

VOTE 1

Office of the Premier

Operational budget	R784 876 591
Remuneration of the Premier	R 2 260 409
Total amount to be appropriated	R787 137 000

Responsible Executive Authority	The Premier
Administering department	Office of the Premier
Accounting officer	Director-General: Office of the Premier

1. Overview

Vision

The vision of the Office of the Premier (OTP) is: *To be the centre of governance, providing leadership towards achieving KZN Vision 2035.*

Mission statement

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

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

Strategic objectives

The *strategic policy direction* of the OTP is directly linked to national government's 14 outcomes and also informs the department's strategic objectives, as listed below:

- Integrate, co-ordinate and facilitate transversal policies, programmes, strategies, plans and systems of the province.
- Lead in macro planning and policy management to achieve the electoral mandate.
- Monitoring and evaluation of provincial government's programmes.
- Provide strategic leadership and direction for provincial government.
- Oversee the development and implementation of legislation.
- Promote inter and intra-governmental relations and good governance.

Based on the mission and the mandate, the department identified the following strategic objectives:

- To realise the existence of functional public policy and strategic planning management systems and processes for the provincial government.
- To achieve co-ordinated provincial policies, strategies and programmes.
- To ensure the existence of governance conditions conducive to respect for human rights, promotion of science and technology, and conservation and management of cultural heritage resources.
- To realise enhanced government communication and governance, human resources development, state law advisory services and service delivery in and by the provincial administration.

- To have in place co-ordinated and aligned policies and plans of the three spheres of government and foreign governments and agencies.
- To achieve effectively monitored and evaluated government policies and programmes.
- To enhance and promote the status of the Zulu Monarch and to establish the necessary institutional arrangements in support of the Zulu Monarchy and members of the Royal family.

Core functions

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

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

Legislative mandate

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

- The Constitution of the Republic of South Africa, 1996
- Public Service Act, 1994, as amended
- Public Finance Management Act, 1999, as amended and Treasury Regulations
- Preferential Procurement Policy Framework Act, 2000
- KwaZulu-Natal Provincial Supply Chain Management Policy Framework, 2006
- KwaZulu-Natal Youth Commission Act, 2005
- KwaZulu-Natal Heritage Act, 1997
- Annual Division of Revenue Act (DORA)
- Public Service Regulations, 2001
- Labour Relations Act, 1995
- Employment Equity Act, 1998
- Basic Conditions of Employment Act, 1997
- Promotion of Access to Information Act, 2000
- Electronic Communications and Transactions Act, 2002
- State Information Technology Agency Act, 1999
- Promotion of Administrative Justice Act, 2000
- Promotion of Equality and Prevention of Unfair Discrimination Act, 2000
- Skills Development Act, 1998
- KwaZulu-Natal Gaming and Betting Act, 2010

- KwaZulu-Natal Gaming and Betting Tax Act, 2010
- KwaZulu-Natal Gaming and Betting Amendment Act, 2017
- KwaZulu-Natal Amafa and Research Institute Bill, 2017
- KwaZulu-Natal Royal Household Trust Act, 2007
- KwaZulu-Natal Royal Household Trust Amendment Bill, 2015
- Traditional Leadership and Governance Framework Act, 2003
- KwaZulu-Natal Traditional Leadership and Governance Act, 2005

2. Review of the 2017/18 financial year

Section 2 provides a review of 2017/18, outlining the main achievements and progress made by the department during the year, as well as giving a brief discussion on challenges and new developments.

Provincial Planning Commission (PPC)

The functions of the PPC are similar to those of the National Planning Commission, and are to advise and make recommendations to the Premier and the Provincial Executive on a long-term strategic development perspective and vision of the province. A refined version of the PGDP and four quarterly implementation reports were presented to the Provincial Executive Council and approved. Substantial progress was made with strengthening the institutional framework to drive the implementation of the PGDP with the strengthening of 18 Action Work Groups (AWGs). Support was rendered to the eThekweni Metro and all 10 district municipalities in the drafting of their District Growth and Development Plans, as well as to the Poverty and Makhathini Laboratories.

Inter-governmental relations

The main aim is to strengthen inter-governmental relations (IGR) in the province through collaboration to ensure integrated planning for improved service delivery.

A number of initiatives and interventions were embarked on in this regard, such as the launch of the Provincial IGR Forum, the Inaugural IGR Learning Network, the establishment of the Inter-Provincial IGR Forum and Inter-Provincial Collaborations. The IGR Strategy primarily aims to create linkages between the IGR Structures and stakeholders. With regard to linkages to other provinces, in Mpumalanga programmes have been implemented to enhance service delivery and are ongoing, while in the Eastern Cape a MOU was drafted and legal teams from both provinces are in consultation in this regard. In the Free State, ongoing consultations with the province are being conducted. For the remainder of 2017/18, the following, among others, are planned: frequent meetings of the Premier's Co-ordinating Forum (PCF), using the Committee of Heads of Department as a key forum for intra-governmental relations, as well as a second IGR Learning Network.

Monitoring and evaluation

The OTPs are responsible for the Electronic Quarterly Reporting System (eQPRS) from 2017/18 onward. The department worked closely with the DPME in providing guidance and training to all departments in the province for the implementation of quarterly performance reports via the eQPRS. A bi-annual report to the Provincial Executive Council *Lekgotla* was prepared on achievement of strategic objectives of the PGDP, as well as the likelihood of achieving the 2020 targets for Vision 2035. The implementation of the Management Performance Assessment Tool (MPAT) in the province, as well as within OTP, was successfully co-ordinated. Similarly, the department co-ordinated and facilitated quarterly performance reporting against targets set in the APPs of all provincial departments through the new eQPR system, as well as the capturing of these reports in the Provincial Nerve Centre. The department further co-ordinated the Front Line Service Delivery and Batho Pele programmes in the province, as well as the performance reporting related to these programmes. In addition, the quarterly PGDP implementation reports are now captured into the Nerve Centre, piloted in the second quarter and rolled out from the third quarter.

Protection of human rights

The department co-ordinated the Gender, Disability, Senior Citizens, Children (GDSCC) and Ombudsperson's Forums which served as platforms to promote and monitor the implementation of human

rights related policies by all government departments and municipalities. Capacity building sessions for both government officials and the community were co-ordinated. International and national human rights calendar dates were celebrated including National Women's Day (August), International Children's Day (June), International Disability Day (December) and International Women's Day (March). The department also made interventions on issues of human rights violations through the Office of the Ombudsperson and the Office on Protection of Human Rights.

Public service transformation

The department convened various strategic Human Resource Management and Development (HRM&D) forums with all provincial departments. These forums were effective learning platforms utilised to share best practices and knowledge among peers. A Human Resources (HR) summit was held for all provincial HR practitioners aimed at finalising the Strategic Human Resource Management strategy which is in its final stage of preparation as a draft strategy. In the area of labour relations, the department focused on training and produced a training manual to be utilised as a toolkit for all labour relations matters by all provincial departments. The target of rolling out 200 training sessions to capacitate public servants was achieved. Consultations on the province-wide public service Human Resource and Development (HRD) strategies were completed. The roll-out of strategic skills development projects targeting the development of technical, artisanal and vocational skills continued with 1 200 beneficiaries.

Identity and heritage of the province

In an effort to address the difficulties facing Amafa aKwaZulu-Natali (Amafa), most notably the history of resource constraints, the Premier announced during 2015/16 that the intention is to co-ordinate heritage in the province through the amalgamation of Amafa and the Heritage unit within OTP to form the KZN Amafa and Research Institute. The new KZN Amafa and Research Institute Bill was completed and Provincial Treasury issued the required certificate. This was presented to the Provincial Legislature in August 2017, where it is under review.

The identification and profiling of critical heritage resources that were previously marginalised continued in 2017/18 and, as a result, a number of heritage events were organised to create awareness of such treasures among communities. Such events included Freedom Day, Africa Day, the Ngobese Clan Commemoration, the unveiling of statues of Griffiths and Victoria Mxenge, as well as Harry Gwala.

A number of monuments were erected including, among others, monuments to the cadres assassinated by the police at Dumbe, as well as a monument of Inkosi Simakade Mchunu at Msinga.

Operation Sukuma Sakhe (OSS)

In 2017/18, the OSS was re-engineered to ensure further strengthening of the programme. The main aim of OSS is to drive behaviour change and development at community level, including fighting poverty, diseases and social ills and ensuring that community, religious and traditional leaders drive these initiatives. The functioning of war-rooms is at the core of OSS. By the end of 2017/18, 169 wards will have received computer equipment, 120 wards will have received furniture, and stationery will have been delivered to all 169 targeted wards.

The Inkululeko Development project phase 1 at Ndumo was co-ordinated through the steering committee that meets quarterly. The bulk of the projects are complete and the overall project is at about 95 per cent complete, including the model school. Planning commenced for the Inkululeko Development project phases 2 and 3 in uMzinyathi and uThukela, respectively.

The Moerane Commission of Inquiry

The Moerane Commission of Inquiry will finalise its hearings in the last quarter of 2017/18, with a final report due to be submitted to the Premier in early 2018/19.

His Majesty, the King's activities

The King Support and Royal Household unit hosted 19 of His Majesty, the King's events, with a further six events planned for the remainder of the year. Events already hosted include:

- Hosting religious bodies including the Interfaith Congregation Prayer at kwaDlamahlaha Palace, the Shembe Congregation visits at KwaKhangela and Nyokeni Palaces, among others.

- Hosting cultural and heritage events including His Majesty, the King's Birthday at Linduzulu Palace, the First Fruits ceremony (*Umkhosi wesivivane*) at KwaKhangela Palace, *Umkhosi Womhlanga* (Royal Reed Dance) at the Ingwavuma and Nyokeni Palaces and *Umkhosi Woselwa* (Thanksgiving) at Nyokeni Palace, among others.

The department also continued with renovations of the KwaKhangela Palace, with only the tiling of the main house and guest houses outstanding, and anticipated to be completed by year-end.

The Royal Household Trust (RHT)

The RHT is currently operating in terms of its establishing Act, the KwaZulu-Natal Royal Household Trust Act No. 2 of 2007. The proposed 2015 Amendment Bill is still undergoing the portfolio committee processes in the Provincial Legislature. The objective of the Bill is to outline the manner in which the RHT is to be managed, governed, staffed and financed. The overall aim is to ensure that governance and management of the RHT is improved for the desired wellbeing of His Majesty, in accordance with the status befitting the monarch. In delivering on its mandate, the RHT provided for the Queens' expenses, including travel and accommodation, as well as tuition fees, transportation and medical expenses for members of the Royal Family. The RHT also maintained the Royal palaces and managed some of the farming activities, such as providing feed and veterinary care for the King's cattle.

The RHT is also tasked to raise funds for the benefit of the Royal Household, but this activity experienced challenges in 2017/18, due to no revenue generating assets being at the disposal of the RHT. Also, there are a significant number of posts that are vacant, including posts related to revenue generation.

Amafa aKwaZulu-Natali (Amafa)

As mentioned earlier, there was an intention to amalgamate Amafa and the Heritage unit within OTP to form the KZN Amafa and Research Institute. The new KZN Amafa and Research Institute Bill was completed and presented to the Provincial Legislature, where it is under review.

Amafa continued with its legislative mandate of assessing and issuing permit applications for alterations, repairs and demolition of qualifying built environment structures and archaeological-related work. Maintenance and project work at sites of historic significance were undertaken so as to preserve and/or conserve the existing heritage fabric of the province. The projects embarked on included the survey of public memorials in the Ladysmith Municipality, the installation of markers at two ancestral sites, namely the Colenso Concentration Camp and the site of the Fallen Zulus at Gingindlovu. The Interpretation project, saw the installation of interpretation panels at five sites, including the King Cetshwayo Death Site, the Mashona Cemetery, the Nkonjeni Graves, the Churchill Site and the Isandlwana Zulu Regiment's Site. The Kings' Renovation project entailed the refurbishment of the grave sites of the early Zulu kings.

KwaZulu-Natal Gaming and Betting Board (KZNGBB)

The KZNGBB is responsible for the collection of gambling taxes for KZN, regulating the gambling industry, ensuring the roll-out of gaming and betting initiatives and protecting the interests of patrons and the public at large. The Gaming and Betting function was moved from Vote 6: Provincial Treasury to Vote 1: Office of the Premier with effect from 28 September 2016.

During 2017/18, the entity continued to regulate the industry in line with the KZN Gaming and Betting Act, which was amended in October 2017, and regulations. The amendments included specific provisions to address transformation of the industry, matters related to the board, as well as the payment and distribution of taxes, among others. The entity continued to grow the industry in a responsible manner, while protecting the interests of the public and ensuring no over-saturation of gambling activities. Through its licensing activities, the entity made major strides in achieving its transformation mandate by increasing black participation within the industry, with ownership now at 59 per cent of operational bookmaking outlets. The entity commenced with a socio-economic impact study to analyse the impact of gambling within the province and this is expected to be completed by the end of 2017/18. The entity implemented phase one of the Gaming Regulators On-line Portal which improved efficiencies in the submission and processing of applications. During the year, the entity secured suitable office accommodation for its Durban operations, while continuing to finalise office accommodation in Pietermaritzburg. Currently, the tender is under appeal and, as such, progress has been delayed.

3. Outlook for the 2018/19 financial year

Section 3 looks at the key focus areas of 2018/19, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments.

The bulk of the department's budget allocation is for cross-cutting and transversal activities, such as OSS, Integrity Management, Youth Development, the Nerve Centre, support to His Majesty, the King, as well as transfers to its three public entities, Amafa, KZNGBB and the RHT. In 2018/19 and over the medium-term, the OTP will focus on the priorities listed below.

Provincial Planning Commission (PPC)

Key focus areas of the PPC will still be the implementation of the PGDP and supporting the AWGs to report effectively on progress with implementation. The ongoing refinements of the PGDS, as well as the refinements of the PGDP, will continue to be key focus areas. The PPC will continue to support the relevant line function departments in pursuing key interventions, such as the formalisation of rural settlements, the establishment of community service centres, the implementation of the provincial HRD strategy, renewable energy opportunities, etc.

Policy and research co-ordination

The department will continue to co-ordinate and update the existing register of public policies and policy instruments and facilitate the co-ordination of policies, research and planning through the relevant forums.

Monitoring and evaluation

The department will continue to strengthen the development of the Nerve Centre as the central information and knowledge repository in KZN. The automation of the PGDP Monitoring and Evaluation Framework has increased accessibility of information, accountability and efficiency of AWGs and various other stakeholders. An initiative was launched in 2017/18 to improve and consolidate all OTP data access onto a single, integrated data warehouse to develop a web-enabled portal that is accessible anywhere and available at any time. Due to challenges with outside connection into the current Nerve Centre to access these developed solutions, the option of Dube TradePort to host the Nerve Centre computer servers is being negotiated to ensure the realisation of this requirement. It is anticipated that this will be concluded and fully implemented by the end of 2018/19.

Inter-governmental relations

Inter-provincial collaborations will be a strategic tool for enhancing service delivery across KZN. In this regard, friendly relations and support will be fostered among various relevant stakeholders, consulting on matters of common interest and co-ordinating action plans and legislation. KZN will focus on strengthening economic diplomacy for the promotion of its trade, investment and tourism potential. The years ahead will therefore see the national strategy oriented towards not only ensuring KZN's domestic success, but also internationally, as a geo-political and economic player at the global level. In this regard, Mpumalanga, the Free State and the Eastern Cape have been identified as strategic partners.

Identity and heritage of the province

The KZN Amafa and Research Institute Bill, 2017, was finalised and forwarded to the Provincial Legislature for further processing. As soon as this process is concluded, the Premier will be able to establish the envisaged entity. The process of the merger of Amafa and the OTP's Heritage unit is anticipated to be concluded early in the financial year once the said Legislature process is finalised.

Protection of human rights

The department will continue to co-ordinate the GDSCC and Ombudsperson's Forums to promote and monitor the implementation of human rights related policies by all government departments and municipalities. This includes the roll-out of human rights awareness campaigns such as National Human Rights Day and 16 Days of Activism, conduct active ageing, inter-generational dialogues and child ambassador programmes, as well as co-ordinating anti-rape campaigns, the widowhood programme, women empowerment programmes, etc. All these programmes are aimed at achieving one of government's main goals, namely ensuring that the quality of life of the vulnerable is improved. Furthermore, the department will co-ordinate and monitor the provincial catalytic programmes pertaining

to GDSCC. Ward GDSCC profiles will also be conducted. Human rights awareness educational material will be distributed in all war-rooms.

Public service transformation

The department will continue to facilitate, integrate and monitor the implementation of HRM&D strategies, policies and projects through hosting of relevant strategic forums. AWGs 7 and 10 will continue to focus on areas of HRM&D.

The provincial HR turnaround strategy will be finalised and phase 1 of the implementation will be rolled out during 2018/19. In line with the inputs from the proposed HR turnaround strategy, all directorates will focus on training geared towards empowering in all areas of HR to minimise HR audit related challenges and to address the objectives of the HR turnaround strategy.

The department will develop a provincial strategy to improve equity targets in all departments through targeted programmes for women, youth and employees with disabilities.

With regard to HRD, the focus will be on finalising the Integrated Public Service HRD strategy and the province-wide HRD strategy. A total of 200 training sessions will be conducted, aimed at capacitating public servants. In order to foster co-ordination, integration, compliance, monitoring and evaluation, special attention will be given to the functionality of all HRD forums. The effective implementation and management of skills development projects will continue.

