

# Vote 10

## Sport and Recreation

R thousand	2017/18			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Operational budget	463 590	463 953		363
MEC remuneration				
<b>Total amount to be appropriated</b>	<b>463 590</b>	<b>463 953</b>		<b>363</b>
<i>of which:</i>				
Current payments	341 113	343 289		2 176
Transfers and subsidies	87 210	94 644		7 434
Payments for capital assets	35 267	26 020	(9 247)	
Payments for financial assets	-	-		
Responsible MEC	MEC for Arts, Culture, Sport and Recreation <sup>1</sup>			
Administering department	Sport and Recreation			
Accounting Officer	Head: Sport and Recreation			

### 1. Vision and mission

#### Vision

The department's mission is: *An active and winning province through sport and recreation.*

#### Mission statement

The department's mission is: *To transform the sport and recreation environment through integrated, sustainable mass participation, development and high performance programmes at all levels by ensuring equitable access and alignment to government outcomes so as to improve the quality of life of all the citizens of KwaZulu-Natal.*

### 2. Strategic goals

The strategic goals of the department are to promote and contribute to:

- The health and well-being of the citizens of KZN.
- Improved performance through talent optimisation, development and high performance programmes.
- Good governance and accountability in sport and recreation.
- Transformation of the sport and recreation sector through the creation of equal access and opportunities for all.
- Maximising access to sport, recreation and physical education in every school in KZN.
- Social cohesion and national identity through participation in sport and recreation.

### 3. Summary of adjusted estimates for the 2017/18 financial year

The 2017/18 main appropriation of the department was R463.590 million in 2017/18. During the year, the department's allocation was increased by R363 000 to R463.953 million. The main adjustments that led to this overall increase in the budget are summarised below, and details are given in Section 4:

<sup>1</sup> The salary of the MEC for Sport and Recreation is budgeted for under Vote 15: Arts and Culture.

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- *Virement between programmes:* The department undertook the following virement between programmes, which is summarised below and is explained in more detail under Section 4:
  - R2.150 million was moved from Programme 1: Administration under *Compensation of employees* due to delays in filling budgeted critical vacant posts because of lengthy internal recruitment processes, including posts of Chief Director: Corporate Services and Director: Legal Services. These funds were moved to Programme 2 against *Goods and services* in respect of provincial and national games, such as the Golden and Indigenous Games, which were under-budgeted for.

In addition to the above virement, the department undertook extensive virements across sub-programmes and economic classifications within programmes. The above virements are permissible in terms of the PFMA and Treasury Regulations.

It is noted that several virements undertaken within the programmes require Legislature approval and these are highlighted in grey shading in Section 4.2.

- *Shifts:* The department undertook no shifts across programmes but extensive shifts were undertaken across economic classification within Programme 2, as explained in Section 4.2.
- *Other adjustments:* Additional funding of R363 000 was allocated against *Transfers and subsidies to: Households* in Programme 2 relating to funds received as sponsorships from various organisations toward the department's annual KZN Sport Awards. These funds were received in the Provincial Revenue Fund (PRF) in 2016/17 and were allocated back to the department for spending on the KZN Sport Awards in 2017/18. The department allocated these funds towards cash rewards given to the sport stars.

Tables 10.1 and 10.2 reflect a summary of the 2017/18 adjusted appropriation of the department, summarised according to programme and economic classification. Further details of adjustments at economic classification level are provided in *Annexure – Vote 10: Sport and Recreation*.

Table 10.1 : Summary by programmes

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Administration	87 290	-	-	(2 150)	-	-	(2 150)	85 140
2. Sport and Recreation	376 300	-	-	2 150	-	363	2 513	378 813
<b>Total</b>	<b>463 590</b>	-	-	-	-	<b>363</b>	<b>363</b>	<b>463 953</b>
<b>Amount to be voted</b>								<b>363</b>

Table 10.2 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
<b>Current payments</b>	<b>341 113</b>	-	-	<b>4 801</b>	<b>(2 625)</b>	-	<b>2 176</b>	<b>343 289</b>
Compensation of employees	137 621	-	-	(15 091)	-	-	(15 091)	122 530
Goods and services	203 492	-	-	19 892	(2 625)	-	17 267	220 759
Interest and rent on land	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>87 210</b>	-	-	<b>(4 272)</b>	<b>11 343</b>	<b>363</b>	<b>7 434</b>	<b>94 644</b>
Provinces and municipalities	37 862	-	-	1 523	8 718	-	10 241	48 103
Departmental agencies and accounts	357	-	-	(77)	-	-	(77)	280
Higher education institutions	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-
Public corporations and private enterprises	4 000	-	-	(4 000)	3 871	-	(129)	3 871
Non-profit institutions	44 391	-	-	(1 983)	(1 246)	-	(3 229)	41 162
Households	600	-	-	265	-	363	628	1 228
<b>Payments for capital assets</b>	<b>35 267</b>	-	-	<b>(529)</b>	<b>(8 718)</b>	-	<b>(9 247)</b>	<b>26 020</b>
Buildings and other fixed structures	29 238	-	-	-	(8 718)	-	(8 718)	20 520
Machinery and equipment	5 079	-	-	(529)	-	-	(529)	4 550
Heritage assets	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-
Software and other intangible assets	950	-	-	-	-	-	-	950
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-
<b>Total</b>	<b>463 590</b>	-	-	-	-	<b>363</b>	<b>363</b>	<b>463 953</b>
<b>Amount to be voted</b>								<b>363</b>

#### 4. Changes to programme purposes and service delivery measures

The department made no changes to the purpose of its programmes, which conform to the programme and budget structure of the Sport and Recreation sector.

However, there were a few discrepancies between the department's 2017/18 APP and the tabled *EPRE*. When the *EPRE* was finalised, the department was still in the process of finalising the APP, therefore some targets were different from those included in the *EPRE* and this is now corrected.

##### 4.1 Programme 1: Administration

The purpose of this programme is to provide overall management of the department. The programme's aim includes management of the department through the office of the Head of Department and the provision of financial management, human resource services, administration services, and security and communication services through Corporate Services.

Tables 10.3 and 10.4 reflect a summary of the 2017/18 adjusted appropriation of Programme 1, summarised according to sub-programme and economic classification.

Details of the main adjustments, which resulted in a reduction of R2.150 million from the main appropriation, are provided in the paragraph after the tables.

