - | 34 000 | - | - | - | - | - | - | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | - | 188 020 | 178 100 | 15 700 | 86 605 | 86 605 | - | - | - |

Table 11.I : Transfers to local government - Massification programme (Including electrification projects)

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------------------------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2020/21 | 2021/22 | 2022/23 | | | | 2024/25 | 2025/26 | 2026/27 |
| A KZN2000 eThekweni | - | - | - | - | - | - | - | - | - |
| Total: Ugu Municipalities | - | 6 000 | - | - | 20 700 | 20 700 | - | - | - |
| B KZN213 uMzombe | - | - | - | - | 20 700 | 20 700 | - | - | - |
| B KZN216 Ray Nkonyeni | - | 6 000 | - | - | - | - | - | - | - |
| Total: uMgungundlovu Municipalities | - | 15 000 | 10 000 | - | 20 700 | 20 700 | - | - | - |
| B KZN225 Msunduzi | - | 15 000 | 10 000 | - | - | - | - | - | - |
| B KZN226 Mkhambathini | - | - | - | - | 20 700 | 20 700 | - | - | - |
| Total: uThukela Municipalities | - | - | - | - | - | - | - | - | - |
| Total: uMzinyathi Municipalities | - | 1 600 | - | - | 21 609 | 21 609 | - | - | - |
| B KZN241 eNdameni | - | 1 600 | - | - | - | - | - | - | - |
| B KZN242 Nguthu | - | - | - | - | 21 609 | 21 609 | - | - | - |
| Total: Amajuba Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Zululand Municipalities | - | - | - | - | - | - | - | - | - |
| Total: uMkhanyakude Municipalities | - | - | - | - | - | - | - | - | - |
| Total: King Cetshwayo Municipalities | - | - | - | - | - | - | - | - | - |
| Total: iLembe Municipalities | - | - | 10 000 | - | - | - | - | - | - |
| B KZN291 Mandeni | - | - | 5 000 | - | - | - | - | - | - |
| B KZN293 Ndwedwe | - | - | 5 000 | - | - | - | - | - | - |
| Total: Harry Gwala Municipalities | - | - | - | - | - | - | - | - | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | - | 22 600 | 20 000 | - | 63 009 | 63 009 | - | - | - |

Table 11.J : Transfers to local government - Small Town Rehabilitation programme

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------------------------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2020/21 | 2021/22 | 2022/23 | | | | 2024/25 | 2025/26 | 2026/27 |
| A KZN2000 eThekweni | - | - | - | - | - | - | - | - | - |
| Total: Ugu Municipalities | - | 8 000 | 4 000 | 3 700 | - | - | - | - | - |
| B KZN212 uMdoni | - | - | 4 000 | 3 700 | - | - | - | - | - |
| B KZN216 Ray Nkonyeni | - | 8 000 | - | - | - | - | - | - | - |
| Total: uMgungundlovu Municipalities | - | 14 420 | 27 200 | - | - | - | - | - | - |
| B KZN221 uMshwathi | - | - | 5 000 | - | - | - | - | - | - |
| B KZN223 Mpofana | - | - | 3 000 | - | - | - | - | - | - |
| B KZN226 Mkhambathini | - | 14 420 | 14 000 | - | - | - | - | - | - |
| B KZN227 Richmond | - | - | 5 200 | - | - | - | - | - | - |
| Total: uThukela Municipalities | - | - | 15 900 | 7 100 | 7 100 | 7 100 | - | - | - |
| B KZN235 Okhahlamba | - | - | 15 900 | 7 100 | 7 100 | 7 100 | - | - | - |
| Total: uMzinyathi Municipalities | - | - | - | - | 10 000 | 10 000 | - | - | - |
| B KZN242 Nguthu | - | - | - | - | 10 000 | 10 000 | - | - | - |
| Total: Amajuba Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Zululand Municipalities | - | - | 10 600 | 3 000 | - | - | - | - | - |
| B KZN261 eDumbe | - | - | 10 600 | - | - | - | - | - | - |
| B KZN263 Abaqulusi | - | - | - | 3 000 | - | - | - | - | - |
| Total: uMkhanyakude Municipalities | - | 11 500 | - | 1 900 | - | - | - | - | - |
| B KZN275 Mtubatuba | - | 11 500 | - | 1 900 | - | - | - | - | - |
| Total: King Cetshwayo Municipalities | - | - | - | - | - | - | - | - | - |
| Total: iLembe Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Harry Gwala Municipalities | - | - | 10 200 | - | - | - | - | - | - |
| B KZN434 uBuhlebezwe | - | - | 5 000 | - | - | - | - | - | - |
| B KZN436 Dr Nkosazana Dlamini Zuma | - | - | 5 200 | - | - | - | - | - | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | - | 33 920 | 67 900 | 15 700 | 17 100 | 17 100 | - | - | - |