Operation Sukuma Sakhe (OSS)

The main focus in OSS is to continue with the strengthening of war-rooms in 2018/19, with special attention on the most deprived wards, as identified by StatsSA. The most deprived wards are the wards that are vast geographically, with few government facilities and are mainly rural in nature. Communities which do not have access to public service delivery rely on war-rooms to access essential services. The strengthening of war-rooms involves the purchase of furniture, stationery, computers, etc., as well as capacity building in respect of war-room support. Capacity building includes the provision of training to community volunteers, municipal councils and stakeholders. It is planned that 15 wards will receive furniture in 2018/19, a further 15 in 2019/20, with the final 19 wards being supplied in 2020/21.

His Majesty, the King's activities

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

The Royal Household Trust (RHT)

The RHT will continue to render its services to the Royal Household including a much sharper focus on revenue generating activities. A revenue generating plan has been developed that will be implemented in 2018/19. This plan will take advantage of public-private partnerships as a catalyst for revenue generation. In the short to medium term, it is not expected that this plan will generate any income, as it will still be in the investment phase. Notwithstanding this, the RHT will continue to seek income generating opportunities that will eventually relieve the RHT's dependency on the provincial fiscus.

Amafa aKwaZulu-Natali (Amafa)

As mentioned earlier, the intention is to co-ordinate heritage in the province through the amalgamation of Amafa and the Heritage unit within OTP to form the KZN Amafa and Research Institute. The new KZN Amafa and Research Institute Bill was finalised and presented to the Provincial Legislature, where it is under review. Once the review is finalised and the bill enacted, the practical roll-out of the merger will be implemented.

Due to historic budget reductions, funding for the operational costs and core mandate of Amafa is constrained. As a result, Amafa is staggering its maintenance schedule (i.e. decreasing the frequency of site maintenance), as well as using reserve funding to bridge the deficit between the aggregate of project and operational funding and the revenue received. Projects planned for 2018/19 include, among others,

one site excavation (site to be determined and approved), the grading of five sites, the proclamation of three sites (one each for rock art, archaeology and built-environment), as well as the installation of ancestral markers at two sites (determined on a list of applications received in 2017/18).

KwaZulu-Natal Gaming and Betting Board (KZNGBB)

The KZNGBB will pursue its mandate by ensuring that all gambling authorised under the amended Act is conducted in a manner which promotes the integrity of the gambling industry and does not cause harm to the public. In addition, the KZNGBB will ensure that gambling promotes employment, as well as economic and social development to give effect to the PGDS/P. The entity will continue to invite, consider and process new applications and/or renewals for any gaming or betting licences, amend, specify, substitute or rescind any licence conditions as necessary/required, in line with the Act and regulations, and undertake investigations or inspections into illegal gambling operations in KZN.

The entity will strive to bring balance between protection of the public and growth to the industry. Transformation to create opportunities for black individuals to gain access to the gambling industry will continue to be a key focal point. The securing of office accommodation for the Pietermaritzburg operations will continue to be a key focus area in 2018/19, as well as the development and implementation of the remaining phases of the Gaming Regulators On-Line Portal, anticipated to be completed in 2018/19, which will significantly enhance all processes within the entity. The findings of the socio-economic impact study of gambling in the province will be analysed in 2018/19 and a strategy will be developed during the year, on the way forward.

4. Reprioritisation

The department undertook extensive reprioritisation over the 2018/19 MTEF, largely for the filling of critical posts. *Compensation of employees* increased by R15.021 million for 2018/19 and R19.260 million for 2019/20. Funds were reprioritised from *Goods and services* in order to prioritise the filling of approximately 56 critical vacant posts. All service delivery projects, as outlined in the departmental APP, will still proceed in 2018/19, but savings will be realised by scaling down various projects, particularly the scale of events, as well as implementing strict cost-cutting measures.

5. Procurement

The department will continue to develop and implement a procurement plan for procurement exceeding R500 000 and a demand management plan for procurement below R500 000 for 2018/19, to ensure that the needs of the organisation are met. The department aims to reduce the turn-around time for procuring goods and services. Internal controls, contract management and inventory management will be strengthened.

The department will also intensify its efforts to ensure that suppliers and service providers are paid within 30 days, in line with Treasury Regulations 8.2.3. All quotations and bids will be awarded in a manner which is fair, equitable, transparent, competitive and cost effective. To achieve this, the department will commence rolling-out its own e-Procurement system in conjunction with Provincial Treasury. The implementation of the system will eliminate the manual procurement system that is currently being used.

6. Receipts and financing

6.1 Summary of receipts and financing

Table 1.1 gives the sources of funding of Vote 1 from 2014/15 to 2020/21. The table also compares actual and budgeted receipts against actual and budgeted payments. The department receives a provincial allocation in the form of an equitable share.

The Gaming and Betting budget was suspended from Vote 6: Provincial Treasury in the 2016/17 Adjusted Appropriation and allocated to Vote 1: Office of the Premier relating to the movement of both the KZNGBB and the administration unit dealing with Gaming and Betting with effect from 28 September

2016, as determined by Premier's Minute No. 2 of 2016. It must also be noted that the full amount spent in 2016/17 is now shown against Vote 1, with historical figures adjusted for comparative purposes. Similarly the revenue budget moved to Vote 1 as well.

Table 1.1 : Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Equitable share	719 160	728 495	693 695	729 140	729 140	729 140	773 397	821 689	874 699
Conditional grants	-	-	-	-	-	-	-	-	-
Total receipts	719 160	728 495	693 695	729 140	729 140	729 140	773 397	821 689	874 699
Total payments	765 252	728 464	707 561	742 125	763 471	763 471	787 137	822 568	874 699
Surplus/(Deficit) before financing	(46 092)	31	(13 866)	(12 985)	(34 331)	(34 331)	(13 740)	(879)	-
Financing									
of which									
Provincial roll-overs	12 994	-	8 000	-	1 313	1 313	-	-	-
Provincial cash resources	57 090	44 270	11 775	12 985	33 018	33 018	13 740	879	-
Surplus/(Deficit) after financing	23 992	44 301	5 909	-	-	-	-	-	-

Note: 2016/17 surplus was over-stated in the department's AFS

In 2014/15, the department received additional funding of R62.090 million. This increase was offset by a reduction of R5 million, resulting in a net increase of R57.090 million. This is explained as follows:

- R46.928 million was received for the following:
 - R33.169 million for the Integrity Management unit. In addition, R5.700 million was suspended from 2013/14, also for the Integrity Management unit.
 - An additional R5 million for the OSS Diakonia Council of Churches.
 - Amafa was given R3.059 million to apply for World Heritage status for the Emakhosini Valley.
- R3.136 million was allocated for transfer to Amafa. This amount relates to surplus funds from 2012/13, which Amafa surrendered to the Provincial Revenue Fund, with the understanding that these funds would be allocated back to them in 2014/15 to roll out new projects.
- R4.226 million was allocated to the department, being the province's contribution to the construction of the Denis Hurley Centre, in Durban.
- R7.800 million in respect of the 20 years of democracy celebrations held on 27 April 2014.
- Offsetting this was a reduction of R5 million, which was specifically and exclusively appropriated funding for security strengthening during the 2014 general elections. These funds were not required by the OTP and were removed from its baseline and returned to the Provincial Revenue Fund.

The department also received roll-overs amounting to R12.994 million in 2014/15 as follows:

- R2.994 million was rolled over from 2013/14 in respect of the RTI Commission due to an extension of the sittings into 2014/15 that impacted on the finalisation of the commissioner's report, and the payment of commission fees was due only upon finalisation.
- R10 million was rolled over from 2013/14 for the African Economic Expansion Summit. Funds were received during the 2013/14 Adjustments Estimate and could not be spent due to the limited time to plan and host an event of that magnitude during 2013/14.

The 2014/15 budget was under-spent by R23.992 million partly due to the unspent *Compensation of employees* and *Goods and services* funds of the former Department of the Royal Household (DRH). When the proclamation was signed, the budget remained at the DRH, but the expenditure was moved to OTP, which then utilised its savings to offset the DRH expenses. The amount also includes under-expenditure for the construction of the provincial Public Service Training Academy (hereafter referred to as the Training Academy) that was transferred to the DOPW but not spent, and hence was reflected as an under-spending in line with a recommendation from the A-G.

The budget increased by R44.270 million in 2015/16 due to the following:

- R15 million for the construction of the pipeline at the Luwamba Wellness Centre could not be utilised in 2014/15 due to challenges experienced with various stakeholders, farmers and wards in terms of the

appointment of the local community to assist with the project. As such, these funds were suspended from 2014/15 and re-allocated to the department in 2015/16.

- R14 million was specifically and exclusively appropriated for the equipping of war-rooms but was not utilised in 2014/15 due to a review of the war-rooms' software requirements by the Information Technology unit. The funds were therefore suspended from 2014/15 and were allocated back to the department in 2015/16.
- R5 million for the OSS Diakonia Council of Churches. These funds were allocated over a three-year period using cash resources that became available in the 2013/14 Adjustments Estimate.
- The department received R10.270 million for the establishment of an operations centre for the implementation of the Poverty Eradication Master Plan (PEMP), in line with a Provincial Executive Council resolution.

Offsetting the above increase, was a suspension of R15.690 million in respect of the equitable share to 2016/17 with regard to the construction of the new Training Academy in Westville. However, the construction of this facility will no longer take place at this stage due to the fiscal consolidation imposed by National Treasury.

The 2015/16 budget was under-spent by R44.301 million due to the following:

- Under-expenditure of R6.369 million was mainly attributed to the moratorium on the filling of non-critical vacant posts.
- Under-spending of R3.631 million was as a result of fewer Integrity Management "I do right, even when nobody is watching" roadshows taking place than anticipated.
- The balance of R35.727 million was a result of the following:
 - Budgeted projects, such as the Citizen Satisfaction Survey, were not finalised with StatsSA as a result of administrative challenges that were experienced by StatsSA, resulting in the project not being implemented. In addition, the PGDS situational review was finalised later than originally anticipated due to the unsatisfactory work that was done by the service provider.
 - The Monitoring and Evaluation unit experienced delays with appointing a suitable service provider for the preparation of a Provincial Evaluation Plan, which is an initiative of the DPME to measure impact assessments.
 - An amount of R1.200 million in respect of the Provincial Bursary Programme was not utilised due to delays in the receipt of entity forms from landlords in respect of student accommodation.
 - The PEMP funding was under-spent by R7.856 million. The bulk of the funds were allocated for *Compensation of employees*, but all 12 posts were filled later than originally anticipated.
 - The Royal Household sub-programme was under-spent. An amount of R3.413 million was not transferred to the RHT due to the fact that the RHT seemed to have sufficient budget to carry it through the fourth quarter at the time, in line with its cashflow projections.

In 2016/17, the department received provincial cash resources of R11.775 million for the PEMP operations centre, as well as funds for the carry-through of the above-budget 2015 wage agreement. However, the budget showed low growth in 2016/17 mainly ascribed to the fiscal consolidation budget cuts implemented by National Treasury. In addition, and as a result of the cuts, the amount of R15.690 million suspended from the 2015/16 budget was not allocated to the department in 2016/17 as the construction of the Training Academy was halted to partially fund the province's fiscal consolidation budget cuts. The department also received a roll-over of R8 million for the maintenance of the Royal palaces through Provincial Treasury as the implementing agent. The department under-spent its 2016/17 budget by R5.909 million, mainly attributed to under-spending against *Goods and services* against the PEMP due to the fact that the programme launches in some municipalities did not take place as anticipated as a result of a change in the vision and strategy of the PEMP. Also contributing was *Buildings and other fixed structures* with under-expenditure mainly related to the Royal palaces. In addition, *Compensation of employees* was under-spent because of vacant funded posts.

In 2017/18, the following adjustments are noted:

- The KZNGBB managed to secure office accommodation at the Marine Building in Durban, thus R767 000 was allocated in 2017/18, with carry-through of R821 000 and R879 000 in 2018/19 and 2019/20, respectively, specifically for transfer to the KZNGBB for its new lease.
- The PEMP operations centre amounting to R12.218 million and R12.919 million in 2017/18 and 2018/19, linked to contract posts which align to the Premier's term of office. The operations centre is responsible for co-ordinating the programme directed towards eradicating poverty in the province.

During the 2017/18 Adjustments Estimate, the department received further additional funding of R21.346 million, as follows:

- R1.313 million was approved as a roll-over from 2016/17 and relates to the roll-over of funds of R8 million from 2015/16 to 2016/17, which could not be entirely spent in 2016/17 as a result of delays that were experienced with renovations at KwaKhangela Palace.
- The department's budget was increased by R20.033 million related to the KZNGBB, which was requested to return an amount of approximately R20.800 million a few years ago to the Provincial Revenue Fund for the fund to earn the associated interest on this capital amount, as the entity did not need the funds at the time. The KZNGBB was initially allocated these funds to acquire new office accommodation, and the amount was therefore returned to the KZNGBB for this purpose.
- The department has projected a balanced budget by year-end, as per the December 2017 IYM.

In the 2018/19 MTEF, the department receives provincial cash resources as follows:

- The department receives R12.919 million in 2018/19 for the carry-through of PEMP operational costs, as mentioned.
- The allocation for PEMP operational costs was for a finite period only (2015/16 to 2018/19), and the carry-through costs are therefore removed from the baseline in 2019/20.
- Amounts of R821 000 and R879 000 are allocated in 2018/19 and 2019/20, respectively for the KZNGBB's office accommodation at the Marine Building. This funding was for three years only from 2017/18.
- In 2020/21, R6.886 million is allocated to the equitable share, being funding allocated for the carry-through costs of the above-budget wage agreement.

6.2 Departmental receipts

Table 1.2 reflects details of departmental receipts per main category over the seven-year period: 2014/15 to 2020/21. Details of the department's revenue are reflected in *Annexure – Vote 1: Office of the Premier*.

Table 1.2 : Summary of departmental receipts collection

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
Tax receipts	538 524	565 890	582 468	586 724	586 724	592 147	600 285	607 660	615 364
Casino taxes	467 319	487 788	502 243	510 227	510 227	510 874	518 570	524 843	531 391
Horse racing taxes	71 205	78 102	80 225	76 497	76 497	81 273	81 715	82 817	83 973
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	174	149	191	258	258	218	273	288	304
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	5	23	8	1	1	12	1	1	1
Sale of capital assets	1 143	535	-	311	311	311	535	535	535
Transactions in financial assets and liabilities	402	423	267	42	42	649	44	47	50
Total	540 248	567 020	582 934	587 336	587 336	593 337	601 138	608 531	616 254

Tax receipts are derived from taxes collected by KZNGBB in accordance with the KZN Gaming and Betting Tax Act, 2010. The main sources of revenue are *Casino taxes* and *Horse racing taxes*.

Casino taxes, which includes Limited Payout Machines (LPMs) and Bingo gaming revenue, accelerated from 2014/15 onward following the increase in tax rates that came into effect in November 2012. The department is very conservative in terms of budgeting for this item due to the continuing decline in economic activities, hence the average growth of the budget is 1.3 per cent over the MTEF.

Horse racing taxes includes sports betting revenue and is volatile over the seven-year period. The budget grows conservatively by an average of 1 per cent over the MTEF due to its unpredictable nature.

Sale of goods and services other than capital assets mainly comprises revenue from commission on PERSAL deductions such as insurance premiums and garnishee orders and tender fees. The conservative growth over the MTEF is based on the historic slow growth of this revenue source.

Interest, dividends and rent on land relates to interest on staff debts. It is difficult to accurately project revenue from this source due to its uncertain nature and the budget is thus kept constant over the MTEF.

Sale of capital assets consists of revenue from the sale of redundant assets, such as motor vehicles and equipment. The revenue collected from 2014/15 to 2015/16 was in relation to the sale of redundant assets. It is difficult to forecast revenue from the sale of redundant assets, as this depends on certain factors such as size of the fleet and the price attained at the auction, hence the conservative budgeting over the MTEF.

Transactions in financial assets and liabilities is in respect of recoveries from previous financial years, such as staff debts. The collection fluctuates over the seven years in line with the quantum of staff debts.

6.3 Agency funding

Tables 1.3 and 1.4 reflect the details of agency funding for the period 2014/15 to 2020/21.

Table 1.3 : Details of agency funding receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
Agency funding	38 020	21 700	8 870	6 800	6 800	14 875	-	-	-
NSF	28 583	3 900	5 908	-	-	6 695	-	-	-
MERSETA	9 437	11 200	2 962	6 800	6 800	8 180	-	-	-
Work Integrated Learning (SSETA)	-	5 800	-	-	-	-	-	-	-
Work Integrated Learning (PSETA)	-	800	-	-	-	-	-	-	-
Total	38 020	21 700	8 870	6 800	6 800	14 875	-	-	-

Table 1.4 : Details of agency funding payments and estimates

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
Agency funding	-	21 700	13 823	6 800	6 800	14 875	5 500	-	-
NSF	-	3 900	6 350	-	-	6 695	-	-	-
MERSETA	-	11 200	7 473	6 800	6 800	8 180	5 500	-	-
Work Integrated Learning (SSETA)	-	5 800	-	-	-	-	-	-	-
Work Integrated Learning (PSETA)	-	800	-	-	-	-	-	-	-
Total	-	21 700	13 823	6 800	6 800	14 875	5 500	-	-

During 2017/18, the department, through the Training Academy, received funding of R6.695 million from the National Skills Fund (NSF). This amount was used to train 500 youth on digital television installation skills, pay service providers who were finalising work of training construction learnerships from 2013/14 onward, and for 10 learners who are currently undergoing a toolmaking learnership. This project will end on 31 March 2019. No amount was included in 2018/19 as it was previously reported that the actual implementation is expected to end in November 2018, even though the contract between OTP and the NSF will end in 2019. The amount of R6.695 million received in 2017/18 will be used to cover the cost of the remaining activities in the project.