Table 10.3 : Programme 1: Administration

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
1. Corporate Services	87 290			(2 150)			(2 150)	85 140
<b>Total</b>	<b>87 290</b>	-	-	<b>(2 150)</b>	-	-	<b>(2 150)</b>	<b>85 140</b>
Amount to be voted								<b>(2 150)</b>

Table 10.4 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
<b>Current payments</b>	<b>80 781</b>	-	-	<b>(1 742)</b>	-	-	<b>(1 742)</b>	<b>79 039</b>
Compensation of employees	41 045			(7 082)			(7 082)	33 963
Goods and services	39 736			5 340			5 340	45 076
Interest and rent on land							-	-
<b>Transfers and subsidies to:</b>	<b>380</b>	-	-	<b>121</b>	-	-	<b>121</b>	<b>501</b>
Provinces and municipalities	23						-	23
Departmental agencies and accounts	357			(77)			(77)	280
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises							-	-
Non-profit institutions							-	-
Households				198			198	198
<b>Payments for capital assets</b>	<b>6 129</b>	-	-	<b>(529)</b>	-	-	<b>(529)</b>	<b>5 600</b>
Buildings and other fixed structures	100						-	100
Machinery and equipment	5 079			(529)			(529)	4 550
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets	950						-	950
<b>Payments for financial assets</b>							-	-
<b>Total</b>	<b>87 290</b>	-	-	<b>(2 150)</b>	-	-	<b>(2 150)</b>	<b>85 140</b>
Amount to be voted								<b>(2 150)</b>

##### Virement – Programme 1: Administration (R2.150 million)

The following virement was undertaken which resulted in a decrease of R2.150 million under Programme 1:

- R2.150 million was moved from Programme 1 under *Compensation of employees* due to delays in filling budgeted critical vacant posts as a result of lengthy internal recruitment processes, as

mentioned. These funds were moved to Programme 2 against *Goods and services* in respect of provincial and national games, such as the Golden and Indigenous Games, which were under-budgeted for.

In addition to the above virement, the following virements were undertaken within the programme:

- R4.932 million was moved from *Compensation of employees* due to delays in filling budgeted critical vacant posts due to lengthy internal recruitment processes, as mentioned.
- R77 000 was moved from *Transfers and subsidies to: Departmental agencies and accounts* due to savings incurred in respect of the skills development levy. These payment are made in accordance with the spending against *Compensation of employees*, and the department had a number of vacancies in the first half of the year.
- Savings of R529 000 were identified against *Machinery equipment* as a result of the department not installing a security system in Hluhluwe as anticipated. This is due to the uMkhanyakude district office no longer relocating from the King Cetshwayo district to Hluhluwe in the current year as a result of the Department of Public Works (DOPW) not yet obtaining a suitable office for leasing.

The total savings of R5.538 million were moved as follows:

- R5.340 million was moved to *Goods and services* for the higher than anticipated cleaning, security and audit costs.
- R198 000 was moved to *Transfers and subsidies to: Households* for staff exit costs and an excess payment made in respect of a motor vehicle claim by a third party.

The above virements are permissible in terms of the PFMA and Treasury Regulations. The decrease against *Transfers and subsidies to: Departmental agencies and accounts* relating to the skills development levy does not require Legislature approval in respect of Treasury Regulation 6.3.1(a). Also, the decrease against *Machinery and equipment* does not require Legislature approval, as the capital budget for the Vote as a whole increases. Although *Payments for capital assets* shows a decrease, the department has increased *Infrastructure transfers: Capital*, as reflected in Section 7: Infrastructure.

## 4.2 Programme 2: Sport and Recreation

The purpose of this programme is to promote, develop, administer and fund sport in KZN. It also ensures advancement of participation in sport and recreation, talent identification and the promotion of performance excellence.

Tables 10.5 and 10.6 reflect a summary of the 2017/18 adjusted appropriation of Programme 2, summarised according to sub-programme and economic classification.

Details of the main adjustments, which resulted in an overall increase of R2.513 million, are provided in the paragraphs after the tables.

**Table 10.5 : Programme 2: Sport and Recreation**

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Other adjustments		
1. Management	98 614			(7 110)		(7 110)	91 504
2. Sport	183 333			2 492	363	2 855	186 188
3. Recreation	51 090			2 150		2 150	53 240
4. School Sport	43 263			4 618		4 618	47 881
<b>Total</b>	<b>376 300</b>	<b>-</b>	<b>-</b>	<b>2 150</b>	<b>-</b>	<b>2 513</b>	<b>378 813</b>
<b>Amount to be voted</b>							<b>2 513</b>

Table 10.6 : Summary by economic classification

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts			Other adjustments
<b>Current payments</b>	<b>260 332</b>	-	-	<b>6 543</b>	<b>(2 625)</b>	-	<b>3 918</b>	<b>264 250</b>
Compensation of employees	96 576			(8 009)			(8 009)	88 567
Goods and services	163 756			14 552	(2 625)		11 927	175 683
Interest and rent on land							-	-
<b>Transfers and subsidies to:</b>	<b>86 830</b>	-	-	<b>(4 393)</b>	<b>11 343</b>	<b>363</b>	<b>7 313</b>	<b>94 143</b>
Provinces and municipalities	37 839			1 523	8 718		10 241	48 080
Departmental agencies and accounts							-	-
Higher education institutions							-	-
Foreign governments and international organisations							-	-
Public corporations and private enterprises	4 000			(4 000)	3 871		(129)	3 871
Non-profit institutions	44 391			(1 983)	(1 246)		(3 229)	41 162
Households	600			67		363	430	1 030
<b>Payments for capital assets</b>	<b>29 138</b>	-	-	-	<b>(8 718)</b>	-	<b>(8 718)</b>	<b>20 420</b>
Buildings and other fixed structures	29 138				(8 718)		(8 718)	20 420
Machinery and equipment							-	-
Heritage assets							-	-
Specialised military assets							-	-
Biological assets							-	-
Land and subsoil assets							-	-
Software and other intangible assets							-	-
<b>Payments for financial assets</b>							-	-
<b>Total</b>	<b>376 300</b>	-	-	<b>2 150</b>	-	<b>363</b>	<b>2 513</b>	<b>378 813</b>
<b>Amount to be voted</b>								<b>2 513</b>

### Virement – Programme 2: Sport and Recreation: R2.150 million

The following virement was undertaken, which resulted in a net increase of R2.150 million under Programme 2:

- R2.150 million was moved from Programme 1 under *Compensation of employees* due to delays in the filling of budgeted critical vacant posts due to lengthy internal recruitment processes, as mentioned. These funds were moved to the Recreation sub-programme under *Goods and services* in respect of provincial and national games, such as the Golden and Indigenous Games which were under-budgeted for.

In addition to the above virement, the following virements were undertaken across economic categories and sub-programmes within the programme:

- R8.009 million was moved from the Management sub-programme against *Compensation of employees* due to delays in filling budgeted critical vacant posts because of lengthy internal recruitment processes, as mentioned above.
- R4 million was moved from the Sport sub-programme against *Transfers and subsidies to: Public corporations and private enterprises* relating to the transfer to Hoy Park Management (Pty) Ltd in respect of the U19 International Football Tournament, as the tournament was cancelled by the organisers.
- The department undertook extensive virements within *Transfers and subsidies to: Non-profit institutions*, introducing, increasing and decreasing the transfers to various organisations. This was largely as a result of amended business plans, reprioritisation of projects by sport federations/entities, as well as the ability of sport federations/entities to comply with regulations, such as the PFMA. This resulted in a net decrease of R1.983 million in the Recreation sub-programme against *Transfers and subsidies to: Non-profit institutions*.

