



**PROVINCE OF KWAZULU-NATAL**

**ESTIMATES  
OF  
PROVINCIAL REVENUE AND  
EXPENDITURE**

**2022/23**

**for the  
financial year ending 31 March 2023**

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# FOREWORD

HARD WORK, INTEGRITY, GOOD GOVERNANCE AND HUMBLE SERVICE



The President, in his State of the Nation Address on 11 February 2021 outlined the areas that government will focus on. These include intensified efforts to deal with the Covid-19 virus by strengthening the health system and rolling out a massive vaccine drive, as well as accelerating the economic recovery of our country. There will also be a continued drive to implement economic reforms to create sustainable jobs and to drive economic growth, as well as the need to continue our fight against corruption and to strengthen the state.

There is no doubt that government must focus on the economic recovery of South Africa over the MTEF considering the negative impact the Covid-19 pandemic has had. As ever, attention must be paid to taking steps to address our high unemployment rate while also ensuring adequate access to basic services. It is important to focus on policy issues that can help unlock the economy, such as investment in infrastructure.

Also important will be the roll-out of the Covid-19 vaccine as this will allow us to develop the population immunity needed to conquer this virus and thus allow us to return to a more normal way of doing business. While the vaccine will be procured centrally, the roll-out of the vaccine programme will be administered by provinces.

As a result of the impact that the Covid-19 pandemic has had on the economy with the country recording a significant contraction since the prior year. There are thus significant fiscal constraints, yet there are huge demands on the fiscus. As a result of this low economic growth, a high debt burden and rising debt service costs, the country had to take drastic steps to rein in government spending as the current trajectory of spending and low economic growth would have resulted in a fiscal crisis. As such, the province sees significant and unprecedented budget cuts


over the 2021/22 MTEF and the budget cuts were implemented against all 15 Votes.

In this *Estimates of Provincial Revenue and Expenditure (EPRE)*, all 15 Votes provide detail on the service delivery plans they have and, where relevant, what steps are being taken to positively impact the provincial economy. All Votes also indicated, what the impact of these budget cuts is and steps taken to, as far as possible, protect priority areas from such budget cuts. There are some additions made to the provincial fiscus, partly to provide for the vaccine roll-out by the Department of Health, while the annual updates of the data that informs the Provincial Equitable Share formula provides some additions to the baseline from 2022/23 onward. Some priority areas are funded from the 2020/21 Net Financial Position and thus some Votes receive an allocation in 2021/22 from the Provincial Economic Recovery Fund.

It is my honour to present the 2021/22 *EPRE* which gives details of the provincial fiscal framework to the people of KZN and beyond. These estimates provide an opportunity for the Provincial Legislature and citizens to hold the provincial departments and public entities accountable for the public funds they spend.

Over the 2021/22 MTEF, government has undertaken to strengthen service delivery and to monitor customer satisfaction.

As we focus on the efficient and prudent use of limited government financial resources, our focus is on deploying resources to rebuild the economy of this province in response to the destruction caused by Covid-19.

  
**Ms Nomusa Dube-Ncube**  
MEC for Finance



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# LIST OF ABBREVIATIONS

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Abbreviation	Full description
ACSA	Airports Company South Africa
ACTT	Anti-Corruption Task Team
ADA	Agri-business Development Agency
AEPRE	Adjustments Estimate of Provincial Revenue and Expenditure
AET	Adult Education and Training
AFS	Annual Financial Statements
AFU	Asset Forfeiture Unit
A-G	Auditor-General
AOP	Annual Oversight Plan
APP	Annual Performance Plan
ARV	Anti-retroviral
ASP	Automotive Supplier Park
AU	African Union
AWGs	Action Work Groups
BACS	Biometric Access Control System
BAS	Basic Accounting System
BANC	Basic Ante-Natal Care
B-BBEE	Broad-Based Black Economic Empowerment
BEE	Black Economic Empowerment
BNG	Breaking New Ground
BUR	Bed Utilisation Rate
CANE	Child Abuse, Neglect and Exploitation
CARA	Conservation of Agricultural Resources Act
CARC	Cluster Audit and Risk Committee
CASP	Comprehensive Agricultural Support Programme
CBOs	Community-Based Organisations
CBPEI	Community-Based Prevention and Early Intervention
CBR	Community-Based Rehabilitation
CCGs	Community Care-Givers
CCIFSA	Cultural and Creative Industries Federation of South Africa
CDW	Community Development Worker
CED	Civil Engineering Designer
CEM	Council of Education Ministers
CETA	Construction Education Training Authority
CFI	Co-operative Financial Institution
CFO	Chief Financial Officer
CHC	Community Health Centre
CHE	Council for Higher Education
CIA	Certified Internal Auditors
CiDP	Communities-in-Dialogue Programme
CMP	Contract Management Project
CNDC	Community Nutrition and Development Centre
COGTA	Co-operative Governance and Traditional Affairs
COHOD	Committee of Heads of Departments
CPA	Commonwealth Parliamentary Association
CPF	Community Policing Forum
CPI	Consumer Price Index
CRU	Community Residential Unit
CSC	Community Service Centre
CSD	Central Supplier Database
CSFs	Community Safety Forums
CSI	Corporate Social Investment
CSIR	Council for Scientific and Industrial Research
CWP	Community Work Programme
DACT	Downstream Aluminium Centre of Technology
DALRRD	Department of Agriculture, Land Reform and Rural Development