The department also received R8.180 million from MERSETA for training of 300 artisans and 850 individuals in skills programmes. A total of 200 artisans and 850 people will complete their training on 31

March 2018 and 100 apprentices in various trades such as fitting and turning, electricians, spray painting, petrol and diesel mechanics will complete their training on 31 March 2019.

The aim of the Work Integrated Learning (SSETA and PSETA funded projects) was to support 215 students from TVET colleges with a stipend of R1 500 per student per month for 12 to 18 months. These projects, aimed at supporting the development of a policy on accreditation, started in April 2015 and was completed in early 2016/17.

7. Payment summary

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

7.1 Key assumptions

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

- All inflation related increases are based on CPI projections.
- Provision was not adequately made for an inflationary wage adjustment of 6.5, 6.3 and 6.5 per cent over the 2018/19 MTEF, as well as the 1.5 per cent pay progression. This will be reviewed in-year, as this category is currently growing by 15.9 per cent, 4.4 per cent and 7.5 per cent over the MTEF.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2017/18, will continue to be adhered to over the 2018/19 MTEF, in conjunction with National Treasury Instruction Note 03 of 2017/18: Cost-containment measures.

7.2 Additional equitable share allocations for the 2016/17 to 2018/19 MTEF

Table 1.5 shows additional equitable share funding received by the department over the 2016/17, 2017/18 and 2018/19 MTEF periods. The carry-through allocations for the outer year (i.e. 2020/21) are based on the incremental percentage used in the 2018/19 MTEF.

Table 1.5 : Summary of additional provincial allocations for the 2016/17 to 2018/19 MTEF

R thousand	2016/17	2017/18	2018/19	2019/20	2020/21
2016/17 MTEF period	(88 290)	(86 782)	(86 865)	(105 372)	(111 167)
Above-budget 2015 wage agreement	4 597	4 923	5 272	5 567	5 873
PEMP operations centre	11 775	12 218	12 919	-	-
Freezing all vacant non-OSD posts	(25 138)	(26 847)	(28 673)	(30 279)	(31 944)
Cutting events' budget	(39 723)	(39 722)	(39 722)	(41 946)	(44 253)
Cutting Training Academy budget	(16 522)	(17 348)	(18 354)	(19 382)	(20 448)
General baseline cut	(15 866)	(12 125)	(9 968)	(10 526)	(11 105)
2% Goods and services cut	(7 413)	(7 881)	(8 339)	(8 806)	(9 290)
2017/18 MTEF period		(3 000)	(3 393)	(12 232)	(13 832)
Removal of Poverty Eradication Master Plan operations centre		-	-	(13 642)	(14 392)
Allocation of parts of surrendered surplus for office accommodation for KZNGBB		767	821	879	-
PES and Provincial Own Revenue reductions		(2 734)	(3 125)	(5 543)	(5 848)
Budget cuts to fund remuneration of Izinduna		(1 033)	(1 089)	(1 149)	(1 212)
Additional funding from National Treasury		-	-	7 223	7 620
2018/19 MTEF period					6 886
Above-budget wage agreement					6 886
Total	(88 290)	(89 782)	(90 258)	(117 604)	(118 114)

With regard to the 2016/17 MTEF, due to data updates of the PES formula, a declining Provincial Own Revenue, as well as cuts implemented by National Treasury as a result of the need to lower the expenditure ceiling across the country and to reprioritise to fund various national priorities that had arisen, the funding available to the province was reduced or cut. Provinces were also instructed that the baselines of provincial Departments of Health be protected in view of the impact that the exchange rate has had on the affordability of medicines, which are largely imported. In order to effect these cuts in the province, expenditure on *Compensation of employees* was lowered by freezing all vacant non-OSD posts, and departments' equitable share funded *Goods and services* budgets were cut by 2 per cent over the MTEF.

Accordingly, in 2016/17, the following changes were made to the department's budget:

- As a result of freezing all vacant non-OSD posts, R25.138 million was removed from the budget in 2016/17, with carry-through over the MTEF.
- The OTP's hosting of events budget was cut (R39.723 million with carry-through over the MTEF).
- The budget for the construction of a new Training Academy was removed (R16.522 million with carry-through).
- A general baseline cut amounting to R15.866 million with carry-through, specifically relating to the OTP, was effected against *Compensation of employees*, as well as *Goods and services*.
- The equitable share funded *Goods and services* budget was cut by 2 per cent (R7.413 million with carry-through).
- In order to assist with funding these budget cuts, the department reduced the transfers to its public entities. Amafa's budget was cut by R4.888 million and RHT's budget was cut by R9.489 million, both with carry-through.

However, offsetting these reductions was additional funding of R16.372 million for the following:

- The above-budget 2015 wage agreement.
- The PEMP operations centre amounting to R11.775 million, R12.218 million and R12.919 million from 2016/17 to 2018/19, linked to contract posts which align to the Premier's term of office. The operations centre is responsible for co-ordinating the programme directed towards eradicating poverty in the province.

With regard to the 2017/18 MTEF, the following changes were made to the department's budget:

- In 2017/18, there was a reduction of the PES allocation due to data updates of the PES formula, as well as fiscal framework reductions. In addition, the budget databases submitted by departments in preparation for the September 2017 MTECs indicated a downward revision of the Provincial Own Revenue numbers, as such, the department's budget cut amounted to R2.734 million, R3.125 million and R5.543 million over the 2017/18 MTEF.
- As determined by the Provincial Executive Council on 2 November 2016, the remuneration of *Izinduna* was to commence in KZN and was calculated at R252.328 million, R266.206 million and R280.847 million over the 2017/18 MTEF. In this regard, it was agreed that the remuneration for 2016/17 be 50 per cent funded by an additional allocation from provincial cash resources and the balance of 50 per cent be funded through internal reprioritisation by COGTA. It was also agreed that the remuneration of *Izinduna* be funded in a similar manner over the 2017/18 MTEF in that COGTA funds 50 per cent of the amount needed for the remuneration of the *Izinduna* from within their baseline through reprioritisation, while the balance of 50 per cent be cut proportionately from all remaining Votes. As such, R1.033 million with carry-through was deducted from the OTP.
- Offsetting these cuts to some extent, is additional funding of R7.223 million provided by National Treasury in the outer year, ie. 2019/20 with carry-through, as well as additional funding of R767 000 in 2017/18 with carry-through for two years in respect of the KZNGBB's office accommodation at the Marine Building.

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

It is noted that further fiscal consolidation cuts were effected against the equitable share over the 2018/19 MTEF. However, due to the lateness of finalising these cuts, it was resolved at a Finance *Lekgotla* that, while Votes were notified of the quantum of their proportional cut, the actual cut will only be effected in the 2018/19 Adjustments Estimate, to allow time for planning. The OTP budget will accordingly be cut by R3.808 million in the 2018/19 Adjustments Estimate.

7.3 Summary by programme and economic classification

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

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
1. Administration	200 188	93 060	84 867	87 280	91 998	91 998	102 326	114 616	122 403
2. Institutional Development	270 173	356 521	356 095	354 275	369 908	369 908	410 377	430 098	457 188
3. Policy and Governance	294 891	278 883	266 599	300 570	301 565	301 565	274 434	277 854	295 108
Total	765 252	728 464	707 561	742 125	763 471	763 471	787 137	822 568	874 699
Unauth. Exp. (1st charge) not available for spending	(2 500)	(2 500)	(2 194)	-	-	-	-	-	-
Baseline available for spending after 1st charge	762 752	725 964	705 367	742 125	763 471	763 471	787 137	822 568	874 699

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
Current payments	599 802	578 430	541 973	609 239	598 151	598 003	648 417	678 381	723 355
Compensation of employees	209 438	233 392	256 384	291 998	279 360	278 724	323 028	337 088	362 512
Goods and services	390 364	345 038	285 589	317 241	318 791	319 279	325 389	341 293	360 843
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	130 985	113 969	131 518	117 893	140 554	140 616	116 923	124 226	131 059
Provinces and municipalities	4 924	76	136	57	107	102	60	63	66
Departmental agencies and accounts	92 587	91 377	95 372	91 635	113 960	113 960	94 954	100 696	106 235
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	4 226	-	27	-	-	-	-	-	-
Households	29 248	22 516	35 983	26 201	26 487	26 554	21 909	23 467	24 758
Payments for capital assets	34 369	33 298	31 830	14 993	24 766	24 766	21 797	19 961	20 285
Buildings and other fixed structures	10 049	2 271	16 823	2 034	8 147	8 147	5 729	3 864	3 304
Machinery and equipment	21 895	27 194	14 202	8 297	14 514	14 533	11 249	10 998	11 602
Heritage assets	2 425	3 682	805	4 594	2 055	2 036	4 819	5 099	5 379
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	151	-	68	50	50	-	-	-
Payments for financial assets	96	2 767	2 240	-	-	86	-	-	-
Total	765 252	728 464	707 561	742 125	763 471	763 471	787 137	822 568	874 699
Unauth. Exp. (1st charge) not available for spending	(2 500)	(2 500)	(2 194)	-	-	-	-	-	-
Baseline available for spending after 1st charge	762 752	725 964	705 367	742 125	763 471	763 471	787 137	822 568	874 699

The structure of the department consists of three programmes, and does not conform fully to the generic programme structure of the sector at this stage, and this is in the process of being reviewed by the department. In addition to not fully conforming, in KZN, the Heritage sub-programme is included under Vote 1: Office of the Premier, although Heritage forms part of the uniform programme and budget structure for the Sport, Arts and Culture sector. Also, unique to KZN, following the signing of the proclamation to combine Vote 10 with Vote 1, the budget of the Royal Household was added to Vote 1's budget as a sub-programme under Programme 3: Policy and Governance, effective from 1 April 2015. Historic figures were adjusted accordingly in respect of this amalgamation. The Gaming and Betting function was added as a sub-programme within Programme 2 in line with Premier's Minute No. 2 of 2016 and this is also not in line with the uniform programme structure, as Gaming and Betting forms part of Economic Development in terms of the uniform programme structure. There were also internal movements in 2018/19 of certain of the responsibilities from Programme 3 to Programme 2, with the Youth Development function moved from the Premier's Priority Programmes sub-programme in Programme 3 to the Special Programmes sub-programme in Programme 2. The other internal movement was the Security Services function moved from the sub-programme: Strategic Human Resources to the sub-programme: Special Programmes within Programme 2. Historical figures have not been restated for either of these movements as the department does not keep records at this level.

There were budget cuts in the 2016/17 and 2017/18 MTEF processes, and these were implemented proportionately across all programmes, as well as most economic classifications, resulting in fluctuations over the period, with a significant reduction in 2016/17. Two of the department's public entities were affected by these cuts, namely Amafa and RHT.

In 2015/16, the bursaries budget was decentralised back to those departments from which the funds were originally moved, hence the reduction in 2015/16.

The spending against Programme 1: Administration decreased from 2015/16 as the OTP agreed to redirect the funds allocated for the development of the Luwamba Wellness Centre towards the running of the Integrity Management unit, which is in Programme 2. The decrease in 2016/17 and 2017/18 was due to the suspension of funds for the Luwamba Wellness Centre from 2014/15 to 2015/16. The allocation for 2017/18 was also reduced due to budget cuts, and grows thereafter. Programme 1 is increased in 2018/19 with carry-through over the MTEF as a result of funds being reprioritised within the department for the filling of 23 critical posts, including critical SCM posts in Logistics, Contract and Assets and Demand Management (Deputy and Assistant Directors, as well as SCM Practitioners), among others.

The amount against Programme 2: Institutional Development shows an increase over the seven-year period as a result of the centralisation of OTP's own communications budget from Programmes 1 and 3 to this programme, as well as, among other things, the OSS funds that were surrendered in 2014/15 with an understanding that the funding would be re-allocated to the department in 2015/16. This was mitigated by a decrease due to the bursaries budget being decentralised from 2015/16 back to the departments from which the funds were originally moved in prior years. The significant increase in the 2017/18 Adjusted Appropriation includes funds for the Gaming and Betting function, the continued operation of the Training Academy in its current premises, the Provincial Bursary Programme, LAN and IT upgrades within OTP, capacitation of the Integrity Management unit, communication campaigns, etc. During the 2018/19 MTEF, there was internal reprioritisation to cater for the filling of 11 critical posts, including Chief Director: Integrity Management, Democracy and Security Services, among others. The major increase over the MTEF is a result of the movement of the Youth Development function to this programme, within the Special Programmes sub-programme, from Programme 3. Historical figures for the administrative costs have not been restated as the department does not keep records at this level.

Programme 3: Policy and Governance fluctuates over the period. In 2015/16, there was a movement of funds originally earmarked for the Youth Ambassadors' programme from Programme 2 to Programme 3 to fund the Youth Development function, and comparatives were not restated. This programme was affected by the fiscal consolidation cuts in 2016/17. However, additional funding was received for the PEMP in this programme, with carry-through from 2015/16 to 2018/19. It must also be noted that, from 2015/16, the Royal Household sub-programme and the RHT public entity were added to this programme, as a result of the amalgamation of Votes 1 and 10. The growth in 2017/18 includes funds for the PGDS review, Citizen Satisfaction Survey, the PPC, OSS, HIV and AIDS programmes, His Majesty, the King's support, human rights campaigns, as well as erection of heritage monuments and unveiling of tombstones of struggle icons identified by the Premier. During the 2018/19 MTEF, there was internal reprioritisation to cater for the filling of 15 critical posts including two Directors (HIV and AIDS, Heritage), as well as Farm Aids, General Worker Supervisors and Drivers, among others. The major decrease over the MTEF was as a result of the movement of the Youth Development function from this programme to Programme 2. Historical figures have not been restated as the department does not keep records at this level.

Compensation of employees grew strongly in the early years due to the ongoing implementation of the new organisational structure. However, the department will not be in a position to implement the new organisational structure fully as anticipated due to the freezing of all vacant non-OSD posts. As mentioned, there was significant reprioritisation during the 2018/19 MTEF from *Goods and services* to *Compensation of employees* to cater for the phased in filling of 56 critical vacant posts. In addition, the department received funding in 2020/21 for the carry-through costs of the wage agreement, as mentioned. Despite this movement and additional funding, the growth for this category in 2019/20 and 2020/21 is not sufficient to cater for the carry-through costs of the filling of posts as the growth is less than the inflationary wage adjustment of 6.3 and 6.5 per cent, as well as the 1.5 per cent pay progression. Although growth is sufficient in 2018/19, the two outer years will be reviewed in the next MTEF process, as this category is currently growing by 4.4 per cent in 2019/20 and 7.5 per cent in 2020/21.

Goods and services decreases from 2014/15 to 2016/17 mainly due to the deduction of R2.781 million relating to previous years' irregular expenditure, as well as the shifting of funds in respect of the Training Academy to *Buildings and other fixed structures*, for the costs of a feasibility study and drafting of plans

for a new building, prior to the 2016/17 MTEF cuts. This decrease is despite the fact that, in 2015/16, there was a re-allocation of funds for the Luwamba Wellness Centre and OSS projects, which were suspended in 2014/15, as well as additional funding for OSS Diakonia Council of Churches. As mentioned, additional funding of R10.270 million was received for the PEMP operations centre, with carry-through from 2015/16 to 2018/19. The bulk of this funding is included under *Compensation of employees*, as well as *Goods and services*. The decrease in 2016/17, as well as the below inflationary growth in 2017/18, are mainly ascribed to the budget cuts. The minimal growth in this category over the 2018/19 MTEF is a result of funds being reprioritised from *Goods and services* to *Compensation of employees*, as mentioned above. However, this was mitigated to some extent by an increase in *Goods and services* as a result of funds being reprioritised from *Transfers and subsidies to: Households* for the Youth Development function to cater for the unit's operational needs. The bulk of the funding reprioritised from *Goods and services* is from a planned reduction in the cost of events held by the department.

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

- *Provinces and municipalities* generally caters for the payment of motor vehicle licences. The high expenditure in 2014/15 was due to once-off additional funding transferred to the eThekweni Metro for the implementation of the commemoration monument in respect of the arrival of the Indian indentured labourers in South Africa. Unfortunately, this monument has not been completed and unveiled to date and the department is currently reviewing this project. The higher growth in 2017/18 is as a result of vehicle registrations in the ICT sub-programme. Additional vehicles were purchased at the beginning of 2017/18 and the vehicle registration fees were not budgeted for. There is steady growth over the 2018/19 MTEF in respect of motor vehicle licences.
- *Departmental agencies and accounts* caters for transfers to Amafa, RHT, as well as the KZNGBB. The amounts in 2014/15 and 2015/16 include the amalgamation of DRH and the OTP, as well as the transfer to the RHT. Funds were also reprioritised within the department's baseline to increase the transfer to Amafa for the purchase of vehicles and salary related costs. The OTP reprioritised a further R4 million for the RHT in 2015/16 to cater for outstanding invoices that required payment, accounting for the dip in 2016/17. The increase in the 2017/18 Adjusted Appropriation is due to once-off funding for the KZNGBB, which was requested to return an amount of approximately R20.800 million a few years ago to the Provincial Revenue Fund for the fund to earn the associated interest on this capital amount. The KZNGBB was initially allocated these funds to acquire new office accommodation for their operations, and the amount was therefore returned to the KZNGBB for rental of accommodation. The entity has only recently secured rental space in Pietermaritzburg for their offices, but this tender is currently under appeal. The 2018/19 MTEF provides for inflationary growth only in transfers to the department's three public entities.
- With regard to *Non-profit institutions*, an amount of R4.226 million was spent in 2014/15, as the province's contribution to the construction of the Denis Hurley Centre. In 2016/17, a sponsorship of R27 000 was given to the KZN Law Society for a function to honour the appointment of members of the judiciary.
- *Households* consists of staff exit costs, medical aid contributions for ex-parliamentarians (PARMED), the Provincial Bursary Programme, etc. The fluctuations relate to staff exit costs, which are difficult to accurately predict. In 2014/15, the department undertook a once-off shift from *Compensation of employees* to this category, as a result of the discontinuation of the Youth Ambassadors' programme stipends to cater for unexpected in-year spending pressure in respect of bursaries, which were largely once-off, accounting for the significant dip in 2015/16. Also during 2015/16, a decision was taken to decentralise the external bursaries budget back to the departments from which the funds were originally moved. The amount budgeted over the 2018/19 MTEF provides for staff exit costs, bursaries and PARMED. It must be noted, though, that there was a reprioritisation to this category of R14 million in 2016/17 with carry-through for bursaries in response to the "fees must fall" movement by students countrywide. During the 2018/19 MTEF, this category was reduced by R5 million to cater for operational costs for the Youth Development function.