The total savings of R13.992 million were moved as follows:

- R12.402 million was moved to *Goods and services* in respect of the Rural Sport Development Programme which was under-budgeted for.
- R1.523 million was moved to *Transfers and subsidies to: Provinces and municipalities* for the construction of sport facilities by municipalities, such as uMshwathi, Alfred Duma and Mtubatuba Municipalities. It must be noted that this is a capital transfer.

- A net amount of R67 000 was moved to *Transfers and subsidies to: Households* for staff exit costs.

These virements are permissible in terms of the PFMA and the Treasury Regulations. Treasury approval was obtained for the increase in *Transfers and subsidies to: Provinces and municipalities*, as well as the increase in various transfers under *Transfers and subsidies to: Non-profit institutions* (as detailed in Section 9 below).

The decrease in *Transfers and subsidies to: Public corporations and private enterprises* and *Transfers and subsidies to: Non-profit institutions* requires Legislature approval.

### Shifts – Programme 2: Sport and Recreation

The department undertook the following shifts across economic classifications within sub-programmes, hence they are not reflected in Table 10.5:

- R3.871 million was shifted to *Transfers and subsidies to: Public corporations and private enterprises* from *Goods and services* for the introduction of various transfers to football clubs that undertake soccer development programmes in rural areas on behalf of the department. The department originally budgeted for the soccer development programmes under *Goods and services*. The department has decided to use football clubs as implementing agents, hence the introduction of transfers to various football clubs, such as Golden Arrows Football Club, Maritzburg United Football Club, Real Kings Football Club and Royal Eagles Football Club, among others. The purpose of the funds remains unchanged.
- The net amount of R1.246 million was moved from *Transfers and subsidies to: Non-profit institutions* to *Goods and services* due to the department undertaking the duties of some of the sport organisations/federations themselves. This included, among others, the establishment of district academies, hosting of marathons and development of rowing in rural communities, which were budgeted for transfer to District academies, the KZN Athletics Association and KZN Rowing, respectively. The purpose the funds remains unchanged.
- R8.718 million was shifted from *Buildings and other fixed structures* to *Transfers and subsidies to: Provinces and municipalities* for the construction of sport facilities by municipalities, such as the uMzimkhulu, Newcastle, and Mtubatuba sport fields. The department decided that it is better in some instances for municipalities themselves to implement the construction of sport facilities, as opposed to the department, as the municipalities have the necessary expertise to deal with the local conditions. In addition, the municipalities add their own funds to the construction programme, while they are reluctant to do so if the department undertakes the construction projects, and this also contributes to the municipalities not maintaining the sport facilities once completed. The purpose of the funds remains unchanged.

### Other adjustments – Programme 2: Sport and Recreation: R363 000

Additional funding of R363 000 was allocated under the Sport sub-programme against *Transfers and subsidies to: Households* relating to funds received as sponsorships from various organisations toward the department's annual KZN Sport Awards. These funds were received in the PRF in 2016/17 and were allocated back to the department for spending on the KZN Sport Awards in 2017/18. The department allocated these funds towards cash rewards given to the sport stars.

### Service delivery measures – Programme 2: Sport and Recreation

Table 10.7 shows the service delivery targets for Programme 2, as well as actual achievements for the first six months of the year. A few of the outputs were adjusted, as reflected in the 2017/18 Revised target column, to align them to the targets included in the APP which was tabled after the *EPRE* was tabled. Also, the descriptions of some of outputs and performance measures have been revised, as shown in bold italics.

Table 10.7 : Service delivery measures – Programme 2: Sport and Recreation

Outputs	Performance indicators	Performance targets			
		2017/18 Original target	2017/18 Mid-year actual	2017/18 Revised target	
<b>1. Sport</b>					
<b>1.1 Community Sport Promotion and Development</b>					
1.1.1	To invest in social capital by strengthening the capacity of provincial institutions to promote the transformation and development of sport	<ul style="list-style-type: none"> <li>No. of athletes from rural/disadvantaged communities supported to major events</li> <li>No. of domestic/provincial competitions promoting talent identification supported</li> <li>No. of people actively participating in <b>organized sport and active recreation events</b></li> <li>No. of people trained to deliver development/high performance/transformation initiatives through sport federations</li> </ul>	625 12 9 500 2 200	569 2 11 013 778	
1.1.2	To invest in talent optimisation and high/elite sport performance through elite athlete development progs with sport federations and high performance institutes	<ul style="list-style-type: none"> <li>No. of sport federations/entities receiving financial support by transfer payment</li> <li>No. of federations supported to send representative teams to provincial/national tournaments</li> </ul>	19 15	13 21	21
<b>1.2 Sport and Recreation Infrastructure Planning and Development (Facilities)</b>					
1.2.1	To build new/renovate/upgrade/resourced community/school sport and recreation facilities to improve access	<ul style="list-style-type: none"> <li>No. of sport and recreation facilities constructed/ <b>upgraded/ rehabilitated</b></li> <li>No. of kick-about sport fields constructed in rural/disadvantaged communities</li> <li>No. of combination (multi-purpose) courts constructed in schools/communities</li> <li>No. of health and fitness parks <b>installed and established</b> (outdoor gym) t</li> <li>No. of children's play gyms installed</li> </ul>	2 11 11 11 33	- - - -	3
<b>1.3 Club Development</b>					
1.3.1	To invest in social capital by transforming the sport and recreation landscape through implementation of club development prog	<ul style="list-style-type: none"> <li><b>No. of clubs provided with equipment/attire</b></li> <li><b>No. of local leagues supported</b></li> <li><b>No. of people trained to deliver the club development prog.</b></li> </ul>	1 000 120 280	199 56 166	900
1.3.2	To create a long-term participant development through the academy system	<ul style="list-style-type: none"> <li>No. sport academies supported</li> <li>No. of athletes supported <b>by sport academies</b></li> </ul>	9 450	4 310	
<b>1.4 Strategic Projects</b>					
1.4.1	To strategically develop identified sport codes for transformation and social cohesion	<ul style="list-style-type: none"> <li><b>No. of programmes promoting equity (women/disability)</b></li> <li>No. of clubs/organisations benefitting from community outreach progs.</li> </ul>	12 450	10 175	
<b>2. Recreation</b>					
<b>2.1 Organised Recreation</b>					
2.1.1	To enhance the health of communities and citizens through promotion of active and healthy lifestyles	<ul style="list-style-type: none"> <li>No. of recreation entities/agencies receiving financial support</li> <li>No. of sustainable recreation sites supported at district level to promote rural development, healthy lifestyle and social cohesion</li> <li>No. of people actively participating in recreational <b>programmes</b> and campaigns</li> <li>No. of people participating in federations approved/accredited training</li> </ul>	5 100 55 000 550	4 - 16 786 566	
<b>2.2 Community Recreation (Siyadlala)</b>					
2.2.1	To enhance the health of communities through promotion of active and healthy lifestyles	<ul style="list-style-type: none"> <li>No. of hubs provided with equipment/attire</li> <li>No. of youth <b>participating in national youth camps</b></li> <li>No. of sport and recreation events organised and implemented</li> <li>No. of people actively participating in sport and recreation events</li> </ul>	120 250 245 80 000	143 - - 46 737	142
2.2.2	To eradicate poverty through promotion of active and healthy lifestyles	<ul style="list-style-type: none"> <li>No. of people trained as part of community sport</li> </ul>	305	213	431
<b>3. School Sport</b>					
3.1	To improve primary and secondary education through implementation of integrated school sport prog.	<ul style="list-style-type: none"> <li>No. of schools provided with equipment/attire</li> <li>No. of learners participating in the school sport tournaments at district level</li> </ul>	400 12 000	99 6 870	
3.2	To eradicate poverty through job creation/skills development	<ul style="list-style-type: none"> <li>No. of educators trained to deliver the school sport prog.</li> </ul>	600	45	435