## *List of Abbreviations*

<b>Abbreviation</b>	<b>Full description</b>
DARD	Department of Agriculture and Rural Development
DBE	Department of Basic Education
DBSA	Development Bank of South Africa
DCSL	Department of Community Safety and Liaison
DDA	District Development Agency
DDG	Deputy Director-General
DDM	District Development Model
DEFF	Department of Environment, Forestry and Fisheries
DHA	Department of Home Affairs
DHET	Department of Higher Education and Training
DHIS	District Health Information Services
DIRCO	Department of International Relations and Co-operation
DOE	Department of Education
DOH	Department of Health
DOHS	Department of Human Settlements
DOPW	Department of Public Works
DORA	Division of Revenue Act
DOT	Department of Transport
DPME	Department of Performance, Monitoring and Evaluation
DPSA	Department of Public Service and Administration
DPWI	Department of Public Works and Infrastructure
DRDLR	Department of Rural Development and Land Reform
DS	Drug-susceptible
DSAC	Department of Sport, Arts and Culture
DSBD	Department of Small Business Development
DSD	Department of Social Development
DTPC	Dube TradePort Corporation
DTT	District Task Team
DUT	Durban University of Technology
DVA	Domestic Violence Act
EAC	Enhanced Adherence Counselling
EADP	Elite Athlete Development Programme
ECD	Early Childhood Development
ECE	Estimates of Capital Expenditure
ECM	Electronic Content Management
EDTEA	Economic Development, Tourism and Environmental Affairs
EEDBS	Enhanced Extended Discount Benefit Scheme
EIAs	Environmental Impact Assessments
EIG	Education Infrastructure grant
EKZNW	Ezemvelo KZN Wildlife
e-LMS	electronic Liquor Management System
EMDE	Emerging Market and Developing Economies
EMF	Environmental Management Framework
EMIS	Education Management Information System
EMS	Emergency Medical Services
EPRE	Estimates of Provincial Revenue and Expenditure
EPWP	Expanded Public Works Programme
ERP	Extension Recovery Plan
ESMOE	Essential Steps in Managing Obstetric Emergencies
ESRI	Environmental System Research Institute
ETAT	Emergency Triage, Assessment and Treatment
ETDP	Education, Training and Development Practices
EXCO	Executive Council
FAL	First Additional Language
FDI	Foreign Direct Investment
FET	Further Education and Training
FFC	Financial and Fiscal Commission
FITI	Film Industry Transformation Initiative
FIS	Focused Intervention Studies
FLISP	Finance Linked Individual Subsidy Programme
FMAA	Financial Matters Amendment Act

Abbreviation	Full description
FMPPLA	Financial Management of Parliament and Provincial Legislatures Act
FPL	Food Poverty Line
FSP	Financial Services Provider
FTE	Full-time Equivalent
GBV	Gender-Based Violence
GBVF	Gender-Based Violence and Femicide
GDP	Gross Domestic Product
GDP-R	Regional Gross Domestic Product
GEPF	Government Employees Pension Fund
GHS	General Household Survey
GIAMA	Government Immoveable Asset Management Act
GIS	Geographical Information System
GROP	Gaming Regulator Online Portal
GWEA	Government Wide Enterprise Architecture
HCBC	Home Community-Based Care
HDA	Housing Development Agency
HOD	Head of Department
HPCSA	Health Professions Council of South Africa
HPLC	High Performance Liquid Chromatography
HPV	Human Papillomavirus
HR	Human Resources
HRM	Human Resource Management
HRM&D	Human Resource Management and Development
HSDG	Human Settlements Development grant
HSMSP	Human Settlements Master Spatial Plan
HTS	Health Technology Services
HWSETA	Health and Welfare Sector Education Training Authority
IALCH	Inkosi Albert Luthuli Central Hospital
IASP	Invasive Alien Species Programme
ICAO	International Civil Aviation Organisation
ICT	Information Communication Technology
IDA	Inter-Departmental Account
Ithala	Ithala Development Finance Corporation
IDIP	Infrastructure Delivery Improvement Programme
IDMS	Infrastructure Delivery Management System
IDP	Integrated Development Plan
IDT	Independent Development Trust
IDZ	Industrial Development Zone
IEC	Independent Electoral Commission
IES	Income and Expenditure Survey
IGCC	Inter-Governmental Cash Co-ordination
IGR	Inter-Governmental Relations
IMCI	Integrated Management of Childhood Illnesses
IMF	International Monetary Fund
IPID	Independent Police Investigation Department
IPIP	Infrastructure Programme Implementation Plan
IPMP	Infrastructure Programme Management Plan
IPMU	Infrastructure Programme Management Unit
IRD	Integrated Residential Development Programme
IRM	Infrastructure Reporting Model
ISU	Informal Settlements Upgrade
ISUPG	Informal Settlement Upgrading Partnership grant
IT	Information Technology
ITCMS	Integrated Traffic Contravention Management Systems
IYM	In-Year Monitoring
JME	Joint Medical Establishment
KIMS	KZN Integrated Maritime Strategy
KMC	Kangaroo Mother Care
KSIA	King Shaka International Airport
KUMISA	KwaZulu-Natal Music Cluster
KWANABUCO	KwaZulu-Natal Bus Council