With regard to *Buildings and other fixed structures*, the Training Academy building was claimed back by DOE in 2012/13 to assist educators with continuous professional development. The Training Academy

continued to function from its current location, but the department, together with DOPW, identified a site in Westville to build a new Training Academy. The reduction in 2015/16 was primarily attributed to the R15.690 million, specifically and exclusively appropriated for the construction of the Training Academy, being suspended to 2016/17. The reduction in 2017/18 is mainly ascribed to the previously mentioned budget cuts relating to the Training Academy, where the funding to construct a new facility was cut from the department's baseline. As a result of the cuts, the OTP is still in talks with DOE for the Training Academy to continue operating from the current premises, in an effort to make sure that operations continue unaffected. The budget over the MTEF provides for various projects including the renovations to the roof and pool in respect of the Premier's Parkside residence, the development of the Terry Street parking facility for OTP head office use, as well as renovations to Royal palaces.

Machinery and equipment relates to the purchase of essential office furniture and equipment for new appointments and the purchase of official vehicles. The spending in 2014/15 was attributed to the purchase of replacement motor vehicles and for office furniture and equipment for new appointments. The increase in 2015/16 was due to the upgrades to the Provincial Executive Council offices. This increase was also due to funds reprioritised from within the department for the installation of security systems, asset tracking devices, as well as departmental vehicles. These once-off increases account for the decrease in 2016/17. The further drop in 2017/18 relates to the fact that the department did not budget for furniture in 2017/18. The increase in the 2017/18 Adjusted Appropriation was mainly for the purchase of mini-buses to serve as mobile offices in the various districts. The MTEF caters for the replacement of departmental vehicles, including the Queens' vehicles, which are replaced on a needs basis.

The amount reflected under *Heritage assets* includes expenditure for the Isandlwana and Heroes' Acre projects from 2013/14 for which no roll-over was received, and this was therefore funded through internal reprioritisation. Very little expenditure was incurred in 2016/17 as a result of some planned heritage unveilings of monuments and tombstones of past struggle stalwarts not taking place as anticipated, due to the need to first undertake consultation with relevant stakeholders. The 2018/19 MTEF amounts cater for various tombstones, unveilings of struggle icons and walls of remembrance.

Software and other intangible assets caters for software upgrades for the department in general, and the Nerve Centre in particular. No spending is currently planned in this regard over the MTEF, and this will be reviewed in-year.

Payments for financial assets is attributed to the first charge for the DRH and debts written off. The final instalment of the first charge was paid in 2016/17.

7.4 Summary of conditional grant payments and estimates – Nil

7.5 Summary of infrastructure payments and estimates

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

Table 1.8 : Summary of infrastructure payments and estimates by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
Existing infrastructure assets	8 553	2 271	7 284	5 034	11 147	11 147	8 046	6 413	6 108
Maintenance and repair: Current	-	-	1 366	3 000	3 000	3 000	2 317	2 549	2 804
Upgrades and additions: Capital	-	-	-	-	-	-	3 557	-	-
Refurbishment and rehabilitation: Capital	8 553	2 271	5 918	2 034	8 147	8 147	2 172	3 864	3 304
New infrastructure assets: Capital	1 496	-	10 905	-	-	-	-	-	-
Infrastructure transfers	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Current	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital	-	-	-	-	-	-	-	-	-
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	-	-	-	-	-	-	12 456	13 702	14 456
Non infrastructure	-	-	-	-	-	-	-	-	-
Total	10 049	2 271	18 189	5 034	11 147	11 147	20 502	20 115	20 564
<i>Capital infrastructure</i>	10 049	2 271	16 823	2 034	8 147	8 147	5 729	3 864	3 304
<i>Current infrastructure</i>	-	-	1 366	3 000	3 000	3 000	14 773	16 251	17 260

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

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

With regard to *Maintenance and repair: Current*, the Training Academy continued to function from its current location, while all planned construction work in respect of the new Training Academy was put on hold for the time being. The 2018/19 MTEF allocations provide for the maintenance work of the administrative offices, as well as the Royal palaces.

Upgrades and additions: Capital in 2018/19 reflects funding allocated for the Terry Street parking facility that is being developed alongside the Moses Mabhida head office building.

Refurbishment and rehabilitation: Capital reflects expenditure related to projects at the Royal palaces. The significant increase in 2016/17 was attributed to the roll-over of R8 million towards the renovations of the Royal palaces. The increase in the 2017/18 Adjusted Appropriation relates to a further roll-over of the above-mentioned funding for the Royal palaces, the construction of six rondavels at the Nyokeni Palace, rehabilitation at the Premier's Parkside residence in respect of cracks in the swimming pool and general repairs to the pool surrounds, as well as electrical rewiring at the Premier's Parkside residence. The 2018/19 MTEF provides for the completion of existing projects, such as the Ingwavuma Palace projects and the Royal Household office renovations in Nongoma, as well as roof and pool renovations at the Premier's Parkside residence. The sixth floor of the Moses Mabhida building currently requires rehabilitation for a malfunctioning drainage system, and this is not provided for in the 2018/19 MTEF. The department will review this in-year and will prioritise this project based on available funding.

The amount of R1.496 million reflected in 2014/15 against *New infrastructure assets: Capital* relates to the feasibility study in respect of the construction of the Training Academy at the time. As mentioned, funds for the construction of the Training Academy were deducted from the department's budget due to the fiscal consolidation cuts in 2016/17. The spending in 2016/17 relates to the feasibility study and the preparation of plans in respect of the Training Academy.

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

The OTP exercises oversight over three public entities, namely Amafa, RHT and KZNGBB. Table 1.9 illustrates transfers made to the public entities over the seven years under review. Financial summaries received from Amafa, RHT and KZNGBB are given in *Annexure – Vote 1: Office of the Premier*.

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Transfers to public entities	92 587	91 377	95 372	91 635	113 960	113 960	94 954	100 696	106 235
Amafa Prog. 3.4: Heritage	35 149	34 977	33 028	32 263	32 263	32 263	33 989	35 960	37 938
KZNGBB Prog. 2.7: Gaming and Betting	39 276	32 398	39 367	42 871	63 196	63 196	42 925	45 650	48 161
Royal Household Trust Prog. 3.3: Royal Household	18 162	24 002	22 977	16 501	18 501	18 501	18 040	19 086	20 136
Transfers to other entities	4 226	-	27	-	-	-	-	-	-
Denis Hurley Centre Prog. 3.4: Heritage	4 226	-	-	-	-	-	-	-	-
KZN Law Society Prog. 2.4: Legal Services	-	-	27	-	-	-	-	-	-
Total	96 813	91 377	95 399	91 635	113 960	113 960	94 954	100 696	106 235

Amafa is responsible for administering heritage conservation on behalf of the provincial government. The entity's main objective is to promote awareness of the significance and value of cultural heritage resources, while ensuring that cultural heritage management is integrated into economic, social and environmental activities in KZN. An amount of R3.059 million was allocated in 2014/15 to enable Amafa to apply for World Heritage status in respect of the Emakhosini Valley, to upgrade its research and education facilities, as well as various heritage sites, and to also purchase support equipment. From 2015/16, funds were reprioritised from within the department to increase the transfer to Amafa for the purchase of vehicles and salary related costs. The decrease in 2015/16 and 2016/17 is ascribed to the fact

that the additional funding received in 2014/15 was largely once-off. Also, the decrease from 2016/17 is mainly ascribed to the fiscal consolidation cuts of R4.888 million with carry-through, which the department also implemented against Amafa and RHT. Growth over the 2018/19 MTEF is inflationary only. As mentioned, it is envisaged that a new Schedule 3 public entity will be formed, amalgamating Amafa and the Heritage unit to become the KZN Amafa and Research Institute. It is anticipated that this entity will be established in 2018/19, once the necessary legislative processes have taken place.

The main objective of the KZNGBB is to ensure that all gambling authorised in terms of the KZN Gaming and Betting Act (as amended) is conducted in a manner that promotes the integrity of the horse racing, gaming and betting industry. In addition, the Board promotes KZN's objective to develop the industry as a vehicle for the promotion of tourism, employment creation and economic development. This entity was moved under the auspices of OTP in 2016/17 to shift the function of gaming and betting from Vote 6 to Vote 1 and comparatives were restated. The reduction in 2015/16 was in line with cost-cutting. The entity's budget was also increased by R767 000 in 2017/18 with carry-through for two years only, in respect of the office accommodation at the Marine Building. The increase in the 2017/18 Adjusted Appropriation is due to once-off funding for the KZNGBB, initially allocated to acquire new office accommodation for their operations. As mentioned, the amount was therefore returned to the KZNGBB for rental of accommodation. KZNGBB's transfer over the 2018/19 MTEF grows steadily in line with inflation. Note that the KZN Gaming and Betting Amendment Act (2017) was passed by the Provincial Legislature, as mentioned.

The RHT was established in 2009/10 as an entity in terms of the KZN Royal Household Trust Act, 2007, but will be governed by the KZN Royal Household Trust Bill, 2015 once enacted in 2018/19. The entity was registered as a Schedule 3C provincial public entity during 2012/13. In 2011/12, 2012/13 and 2013/14 (not visible in the table), funds were transferred to the RHT to cater for the set-up costs of the Trust, remuneration of the Trustees, as well as various costs of the RHT, which were administered by the Trust. This included municipal costs, fuel, food supplies, etc., relating to Queens and other members of the Royal family. During 2015/16, an additional amount of R4 million was reprioritised from within Vote 1 to the RHT to cater for outstanding invoices from 2014/15. The decrease in 2016/17 was mainly ascribed to the previously mentioned fiscal consolidation cuts, mitigated to some extent by a once-off increase in transfer of R7.810 million to the RHT for operational expenses, accounting for the decrease in 2017/18. The budget over the 2018/19 MTEF provides for the various operational costs of the RHT and increases are inflationary only.

There were also departmental transfers to other entities. In 2014/15, an amount of R4.226 million was allocated as the province's contribution to the construction of the Denis Hurley Centre in Durban. In 2016/17, a sponsorship of R27 000 was given to the KZN Law Society for a function to honour the appointment of members of the judiciary.

7.8 Transfers to local government

Table 1.10 provides a summary of transfers to local government by category. It is noted that, although the payment of motor vehicle licences falls under *Transfers and subsidies to: Provinces and municipalities*, these funds will not be transferred to any municipality, and hence these are excluded from Table 1.11.

Table 1.10 : Summary of departmental transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2017/18		2018/19
Category A	4 865	-	-	-	-	-	-	-	-
Category B	-	-	-	-	-	-	-	-	-
Category C	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	4 865	-	-	-	-	-	-	-	-

The R4.865 million in 2014/15 is in respect of the transfer to the eThekweni Metro for the 150-year commemoration of the Indian indentured labourers. Unfortunately, this monument has not been completed and unveiled to date and the department is currently reviewing this project.

7.9 Transfers and subsidies

Table 1.11 summarises transfers by programme and main category over the seven-year period.

Table 1.11 : Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
1. Administration	1 725	1 099	2 486	1 117	1 119	1 120	1 182	1 248	1 317
Households	1 725	1 099	2 486	1 117	1 119	1 120	1 182	1 248	1 317
Staff exit costs	102	94	1 552	-	2	65	-	-	-
PARMED	1 623	1 005	934	1 117	1 117	1 055	1 182	1 248	1 317
2. Institutional Development	66 489	53 712	72 705	42 931	63 354	63 359	63 712	67 932	71 668
Provinces and municipalities	59	76	124	57	107	95	60	63	66
Motor vehicle licences	59	76	124	57	107	95	60	63	66
Departmental agencies and accounts	39 276	32 398	39 367	42 871	63 196	63 196	42 925	45 650	48 161
KZNGBB	39 276	32 398	39 367	42 871	63 196	63 196	42 925	45 650	48 161
Non-profit institutions	-	-	27	-	-	-	-	-	-
KZN Law Society	-	-	27	-	-	-	-	-	-
Households	27 154	21 238	33 187	3	51	68	20 727	22 219	23 441
Staff exit costs	673	455	446	3	51	67	3	3	3
Provincial Bursary Programme	26 481	20 783	32 741	-	-	1	20 724	22 216	23 438
3. Policy and Governance	62 771	59 158	56 327	73 845	76 081	76 137	52 029	55 046	58 074
Provinces and municipalities	4 865	-	12	-	-	7	-	-	-
Motor vehicle licences	-	-	12	-	-	7	-	-	-
Indian Indentured labourers (eThekweni)	4 865	-	-	-	-	-	-	-	-
Departmental agencies and accounts	53 311	58 979	56 005	48 764	50 764	50 764	52 029	55 046	58 074
Amafa	35 149	34 977	33 028	32 263	32 263	32 263	33 989	35 960	37 938
RHT	18 162	24 002	22 977	16 501	18 501	18 501	18 040	19 086	20 136
Non-profit institutions	4 226	-	-	-	-	-	-	-	-
Denis Hurley Centre	4 226	-	-	-	-	-	-	-	-
Households	369	179	310	25 081	25 317	25 366	-	-	-
Staff exit costs	369	177	310	9	245	323	-	-	-
Provincial Bursary Programme	-	2	-	25 072	25 072	25 043	-	-	-
Total	130 985	113 969	131 518	117 893	140 554	140 616	116 923	124 226	131 059

The bulk of the motor vehicle licence budget is in Programme 2. It is noted that the Auxiliary Services unit moved from Programme 1 to Programme 2 in 2015/16 and prior year figures were adjusted. However, in 2016/17, R12 000 was spent against *Provinces and municipalities* under Programme 3 relating to the Royal Household motor vehicle licences.

Programme 1 reflects transfers against *Households* for social benefits relating to staff exit costs, as well as medical aid contributions for ex-parliamentarians (PARMED).

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

- *Departmental agencies and accounts* relates to transfers made to Amafa, RHT and KZNGBB. The trends are discussed in detail in Section 7.7.
- The amounts reflected against *Non-profit institutions* relate to funding transferred for the construction of the Denis Hurley Centre (R4.226 million) in 2014/15, as well as a sponsorship to the KZN Law Society (R27 000), as previously explained.
- The category *Households* caters for bursaries and staff exit costs. It must be noted that, although the Provincial Bursary Programme was decentralised back to the departments from which the funds were originally moved, a portion of the budget remains for the external bursaries administered by the OTP, but now administered under Programme 2. During 2015/16, the department undertook a once-off shift from *Compensation of employees* to this category, as a result of the discontinuation of the Youth Ambassadors' programme stipends, to cater for the in-year spending pressure in respect of bursaries. It must also be noted that the bursaries function was moved from Programme 3 to Programme 2 from 2018/19 onward. The department reprioritised an additional R14 million to this category in 2016/17 with carry-through for bursaries in response to the "fees must fall" movement by students countrywide. During the 2018/19 MTEF, this category was reduced by R5 million to cater for operational costs for the Youth Development function. The 2018/19 MTEF reflects steady growth from the lower base.

8. Programme description

The services rendered by this department are, as per the generic sector structure, categorised under three programmes, the details of which are discussed below. The amounts for each programme are summarised in terms of economic classification, with details given in *Annexure – Vote 1: Office of the Premier*.

8.1 Programme 1: Administration

The purpose of this programme is to provide administrative support to the Premier, Provincial Executive Council and the Director-General in fulfilling their legislative and oversight functions and in promoting good corporate governance. The department does not fully conform to the generic programme structure of the sector at this stage partly due to the exclusion of the Programme Support sub-programme.

It is noted that, in 2015/16, there were several functions that moved out of Programme 1 to Programme 2, such as Integrity Management, Auxiliary Services, Security Services and Ombudsman. This was done to enhance operational efficiency. The department was unable to adjust prior year comparatives for these adjustments across sub-programmes due to financial records not being kept at this level.

The objectives of this programme are as follows:

- To provide logistical, administrative and advisory support to the Premier in executing the constitutional mandate and statutory duties.
- To render secretariat support services to the Provincial Executive Council, clusters, and key provincial committees.
- To provide operational support to the Director-General in strategically managing the province.
- To provide financial management support and advisory services.

Tables 1.12 and 1.13 reflect a summary of payments and estimates relating to this programme, by sub-programme and economic classification, for the period 2014/15 to 2020/21.