## 5. Specifically and exclusively appropriated allocations

Note that the department has no specifically and exclusive appropriation except for conditional grants, as well as transfers to local government which are not included here, as they are discussed in Sections 8 and 10.

## 6. Gifts, donations and sponsorships

The department made cash awards totalling R363 000 to sport stars at the KZN Sport Awards in 2017/18. While the rewards amounted to R363 000 in total, the individual cash awards were each less than R100 000 and these therefore do not require Legislature approval.

## 7. Infrastructure

Table 10.8 shows the summary of infrastructure payments per main category. Details of the main adjustments, which resulted in an overall increase of R1.523 million, are provided in the paragraphs following the tables.

**Table 10.8 : Summary of infrastructure payments by category**

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
<b>Existing infrastructure assets</b>	-	-	-	-	-	-	-	-
Maintenance and repair: Current							-	-
Upgrades and additions: Capital							-	-
Refurbishment and rehabilitation: Capital							-	-
<b>New infrastructure assets: Capital</b>	<b>29 238</b>				<b>(8 718)</b>		<b>(8 718)</b>	<b>20 520</b>
<b>Infrastructure transfers</b>	<b>37 839</b>	-	-	<b>1 523</b>	<b>8 718</b>	-	<b>10 241</b>	<b>48 080</b>
Infrastructure transfers: Capital	35 839			1 523	8 718		10 241	46 080
Infrastructure transfers: Current	2 000						-	2 000
<b>Infrastructure: Payments for financial assets</b>							-	-
<b>Infrastructure: Leases</b>							-	-
<b>Non infrastructure</b>							-	-
Capital infrastructure	65 077	-	-	1 523	-	-	1 523	66 600
Current infrastructure	2 000	-	-	-	-	-	-	2 000
<b>Total</b>	<b>67 077</b>	-	-	<b>1 523</b>	-	-	<b>1 523</b>	<b>68 600</b>
<b>Amount to be voted</b>								<b>1 523</b>

- *Virements*: R1.523 million was moved to *Infrastructure transfers: Capital* for the construction of sport facilities by municipalities, such as uMshwathi, Alfred Duma and Mtubatuba Municipalities. These funds were moved from *Goods and services*.

This virement is permissible in terms of the PFMA and the Treasury Regulations. Treasury approval was obtained for the increase in *Infrastructure transfers: Capital*.

- *Shifts*: An amount of R8.718 million was shifted from *New infrastructure assets: Capital* to *Infrastructure transfers: Capital* (under *Transfers and subsidies to: Provinces and municipalities*) for the construction of sport facilities by municipalities, such as uMzimkhulu, Newcastle, and Mtubatuba sport fields. The department decided that it is better in some instances for municipalities themselves to implement the construction of sport facilities as opposed to the department, as the municipalities have the necessary expertise to deal with the local conditions. In addition, the municipalities add their own funds to the construction programme, while they are reluctant to do so if the department undertakes the construction projects, and this also contributes to the municipalities not maintaining the sport facilities once completed. As the purpose of the funds remains unchanged, Legislature approval is not required for this shift.

## 8. Conditional grants

Tables 10.9 and 10.10 provide a summary of changes to conditional grants. Details of the main adjustments, which resulted in no change in the conditional grant allocation, are given in the paragraphs following the tables.

Table 10.9 : Summary of changes to conditional grants

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
<b>2. Sport and Recreation</b>	<b>112 592</b>	-	-	-	-	-	-	<b>112 592</b>
Mass Participation and Sport Development grant	98 427							98 427
EPWP Integrated Grant for Provinces	2 000							2 000
Social Sector EPWP Incentive Grant for Provinces	12 165							12 165
<b>Total</b>	<b>112 592</b>	-	-	-	-	-	-	<b>112 592</b>
<b>Amount to be voted</b>								<b>-</b>

Table 10.10 : Summary of conditional grants by economic classification

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts	Other adjustments		
<b>Current payments</b>	<b>100 507</b>	-	-	1 500	145	-	<b>1 645</b>	<b>102 152</b>
Compensation of employees	21 152							21 152
Goods and services	79 355			1 500	145		1 645	81 000
Interest and rent on land								-
<b>Transfers and subsidies to:</b>	<b>12 085</b>	-	-	(1 500)	(145)	-	<b>(1 645)</b>	<b>10 440</b>
Provinces and municipalities	2 000							2 000
Departmental agencies and accounts								-
Higher education institutions								-
Foreign governments and international organisations								-
Public corporations and private enterprises	1 500			(1 500)			(1 500)	-
Non-profit institutions	8 585				(145)		(145)	8 440
Households								-
<b>Payments for capital assets</b>	<b>-</b>	-	-	-	-	-	<b>-</b>	<b>-</b>
Buildings and other fixed structures								-
Machinery and equipment								-
Heritage assets								-
Specialised military assets								-
Biological assets								-
Land and subsoil assets								-
Software and other intangible assets								-
<b>Payments for financial assets</b>	<b>-</b>						<b>-</b>	<b>-</b>
<b>Total</b>	<b>112 592</b>	-	-	-	-	-	-	<b>112 592</b>

- *Virement*: R1.500 million allocated for transfers to Hoy Park Management (Pty) Ltd in respect of the U19 International Football Tournament against *Transfers and subsidies to: Public corporations and private enterprises* was moved to *Goods and services* due to the tournament being cancelled by the organisers. These funds will be used for the Rural Sport Development Programme which was under-budgeted for.

This virement is permissible in terms of the PFMA and the Treasury Regulations.

The decrease in *Transfers and subsidies to: Public corporations and private enterprises* requires Legislature approval.

- *Shift*: R145 000 was moved from *Transfers and subsidies to: Non-profit institutions* to *Goods and services* due to the department undertaking the duties on behalf of the District academies. The purpose the funds remains unchanged.

## 9. Transfers and subsidies

Table 10.11 shows the summary of transfers and subsidies by programme and main category.

Details of the main adjustments, which resulted in an overall increase of R7.434 million in the transfers and subsidies allocation, are given in the paragraphs following the tables.