## *List of Abbreviations*

<b>Abbreviation</b>	<b>Full description</b>
KZN	KwaZulu-Natal
KZNCCPA	KwaZulu-Natal Community Crime Prevention Association
KZNFC	KwaZulu-Natal Film Commission
KZNGBB	KwaZulu-Natal Gaming and Betting Board
KZNGFT	KwaZulu-Natal Growth Fund Trust
KZN-IMP	KwaZulu-Natal Infrastructure Master Plan
KZNLA	KwaZulu-Natal Liquor Authority
KZNPDPH	KwaZulu-Natal Property Development Holdings
KZNSB	KwaZulu-Natal Sharks Board
LA	Legislature Assembly
LBPL	Lower-Bound Poverty Line
LED	Local Economic Development
LOES	Laboratory Order Entry System
LOGIS	Local Government Information Systems
LPID	Learners with Profound Intellectual Disabilities
LSEN	Learners with Special Education Needs
LTPD	Long-Term Participant Development
LTSM	Learner Teacher Support Material
LTT	Local Task Team
LURITS	Learner Unit Record Information and Tracking System
MBAT	Municipal Bid Appeals Tribunal
MCC	Men Championing Change
MCOE	Maritime Centre of Excellence
MEC	Member of Executive Council
MEI	Municipal Employment Initiative
MERSETA	Manufacturing, Engineering and Related Services Sector Education and Training Authority
MFIP	Municipal Finance Improvement Programme
MFMA	Municipal Finance Management Act
MICT SETA	Media, Information and Communication Technologies Sector Education and Training Authority
MISA	Municipal Infrastructure Support Agent
MISP	Municipal In-Service Programme
MKI	Moses Kotane Institute
MMC	Male Medical Circumcision
MOA	Memorandum of Agreement
MPD	Management Development Programme
MPLs	Members of Provincial Legislature
MPRA	Municipal Property Rates Act
MPSD	Mass Participation and Sport Development
MSP	Municipal Support Programme
MST	Mathematics, Science and Technology
MTBPS	Medium-Term Budget Policy Statement
MTEC	Medium-Term Expenditure Committee
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
MuniMEC	Municipalities and Members of the Executive Council
MYPE	Mid-Year Population Estimates
NACCW	National Association of Child Care Workers
NCNC	Non-Compensation Non-Capital
NCOP	National Council of Provinces
nCPAP	nasal Continuous Positive Airways Pressure
NDA	National Development Agency
NDMC	National Disaster Management Centre
NDOH	National Department of Health
NDOHS	National Department of Human Settlements
NDOT	National Department of Transport
NDP	National Development Plan
NDT	National Department of Tourism
NEMA	National Environmental Management Act
NFVF	National Film and Video Foundation
NGO	Non-Government Organisation
NHBRC	National Home Builders Registration Council