Table 1.12 : Summary of payments and estimates by sub-programme: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Premier Support	44 535	38 124	35 866	24 070	25 372	25 372	27 751	29 670	31 299
2. Executive Council Support	8 280	7 961	9 546	9 843	10 443	10 443	10 264	11 023	11 629
3. Director-General Support	17 235	13 424	9 743	14 142	13 290	13 290	14 458	15 530	16 384
4. Financial Management	130 138	33 551	29 712	39 225	42 893	42 893	49 853	58 393	63 091
Total	200 188	93 060	84 867	87 280	91 998	91 998	102 326	114 616	122 403

Table 1.13 : Summary of payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments	187 121	90 574	81 165	84 992	89 425	89 424	99 880	112 030	119 675
Compensation of employees	74 941	54 836	53 049	52 662	52 660	52 659	66 878	72 678	78 155
Goods and services	112 180	35 738	28 116	32 330	36 765	36 765	33 002	39 352	41 520
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	1 725	1 099	2 486	1 117	1 119	1 120	1 182	1 248	1 317
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 725	1 099	2 486	1 117	1 119	1 120	1 182	1 248	1 317
Payments for capital assets	11 318	1 361	1 216	1 171	1 454	1 454	1 264	1 338	1 411
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	11 318	1 214	1 216	1 171	1 454	1 454	1 264	1 338	1 411
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	147	-	-	-	-	-	-	-
Payments for financial assets	24	26	-	-	-	-	-	-	-
Total	200 188	93 060	84 867	87 280	91 998	91 998	102 326	114 616	122 403

The sub-programme: Premier Support provides technical, administrative and advisory support to the Premier in executing his constitutional mandate. The decrease in 2017/18 is primarily attributed to the once-off internal reprioritisation of R5 million for the Moerane Commission of Inquiry into political killings in KZN, during 2016/17. In 2017/18, the funds for the Moerane Commission were reflected under the Financial Management sub-programme. The below inflationary growth over the 2018/19 MTEF is mainly ascribed to the carry-through effect of the previously mentioned fiscal consolidation budget cuts.

The sub-programme: Executive Council Support renders secretariat support services to the Provincial Executive Council. The inflationary growth over the MTEF is mainly ascribed to the weekly Provincial Executive Council meetings, clusters, as well as the bi-annual Provincial Executive Council *Lekgotla*. The department plans to fill two Assistant Director posts in this sub-programme in 2018/19.

The Director-General Support sub-programme provides operational support to the Director-General in strategically managing the province. The Internal Control and Organisational Risk Management Directorates are part of this sub-programme. The 2018/19 MTEF amounts are significantly lower than 2014/15 due to the structure changes, such as the movement of the Security Services responsibility to the Strategic Human Resources sub-programme in Programme 2 for which prior year comparatives could not be adjusted, as the department's records are not kept at that level. The above inflation increase from 2016/17 to 2017/18 is due to the inclusion of the newly created Internal Control and Risk Management Directorate under this programme. The department plans to fill five posts in this sub-programme in 2018/19, including Assistant Director: Risk Analysts, among others.

The Financial Management sub-programme provides financial management support and advisory services to the Premier and Director-General in fulfilling their legislative and oversight functions and in promoting good corporate governance. This sub-programme also houses the Office of the CFO. The significant decrease from 2014/15 to 2015/16 relates to the movement of the Administration and Auxiliary Services, as well as the Integrity Management functions from Programme 1 to Programme 2. Prior years could not be restated. The above inflationary growth in 2017/18 is primarily due to the internal reprioritisation of funds for the Moerane Commission, which is expected to provide a final report in 2018/19, as well as procurement of financial management reporting tools for the OTP, which will enable the OTP to scan all payment vouchers and link to transactions in Emapp (an in-house system that draws data from BAS into Excel format). The department plans to fill 16 posts in 2018/19, including critical posts in SCM in Logistics, Contract and Assets and Demand Management (Deputy and Assistant Directors, as well as SCM Practitioners), among others.

The negative growth in 2017/18 against *Compensation of employees* is mainly ascribed to the previously mentioned fiscal consolidation cuts relating to the freezing of all non-OSD posts. The above inflationary growth of 27 per cent in 2018/19 is attributed to the filling of 23 critical vacant posts and provision has been adequately made for the carry-through costs over the 2018/19 MTEF, with growth of 8.7 per cent and 7.5 per cent in the two outer years of the MTEF.

The decrease in *Goods and services* from 2014/15 to 2015/16 relates to the movement of the Administration and Auxiliary Services, as well as the Integrity Management functions from Programme 1 to Programme 2, as mentioned. The above inflationary growth in 2017/18 is mainly ascribed to the internal reprioritisation of funds for the Moerane Commission in the 2017/18 Adjusted Appropriation. This once-off funding explains the negative growth in 2018/19. The category grows strongly in 2019/20 due to the anticipated costs of the financial management reporting tools, as mentioned.

Transfers and subsidies to: Households caters for payments in respect of staff exit costs and PARMED. The below inflationary growth over the 2018/19 MTEF is mainly attributed to the fact that PARMED beneficiary numbers are decreasing from year-to-year due to natural attrition.

The amounts against *Machinery and equipment* can be ascribed to procurement of furniture and equipment for this programme. The reduction over the 2018/19 MTEF is a result of the completion of the hardware upgrades of the Provincial Executive Council office, as well as internal reprioritisation to the same category in Programmes 2 and 3, to cater for the replacement of computer equipment and departmental vehicles.

Software and other intangible assets in 2015/16 relates to the purchase of software for the Provincial Executive Council office.

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

Service delivery measures: Administration

Table 1.14 illustrates service delivery measures pertaining to Programme 1. It is noted that the OTP sector has not yet agreed on standardised service delivery measures. Also note that only a few main measures are reflected below, and the full set of measures is detailed in the department's APP.

Table 1.14 : Service delivery measures: Administration

Outputs	Performance indicators	Estimated performance			
		2017/18	2018/19	2019/20	2020/21
1. Premier Support					
1.1 Administrative support services to the Premier	• No. of Provincial Executive Council decision matrix implementation progress reports submitted to the Provincial Executive Council	20	20	20	20
2. Executive Council Support					
2.1 Effective and efficient Provincial Executive Council and key committees administrative support service	• No. of Provincial Executive Council meeting decision matrices circulated within 10 working days of meeting	20	20	20	20
3. Director-General Support					
3.1 Strategic management meeting resolutions	• No. of EXCO meetings supported	12	12	12	12
4. Financial Management					
4.1 Financial management reports	• No. of financial management reports, monthly IYM submitted to Provincial Treasury by the 15th of each month	12	12	12	12
4.2 AFS	• No. of AFS submitted in terms of prescripts	1 final, 3 interim	1 final, 3 interim	1 final, 3 interim	1 final, 3 interim
4.3 Procurement plan	• No. of procurement plans submitted in terms of prescripts	1	1	1	1

8.2 Programme 2: Institutional Development

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

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

Tables 1.15 and 1.16 summarise payments and estimates relating to this programme, by sub-programme and economic classification, for the period 2014/15 to 2020/21.

Table 1.15 : Summary of payments and estimates by sub-programme: Institutional Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Strategic Human Resources	93 946	88 531	93 542	101 471	93 860	94 455	91 093	95 477	104 161
2. Information Communication Technology (ICT)	26 650	63 100	74 530	79 657	81 157	80 562	82 823	87 942	92 780
3. Legal Services	10 895	10 464	10 478	11 728	13 628	13 628	11 719	12 533	13 222
4. Communication Services	47 006	66 672	47 626	52 167	58 678	58 678	62 608	63 417	66 906
5. Special Programmes	32 542	79 053	72 039	46 137	39 437	39 437	98 383	103 118	108 790
6. Intergovernmental Relations	16 121	12 303	14 016	14 722	14 722	14 722	16 117	17 220	18 167
7. Gaming and Betting	43 013	36 398	43 864	48 393	68 426	68 426	47 634	50 391	53 162
Total	270 173	356 521	356 095	354 275	369 908	369 908	410 377	430 098	457 188

Table 1.16 : Summary of payments and estimates by economic classification: Institutional Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Current payments	193 258	283 175	266 097	306 846	296 122	296 117	338 108	355 774	379 549
Compensation of employees	82 317	109 082	117 050	142 641	129 300	129 295	156 911	167 946	180 617
Goods and services	110 941	174 093	149 047	164 205	166 822	166 822	181 197	187 828	198 932
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	66 489	53 712	72 705	42 931	63 354	63 359	63 712	67 932	71 668
Provinces and municipalities	59	76	124	57	107	95	60	63	66
Departmental agencies and accounts	39 276	32 398	39 367	42 871	63 196	63 196	42 925	45 650	48 161
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	27	-	-	-	-	-	-
Households	27 154	21 238	33 187	3	51	68	20 727	22 219	23 441
Payments for capital assets	10 388	19 614	17 292	4 498	10 432	10 432	8 557	6 392	5 971
Buildings and other fixed structures	1 262	-	10 905	804	3 104	3 104	4 747	2 361	1 718
Machinery and equipment	9 126	19 614	6 387	3 626	7 278	7 278	3 810	4 031	4 253
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	68	50	50	-	-	-
Payments for financial assets	38	20	1	-	-	-	-	-	-
Total	270 173	356 521	356 095	354 275	369 908	369 908	410 377	430 098	457 188

The Gaming and Betting function was moved from Vote 6 to Vote 1 in 2016/17 in line with Premier's Minute No. 2 of 2016, and comparatives were restated, and this accounts for the prior years amounts not corresponding to the amounts reflected in the 2017/18 EPRE. There were also several functions that moved internally out of Programmes 1 and 3 to Programme 2 during 2015/16. As mentioned, from Programme 1 to this programme were movements of responsibilities such as Integrity Management, Auxiliary Services, Security Services and Ombudsperson. The movements from Programme 3 to this programme included the Special Programmes and the Intergovernmental Relations sub-programmes. This was done to enhance operational efficiency. The department was unable to adjust prior year comparatives across sub-programmes due to financial records not being kept at this level. In 2018/19, there are also movements of certain responsibilities from Programme 3 to Programme 2, with the Youth Development function moved from the Premier's Priority Programmes sub-programme in Programme 3 to the Special Programmes sub-programme in Programme 2. In addition, the Security Services function is moved within Programme 2 from the sub-programme: Strategic Human Resources to the sub-programme: Special Programmes. Historical trends could not be restated as records are not kept at this level.

The programme does not fully conform to the generic programme structure of the sector at this stage partly due to the addition of the Gaming and Betting sub-programme, as well as the Intergovernmental Relations and Special Programmes sub-programmes, which fall under Programme 3 in terms of the sector.

The Strategic Human Resources sub-programme facilitates, co-ordinates, monitors and promotes strategic human resources and development within provincial government, as well as internally within the OTP. This sub-programme includes the Training Academy. The increase in 2017/18 provides for the training programmes at the Training Academy, which aim to enhance the skills of public servants, the development of an electronic leave system for OTP and the centralisation of funds for Women Empowerment programmes, with each branch within the department reprioritising funding to allow centralised co-ordination and payments for these programmes. The decrease in 2018/19 is mainly attributed to the transfer of the Security Services functions to the sub-programme: Special Programmes.

Growth thereafter is inflationary only. The department plans to fill four posts in 2018/19 including Director: HRD Council and Deputy Directors: HR Strategic and Systems, as well as Skills Development.

The ICT sub-programme co-ordinates provincial government ICT and renders internal ICT support and auxiliary services to the department and increases steadily from 2014/15 to the 2018/19 MTEF, despite the restructuring process, which saw the Nerve Centre funds being moved from this sub-programme to the Provincial Policy Management sub-programme under Programme 3. Also, as from 2015/16, the Auxiliary Services unit was moved to this sub-programme, accounting for the significant increase in that year. The 2018/19 MTEF provides for LAN and IT upgrades for the whole department, as well as the department's administration and auxiliary services which are centralised under this sub-programme. The department plans to fill one post in 2018/19, namely Deputy Director: Strategic IT.

The Legal Services sub-programme provides a comprehensive and professional internal legal support service to OTP and provides an inter-departmental, transversal state law advisory service to departments. The once-off increase in 2017/18 is due to the internal reprioritisation of funds in the Adjustments Estimate for transversal legal investigations regarding confidential legal matters related to HODs and disciplinary hearings, hence the negative growth in 2018/19. The growth over the remainder of the MTEF is inflationary. The department plans to fill one post in 2018/19, namely Chief Director: Legal Services.

The Communication Services sub-programme provides an integrated and co-ordinated government communication service in the province, as well as internally within OTP. The sub-programme is responsible for the creation of a vibrant dialogue between OTP and the community by promoting a citizenship with positive moral values and enhancing synergy with other departments in service delivery. The above inflation increase in 2017/18 is due to the internal reprioritisation undertaken in the 2017/18 Adjustments Estimate for the transversal communication strategy for KZN, with the tender process still underway at the time of compiling this report. This strategy seeks to change the provincial government communication environment from the current one way communication approach and introduce an effective, targeted and impactful communication to the province's citizens. Although the growth is below inflation over the 2018/19 MTEF, this sub-programme will continue to co-ordinate various communication publications, campaigns and strategies, such as Simama, Anti-Rape, Anti-Xenophobia, Human Rights Day, Youth Day, Heritage Day, etc. This sub-programme also administers the Communication Forum which meets bi-annually and includes all departments. The department plans to fill two posts in 2018/19, namely Director: Content and Knowledge Management and Photographer.

The Special Programmes sub-programme includes the Integrity Management unit, the Office of the Ombudsperson and Democracy Support Services. Integrity Management aims to mitigate and eliminate incidences of unethical conduct by government officials with a view to improving good governance. Democracy Support Services ensures that government translates its constitutional, political and global commitments into measurable and meaningful programmes on gender, disability, children, as well as senior citizens vulnerable groups. The above inflationary growth over the 2018/19 MTEF is as a result of the incorporation of Security Services from the Strategic Human Resources sub-programme and the Youth Development function from Programme 3, under the Special Programmes sub-programme.

The Intergovernmental Relations sub-programme promotes effective co-operative governance through implementation of the Intergovernmental Relations Act. The growth over the 2018/19 MTEF is mainly inflationary. The 2018/19 MTEF will see the international strategy oriented towards not only ensuring KZN's domestic success but also internationally, as a geo-political and economic player at the global level. Also, the provincial protocol unit will be engaging in public education and promoting patriotism through awareness and respect for national symbols. In doing so, more partnerships with radio stations will be fostered as a medium for this public education. The department plans to fill three Chief Director posts in 2018/19, namely Integrity Management, Democracy and Security Services.

The sub-programme: Gaming and Betting provides for collection of gambling taxes for the province, regulating the gambling industry, ensuring the roll-out of gaming and betting initiatives and protecting the interests of patrons and the public at large. As mentioned in Section 6.1, all information relating to the Gaming and Betting function is now included under Vote 1, and includes both the KZNGBB and the administrative unit dealing with the function. The substantial increase of R20.033 million in the 2017/18 Adjusted Appropriation is in respect of office space requirements for the KZNGBB. The budget was also

increased by R767 000 with carry-through for two years in respect of the KZNGBB's office accommodation at the Marine Building. As such, of the total budget of the sub-programme over the 2018/19 MTEF, the transfer to the KZNGBB is R42.925 million, R45.650 million and R48.161 million, and the administration unit's budget is R4.709 million, R4.741 million and R5.001 million.

Compensation of employees over the MTEF relates to the staggered filling of 11 prioritised critical posts, as mentioned, and provision has not been adequately made for the carry-through costs over the 2018/19 MTEF, particularly in 2019/20 and 2020/21. The high growth of 21.4 per cent in 2018/19 includes the anticipated transfer of 14 officials related to the Youth Development function. The 7 per cent and 7.5 per cent over the two outer years of the MTEF is insufficient for the carry-through costs of the additional posts and the planned movement of staff, and the department will address this in the next budget process.

Goods and services reflects an increase in the 2018/19 MTEF as a result of the movement of the Youth Development function, internal reprioritisation for the electronic leave management system for OTP and the centralisation of funding for Women Empowerment projects, as mentioned. *Goods and services* in this programme provides for costs such as communication and hosting of service delivery events and campaigns, such as Anti-Rape and Anti-Xenophobia campaigns, Human Rights Day, Heritage Day, etc.

Transfers and subsidies to: Provinces and municipalities over the MTEF caters for motor vehicle licence fees. The higher growth in 2017/18 relates to vehicle registrations in respect of the ICT sub-programme.

Transfers and subsidies to: Departmental agencies and accounts comprises transfers to the KZNGBB. The increase in the 2017/18 Adjusted Appropriation was as a result of the funding for office accommodation for KZNGBB. The budget over the 2018/19 MTEF caters for inflationary increases only.

Transfers and subsidies to: Non-profit institutions in 2016/17 catered for a sponsorship to the KZN Law Society for a function to honour the appointment of members of the judiciary.

The amounts against *Transfers and subsidies to: Households* from 2014/15 cater for the high demand of the Provincial Bursary Programme, but this was decentralised during 2015/16. The 2018/19 MTEF provides for the external bursary budget of the OTP, which previously resided in Programme 3 against the sub-programme: Premier's Priority Programmes. The department has adjusted the historical trends to allow for trend analysis. In 2016/17, there was reprioritisation to this category of R14 million with carry-through for bursaries in response to the "fees must fall" movement by students countrywide. During the 2018/19 MTEF, this category was reduced by R5 million to cater for operational costs for the Youth Development function. The department currently supports just over 400 students.