Table 11.K : Transfers to local government - Co-operative support for LED

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2020/21 | 2021/22 | 2022/23 | | | | 2024/25 | 2025/26 | 2026/27 |
| A KZN2000 eThekweni | - | - | - | - | - | - | - | - | - |
| Total: Ugu Municipalities | - | - | - | - | - | - | - | - | - |
| Total: uMgungundlovu Municipalities | - | - | - | - | - | - | - | - | - |
| Total: uThukela Municipalities | - | - | - | - | - | - | - | - | - |
| Total: uMzinyathi Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Amajuba Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Zululand Municipalities | - | - | - | - | - | - | - | - | - |
| Total: uMkhanyakude Municipalities | - | - | 10 000 | - | - | - | - | - | - |
| C DC27 uMkhanyakude District Municipality | - | - | 10 000 | - | - | - | - | - | - |
| Total: King Cetshwayo Municipalities | - | - | - | - | - | - | - | - | - |
| Total: iLembe Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Harry Gwala Municipalities | - | - | - | - | - | - | - | - | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | - | - | 10 000 | - | - | - | - | - | - |

Table 11.L : Transfers to local government - Disaster Management programme

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|---|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | | | 2024/25 | 2025/26 | 2026/27 |
| A KZN2000 eThekweni | - | - | - | - | - | - | - | - | - |
| Total: Ugu Municipalities | - | - | - | - | - | - | - | - | - |
| Total: uMgungundlovu Municipalities | - | - | - | - | - | - | - | - | - |
| Total: uThukela Municipalities | - | - | - | - | - | - | - | - | - |
| Total: uMzinyathi Municipalities | - | - | 5 000 | - | - | - | - | - | - |
| C DC24 uMzinyathi District Municipality | - | - | 5 000 | - | - | - | - | - | - |
| Total: Amajuba Municipalities | - | - | 5 000 | - | - | - | - | - | - |
| C DC25 Amajuba District Municipality | - | - | 5 000 | - | - | - | - | - | - |
| Total: Zululand Municipalities | - | - | - | - | - | - | - | - | - |
| Total: uMkhanyakude Municipalities | - | - | - | - | - | - | - | - | - |
| Total: King Cetshwayo Municipalities | - | - | - | - | - | - | - | - | - |
| Total: iLembe Municipalities | - | - | - | - | 3 000 | 3 000 | - | - | - |
| B KZN293 Ndwedwe | - | - | - | - | 3 000 | 3 000 | - | - | - |
| Total: Harry Gwala Municipalities | - | - | - | - | 1 000 | 1 000 | - | - | - |
| B KZN436 Dr Nkosazana Dlamini Zuma | - | - | - | - | 1 000 | 1 000 | - | - | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | - | - | 10 000 | - | 4 000 | 4 000 | - | - | - |

Table 11.M : Transfers to local government - Corridor Development programme

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------------------------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | | | 2024/25 | 2025/26 | 2026/27 |
| A KZN2000 eThekweni | - | - | - | - | - | - | - | - | - |
| Total: Ugu Municipalities | - | - | 4 600 | - | - | - | - | - | - |
| B KZN214 uMuziwabantu | - | - | 4 600 | - | - | - | - | - | - |
| Total: uMgungundlovu Municipalities | - | - | 6 600 | - | - | - | - | - | - |
| B KZN225 Msunduzi | - | - | 6 600 | - | - | - | - | - | - |
| Total: uThukela Municipalities | - | - | - | - | - | - | - | - | - |
| Total: uMzinyathi Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Amajuba Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Zululand Municipalities | - | - | - | - | - | - | - | - | - |
| Total: uMkhanyakude Municipalities | - | - | - | - | - | - | - | - | - |
| Total: King Cetshwayo Municipalities | - | - | - | - | - | - | - | - | - |
| Total: iLembe Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Harry Gwala Municipalities | - | - | - | - | - | - | - | - | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | - | - | 11 200 | - | - | - | - | - | - |

Table 11.N : Transfers to local government - Roll-over AU donor funds for flood (from OTP)

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------------------------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | | | 2024/25 | 2025/26 | 2026/27 |
| A KZN2000 eThekweni | - | - | - | - | - | - | - | - | - |
| Total: Ugu Municipalities | - | - | - | - | - | - | - | - | - |
| Total: uMgungundlovu Municipalities | - | - | - | - | - | - | - | - | - |
| Total: uThukela Municipalities | - | - | - | - | - | - | - | - | - |
| Total: uMzinyathi Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Amajuba Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Zululand Municipalities | - | - | - | - | - | - | - | - | - |
| Total: uMkhanyakude Municipalities | - | - | - | - | - | - | - | - | - |
| Total: King Cetshwayo Municipalities | - | - | - | - | - | - | - | - | - |
| Total: iLembe Municipalities | - | - | - | - | 2 496 | 2 496 | - | - | - |
| C DC29 iLembe District Municipality | - | - | - | - | 2 496 | 2 496 | - | - | - |
| Total: Harry Gwala Municipalities | - | - | - | - | - | - | - | - | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | 2 496 | 2 496 | - | - | - |