Table 10.11 : Summary of transfers and subsidies by programme and main category

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
<b>1. Administration</b>	<b>380</b>	-	-	<b>121</b>	-	-	<b>121</b>	<b>501</b>
Provinces and municipalities	23	-	-	-	-	-	-	23
Motor vehicle licences	23	-	-	-	-	-	-	23
Departmental agencies and accounts	357	-	-	(77)	-	-	(77)	280
Skills development levy	351	-	-	(77)	-	-	(77)	274
TV and radio licences	6	-	-	-	-	-	-	6
Households	-	-	-	198	-	-	198	198
Claims against the state	-	-	-	5	-	-	5	5
Staff exit costs	-	-	-	193	-	-	193	193
<b>2. Sport and Recreation</b>	<b>86 830</b>	-	-	<b>(4 393)</b>	<b>11 343</b>	<b>363</b>	<b>7 313</b>	<b>94 143</b>
Provinces and municipalities	37 839	-	-	1 523	8 718	-	10 241	48 080
Sport facilities	37 839	-	-	1 523	8 718	-	10 241	48 080
Public corporations and private enterprises	4 000	-	-	(4 000)	3 871	-	(129)	3 871
Hoy Park Management (Pty) Ltd	4 000	-	-	(4 000)	-	-	(4 000)	-
Golden Arrows Football Club	-	-	-	-	553	-	553	553
Maritzburg United Football Club	-	-	-	-	553	-	553	553
Real Kings Football Club	-	-	-	-	553	-	553	553
Othongati Football Club	-	-	-	-	553	-	553	553
Richards Bay Football Club	-	-	-	-	553	-	553	553
Royal Eagles Football Club	-	-	-	-	553	-	553	553
AmaZulu Football Club	-	-	-	-	553	-	553	553
Non-profit institutions	44 391	-	-	(1 983)	(1 246)	-	(3 229)	41 162
Age-in-Action	200	-	-	(200)	-	-	(200)	-
Coastal Horse Care Unit	500	-	-	(200)	-	-	(200)	300
Comrades Marathon (AIMS Congress)	200	-	-	-	-	-	-	200
PMB Bike City (Cycling SA)	10 323	-	-	-	-	-	-	10 323
Dare to Dream	200	-	-	(50)	-	-	(50)	150
District academies	1 000	-	-	-	(1 000)	-	(1 000)	-
Girls Only	200	-	-	-	-	-	-	200
KZN Academy of Sport	1 945	-	-	-	555	-	555	2 500
KZN Aquatics Association	2 000	-	-	-	-	-	-	2 000
KZN Athletics Association	5 900	-	-	-	(900)	-	(900)	5 000
KZN Canoe Union	1 300	-	-	-	-	-	-	1 300
KZN Cricket Union (Coastal)	2 000	-	-	-	-	-	-	2 000
KZN Disability Sport (KZNDISSA)	2 000	-	-	(1 000)	-	-	(1 000)	1 000
KZN Golf Union	200	-	-	50	-	-	50	250
KZN Indigenous Games	-	-	-	250	-	-	250	250
KZN Lovelife	-	-	-	150	-	-	150	150
KZN Sports Confederation	2 690	-	-	-	(1)	-	(1)	2 689
KZN Netball	2 000	-	-	(1 000)	-	-	(1 000)	1 000
KZN Olympic Style Boxing	1 000	-	-	-	-	-	-	1 000
KZN Rowing	200	-	-	200	(200)	-	-	200
KZN Rugby Union	2 000	-	-	-	-	-	-	2 000
KZN Rural Horse Riding	-	-	-	200	-	-	200	200
KZN Sailing	200	-	-	-	200	-	200	400
KZN Tennis Association	200	-	-	-	-	-	-	200
LHC Foundation Trust (I-Care)	200	-	-	(50)	-	-	(50)	150
Midlands Academy	750	-	-	-	250	-	250	1 000
KZN Sharks Board	100	-	-	(100)	-	-	(100)	-
Noyolo Table Tennis Academy	200	-	-	-	50	-	50	250
The PRIME Trust	5 500	-	-	-	-	-	-	5 500
SAFA - Amajuba	200	-	-	-	-	-	-	200
SAFA - KZN	583	-	-	(583)	-	-	(583)	-
SAFA - uMgungundlovu	200	-	-	-	-	-	-	200
SAFA - Zululand	200	-	-	-	-	-	-	200
Sail Africa	200	-	-	-	(200)	-	(200)	-
Natal Canoe Club	-	-	-	350	-	-	350	350
Households	600	-	-	67	-	363	430	1 030
Staff exit costs	-	-	-	267	-	-	267	267
External Bursaries	600	-	-	(200)	-	-	(200)	400
Sponsorship	-	-	-	-	-	363	363	363
<b>Total</b>	<b>87 210</b>	<b>-</b>	<b>-</b>	<b>(4 272)</b>	<b>11 343</b>	<b>363</b>	<b>7 434</b>	<b>94 644</b>
<b>Amount to be voted</b>								<b>7 434</b>

- **Virement:** The following virements were undertaken which resulted in a net decrease of R4.272 million:

- o The following virements were undertaken under Programme 1:

- R77 000 was moved from *Departmental agencies and accounts* due to savings incurred in respect of the skills development levy. These payments are made in accordance with the spending against *Compensation of employees*, and the department had a number of vacancies in the first half of the year. These funds were moved to *Households*.
- R198 000 was moved to *Households* for staff exit costs and an excess payment made in respect of a motor vehicle claim by a third party. These funds were moved from *Compensation of employees* (R121 000) and *Departmental agencies and accounts* (R77 000).
- o The following virements were undertaken under Programme 2:
  - R1.523 million was moved to *Provinces and municipalities* as a capital transfer for the construction of sport facilities by municipalities, such as the uMshwathi, Alfred Duma and Mtubatuba Municipalities. These funds were moved from *Goods and services*.
  - R4 million was moved from *Public corporations and private enterprises* in respect of transfers to Hoy Park Management (Pty) Ltd for the U19 International Football Tournament due to the tournament being cancelled by the organisers. These funds were moved to *Goods and services* for the Rural Sport Development Programme.
  - Extensive virements were undertaken within *Non-profit institutions*, introducing, increasing and decreasing the transfers to various organisations. This was largely as a result of the amended business plans, reprioritisation of projects by sport federations/entities, as well as the ability of sport federations/entities to comply with regulations, such as the PFMA. This resulted in a net decrease of R1.983 million against this category. These funds were moved to *Goods and services* for the Rural Sport Development Programme.
  - The net movement of R67 000 to *Households* is attributed to a reduction of R200 000 in respect of external bursaries, offset by the movement of R67 000 from *Compensation of employees* to provide for higher than anticipated staff exit costs.

All of these virements are permissible in terms of the PFMA and the Treasury Regulations.

The decreases in various *Transfers and subsidies to: Non-profit institutions*, as highlighted in the table, as well as the decrease in *Transfers and subsidies to: Households* in respect of external bursaries, require Legislature approval.