Buildings and other fixed structures pertains to the renovations at OTP's administrative buildings. As previously explained, the Training Academy is continuing to function from its current location for the time being, since the funds for building a new Training Academy are no longer available as a result of the fiscal consolidation cuts effected from 2016/17 onward. The 2018/19 MTEF provides for renovations of the Premier's Parkside residence, including rewiring, plumbing, as well as repairs to the swimming pool and surrounds, with a total of R5.269 million allocated over the MTEF. The department has not budgeted for the renovations to the sixth floor of the Moses Mabhida building, but will address this in-year.

Machinery and equipment shows a significant decrease in 2017/18 and 2018/19 and this is mainly due to the carry-through of previously mentioned fiscal consolidation cuts. The increase of R3 million in the 2017/18 Adjusted Appropriation was related to the purchase of mini-buses to serve as mobile offices in the district offices. The funds over the MTEF provide for furniture, laptops and departmental vehicles.

The spending in 2017/18 reflected against *Software and other intangible assets* is for software licence fees. No budget is provided for in the 2018/19 MTEF, and this will be reviewed in-year.

The department wrote off various losses against *Payments for financial assets* from 2014/15 to 2016/17.

Service delivery measures: Institutional Development

Table 1.17 illustrates service delivery measures pertaining to Programme 2. The service delivery outputs were revised and streamlined in terms of the re-alignment and re-focus to fall in line with the PGDP. Note that only a few main measures are reflected below, and the full set of measures is detailed in the APP.

Table 1.17 : Service delivery measures: Institutional Development

Outputs	Performance indicators	Estimated performance		Medium-term targets		
		2017/18	2018/19	2019/20	2020/21	
1. Strategic Human Resources						
1.1	Technical human resource management policy support services	• No. of quarterly reports on technical support services provided to all HR units in the provincial govt. of KZN on policy matters	4	4	4	4
1.2	Public Service training sessions	• No. of training sessions	200	200	220	220
2. Information Communication Technology						
2.1	IT governance assessment reports	• No. of 6 monthly provincial depts' IT governance assessment co-ordination reports	2	2	2	2
3. Legal Services						
3.1	Appropriate and constitutionally compliant provincial legislation	• No. of quarterly reports on Provincial Legislative programme submitted within 10 days of end of each quarter	4	4	4	4
4. Communication Services						
4.1	Effective and efficient communication engagement	• No. of articles on the PGDP published in the print media targeting external audiences	8	8	8	8
5. Special Programmes						
5.1	Integrity conferences	• No. of Integrity leadership conferences (after every 2 nd year)	-	1	-	-
5.2	Annual performance plans for each human rights target group	• No. of annual performance business plans for human rights target groups: 1 x gender, 1 x disability, 1 x children, and 1 x senior citizens	1 per group, 4 total	1 per group, 4 total	1 per group, 4 total	1 per group, 4 total
5.3	Ombudsperson co-ordination	• No. of OTP Ombudsperson reports	4	4	4	4
6. Intergovernmental Relations (IGR)						
6.1	Technical Premier's forum meetings	• No. of IGR Technical Premier's forum decision matrices	4	4	4	4
7. Gaming and Betting						
7.1	Enhance the gaming and betting regulatory environment in KZN	• Amended KZN Gaming and Betting legislation implemented	Amended 2010 Gaming and Betting Act	Amended Gaming and Betting regulation of 2012	Review of amended 2010 Gaming and Betting Act and Gaming and Betting regulation of 2012	Review of amended 2010 Gaming and Betting Act and Gaming and Betting regulation of 2012
		• No. of quarterly assessment reports on Gaming Board activities	4 quarterly reports	4 quarterly reports	4 quarterly reports	4 quarterly reports
		• No. of functionality assessment reports	2	2	4	4

8.3 Programme 3: Policy and Governance

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

- To capacitate the provincial government and administration on governance and public policy management.
- To manage and co-ordinate strategic projects as mandated by the Premier and the Provincial Executive Council.
- To conserve, manage and promote awareness of the cultural heritage resources of KZN.
- To ensure a co-ordinated approach with respect to provincial policy management.
- To co-ordinate a comprehensive response to the socio-economic impact of HIV and AIDS.
- To ensure successful implementation of priority socio-economic programmes and projects in KZN.
- To ensure the effectiveness of policy, planning and programme interventions through evaluation of strategic policy outcomes.

- To design and utilise a functional monitoring and evaluation system for the provincial government and administration and local government.
- To provide support services to His Majesty, the King, and facilitate the smooth functioning of RHT.

This programme does not fully conform to the generic structure of the sector because it includes Royal Household, Heritage, as well as the Intergovernmental Relations and Special Programmes sub-programmes, which fall under Programme 2 but, in terms of the sector, should fall under Programme 3.

Several functions moved out of Programme 3 to Programme 2 to enhance operational efficiency in 2015/16 and historical numbers were restated for comparative purposes. As mentioned, these included the Special Programmes and the Intergovernmental Relations sub-programmes. This was done to align the financial and organisational structures. In the 2018/19 MTEF, the Youth Development function moved from Programme 3 to Programme 2. The department was unable to provide prior year comparatives for this adjustment across sub-programmes due to financial records not being kept at this level. However, historical figures were adjusted for the Royal Household sub-programme for comparative purposes.

Tables 1.18 and 1.19 provide a summary of payments and estimates for the period 2014/15 to 2020/21.

Table 1.18 : Summary of payments and estimates by sub-programme: Policy and Governance

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
1. Provincial Policy Management	27 382	34 153	40 746	50 579	48 029	42 787	50 626	53 840	58 772
2. Premier's Priority Programmes	116 667	120 736	100 179	132 428	129 160	132 468	98 145	90 538	95 518
3. Royal Household	54 496	59 717	73 346	58 884	69 897	71 831	65 830	70 014	73 865
4. Heritage	96 346	64 277	52 328	58 679	54 479	54 479	59 833	63 462	66 953
Total	294 891	278 883	266 599	300 570	301 565	301 565	274 434	277 854	295 108
Unauth. Exp. (1st charge) not available for spending	(2 500)	(2 500)	(2 194)	-	-	-	-	-	-
Baseline available for spending after 1st charge	292 391	276 383	264 405	300 570	301 565	301 565	274 434	277 854	295 108

Table 1.19 : Summary of payments and estimates by economic classification: Policy and Governance

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
Current payments	219 423	204 681	194 711	217 401	212 604	212 462	210 429	210 577	224 131
Compensation of employees	52 180	69 474	86 285	96 695	97 400	96 770	99 239	96 464	103 740
Goods and services	167 243	135 207	108 426	120 706	115 204	115 692	111 190	114 113	120 391
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	62 771	59 158	56 327	73 845	76 081	76 137	52 029	55 046	58 074
Provinces and municipalities	4 865	-	12	-	-	7	-	-	-
Departmental agencies and accounts	53 311	58 979	56 005	48 764	50 764	50 764	52 029	55 046	58 074
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	4 226	-	-	-	-	-	-	-	-
Households	369	179	310	25 081	25 317	25 366	-	-	-
Payments for capital assets	12 663	12 323	13 322	9 324	12 880	12 880	11 976	12 231	12 903
Buildings and other fixed structures	8 787	2 271	5 918	1 230	5 043	5 043	982	1 503	1 586
Machinery and equipment	1 451	6 366	6 599	3 500	5 782	5 801	6 175	5 629	5 938
Heritage assets	2 425	3 682	805	4 594	2 055	2 036	4 819	5 099	5 379
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	4	-	-	-	-	-	-	-
Payments for financial assets	34	2 721	2 239	-	-	86	-	-	-
Total	294 891	278 883	266 599	300 570	301 565	301 565	274 434	277 854	295 108
Unauth. Exp. (1st charge) not available for spending	(2 500)	(2 500)	(2 194)	-	-	-	-	-	-
Baseline available for spending after 1st charge	292 391	276 383	264 405	300 570	301 565	301 565	274 434	277 854	295 108

As mentioned, the baseline available for Programme 3 was reduced by the first charge (shown below the total line) that was imposed on the former Vote 10 and must therefore be honoured in line with a SCOPA resolution. The final instalment of the first charge was paid in 2016/17.

The Provincial Policy Management sub-programme provides for strategic planning, research co-ordination, and monitoring and evaluation. The PPC also resides in this sub-programme. The MTEF caters for the annual Citizen Satisfaction survey, PGDS and PGDP reviews undertaken every two years, support to AWG 17, provincial and internal QPR and APP reviews, etc. and shows good growth over the MTEF.

The sub-programme: Premier's Priority Programmes promotes the culture of engagement by co-ordinating stakeholder participation, priority programmes incorporating Veterans' Support, HIV and AIDS, OSS, the co-ordination of the Inkululeko projects (phases 2 and 3) in uMzinyathi and uThukela, as well as PEMP co-ordination. The funding for phase 1 (Ndumo) comes to an end in 2018/19. The funding for the PEMP co-ordination function will be reviewed in-year. Also contributing to the reduced MTEF baseline is the movement of the Youth Development function to Programme 2, as mentioned previously. The department plans to fill one post in 2018/19, namely Director: HIV and AIDS.

The sub-programme: Royal Household provides support services to His Majesty, the King and the Royal Household. DRH and the RHT fall under the auspices of the OTP. As previously mentioned, DRH had a first charge that had to be honoured up to 2016/17, as shown in the table. The increase of R11.013 million in the 2017/18 Adjusted Appropriation relates to reprioritisation to address spending pressures from the filling of critical posts such as plumbers and drivers, day-to-day infrastructure maintenance, as well as to increase the transfer to the RHT by R2 million for operational spending pressures, including higher stock feed costs due to the drought. The 2018/19 MTEF provides for inflationary increases in the transfer to the RHT, as well as for His Majesty, the King's ceremonies such as *Umkhosi Womhlanga* (Reed dance), *Umkhosi Wamaganu* (annual Amarula Festival), *Umkhosi Woselwa* (Thanksgiving), homecoming of *Abakhetha*, various operational costs of the unit, and renovations to the Royal palaces. The department plans to fill 13 posts in 2018/19 including Farm Aids, General Worker Supervisors and Drivers, etc.

The sub-programme: Heritage co-ordinates the profiling of previously marginalised heritage resources in the province, erects monuments of struggle stalwarts, conducts heritage-related research, develops heritage policies and regulations, monitors the implementation of heritage prescripts, as well as provides effective oversight to the operations of the provincial heritage authority. As mentioned, it is envisaged a new Schedule 3 public entity will be formed, amalgamating Amafa and the Heritage unit. The KZN Amafa and Research Institute is anticipated to be established in 2018/19, once the necessary legislative processes have taken place. The 2018/19 MTEF provides for inflationary increases only in the transfer to Amafa. The department plans to fill one post in this sub-programme, namely Director: Heritage.

Compensation of employees decreases over the MTEF mainly due to the transfer of approximately 14 officials of the Youth Development function to Programme 2. Mitigating this to some extent is that the MTEF caters for the filling of 15 critical vacant posts, for which funds were prioritised within the programme. The growth is 2.6 per cent in 2018/19, negative 2.8 per cent in 2019/20 and 7.5 per cent in 2020/21, and the budget will be reviewed in-year to ensure that carry-through costs are provided for.

Goods and services included funding for the PPC, OSS, OSS Diakonia Council of Churches, as well as various events. Many events are no longer funded and this accounts for the reduction from 2015/16 onward. Although the MTEF starts from a low base, it increases gradually to accommodate service delivery events and campaigns such as OSS, heritage, priority programmes and King's support events, etc.

Transfers and subsidies to: Provinces and municipalities reflects a once-off transfer in 2014/15 to the eThekweni Metro for the construction of the commemoration monument in respect of the arrival of the Indian indentured labourers in South Africa. Unfortunately, this monument has not been completed and unveiled to date and the department is currently reviewing this project.

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

An amount of R4.226 million against *Transfers and subsidies to: Non-profit institutions* in 2014/15 related to the province's contribution to the construction of the Denis Hurley Centre in Durban.

Transfers and subsidies to: Households provides for staff exit costs. Note that the OTP's external bursaries now reside in the Youth Development function in Programme 2 from 2018/19, but 2017/18 was not able to be restated. There is no provision for staff exit costs over the 2018/19 MTEF.

Buildings and other fixed structures caters for the rehabilitation of the Royal palaces. An amount of R1.313 million was approved as a roll-over from 2016/17 and relates to the roll-over of R8 million from 2015/16 to 2016/17, which could not be entirely spent in 2016/17 as a result of delays that were

experienced with renovations at KwaKhangela Palace. The projects included roof waterproofing at KwaKhangela Palace, the children's houses, *gogos'* hut and servant's quarters. The 2018/19 MTEF provides for the completion of existing projects, such as the Ingwavuma Palace projects and the Royal Household office renovations in Nongoma.

The amounts against *Machinery and equipment* mainly relate to the purchase of departmental vehicles, office furniture and computer equipment for newly appointed and replacement staff. The funding over the 2018/19 MTEF provides for office furniture, computers, as well as vehicles.

Very little expenditure was incurred in 2016/17 against *Heritage assets* as a result of some planned heritage unveilings of monuments and tombstones of past struggle stalwarts not taking place in 2016/17 as anticipated, due to the need to first undertake consultation with relevant stakeholders. The budget over the 2018/19 MTEF includes funding for the construction of walls of remembrance, as well as the building of memorials and tombstones for struggle veterans, as determined by the Premier.

Software and other intangible assets in 2015/16 provided for the purchasing of software licences.

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

Service delivery measures: Policy and Governance

Table 1.20 provides information on the service delivery measures pertaining to Programme 3. It is noted that the OTP sector has not yet agreed on standardised service delivery measures. Note that only a few main measures are reflected below, and the full set of measures is detailed in the department's APP.

Table 1.20 : Service delivery measures: Policy and Governance

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2017/18	2018/19	2019/20	2020/21
1. Provincial Policy Management					
1.1 Macro policy development and co-ordination					
1.1.1 Policy audit reports	• No. of policy audit reports	2	2	2	2
2. Premier's Priority Programmes					
2.1 PGDP capacity workshops with strategic partnership	• No. of workshops of stakeholders on PGDP Vision 2035	4	4	4	4
2.2 Youth projects co-ordination	• No. of co-ordination reports on projects for youth	4	4	4	4
2.3 Youth forum co-ordination reports	• No. of quarterly monitoring reports on youth forums	4	4	4	4
2.4 Strategic partnership forums	• No. of forum meetings with each sector 1 x NGO, 1 x Business, Labour and Academics 1 x Traditional Authority, 1 x Religious sector	4	4	4	4
3. King's Support and Royal Household					
3.1 Service reports	• Quarterly reports on support services provided to His Majesty and Royal Household	4	4	4	4
4. Heritage					
4.1 Heritage awareness	• No. of community heritage awareness campaigns	8	8	8	8
4.2 Heritage memory infrastructure developed	• No. of monuments or memorials erected	8	8	8	8
4.3 Monitoring reports on Amafa Council performance	• No. of Amafa monitoring reports	4	4	4	4

9. Other programme information

9.1 Personnel numbers and costs

Table 1.21 reflects personnel estimates for the OTP, per programme. The actual permanent personnel increased in 2016/17 (restated to 2014/15) as a result of the fact that the DRH (previously Vote 10) was

amalgamated into Vote 1. As a result, 106 employees were transferred to Vote 1 after all negotiations with stakeholders including labour unions. Also, the Gaming and Betting unit staff were transferred in 2016/17 from Vote 6 to Vote 1 in line with the Premier's Minute No. 2 of 2016. The decrease in personnel in Programme 1 in 2015/16 is offset by the increase in Programme 2, as the department undertook structure changes in an effort to align the financial and organisational structures.

Provision has not been adequately made for the inflationary wage adjustment of 6.5, 6.3 and 6.5 per cent for the two outer years of the MTEF, as well as the 1.5 per cent pay progression, as this category is currently growing by 15.9 per cent, 4.4 per cent and 7.5 per cent over the MTEF. The department plans to fill 56 critical posts on the approved organisational structure in a phased in approach. However, at this stage, the budget does not adequately provide for this increase, particularly in 2019/20 and 2020/21. This will be reviewed in-year and in the next MTEF process.