Table 11.O : Transfers to local government - Water Intervention programme

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2020/21 | 2021/22 | 2022/23 | | | | 2024/25 | 2025/26 | 2026/27 |
| A KZN2000 eThekweni | - | - | - | - | - | - | - | - | - |
| Total: Ugu Municipalities | - | 25 700 | 6 600 | - | - | - | - | - | - |
| C DC21 Ugu District Municipality | - | 25 700 | 6 600 | - | - | - | - | - | - |
| Total: uMgungundlovu Municipalities | - | 18 000 | 20 000 | - | - | - | - | - | - |
| C DC22 uMgungundlovu District Municipality | - | 18 000 | 20 000 | - | - | - | - | - | - |
| Total: uThukela Municipalities | - | - | - | - | - | - | - | - | - |
| Total: uMzinyathi Municipalities | - | 7 500 | 6 500 | - | - | - | - | - | - |
| C DC24 uMzinyathi District Municipality | - | 7 500 | 6 500 | - | - | - | - | - | - |
| Total: Amajuba Municipalities | - | 13 800 | 4 900 | - | - | - | - | - | - |
| B KZN252 Newcastle | - | 8 700 | - | - | - | - | - | - | - |
| C DC25 Amajuba District Municipality | - | 5 100 | 4 900 | - | - | - | - | - | - |
| Total: Zululand Municipalities | - | - | 3 000 | - | - | - | - | - | - |
| C DC26 Zululand District Municipality | - | - | 3 000 | - | - | - | - | - | - |
| Total: uMkhanyakude Municipalities | - | - | - | - | - | - | - | - | - |
| Total: King Cetshwayo Municipalities | - | - | - | - | - | - | - | - | - |
| Total: iLembe Municipalities | - | 25 000 | 16 000 | - | - | - | - | - | - |
| C DC29 iLembe District Municipality | - | 25 000 | 16 000 | - | - | - | - | - | - |
| Total: Harry Gwala Municipalities | - | 34 000 | - | - | - | - | - | - | - |
| C DC43 Harry Gwala District Municipality | - | 34 000 | - | - | - | - | - | - | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | - | 124 000 | 57 000 | - | - | - | - | - | - |

Table 11.P : Transfers to local government - CSC Infrastructure Support

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------------------------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2020/21 | 2021/22 | 2022/23 | | | | 2024/25 | 2025/26 | 2026/27 |
| A KZN2000 eThekweni | - | - | - | - | - | - | - | - | - |
| Total: Ugu Municipalities | - | - | - | - | - | - | - | - | - |
| Total: uMgungundlovu Municipalities | - | 7 500 | - | - | - | - | - | - | - |
| B KZN221 uMshwathi | - | 7 500 | - | - | - | - | - | - | - |
| Total: uThukela Municipalities | - | - | - | - | - | - | - | - | - |
| Total: uMzinyathi Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Amajuba Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Zululand Municipalities | - | - | - | - | - | - | - | - | - |
| Total: uMkhanyakude Municipalities | - | - | - | - | - | - | - | - | - |
| Total: King Cetshwayo Municipalities | - | - | - | - | - | - | - | - | - |
| Total: iLembe Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Harry Gwala Municipalities | - | - | - | - | - | - | - | - | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | - | 7 500 | - | - | - | - | - | - | - |

Table 11.Q : Transfers to local government - Municipal Excellence Awards

| R thousand | Audited Outcome | | | Main Appropriation | Adjusted Appropriation | Revised Estimate | Medium-term Estimates | | |
|--------------------------------------|-----------------|---------|---------|--------------------|------------------------|------------------|-----------------------|---------|---------|
| | 2020/21 | 2021/22 | 2022/23 | | | | 2024/25 | 2025/26 | 2026/27 |
| A KZN2000 eThekweni | - | - | - | - | - | - | - | - | - |
| Total: Ugu Municipalities | - | - | - | - | - | - | - | - | - |
| Total: uMgungundlovu Municipalities | - | - | 500 | - | - | - | - | - | - |
| B KZN226 Mkhambathini | - | - | 500 | - | - | - | - | - | - |
| Total: uThukela Municipalities | - | - | - | - | - | - | - | - | - |
| Total: uMzinyathi Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Amajuba Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Zululand Municipalities | - | - | - | - | - | - | - | - | - |
| Total: uMkhanyakude Municipalities | - | - | - | - | - | - | - | - | - |
| Total: King Cetshwayo Municipalities | - | - | 500 | - | - | - | - | - | - |
| B KZN282 uMhlathuze | - | - | 500 | - | - | - | - | - | - |
| Total: iLembe Municipalities | - | - | - | - | - | - | - | - | - |
| Total: Harry Gwala Municipalities | - | - | 1 000 | - | - | - | - | - | - |
| B KZN433 Greater Kokstad | - | - | 1 000 | - | - | - | - | - | - |
| Unallocated | - | - | - | - | - | - | - | - | - |
| Total | - | - | 2 000 | - | - | - | - | - | - |