- *Shifts*: The department undertook the following shifts which resulted in a net increase of R11.343 million:
  - o R8.718 million was shifted from *Buildings and other fixed structures* to *Provinces and municipalities* for the construction of sport facilities by municipalities. The department decided that it is better in some instances for municipalities to implement the construction of sport facilities themselves as opposed to the department, as mentioned. The purpose of the funds remains unchanged.
  - o R3.871 million was shifted to *Public corporations and private enterprises* from *Goods and services* for the introduction of various transfers to football clubs that undertake soccer development programmes in rural areas on behalf of the department. The department had originally budgeted for the soccer development programmes under *Goods and services*. The department has decided to use football clubs as implementing agents, hence the introduction of transfers to various football clubs, as reflected in the table. The purpose of the funds remains unchanged.
  - o R1.246 million was moved from *Non-profit institutions* to *Goods and services* due to the department undertaking the duties of some of sport organisations/federations. These include, among others hosting marathons and development of rowing in rural communities, which are the responsibilities of KZN Athletics Association and KZN Rowing, respectively. The purpose of the funds remains unchanged.

- *Other adjustments:* R363 000 was allocated against *Households* relating to funds received as sponsorships from various organisations toward the department's annual KZN Sport Awards. These funds were received in the PRF in 2016/17 and were allocated back to the department for spending on the KZN Sport Awards in 2017/18. The department allocated these funds towards cash rewards given to sport stars.

## 10. Transfers to local government

Tables 10.12 to 10.14 show the details of transfers to local government, which are specifically and exclusively appropriated in terms of the KZN Adjustments Appropriation Act. It is noted that the amount against *Transfers and subsidies to: Provinces and municipalities* in Table 10.11 includes provision for motor vehicle licences. This amount is excluded from the transfers to local government table, as these funds will not be transferred to any municipality. It is further noted that allocations to specific municipalities will be gazetted following the tabling of the Adjustments Estimate, in line with DORA requirements.

The main adjustments, which resulted in an overall increase of R10.241 million, are as follows:

- *Virements:* R1.523 million was moved to *Transfers and subsidies to: Provinces and municipalities* as a capital transfer for the construction of sport facilities by municipalities, such as uMshwathi, Alfred Duma and Mtubatuba municipalities. These funds were moved from *Goods and services*.

The reduction of R300 000 against the Metro relates to a delay in signing the SLA between the department and the Metro in respect of the maintenance of sport fields. In addition, the decrease of R2.800 million under the uMsinga Municipality is attributed to the Provincial Executive Council instructing the department to halt the construction of the Cwaka sport field.

- *Shifts:* R8.718 million was shifted from *Buildings and other fixed structures* to *Transfers and subsidies to: Provinces and municipalities* as a capital transfer for the construction of sport facilities by municipalities, as mentioned. The purpose of the funds remains unchanged.

Table 10.12: Summary of transfers to local government

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts		
A KZN2000 eThekweni	20 300	-	-	(300)	-	(300)	20 000
of which:							
Sport development centre	20 000	-	-	-	-	-	20 000
<b>Total: Ugu Municipalities</b>	<b>600</b>	-	-	-	-	-	<b>600</b>
B KZN216 Ray Nkonyeni	600	-	-	-	-	-	600
<b>Total: uMgungundlovu Municipalities</b>	<b>6 147</b>	-	-	<b>150</b>	-	<b>150</b>	<b>6 297</b>
B KZN221 uMshwathi	-	-	-	150	-	150	150
B KZN224 iMpendle	6 147	-	-	-	-	-	6 147
<b>Total: uThukela Municipalities</b>	<b>-</b>	-	-	<b>150</b>	<b>890</b>	<b>1 040</b>	<b>1 040</b>
B KZN238 Alfred Duma	-	-	-	150	890	1 040	1 040
<b>Total: uMzinyathi Municipalities</b>	<b>2 967</b>	-	-	<b>(2 800)</b>	-	<b>(2 800)</b>	<b>167</b>
B KZN242 Nquthu	167	-	-	-	-	-	167
B KZN244 uMsinga	2 800	-	-	(2 800)	-	(2 800)	-
<b>Total: Amajuba Municipalities</b>	<b>-</b>	-	-	-	<b>889</b>	<b>889</b>	<b>889</b>
B KZN252 Newcastle	-	-	-	-	889	889	889
<b>Total: Zululand Municipalities</b>	<b>167</b>	-	-	-	-	-	<b>167</b>
B KZN262 uPhongolo	167	-	-	-	-	-	167
<b>Total: uMkhanyakude Municipalities</b>	<b>3 192</b>	-	-	<b>4 323</b>	<b>5 160</b>	<b>9 483</b>	<b>12 675</b>
B KZN275 Mtubatuba	3 192	-	-	4 323	5 160	9 483	12 675
<b>Total: King Cetshwayo Municipalities</b>	<b>4 300</b>	-	-	-	<b>889</b>	<b>889</b>	<b>5 189</b>
B KZN281 uMfolozi	4 000	-	-	-	-	-	4 000
B KZN282 uMhlatuze	-	-	-	-	889	889	889
B KZN284 uMlalazi	300	-	-	-	-	-	300
<b>Total: iLembe Municipalities</b>	<b>166</b>	-	-	-	-	-	<b>166</b>
B KZN294 Maphumulo	166	-	-	-	-	-	166
<b>Total: Harry Gwala Municipalities</b>	<b>-</b>	-	-	-	<b>890</b>	<b>890</b>	<b>890</b>
B KZN435 uMzimkhulu	-	-	-	-	890	890	890
<b>Unallocated</b>	<b>-</b>	-	-	-	-	-	<b>-</b>
<b>Total</b>	<b>37 839</b>	-	-	<b>1 523</b>	<b>8 718</b>	<b>10 241</b>	<b>48 080</b>
Amount to be voted							<b>10 241</b>

Table 10.13 : Transfers to local government - Infrastructure

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
A KZN2000 eThekweni	20 000						-	20 000
<b>Total: uMgungundlovu Municipalities</b>	<b>5 847</b>	-	-	-	-	-	-	<b>5 847</b>
B KZN224 iMpindle	5 847						-	5 847
<b>Total: uThukela Municipalities</b>	<b>-</b>	-	-	-	<b>890</b>	-	<b>890</b>	<b>890</b>
B KZN238 Alfred Duma					890		890	890
<b>Total: uMzinyathi Municipalities</b>	<b>2 800</b>	-	-	<b>(2 800)</b>	-	-	<b>(2 800)</b>	<b>-</b>
B KZN244 uMsinga	2 800			(2 800)			(2 800)	-
<b>Total: Amajuba Municipalities</b>	<b>-</b>	-	-	-	<b>889</b>	-	<b>889</b>	<b>889</b>
B KZN252 Newcastle					889		889	889
<b>Total: uMkhanyakude Municipalities</b>	<b>3 192</b>	-	-	<b>4 323</b>	<b>5 160</b>	-	<b>9 483</b>	<b>12 675</b>
B KZN275 Mtubatuba	3 192			4 323	5 160		9 483	12 675
<b>Total: King Cetshwayo Municipalities</b>	<b>4 000</b>	-	-	-	<b>889</b>	-	<b>889</b>	<b>4 889</b>
B KZN281 uMfolozi	4 000						-	4 000
B KZN282 uMhlatuze					889		889	889
<b>Total: Harry Gwala Municipalities</b>	<b>-</b>	-	-	-	<b>890</b>	-	<b>890</b>	<b>890</b>
B KZN435 uMzimkhulu					890		890	890
<b>Total</b>	<b>35 839</b>	-	-	<b>1 523</b>	<b>8 718</b>	-	<b>10 241</b>	<b>46 080</b>
Amount to be voted								<b>10 241</b>