Table 1.21 : Summary of departmental personnel numbers and costs by component

	Audited Outcome						Revised Estimate				Medium-term Estimates						Average annual growth over MTEF		
	2014/15		2015/16		2016/17		2017/18				2018/19		2019/20		2020/21		2017/18 - 2020/21		
	Pers. nos ¹	Costs	Pers. nos ¹	Costs	Pers. nos ¹	Costs	Filled posts	Add. posts	Pers. nos ¹	Costs	Pers. nos ¹	Costs	Pers. nos ¹	Costs	Pers. nos ¹	Costs	Pers. growth rate	Costs growth rate	% Costs of Total
R thousands																			
Salary level																			
1 – 6	253	22 337	277	34 353	258	32 931	200	11	211	39 235	226	46 158	226	47 749	226	51 347	2.3%	9.4%	14.1%
7 – 10	188	54 436	204	59 484	297	88 275	200	13	213	88 067	241	101 429	241	105 114	241	113 040	4.2%	8.7%	31.3%
11 – 12	92	59 518	81	68 105	129	67 305	84	1	85	68 132	95	79 664	95	85 022	95	91 437	3.8%	10.3%	25.0%
13 – 16	61	73 147	55	71 450	79	67 868	65	1	66	73 124	69	84 720	69	87 942	69	94 576	1.5%	9.0%	26.1%
Other	-	-	-	-	-	-	9	42	51	10 166	51	11 057	51	11 261	51	12 112	0.0%	0.0%	0.0%
Total	594	209 438	617	233 392	763	256 379	558	68	626	278 724	682	323 028	682	337 088	682	362 512	2.9%	9.2%	100.0%
Programme																			
1. Administration	182	74 941	92	54 836	135	53 049	85	5	90	52 659	113	66 878	113	72 678	113	78 155	7.9%	14.1%	20.8%
2. Institutional Development	197	82 317	234	109 082	341	117 050	249	51	300	129 295	314	156 911	314	167 946	314	180 617	1.5%	11.8%	48.8%
3. Policy and Governance	215	52 180	291	69 474	287	86 285	224	12	236	96 770	255	99 239	255	96 464	255	103 740	2.6%	2.3%	30.4%
Total	594	209 438	617	233 392	763	256 384	558	68	626	278 724	682	323 028	682	337 088	682	362 512	2.9%	9.2%	100.0%
Employee dispensation classification																			
P.S.A. appointees not covered by OSDs	581	204 802	604	228 533	750	246 884	545	68	613	268 114	669	311 516	669	324 908	669	349 662	3.0%	9.3%	96.4%
Legal professionals	13	4 636	13	4 859	13	9 495	13	-	13	10 610	13	11 512	13	12 180	13	12 850	0.0%	6.6%	3.6%
Total	594	209 438	617	233 392	763	256 379	558	68	626	278 724	682	323 028	682	337 088	682	362 512	2.9%	9.2%	100.0%

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

9.2 Training

Table 1.22 reflects payments and estimates on training per programme, providing actual and estimated expenditure on training for the period 2014/15 to 2020/21. The department is required by the Skills Development Act to budget at least 1 per cent of its salary expense for staff training. The department will exceed this target with an average of 2 per cent set aside over the 2018/19 MTEF.

Table 1.22 : Information on training: Office of the Premier

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
Number of staff	594	617	763	626	626	626	682	682	682
Number of personnel trained	254	300	214	276	276	157	276	276	276
of which									
Male	86	120	73	85	85	42	85	85	85
Female	168	180	141	191	191	115	191	191	191
Number of training opportunities	17	-	18	69	69	24	69	69	69
of which									
Tertiary	-	-	-	-	-	-	-	-	-
Workshops	11	-	13	50	50	17	50	50	50
Seminars	6	-	5	19	19	7	19	19	19
Other	-	-	-	-	-	-	-	-	-
Number of bursaries offered	-	32	14	20	20	15	20	20	21
Number of interns appointed	48	39	43	53	53	53	53	53	56
Number of learnerships appointed	-	-	-	-	-	-	-	-	-
Number of days spent on training	-	-	-	-	-	-	-	-	-
Payments on training by programme									
1. Administration	220	-	12	440	290	290	222	372	393
2. Institutional Development	2 410	5 355	3 702	5 366	5 431	2 839	7 056	6 776	7 149
3. Policy and Governance	-	25	198	4 180	3 430	409	1 215	1 203	1 269
Total	2 630	5 380	3 912	9 986	9 151	3 538	8 493	8 351	8 811

ANNEXURE – VOTE 1: OFFICE OF THE PREMIER

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2017/18	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Tax receipts	538 524	565 890	582 468	586 724	586 724	592 147	600 285	607 660	615 364
Casino taxes	467 319	487 788	502 243	510 227	510 227	510 874	518 570	524 843	531 391
Horse racing taxes	71 205	78 102	80 225	76 497	76 497	81 273	81 715	82 817	83 973
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	174	149	191	258	258	218	273	288	304
Sale of goods and services produced by department (excluding capital assets)	174	149	156	258	258	218	273	288	304
Sales by market establishments	-	-	11	110	110	90	123	138	146
Administrative fees	-	-	-	-	-	-	-	-	-
Other sales	174	149	145	148	148	128	150	150	158
<i>Of which</i>									
<i>Commission</i>	102	142	140	140	140	128	140	140	148
<i>Tender documents</i>	6	7	5	-	-	-	-	-	-
Sale of scrap, waste, arms and other used current goods (excluding capital assets)	-	-	35	-	-	-	-	-	-
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	5	23	8	1	1	12	1	1	1
Interest	5	23	8	1	1	12	1	1	1
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Sales of capital assets	1 143	535	-	311	311	311	535	535	535
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	1 143	535	-	311	311	311	535	535	535
Transactions in financial assets and liabilities	402	423	267	42	42	649	44	47	50
Total	540 248	567 020	582 934	587 336	587 336	593 337	601 138	608 531	616 254

Estimates of Provincial Revenue and Expenditure

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
Current payments	599 802	578 430	541 973	609 239	598 151	598 003	648 417	678 381	723 355
Compensation of employees	209 438	233 392	256 384	291 998	279 360	278 724	323 028	337 088	362 512
Salaries and wages	189 434	207 906	228 359	267 899	251 036	249 862	294 904	306 590	330 338
Social contributions	20 004	25 486	28 025	24 099	28 324	28 862	28 124	30 498	32 174
Goods and services	390 364	345 038	285 589	317 241	318 791	319 279	325 389	341 293	360 843
Administrative fees	312	2 689	2 488	5 860	6 335	3 704	3 637	3 779	3 987
Advertising	44 917	64 266	47 573	45 904	50 463	48 482	56 987	56 060	59 145
Minor assets	1 183	1 461	2 661	7 151	6 006	4 979	7 495	7 492	7 906
Audit cost: External	5 940	6 184	3 547	4 668	4 668	4 668	4 690	5 120	5 401
Bursaries: Employees	264	224	233	1 014	764	769	1 022	1 079	1 139
Catering: Departmental activities	26 469	24 810	18 099	13 568	14 470	14 991	13 536	13 794	14 556
Communication (G&S)	9 985	10 292	9 091	12 170	12 379	11 580	9 782	13 591	14 339
Computer services	35 417	29 133	28 727	41 639	38 767	34 526	42 705	46 380	48 931
Cons. and prof. serv.: Business and advisory services	44 893	27 536	17 171	30 146	32 197	22 342	29 314	32 842	34 647
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	1 746	1 933	6 120	499	2 999	2 999	409	437	461
Contractors	105 473	61 927	40 063	26 109	27 914	60 024	32 975	32 327	34 103
Agency and support / outsourced services	2 553	2 010	3 570	2 240	2 162	1 590	960	890	939
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	4 916	6 728	7 895	8 339	6 919	8 223	7 775	7 926	8 362
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	15	15	15	20	21	22
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	433	-	-	-	-	-	-	-	-
Consumable supplies	1 401	4 311	2 720	3 941	4 075	4 740	6 554	6 352	6 701
Consumable: Stationery, printing and office supplies	5 205	7 736	7 303	9 059	8 960	6 666	8 919	9 508	10 031
Operating leases	9 673	8 573	11 739	21 715	16 377	14 792	20 605	21 600	22 788
Property payments	15 203	12 059	14 153	11 146	14 184	12 945	8 732	10 783	12 150
Transport provided: Departmental activity	18 769	21 294	10 044	10 340	9 340	8 222	13 750	14 575	15 378
Travel and subsistence	32 969	28 168	26 907	38 786	36 836	40 631	36 366	37 326	39 378
Training and development	2 630	5 380	3 912	9 986	9 151	3 538	8 493	8 351	8 811
Operating payments	1 511	213	911	275	630	662	155	176	186
Venues and facilities	18 502	18 111	20 662	12 671	13 180	8 191	10 508	10 884	11 482
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	130 985	113 969	131 518	117 893	140 554	140 616	116 923	124 226	131 059
Provinces and municipalities	4 924	76	136	57	107	102	60	63	66
Provinces	59	76	136	57	107	102	60	63	66
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	59	76	136	57	107	102	60	63	66
Municipalities	4 865	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	4 865	-	-	-	-	-	-	-	-
Departmental agencies and accounts	92 587	91 377	95 372	91 635	113 960	113 960	94 954	100 696	106 235
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	92 587	91 377	95 372	91 635	113 960	113 960	94 954	100 696	106 235
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	4 226	-	27	-	-	-	-	-	-
Households	29 248	22 516	35 983	26 201	26 487	26 554	21 909	23 467	24 758
Social benefits	1 144	726	2 308	12	298	455	3	3	3
Other transfers to households	28 104	21 790	33 675	26 189	26 189	26 099	21 906	23 464	24 755
Payments for capital assets	34 369	33 298	31 830	14 993	24 766	24 766	21 797	19 961	20 285
Buildings and other fixed structures	10 049	2 271	16 823	2 034	8 147	8 147	5 729	3 864	3 304
Buildings	10 049	2 271	5 918	1 230	7 343	7 343	5 729	3 864	3 304
Other fixed structures	-	-	10 905	804	804	804	-	-	-
Machinery and equipment	21 895	27 194	14 202	8 297	14 514	14 533	11 249	10 998	11 602
Transport equipment	376	14 775	7 359	2 833	5 833	8 431	3 215	2 561	2 702
Other machinery and equipment	21 519	12 419	6 843	5 464	8 681	6 102	8 034	8 437	8 900
Heritage assets	2 425	3 682	805	4 584	2 055	2 036	4 819	5 099	5 379
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	151	-	68	50	50	-	-	-
Payments for financial assets	96	2 767	2 240	-	-	86	-	-	-
Total	765 252	728 464	707 561	742 125	763 471	763 471	787 137	822 568	874 699
Unauth. Exp. (1st charge) not available for spending	(2 500)	(2 500)	(2 194)	-	-	-	-	-	-
Baseline available for spending after 1st charge	762 752	725 964	705 367	742 125	763 471	763 471	787 137	822 568	874 699

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
Current payments	187 121	90 574	81 165	84 992	89 425	89 424	99 880	112 030	119 675
Compensation of employees	74 941	54 836	53 049	52 662	52 660	52 659	66 878	72 678	78 155
Salaries and wages	71 862	49 693	47 846	48 557	48 413	47 866	62 053	67 348	72 532
Social contributions	3 079	5 143	5 203	4 105	4 247	4 793	4 825	5 330	5 623
Goods and services	112 180	35 738	28 116	32 330	36 765	36 765	33 002	39 352	41 520
Administrative fees	96	637	518	185	334	754	249	275	291
Advertising	253	130	706	362	62	62	196	228	241
Minor assets	547	295	296	1 849	678	678	1 270	982	1 037
Audit cost: External	3 565	5 538	3 547	4 668	4 668	4 668	4 600	5 040	5 317
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	4 523	2 351	1 894	1 527	1 727	1 697	1 230	1 394	1 472
Communication (G&S)	4 047	102	178	213	218	218	210	209	220
Computer services	10 738	5 124	1 600	4 029	1 779	1 529	6 989	9 739	10 275
Cons. and prof. serv.: Business and advisory services	9 725	7 501	1 277	780	10 834	8 881	1 820	3 642	3 843
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	1 660	2	1 852	-	-	-	-	-	-
Contractors	36 807	1 281	4 746	1 695	754	2 707	1 647	1 742	1 837
Agency and support / outsourced services	957	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	4 014	-	2	-	-	-	80	85	90
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	5	5	5
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medgas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	236	243	922	726	756	610	725	724	764
Consumable: Stationery, printing and office supplies	1 488	1 740	1 876	2 549	2 388	1 831	2 355	2 532	2 671
Operating leases	7 702	963	1 057	1 859	1 884	1 733	1 504	1 617	1 706
Property payments	13 617	306	296	960	630	418	727	737	778
Transport provided: Departmental activity	2 167	451	162	170	170	170	170	170	179
Travel and subsistence	8 326	8 922	5 875	10 097	9 372	10 298	8 688	9 503	10 025
Training and development	220	-	12	440	290	290	222	372	393
Operating payments	80	-	122	11	11	11	105	120	127
Venues and facilities	1 412	152	1 178	210	210	210	210	236	249
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 725	1 099	2 486	1 117	1 119	1 120	1 182	1 248	1 317
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	1 725	1 099	2 486	1 117	1 119	1 120	1 182	1 248	1 317
Social benefits	102	94	1 552	-	2	65	-	-	-
Other transfers to households	1 623	1 005	934	1 117	1 117	1 055	1 182	1 248	1 317
Payments for capital assets	11 318	1 361	1 216	1 171	1 454	1 454	1 264	1 338	1 411
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	11 318	1 214	1 216	1 171	1 454	1 454	1 264	1 338	1 411
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	11 318	1 214	1 216	1 171	1 454	1 454	1 264	1 338	1 411
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	147	-	-	-	-	-	-	-
Payments for financial assets	24	26	-	-	-	-	-	-	-
Total	200 188	93 060	84 867	87 280	91 998	91 998	102 326	114 616	122 403

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
Current payments	193 258	283 175	266 097	306 846	296 122	296 117	338 108	355 774	379 549
Compensation of employees	82 317	109 082	117 050	142 641	129 300	129 295	156 911	167 946	180 617
Salaries and wages	73 002	95 621	102 527	128 722	115 031	114 193	140 808	150 545	162 260
Social contributions	9 315	13 461	14 523	13 919	14 269	15 102	16 103	17 401	18 357
Goods and services	110 941	174 093	149 047	164 205	166 822	166 822	181 197	187 828	198 932
Administrative fees	183	599	622	735	851	1 096	882	1 014	1 069
Advertising	38 339	60 503	43 952	41 310	48 401	47 892	52 467	51 697	54 541
Minor assets	582	629	789	3 377	2 922	2 367	3 835	3 901	4 117
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	264	224	233	764	764	760	822	864	912
Catering: Departmental activities	6 782	6 136	5 048	3 304	3 763	3 726	7 809	8 052	8 496
Communication (G&S)	5 735	9 838	8 349	10 415	10 432	9 940	8 303	9 327	9 840
Computer services	9 948	11 973	16 691	24 180	23 254	23 254	18 074	18 222	19 244
Cons. and prof. serv.: Business and advisory services	12 539	7 444	5 096	5 415	5 545	5 045	12 842	13 092	13 811
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	86	1 931	4 268	499	2 999	2 999	389	417	440
Contractors	9 592	14 006	8 364	9 046	7 405	10 239	10 854	11 209	11 825
Agency and support / outsourced services	1 006	794	2 461	1 640	1 590	1 590	760	790	833
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	6 220	6 121	6 169	6 169	7 390	6 895	7 381	7 787
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	15	15	15	15	16	17
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
MedSas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	433	-	-	-	-	-	-	-	-
Consumable supplies	128	1 918	295	748	856	1 416	749	778	821
Consumable: Stationery, printing and office supplies	2 671	3 985	2 812	3 234	3 400	3 061	3 149	3 516	3 709
Operating leases	1 401	6 935	9 595	18 538	13 295	12 128	17 611	18 506	19 524
Property payments	1 189	11 217	13 583	10 186	11 571	12 397	7 795	10 046	11 372
Transport provided: Departmental activity	2 081	10 816	3 770	3 540	2 540	2 895	5 000	5 300	5 592
Travel and subsistence	13 137	8 209	7 906	13 520	13 206	13 774	14 007	14 550	15 350
Training and development	2 410	5 355	3 702	5 366	5 431	2 839	7 056	6 776	7 149
Operating payments	18	145	96	64	119	119	45	46	48
Venues and facilities	2 417	5 216	5 294	2 140	2 294	1 880	1 838	2 328	2 455
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	66 489	53 712	72 705	42 931	63 354	63 359	63 712	67 932	71 668
Provinces and municipalities	59	76	124	57	107	95	60	63	66
Provinces	59	76	124	57	107	95	60	63	66
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	59	76	124	57	107	95	60	63	66
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	39 276	32 398	39 367	42 871	63 196	63 196	42 925	45 650	48 161
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	39 276	32 398	39 367	42 871	63 196	63 196	42 925	45 650	48 161
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	27	-	-	-	-	-	-
Households	27 154	21 238	33 187	3	51	68	20 727	22 219	23 441
Social benefits	673	455	446	3	51	67	3	3	3
Other transfers to households	26 481	20 783	32 741	-	-	1	20 724	22 216	23 438
Payments for capital assets	10 388	19 614	17 292	4 498	10 432	10 432	8 557	6 392	5 971
Buildings and other fixed structures	1 262	-	10 905	804	3 104	3 104	4 747	2 361	1 718
Buildings	1 262	-	-	-	2 300	2 300	4 747	2 361	1 718
Other fixed structures	-	-	10 905	804	804	804	-	-	-
Machinery and equipment	9 126	19 614	6 387	3 626	7 278	7 278	3 810	4 031	4 253
Transport equipment	-	11 368	4 318	1 659	4 659	4 659	2 015	1 755	1 852
Other machinery and equipment	9 126	8 246	2 069	1 967	2 619	2 619	1 795	2 276	2 401
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	68	50	50	-	-	-
Payments for financial assets	38	20	1	-	-	-	-	-	-
Total	270 173	356 521	356 095	354 275	369 908	369 908	410 377	430 098	457 188