Abbreviation	Full description
NHI	National Health Insurance
NHLS	National Health Laboratory Service
NMT	National Monitoring Tool
NNSSF	National Norms and Standards for School Funding
NPA	National Prosecuting Authority
NPC	National Planning Commission
NPOs	Non-Profit Organisations
NQF	National Qualifications Framework
NSC	National Senior Certificate
NSF	National Skills Fund
NSNP	National School Nutrition Programme
NSRP	National Sport and Recreation Plan
NURCHA	National Urban Reconstruction and Housing Agency
NYDA	National Youth Development Agency
OHS	Occupational Health and Safety
OPRE	Overview of Provincial Revenue and Expenditure
OPSCAP	Operational Capital
OSCA	Owen Sithole College of Agriculture
OSD	Occupational Specific Dispensation
OSS	Operation Sukuma Sakhe
OTP	Office of the Premier
OVC	Orphans, Vulnerable Children
OVCY	Orphans, Vulnerable Children and Youth
PARMED	Parliamentary Medical Aid
PCR	Polymerase Chain Reaction
PDA	Planning and Development Act
PDMC	Provincial Disaster Management Centre
PDRG	Provincial Disaster Recovery grant
PEHG	Provincial Emergency Housing grant
PEMP	Poverty Eradication Master Plan
PEPFAR	President's Emergency Plan for AIDS Relief
PES	Provincial Equitable Share
PESC	Provincial Evaluations Steering Committee
PFMA	Public Finance Management Act
PGDS	Provincial Growth and Development Strategy
PHC	Primary Health Care
PIAS	Provincial Internal Audit Service
PIC	Public Investment Corporation
PILIR	Policy on Incapacity Leave and Ill Health Retirement
PKISMH	Dr Pixley Ka Isaka Seme Memorial Hospital
PMG	Pay Master-General
PMS	Performance Management System
PMTCT	Prevention of Mother to Child Transmission
PPC	Provincial Planning Commission
PPE	Personal Protective Equipment
PPECB	Perishable Product Export Control Board
PPF	Political Parties' Fund
PPN	Personnel Provisioning Norm
PPP	Public Private Partnership
PPPFA	Preferential Procurement Policy Framework Act
PPSD	Provincial Pharmaceutical Supply Depot
PRE	Provincial Regulatory Entity
PRF	Provincial Revenue Fund
PRMG	Provincial Roads Maintenance grant
PSDF	Provincial Spatial Development Framework
PSETA	Public Sector Education and Training Authority
PSRIP	Primary School Reading Improvement Programme
PTDI	Provincial Teacher Development Institute
PTOG	Public Transport Operations grant
PYEI	Presidential Youth Employment Initiative
QCTO	Quality Council for Trades and Occupations

## *List of Abbreviations*

<b>Abbreviation</b>	<b>Full description</b>
QLFS	Quarterly Labour Force Survey
QMS	Quality Management System
QPR	Quarterly Performance Report
RAF	Road Accident Fund
RASET	Radical Agrarian Socio-Economic Transformation
RBIDZ	Richards Bay Industrial Development Zone
RLED	Regional and Local Economic Development
RRT	Rapid Response Team
RTMC	Road Traffic Management Corporation
SA	South Africa
SAA	South African Airways
SAAMBR	South African Association for Marine Biological Research
SABC	South African Broadcasting Corporation
SAC	Severity Assessment Code
SACE	South African Council for Educators
SAFDA	South African Food and Development Agency
SAICA	South African Institute of Chartered Accountants
SALGA	South African Local Government Association
SANAC	South African National AIDS Council
SANC	South African Nursing Council
SANDF	South African National Defence Force
SANRAL	South African National Roads Agency Limited
SANS	SysAdmin, Audit, Network and Security
SANTACO	South African National Taxi Council
SAP	Systems, Applications and Products
SAPS	South African Police Service
SAQA	South African Qualifications Authority
SARB	South African Reserve Bank
SARS	South African Revenue Service
SASA	South African Schools Act
SA-SAMS	South African Schools Administration Management System
SASRI	South African Sugarcane Research Institute
SAT	South African Tourism
SBC	Social and Behaviour Change
SBGE	Small Business Growth Enterprise
SCCU	Specialised Commercial Crime Unit
SCM	Supply Chain Management
SCOA	Standard Chart of Accounts
SCOPA	Standing Committee on Public Accounts
SCP	Social Crime Prevention
SDBIP	Service Delivery and Budget Improvement Plans
SDF	Spatial Development Framework
SDG	Sustainable Development Goals
SECO	State Secretariat of Economic Affairs
SEDA	Small Enterprise Development Agency
SEFA	Small Enterprise Finance Agency
SEIAS	Socio-Economic Impact Assessment System
SERO	Socio-Economic Review and Outlook
SETA	Sector Education and Training Authority
SEZ	Special Economic Zone
SHERQ	Safety Health Environment Risk and Quality
SHRA	Social Housing Regulatory Authority
SIDA	Strategic Infrastructure Development Agency
SIPDM	Standard for Infrastructure Procurement and Delivery Management
SITA	State Information Technology Agency
SLIMS	SITA Library Information Management System
SMME	Small, Medium and Micro Enterprise
SOC	State-Owned Company
SMT	School Management Team
SONA	State of the Nation Address
SP	Strategic Plan