Table 10.14 : Transfers to local government - Maintenance grant

R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Shifts	Other adjustments		
A KZN2000 eThekweni	300			(300)			(300)	-
<b>Total: Ugu Municipalities</b>	<b>600</b>	-	-	-	-	-	-	<b>600</b>
B KZN216 Ray Nkonyeni	600						-	600
<b>Total: uMgungundlovu Municipalities</b>	<b>300</b>	-	-	<b>150</b>	-	-	<b>150</b>	<b>450</b>
B KZN221 uMshwathi				150			150	150
B KZN224 iMpindle	300						-	300
<b>Total: uThukela Municipalities</b>	<b>-</b>	-	-	<b>150</b>	-	-	<b>150</b>	<b>150</b>
B KZN238 Alfred Duma				150			150	150
<b>Total: uMzinyathi Municipalities</b>	<b>167</b>	-	-	-	-	-	-	<b>167</b>
B KZN242 Nquthu	167						-	167
<b>Total: Zululand Municipalities</b>	<b>167</b>	-	-	-	-	-	-	<b>167</b>
B KZN262 uPhongolo	167						-	167
<b>Total: King Cetshwayo Municipalities</b>	<b>300</b>	-	-	-	-	-	-	<b>300</b>
B KZN284 uMlalazi	300						-	300
<b>Total: iLembe Municipalities</b>	<b>166</b>	-	-	-	-	-	-	<b>166</b>
B KZN294 Maphumulo	166						-	166
<b>Total</b>	<b>2 000</b>	-	-	-	-	-	-	<b>2 000</b>
Amount to be voted								-

## 11. Actual payments and revised spending projections for the rest of 2017/18

Tables 10.15 and 10.16 reflect actual payments as at the end of September 2017, projected payments for the rest of the financial year and the total revised spending in Rand value and as a percentage of the adjusted appropriation per programme and economic classification. The tables also show the 2016/17 audited outcome.

By mid-year, actual spending was at 42.1 per cent of the annual budget which is lower than the straight-line benchmark of 50 per cent after six months.

Table 10.15 : Actual payments and revised spending projections by programme

R thousand	2016/17 Audited outcome	Adjusted appropriation	Actual payments		Projected payments		Projected actual
			April 2017 - September 2017	% of budget	October 2017 - March 2018	% of budget	
1. Administration	83 429	85 140	40 499	47.6	44 641	52.4	85 140
2. Sport and Recreation	339 869	378 813	154 617	40.8	224 196	59.2	378 813
<b>Total</b>	<b>423 298</b>	<b>463 953</b>	<b>195 116</b>	<b>42.1</b>	<b>268 837</b>	<b>57.9</b>	<b>463 953</b>

Table 10.16 : Actual payments and revised spending projections by economic classification

R thousand	2016/17 Audited outcome	Adjusted appropriation	Actual payments		Projected payments		Projected actual
			April 2017 - September 2017		October 2017 - March 2018		
			% of budget		% of budget		
<b>Current payments</b>	<b>319 826</b>	<b>343 289</b>	<b>148 181</b>	<b>43.2</b>	<b>195 108</b>	<b>56.8</b>	<b>343 289</b>
Compensation of employees	107 295	122 530	55 620	45.4	66 910	54.6	122 530
Goods and services	212 531	220 759	92 561	41.9	128 198	58.1	220 759
Interest and rent on land	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>63 280</b>	<b>94 644</b>	<b>42 448</b>	<b>44.9</b>	<b>52 196</b>	<b>55.1</b>	<b>94 644</b>
Provinces and municipalities	12 212	48 103	8 234	17.1	39 869	82.9	48 103
Departmental agencies and accounts	295	280	274	97.9	6	2.1	280
Higher education institutions	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-
Public corporations and private enterprises	3 132	3 871	-	-	3 871	100.0	3 871
Non-profit institutions	45 947	41 162	33 632	81.7	7 530	18.3	41 162
Households	1 694	1 228	308	25.1	920	74.9	1 228
<b>Payments for capital assets</b>	<b>40 048</b>	<b>26 020</b>	<b>4 487</b>	<b>17.2</b>	<b>21 533</b>	<b>82.8</b>	<b>26 020</b>
Buildings and other fixed structures	34 317	20 520	3 838	18.7	16 682	81.3	20 520
Machinery and equipment	5 246	4 550	649	14.3	3 901	85.7	4 550
Heritage assets	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-
Software and other intangible assets	485	950	-	-	950	100.0	950
<b>Payments for financial assets</b>	<b>144</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>423 298</b>	<b>463 953</b>	<b>195 116</b>	<b>42.1</b>	<b>268 837</b>	<b>57.9</b>	<b>463 953</b>

Programme 1 reflects expenditure at 47.6 per cent of the annual budget, below the straight-line benchmark of 50 per cent. This is mainly attributed to delays in filling budgeted critical vacant posts due to lengthy internal recruitment processes and the relocation to the Hluhluwe district office not materialising.

Spending against Programme 2 was fairly low at 40.8 per cent of the annual budget, mainly attributed to delays in the filling of budgeted critical vacant posts due to lengthy recruitment processes, cancellation of the U19 International Football Tournament and delays in the construction of outdoor gyms. The department moved these funds from *Transfers and subsidies to: Public corporations and private enterprises* to *Goods and services* to supplement the budget for the Rural Sport Development Programme, as mentioned.

With regard to economic classification:

*Compensation of employees* reflects spending at 45.4 per cent even after the above-mentioned virements from this category. This is due to delays in filling of budgeted vacant posts, as mentioned above.

*Goods and services* reflects 41.9 per cent of the annual budget spent, which is below the straight-line benchmark of 50 per cent at mid-year, due to delays in the procurement of sport equipment and sport kits for sport clubs.