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

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2014/15	2015/16	2016/17	Appropriation	Appropriation	Estimate	2018/19	2019/20	2020/21
Current payments	219 423	204 681	194 711	217 401	212 604	212 462	210 429	210 577	224 131
Compensation of employees	52 180	69 474	86 285	96 695	97 400	96 770	99 239	96 464	103 740
Salaries and wages	44 570	62 592	77 986	90 620	87 592	87 803	92 043	88 697	95 546
Social contributions	7 610	6 882	8 299	6 075	9 808	8 967	7 196	7 767	8 194
Goods and services	167 243	135 207	108 426	120 706	115 204	115 692	111 190	114 113	120 391
Administrative fees	33	1 453	1 348	4 940	5 150	1 854	2 506	2 490	2 627
Advertising	6 325	3 633	2 915	4 232	2 000	528	4 324	4 135	4 363
Minor assets	54	537	1 576	1 925	2 406	1 934	2 390	2 609	2 752
Audit cost: External	2 375	646	-	-	-	-	90	80	84
Bursaries: Employees	-	-	-	250	-	9	200	215	227
Catering: Departmental activities	15 164	16 323	11 157	8 737	8 980	9 568	4 497	4 348	4 588
Communication (G&S)	203	352	564	1 542	1 729	1 422	1 269	4 055	4 279
Computer services	14 731	12 036	10 436	13 430	13 734	9 743	17 642	18 419	19 432
Cons. and prof. serv.: Business and advisory services	22 629	12 591	10 798	23 951	15 818	8 416	14 652	16 108	16 993
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	20	20	21
Contractors	59 074	46 640	26 953	15 368	19 755	47 078	20 474	19 376	20 441
Agency and support / outsourced services	590	1 216	1 109	600	572	-	200	100	106
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	902	508	1 772	2 170	750	833	800	460	485
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	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	1 037	2 150	1 503	2 467	2 463	2 714	5 080	4 850	5 116
Consumable: Stationery, printing and office supplies	1 046	2 011	2 615	3 276	3 172	1 774	3 415	3 460	3 651
Operating leases	570	675	1 087	1 318	1 198	931	1 490	1 477	1 558
Property payments	397	536	274	-	1 983	130	210	-	-
Transport provided: Departmental activity	14 521	10 027	6 112	6 630	6 630	5 157	8 580	9 105	9 607
Travel and subsistence	11 506	11 037	13 126	15 169	14 258	16 559	13 671	13 273	14 003
Training and development	-	25	198	4 180	3 430	409	1 215	1 203	1 269
Operating payments	1 413	68	693	200	500	532	5	10	11
Venues and facilities	14 673	12 743	14 190	10 321	10 676	6 101	8 460	8 320	8 778
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	62 771	59 158	56 327	73 845	76 081	76 137	52 029	55 046	58 074
Provinces and municipalities	4 865	-	12	-	-	7	-	-	-
Provinces	-	-	12	-	-	7	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	12	-	-	7	-	-	-
Municipalities	4 865	-	-	-	-	-	-	-	-
Municipal agencies and funds	4 865	-	-	-	-	-	-	-	-
Departmental agencies and accounts	53 311	58 979	56 005	48 764	50 764	50 764	52 029	55 046	58 074
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	53 311	58 979	56 005	48 764	50 764	50 764	52 029	55 046	58 074
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	4 226	-	-	-	-	-	-	-	-
Households	369	179	310	25 072	25 317	25 366	-	-	-
Social benefits	369	177	310	9	245	323	-	-	-
Other transfers to households	-	2	-	25 072	25 072	25 043	-	-	-
Payments for capital assets	12 663	12 323	13 322	9 324	12 880	12 880	11 976	12 231	12 903
Buildings and other fixed structures	8 787	2 271	5 918	1 230	5 043	5 043	982	1 503	1 586
Buildings	8 787	2 271	5 918	1 230	5 043	5 043	982	1 503	1 586
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 451	6 366	6 599	3 500	5 782	5 801	6 175	5 629	5 938
Transport equipment	376	3 407	3 041	1 174	1 174	3 772	1 200	806	850
Other machinery and equipment	1 075	2 959	3 558	2 326	4 608	2 029	4 975	4 823	5 088
Heritage assets	2 425	3 682	805	4 594	2 055	2 036	4 819	5 099	5 379
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	4	-	-	-	-	-	-	-
Payments for financial assets	34	2 721	2 239	-	-	86	-	-	-
Total	294 891	278 883	266 599	300 570	301 565	301 565	274 434	277 854	295 108
Unauth. Exp. (1st charge) not available for spending	(2 500)	(2 500)	(2 194)	-	-	-	-	-	-
Baseline available for spending after 1st charge	292 391	276 383	264 405	300 570	301 565	301 565	274 434	277 854	295 108

Table 1.F : Financial summary for Amafa aKwaZulu-Natali (Amafa)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
Revenue									
Tax revenue	-	-	-	-	-	-	-	-	-
Non-tax revenue	38 112	38 062	36 681	37 903	36 032	36 032	40 178	42 943	45 971
Sale of goods and services other than capital assets	1 377	1 383	1 513	1 470	1 470	1 470	1 551	1 630	1 711
Entirety revenue other than sales	1 557	1 544	1 872	571	571	571	600	630	661
Transfers received	35 149	34 977	33 028	35 672	32 563	32 563	37 835	40 483	43 389
<i>Of which:</i>									
<i>OTP</i>	35 149	34 977	33 028	32 263	32 263	32 263	33 989	35 960	37 938
<i>Reserves</i>	-	-	-	3 409	300	300	3 846	4 523	5 451
Sale of capital assets	29	-	-	-	1 238	1 238	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Other non-tax revenue	-	158	268	190	190	190	192	200	210
Total revenue	38 112	38 062	36 681	37 903	36 032	36 032	40 178	42 943	45 971
Expenses									
Current expense	36 032	35 765	34 453	37 803	35 932	35 932	40 073	42 833	45 855
Compensation of employees	23 072	25 530	26 227	29 350	28 000	28 000	31 803	33 534	36 101
Goods and services	12 960	10 235	8 226	8 453	7 932	7 932	8 270	9 299	9 754
Interest on rent and land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	2 228	483	100	100	100	105	110	116
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total expenses	36 032	37 993	34 936	37 903	36 032	36 032	40 178	42 943	45 971
Surplus / (Deficit)	2 080	69	1 745	-	-	-	-	-	-
Adjustments for Surplus / (Deficit)	(2 080)	(69)	(1 745)	-	-	-	-	-	-
<i>Of which:</i>									
<i>Reserves</i>	(2 080)	(69)	(1 745)	-	-	-	-	-	-
Surplus / (Deficit) after adjustments	-	-	-	-	-	-	-	-	-

Table 1.G : Personnel summary for Amafa

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
Board members									
Personnel cost (R thousand)	588	230	-	200	-	-	200	200	200
Personnel numbers (head count)	10	9	-	12	-	-	12	12	12
Unit cost	59	26	-	17	-	-	17	17	17
Executive management									
Personnel cost (R thousand)	3 094	854	935	1 053	-	-	1 140	1 235	1 337
<i>of which:</i>									
<i>Chief Financial Officer</i>	758	854	922	1 053	1 053	1 053	1 140	1 235	1 337
<i>Chief Executive Officer</i>	-	-	-	-	-	-	-	-	-
Personnel numbers (head count)	4	1	1	1	1	1	1	1	1
Unit cost	774	854	935	1 053	-	-	1 140	1 235	1 337
Senior management									
Personnel cost (R thousand)	-	2 480	2 692	3 031	2 997	2 997	3 283	3 555	3 850
Personnel numbers (head count)	-	3	3	3	3	3	3	3	3
Unit cost	-	827	897	1 010	999	999	1 094	1 185	1 283
Middle management									
Personnel cost (R thousand)	5 648	6 880	6 981	7 864	7 601	7 601	8 517	8 299	8 755
Personnel numbers (head count)	20	16	14	16	15	15	16	16	16
Unit cost	282	430	499	492	507	507	532	519	547
Professionals									
Personnel cost (R thousand)	-	9 858	9 958	11 212	11 212	11 212	12 142	13 150	14 241
Personnel numbers (head count)	-	44	42	44	44	44	44	44	44
Unit cost	-	224	237	255	255	255	276	299	324
Semi-skilled									
Personnel cost (R thousand)	14 330	3 344	3 444	3 878	3 878	3 878	4 200	4 549	4 927
Personnel numbers (head count)	77	18	17	19	18	18	18	18	18
Unit cost	186	186	203	204	215	215	233	253	274
Very low skilled									
Personnel cost (R thousand)	-	2 114	2 217	2 312	2 312	2 312	2 521	2 746	2 991
Personnel numbers (head count)	-	18	17	18	18	18	18	18	18
Unit cost	-	117	130	128	128	128	140	153	166
Total for entity									
Personnel cost (R thousand)*	23 660	25 760	26 227	29 550	28 000	28 000	32 003	33 734	36 301
Personnel numbers (head count)	111	109	94	113	99	99	112	112	112
Unit cost	213	236	279	262	283	283	286	301	324

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

Table 1.H : Financial summary for Royal Household Trust (RHT)

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2014/15	2015/16	2016/17	Appropriation	Appropriation	Estimate	2018/19	2019/20	2020/21
Revenue									
Tax revenue	-	-	-	-	-	-	-	-	-
Non-tax revenue	18 338	24 201	23 186	16 695	18 695	18 695	18 237	19 292	20 346
Sale of goods and services other than capital assets	-	-	-	-	-	-	-	-	-
Entity revenue other than sales	151	199	209	194	194	194	197	206	210
Transfers received	18 162	24 002	22 977	16 501	18 501	18 501	18 040	19 086	20 136
Of which:									
OTP	18 162	24 002	22 977	16 501	18 501	18 501	18 040	19 086	20 136
Sale of capital assets	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Other non-tax revenue	25	-	-	-	-	-	-	-	-
Total revenue	18 338	24 201	23 186	16 695	18 695	18 695	18 237	19 292	20 346
Expenses									
Current expense	17 480	16 890	23 394	16 681	18 680	18 680	18 217	19 270	20 321
Compensation of employees	3 862	3 603	4 183	4 439	4 439	4 439	4 661	4 894	5 139
Goods and services	13 613	13 287	19 211	12 242	14 241	14 241	13 556	14 376	15 182
Interest on rent and land	5	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	3 534	380	82	14	14	14	20	22	25
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total expenses	21 014	17 270	23 476	16 695	18 694	18 694	18 237	19 292	20 346
Surplus / (Deficit)	(2 677)	6 931	(290)	-	-	-	-	-	-
Adjustments for Surplus / (Deficit)	2 677	(6 932)	290	-	-	-	-	-	-
Of which:									
Trade and other payables	2 677	(6 932)	290	-	-	-	-	-	-
Surplus / (Deficit) after adjustments	-	-	-	-	-	-	-	-	-

Table 1.I : Personnel summary for RHT

	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2014/15	2015/16	2016/17	Appropriation	Appropriation	Estimate	2018/19	2019/20	2020/21
Board members									
Personnel cost (R thousand)	230	138	83	126	126	126	136	144	152
Personnel numbers (head count)	7	7	7	7	7	7	7	7	7
Unit cost	33	20	12	18	18	18	19	21	22
Executive management									
Personnel cost (R thousand)	970	1 042	1 083	1 150	1 150	1 150	1 207	1 267	1 331
of which:									
Chief Financial Officer	970	1 042	1 083	1 150	1 150	1 150	1 207	1 267	1 331
Chief Executive Officer	178	-	-	-	-	-	-	-	-
Personnel numbers (head count)	-	-	-	1	1	1	1	1	1
Unit cost	-	-	-	1 150	1 150	1 150	1 207	1 267	1 331
Senior management									
Personnel cost (R thousand)	812	654	897	952	952	952	999	1 049	1 102
Personnel numbers (head count)	1	1	1	1	1	1	1	1	1
Unit cost	812	654	897	952	952	952	999	1 049	1 102
Middle management									
Personnel cost (R thousand)	686	659	790	839	839	839	880	924	971
Personnel numbers (head count)	1	1	1	1	1	1	1	1	1
Unit cost	686	659	790	839	839	839	880	924	971
Professionals									
Personnel cost (R thousand)	800	776	833	884	884	884	928	974	1 023
Personnel numbers (head count)	2	2	2	2	2	2	2	2	2
Unit cost	400	388	417	442	442	442	464	487	512
Semi-skilled									
Personnel cost (R thousand)	543	472	508	538	538	538	567	596	623
Personnel numbers (head count)	3	3	3	3	3	3	3	3	3
Unit cost	181	157	169	179	179	179	189	199	208
Very low skilled									
Personnel cost (R thousand)	51	-	72	76	76	76	80	84	89
Personnel numbers (head count)	1	-	1	1	1	1	1	1	1
Unit cost	51	-	72	76	76	76	80	84	89
Total for entity									
Personnel cost (R thousand)*	4 092	3 741	4 266	4 565	4 565	4 565	4 797	5 038	5 291
Personnel numbers (head count)	15	14	15	16	16	16	16	16	16
Unit cost	273	267	284	285	285	285	300	315	331

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

Estimates of Provincial Revenue and Expenditure

Table 1.J : Financial summary for KwaZulu-Natal Gaming and Betting Board (KZNGBB)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Revenue									
Tax revenue	-	-	-	-	-	-	-	-	-
Non-tax revenue	65 996	58 955	65 369	66 161	98 062	98 062	82 467	87 104	90 112
Sale of goods and services other than capital assets	23 818	23 726	22 354	20 414	20 414	20 414	27 082	28 436	29 883
Entirety revenue other than sales	2 895	2 831	3 618	2 876	2 876	2 876	4 138	4 000	4 000
Transfers received	39 276	32 398	39 367	42 871	74 772	74 772	42 925	45 650	48 161
Of which:									
OTP	39 276	32 398	39 367	42 871	43 163	43 163	42 925	45 650	48 161
Building fund	-	-	-	-	20 033	20 033	-	-	-
Transfer shortfall: PT	-	-	-	-	1 025	1 025	-	-	-
Roll-over: OTP	-	-	-	-	10 551	10 551	-	-	-
Sale of capital assets	7	-	30	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	8 322	9 018	8 068
Other non-tax revenue	-	-	-	-	-	-	-	-	-
Total revenue	65 996	58 955	65 369	66 161	98 062	98 062	82 467	87 104	90 112
Expenses									
Current expense	53 174	54 630	56 177	66 161	77 477	74 116	81 767	85 579	89 412
Compensation of employees	33 589	38 618	41 198	51 604	50 900	49 264	55 893	60 398	65 264
Goods and services	19 585	16 012	14 979	14 557	26 577	24 852	25 874	25 181	24 148
Interest on rent and land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	1 308	3 390	4 822	-	552	560	700	1 525	700
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total expenses	54 482	58 020	60 999	66 161	78 029	74 676	82 467	87 104	90 112
Surplus / (Deficit)*	11 514	935	4 370	-	20 033	23 386	-	-	-
Adjustments for Surplus / (Deficit)	(11 514)	(935)	(4 370)	-	(20 033)	(23 386)	-	-	-
Of which:									
Building fund	-	-	-	-	(20 033)	(20 033)	-	-	-
Accommodation setup costs	-	-	-	-	-	(3 353)	-	-	-
Accumulated reserves	(11 514)	(935)	(4 370)	-	-	-	-	-	-
Surplus / (Deficit) after adjustments	-	-	-	-	-	-	-	-	-

*Note: The Surplus / (Deficit) relates to the accounting treatment of capital and other non-cash expense items

Table 1.K : Personnel summary for KZNGBB

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Board members									
Personnel cost (R thousand)	2 753	3 415	3 345	3 148	3 148	3 558	3 148	3 148	3 148
Personnel numbers (head count)	9	9	9	9	9	9	9	9	9
Unit cost	306	379	372	350	350	395	350	350	350
Executive management									
Personnel cost (R thousand)	-	1 558	8 178	8 975	9 526	9 526	10 293	11 120	12 015
of which									
Chief Financial Officer	-	-	-	-	-	-	1 616	1 746	1 886
Chief Executive Officer	-	1 558	1 662	1 914	1 742	1 742	2 314	2 497	2 698
Personnel numbers (head count)	-	1	7	7	7	7	7	7	7
Unit cost	-	1 558	1 168	1 282	1 361	1 361	1 470	1 589	1 716
Senior management									
Personnel cost (R thousand)	-	5 738	6 522	7 378	7 378	7 378	7 971	8 612	9 305
Personnel numbers (head count)	-	6	6	6	6	6	6	6	6
Unit cost	-	956	1 087	1 230	1 230	1 230	1 329	1 435	1 551
Middle management									
Personnel cost (R thousand)	-	7 338	7 771	9 039	10 001	9 351	10 807	11 678	12 619
Personnel numbers (head count)	-	11	11	11	11	10	11	11	11
Unit cost	-	667	706	822	909	935	982	1 062	1 147
Professionals									
Personnel cost (R thousand)	-	21 601	22 429	28 310	28 581	26 542	30 893	33 394	36 100
Personnel numbers (head count)	-	44	47	52	55	48	55	55	55
Unit cost	-	491	477	544	520	553	562	607	656
Semi-skilled									
Personnel cost (R thousand)	-	2 266	2 469	2 813	3 213	2 793	3 477	3 762	4 071
Personnel numbers (head count)	-	9	9	9	11	10	11	11	11
Unit cost	-	252	274	313	292	279	316	342	370
Very low skilled									
Personnel cost (R thousand)	-	117	128	147	179	179	194	210	228
Personnel numbers (head count)	-	1	1	1	1	1	1	1	1
Unit cost	-	117	128	147	179	179	194	210	228
Total for entity									
Personnel cost (R thousand)*	36 342	42 033	50 842	59 810	62 026	59 327	66 783	71 924	77 486
Personnel numbers (head count)	9	81	90	95	100	91	100	100	100
Unit cost	4 038	519	565	630	620	652	668	719	775

*Note: The difference between the Personnel cost and Compensation of employees from 2016/17 onward relates to personnel related payments, e.g. cellphone allowances, etc. The detailed personnel summary for 2014/15 is not available. Board costs are paid from Goods and services