Abbreviation	Full description
SPCHD	Social Protection, Community and Human Development
SPLUMA	Spatial Planning and Land Use Management Act
SRC	Shark Repellent Cable
SRD	Social Relief of Distress
SSG	Shark Safety Gear
ST	Stock Theft
STACOV	Standing Committee on Oversight
StatsSA	Statistics South Africa
STEM	Science, Technology, Engineering and Mathematics
STI	Sexually Transmitted Infections
SUD	Substance Use Disorder
TAFTA	The Association for the Aged
TC	Traditional Council
TDRG	Title Deeds Restoration grant
TETA	Transport Education and Training Authority
TEUF	Thuthuka Education Upliftment Fund
the dtic	Department of Trade, Industry and Competition
THETA	Tourism, Hospitality, Education and Training Authority
TIK	Trade and Investment KwaZulu-Natal
TKZN	KwaZulu-Natal Tourism Authority
TLTP	Taking Legislature to the People
TPT	Transnet Port Terminal
TSCs	Thusong Service Centres
TVET	Technical and Vocational Education and Training
UAGYP	Unemployed Agricultural Graduates Youth Programme
UAMP	User Asset Management Plan
UBPL	Upper-Bound Poverty Line
UHC	Universal Health Coverage
UIFW	Unauthorised, Irregular, Fruitless and Wasteful
UKZN	University of KwaZulu-Natal
UNIZULU	University of Zululand
UNPF	United Nations Population Fund
UTT	Universal Test-and-Treat
VECA	Vukuzakhe Emerging Contractors Association
VFFs	Victim Friendly Facilities
VL	Viral Load
VSCPP	Volunteer Social Crime Prevention Programme
WESSA	Wildlife and Environmental Society of South Africa
WSA	Water Service Authorities
WTO	World Trade Organisation
WTTC	World Travel and Tourism Council
ZRHT	Zulu Royal House Trust

Zulu words	English translation
Amakhosi (pl.)	Traditional leaders or Chiefs
I(zi)nduna (pl.)	Headmen
Imikhosi KaZulu	Zulu Ceremonies
Imizi Yezizwe	Houses for Chiefs
Inkosi	King
Izigodi	Region
Izimbizo	Meetings
Izizwe	Tribes
Nhliziyonye	One heart
Ukukhonza	Homage
Umgidi wakwaShembe	Shembe ceremony
Umkhosi KaNomkhubulwane	Festival in honour of the Zulu goddess
Umkhosi Wamaganu/Umthayi	Amarula Festival
Umkhosi WeLembe	King Shaka commemoration

### *List of Abbreviations*

<b>Abbreviation</b>	<b>Full description</b>
Umkhosi Wesivivane	First Fruit ceremony
Umkhosi woMama	Women festival
Umkhosi Womhlanga	Royal reed dance
Umkhosi Woselwa	Thanksgiving
Vulindlela	Open the way

<b>Other words</b>	<b>English translation</b>
Abakhwetha	Group of initiates
Lekgotla/ Makgotla	Executive Council Forum/s



**OVERVIEW  
OF  
PROVINCIAL REVENUE  
AND  
EXPENDITURE**



## 1. SOCIO-ECONOMIC OUTLOOK

### 1.1 Introduction

This section provides a review of the provincial socio-economic landscape. It also analyses the population dynamics of KwaZulu-Natal (KZN) and discusses the global, national and provincial economic outlook.

### 1.2 Provincial population dynamics

There are currently significant changes in the dynamics of the world's population. These include, but are not limited to, continued growth in size and major changes in age structures associated with population ageing, coupled with growth in spatial redistribution emanating from migration and urbanisation. The Covid-19 pandemic and its high transmission and fatality rate also affected global population dynamics. Population trends affect consumption, employment, income distribution and social protection and places pressure on constrained resources and the government fiscus. Hence, the demographic structure analysis has a vital role in efficiently allocating resources in all spheres of government.

#### 1.2.1 Total population

South Africa (SA) is experiencing continuous growth in its population despite the effects of the Covid-19 pandemic. Statistics South Africa (StatsSA, 2021) assumes that the latest population numbers take into account the effects of Covid-19, migration, death and birth rates. The report reveals that, despite the adverse impact of Covid-19, the total national population has consistently increased. Table 1.1 shows that the population rose from 47.4 million in 2006 to 50.6 million in 2011. The country's population increased further to 60.1 million in 2021. The overall national population's upward trajectory is further evident in the Population Reference Bureau (PRB, 2021), which expects SA's population to increase by around 22.4 per cent between 2021 and 2050. However, this forecast is 4.9 percentage points lower than the 27.3 per cent projected in 2020.