With regard to *Transfers and subsidies*:

- *Provinces and municipalities* reflects spending at 17.1 per cent of the annual budget, which was substantially lower than the straight-line benchmark of 50 per cent. This category includes provision for a transfer of R20 million to the eThekweni Metro in respect of the construction of the sport development centre. In addition, the category includes payment of motor vehicle licences, as well as transfers to municipalities for the maintenance of sport fields. The department is projecting to transfer the full allocation at year-end. With regard to the sport development centre, court proceedings relating to the eviction of the current tenants from the site at the Durban Kings Park Precinct are still underway. During the first quarter bilateral meetings, Provincial Treasury advised the department to request for a suspension of funds to 2018/19 as there is no indication of when the court proceedings will end. However, this was too late for inclusion in the 2017/18 Adjustments Estimate, hence Provincial Treasury has indicated that any unspent funds relating to this project will be rolled over to 2018/19.

- *Departmental agencies and accounts* shows spending at 97.9 per cent of the annual budget. The department reprioritised funds within the category from payments for THETA to payment for departmental television licences and *Households* for unanticipated staff exit costs.
- *Public corporations and private enterprises* reflects no spending at mid-year due to no transfers being made to the Hoy Park Management (Pty) Ltd for the U19 International Football Tournament, as mentioned. The department moved the budgeted transfer of R4 million to *Goods and services* to supplement the budget allocated for the Rural Sport Development Programme, as mentioned. The department is projecting to transfer the full allocation against this category.
- *Non-profit institutions* reflects spending at 81.7 per cent of the annual budget. This is higher than the straight-line benchmark of 50 per cent as a result of the department transferring most of the funds to sport federations and organisations in the first half of the year.

With regard to *Buildings and other fixed structures*, spending is at only 18.7 per cent of the annual budget. This is substantially low when compared to the 50 per cent benchmark, largely due to delays in the construction of outdoor gyms and the variation order payments to DOPW with respect to the Harry Gwala district office. The department shifted funds to *Transfers and subsidies to: Provinces and municipalities* in respect of the construction of sport facilities, as mentioned above, and the department is projecting to fully spend against this category.

*Machinery and equipment* reflects spending at only 14.3 per cent of the annual budget, which is extremely low compared to the straight-line benchmark, due to the department not purchasing computers and office furniture for the new district office at Hluhluwe.

*Software and other intangible assets* reflects no spending at mid-year due to the department not purchasing software as projected as a result of the relocation to the new district office at Hluhluwe not materialising.



Table 10.A : Summary by economic classification : Sport and Recreation

R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation	
		Roll-overs	Unforeseeable/ unavoidable	Virement	Shifts			Other adjustments
<b>Current payments</b>	<b>341 113</b>	-	-	<b>4 801</b>	<b>(2 625)</b>	-	<b>2 176</b>	<b>343 289</b>
Compensation of employees	137 621	-	-	(15 091)	-	-	(15 091)	122 530
Salaries and wages	110 097	-	-	(12 073)	-	-	(12 073)	98 024
Social contributions	27 524	-	-	(3 018)	-	-	(3 018)	24 506
Goods and services	203 492	-	-	19 892	(2 625)	-	17 267	220 759
Administrative fees	3 740	-	-	1 730	-	-	1 730	5 470
Advertising	2 729	-	-	749	-	-	749	3 478
Assets less than capitalisation threshold	644	-	-	-	-	-	-	644
Audit cost: External	2 901	-	-	753	-	-	753	3 654
Bursaries: Employees	300	-	-	-	-	-	-	300
Catering: Departmental activities	17 153	-	-	-	(280)	-	(280)	16 873
Communication (G&S)	3 505	-	-	570	-	-	570	4 075
Computer services	7 091	-	-	-	-	-	-	7 091
Cons & prof serv: Business and advisory services	7 937	-	-	952	-	-	952	8 889
Cons & prof serv: Infras and planning	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	410	-	-	400	-	-	400	810
Contractors	5 823	-	-	760	-	-	760	6 583
Agency and support / outsourced services	-	-	-	500	-	-	500	500
Entertainment	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	2 240	-	-	600	-	-	600	2 840
Housing	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	43 036	-	-	1 412	-	-	1 412	44 448
Inventory: Medical supplies	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-
Consumable supplies	243	-	-	-	-	-	-	243
Consumable: Stationery, printing and office supplies	3 446	-	-	-	(500)	-	(500)	2 946
Operating leases	7 905	-	-	-	-	-	-	7 905
Property payments	6 248	-	-	200	-	-	200	6 448
Transport provided: Departmental activity	25 817	-	-	1 300	-	-	1 300	27 117
Travel and subsistence	10 375	-	-	-	(240)	-	(240)	10 135
Training and development	5 424	-	-	-	-	-	-	5 424
Operating payments	1 810	-	-	910	-	-	910	2 720
Venues and facilities	44 715	-	-	9 056	(1 605)	-	7 451	52 166
Rental and hiring	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to</b>	<b>87 210</b>	-	-	<b>(4 272)</b>	<b>11 343</b>	<b>363</b>	<b>7 434</b>	<b>94 644</b>
Provinces and municipalities	37 862	-	-	1 523	8 718	-	10 241	48 103
Provinces	23	-	-	-	-	-	-	23
Provincial Revenue Funds	-	-	-	-	-	-	-	-
Provincial agencies and funds	23	-	-	-	-	-	-	23
Municipalities	37 839	-	-	1 523	8 718	-	10 241	48 080
Municipalities	37 839	-	-	1 523	8 718	-	10 241	48 080
Municipal agencies and funds	-	-	-	-	-	-	-	-
Departmental agencies and accounts	357	-	-	(77)	-	-	(77)	280
Social security funds	-	-	-	-	-	-	-	-
Entities receiving funds	357	-	-	(77)	-	-	(77)	280
Higher education institutions	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-
Public corporations and private enterprises	4 000	-	-	(4 000)	3 871	-	(129)	3 871
Public corporations	4 000	-	-	(4 000)	3 871	-	(129)	3 871
Subsidies on production	-	-	-	-	-	-	-	-
Other transfers	4 000	-	-	(4 000)	3 871	-	(129)	3 871
Private enterprises	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-
Non-profit institutions	44 391	-	-	(1 983)	(1 246)	-	(3 229)	41 162
Households	600	-	-	265	-	363	628	1 228
Social benefits	-	-	-	465	-	-	465	465
Other transfers to households	600	-	-	(200)	-	363	163	763
<b>Payments for capital assets</b>	<b>35 267</b>	-	-	<b>(529)</b>	<b>(8 718)</b>	-	<b>(9 247)</b>	<b>26 020</b>
Buildings and other fixed structures	29 238	-	-	-	(8 718)	-	(8 718)	20 520
Buildings	100	-	-	-	-	-	-	100
Other fixed structures	29 138	-	-	-	(8 718)	-	(8 718)	20 420
Machinery and equipment	5 079	-	-	(529)	-	-	(529)	4 550
Transport equipment	1 500	-	-	-	-	-	-	1 500
Other machinery and equipment	3 579	-	-	(529)	-	-	(529)	3 050
Heritage assets	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-
Software and other intangible assets	950	-	-	-	-	-	-	950
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-
<b>Total</b>	<b>463 590</b>	-	-	-	-	<b>363</b>	<b>363</b>	<b>463 953</b>
<b>Amount to be voted</b>								<b>363</b>