**Table 1.1 : South African population by province in 2006, 2011 and 2021**

	2006		2011		2021	
	Population	% Share of national population	Population	% Share of national population	Population	% Share of national population
<b>South Africa</b>	<b>47 390 900</b>	<b>100</b>	<b>50 586 757</b>	<b>100</b>	<b>60 142 978</b>	<b>100</b>
Eastern Cape	6 894 300	14.5	6 829 958	13.5	6 676 590	11.1
Free State	2 958 800	6.2	2 759 644	5.5	2 932 441	4.9
Gauteng	9 526 200	20.1	11 328 203	22.4	15 810 388	26.3
<b>KwaZulu Natal</b>	<b>9 924 000</b>	<b>20.9</b>	<b>10 819 130</b>	<b>21.4</b>	<b>11 513 575</b>	<b>19.1</b>
Limpopo	5 365 400	11.3	5 554 657	11.0	5 926 724	9.9
Mpumalanga	3 508 000	7.4	3 657 181	7.2	4 743 584	7.9
North West	3 374 200	7.1	3 253 390	6.4	4 122 854	6.9
Northern Cape	1 094 500	2.3	1 096 731	2.2	1 303 047	2.2
Western Cape	4 745 500	10.0	5 287 863	10.5	7 113 776	11.8

Source: StatsSA, 2021

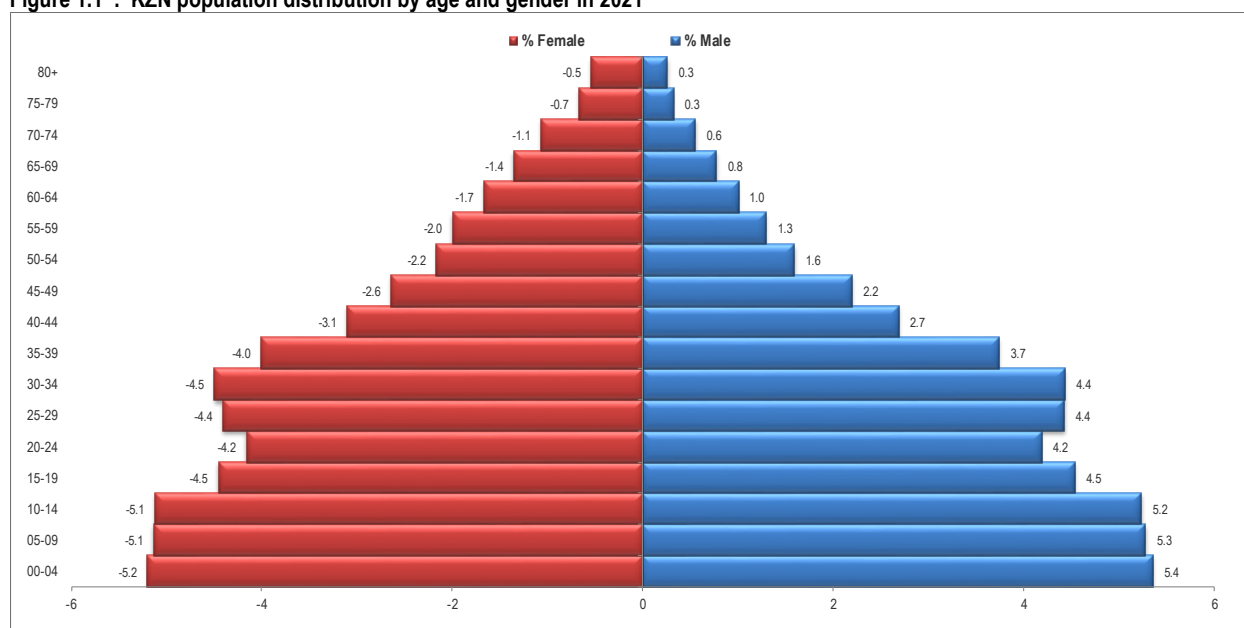
Table 1.1 further shows that KZN's share of the total national population has gradually declined over the past decade. It dropped from 21.4 per cent in 2011 to 19.1 per cent in 2021. Nevertheless, the estimated population size in the province increased from 10.8 million in 2011 to 11.5 million in 2021. Despite the slight decline in the provincial share of the total national population, KZN is still the country's second largest populous province after Gauteng (GP), with approximately 15.8 million or 26.3 per cent of the national population in 2021. The increase in the population size in GP from 9.5 million in 2006 and 11.3 million in 2011 is primarily due to a large number of people migrating to GP for better employment opportunities. KZN and the Eastern Cape (EC) continue to experience a decline in the percentage share of the total national population, while GP and the Western Cape (WC) are gradually increasing. This shows the impact of out-migration of people from KZN and EC searching for economic opportunities in GP and WC. This is evident in the net migration from KZN and EC which was estimated at approximately 84 368 and 319 665, respectively, in 2021. Furthermore, the number of international migrants entering the provinces was highest in GP for all periods, with WC ranking second (StatsSA, 2021).

## 1.2.2 Population distribution by age and gender

Figure 1.1 shows the distribution of KZN's population by age and gender in 2021. An estimated 31.3 per cent of the population are children between 00 and 14 years of age. In addition, about 35.1 per cent are youth between the ages of 15 to 34. Collectively, children and youth account for an estimated 66.4 per cent of the total provincial population. The total dependent population<sup>1</sup> is estimated at 4 315 203, while the working-age population is estimated at 7 271 801.

The implication of these estimates show a high dependency ratio<sup>2</sup> of 59.3 per cent. A high dependency ratio puts pressure on government finances, resulting in higher tax rates on a declining working-age population, creating disincentives to work and reducing disposable income. In addition, the government can collect more indirect taxes and wealth taxes to improve revenue for such cases. A country's aim is to keep the dependency ratio lower than the global average. If it remains high, this may hinder competitiveness internationally, thus leading to a decline in the number of productive workers and a more significant tax burden.

Figure 1.1 : KZN population distribution by age and gender in 2021



Source: StatsSA, 2021

## 1.3 Global, national and provincial economic outlook

### 1.3.1 Global economic review and outlook

Global economic activity continues to grow as the world emerges from the global recession of negative 3.1 per cent in 2020. Global recovery was supported by improved demand for products used for working remotely, together with restrained demand for durable goods. The breakthrough in producing vaccines with a high efficacy rate induced optimism. As a result, many countries commenced with the roll-out of vaccines in early 2021. The roll-out progressed smoothly in most countries. However, many countries experienced challenges in accessing and distributing the vaccines. This caused economic recovery to be highly uneven, as regions were recovering at different levels. Almost all Advanced Economies (AE) had adequate access to vaccinations and normalised economic activity. By contrast, the Emerging Market and Developing Economies (EMDEs), which are predominantly low-income countries, suffered inequitable vaccination access, resulting in roll-outs lagging behind. Thus, many countries continued to experience resurgent infections and rising Covid-19 death tolls.

<sup>1</sup> The dependent population is the number of people aged 15 and younger and 65 and older.

<sup>2</sup> Dependency Ratio = [(No. of people under 15 years) + (No. of people aged 65 and over) ÷ (No. of people between 15 and 64)] × 100 = (4 315 203 ÷ 7 271 801) × 100 = 59.3 per cent.

Economic recovery weakened marginally in the second half of 2021, following the discovery of the Omicron variant, the resultant global supply disruptions, and a continuous rise in inflation. The emergence of the Omicron variant indicated that the Covid-19 pandemic had not dissipated and could emerge with highly contagious variants in future. Moreover, the Omicron variant disrupted the momentum of economic recovery through increased mobility restrictions and financial market volatility. In addition, global growth was also weighed down by global supply disruptions that hampered global manufacturing, especially in Europe and the United States (US) during the fourth quarter of 2021.

Subsequently, global growth rebounded significantly by an estimated 5.9 per cent in 2021. However, it is anticipated to moderate to 4.4 per cent in 2022, owing to possible pandemic resurgences, higher food and energy prices, diminished fiscal support, lingering supply constraints and continuous financial market volatility. Moreover, gross domestic product (GDP) is projected to decline to 3.8 per cent in 2023 as pent-up demand wanes, and supportive macroeconomic policies remain unwound (IMF<sup>3</sup>, 2022 and World Bank<sup>4</sup>, 2022).

**Table 1.2 : Percentage change in global economic performance measured in GDP, 2018 to 2023**

	GDP Estimate (per cent)				GDP Forecast (per cent)	
	2018	2019	2020	2021 e	2022 f	2023 f
<b>World</b>	<b>3.5</b>	<b>2.8</b>	<b>-3.1</b>	<b>5.9</b>	<b>4.4</b>	<b>3.8</b>
<b>Advanced economies</b>	<b>2.2</b>	<b>1.6</b>	<b>-4.5</b>	<b>5.0</b>	<b>3.9</b>	<b>2.6</b>
United States	3.0	2.2	-3.4	5.6	4.0	2.6
Euro area	1.8	1.3	-6.4	5.2	3.9	2.5
Japan	0.3	0.0	-4.5	1.6	3.3	1.8
United Kingdom	1.3	1.4	-9.4	7.2	4.7	2.3
<b>Emerging markets and developing economies</b>	<b>4.5</b>	<b>3.7</b>	<b>-2.0</b>	<b>6.5</b>	<b>4.8</b>	<b>4.7</b>
Russia	2.5	2.0	-2.7	4.5	2.8	2.1
China	6.8	6.0	2.3	8.1	4.8	5.2
India	6.1	4.0	-7.3	9.0	9.0	7.1
Brazil	1.3	1.4	-3.9	4.7	0.3	1.6
<b>Sub-Saharan Africa</b>	<b>3.3</b>	<b>3.2</b>	<b>-1.7</b>	<b>4.0</b>	<b>3.7</b>	<b>4</b>
Nigeria	1.9	2.2	-1.8	3.0	2.7	2.7
South Africa	0.8	0.2	-6.4	4.8	1.7	1.8

Source: International Monetary Fund, 2022

### 1.3.2 South African economic review and outlook

Economic activity in SA showed a robust upturn in the first half of 2021 as the local economy continued to recover from the global pandemic, as seen in Figure 1.2. Growth in SA strengthened by an estimated 4.6 per cent in 2021, following a substantial contraction of 6.4 per cent in 2020. The strong recovery in 2021 reflects a resilient rebound in the mining, manufacturing, and services sectors. Real output will be further supported by the recovery in the services sectors, including tourism, and this is due to improved control over Covid-19 outbreaks resulting from the progress made in administering the vaccinations. The country had approximately 27 per cent of the population fully vaccinated by the end of 2021.

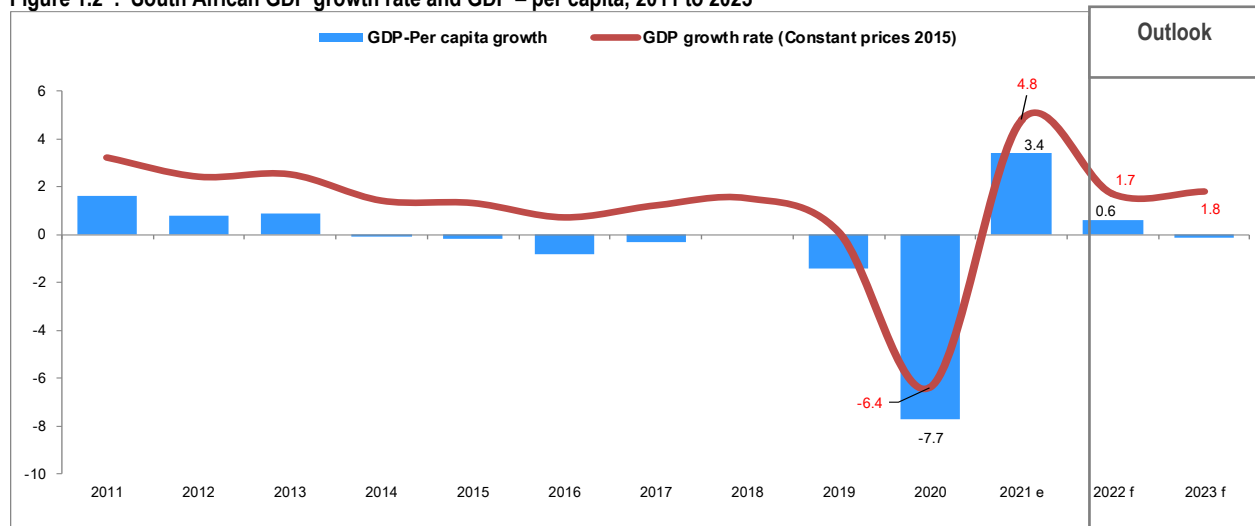
In addition, government continues to lift mobility restrictions as the Omicron wave subsided and the levels of vaccinations increased. As a result, private consumption and investment are projected to improve somewhat, recovering from last year's pandemic restrictions and the unrests in July 2021.

The South African economy is expected to decline marginally to 1.7 per cent in 2022 and 1.8 per cent in 2023. The outlook reflects persistent large-scale unemployment, high inequality, and prolonged structural impediments that weigh down growth. However, it should be noted that numerous constraints to long-term growth in SA existed prior to Covid-19. These internal factors include, but are not limited to, the legacy of weak public finances and the slow implementation of reforms needed to boost productivity and employment growth. In addition, rising government debt and debt service costs will continue to constrain policy space and curtail public spending, leaving gaps in essential public services and infrastructure causing further obstacles to more substantial potential growth.

<sup>3</sup> IMF (2022): World Economic Outlook Update January 2022. Rising Caseloads, a Disrupted Recovery, and Higher Inflation. Available from <https://www.imf.org/en/Publications/WEO/Issues/2022/01/25/world-economic-outlook-update-january-2022> [Accessed on 27 January 2022].

<sup>4</sup> World Bank (2022): *Global economic prospects January 2022*. Subdued Global Economic Recovery. Available online <https://openknowledge.worldbank.org/bitstream/handle/10986/36519/9781464817601.pdf> [Accessed on 21 January 2022].

Figure 1.2 : South African GDP growth rate and GDP – per capita, 2011 to 2023

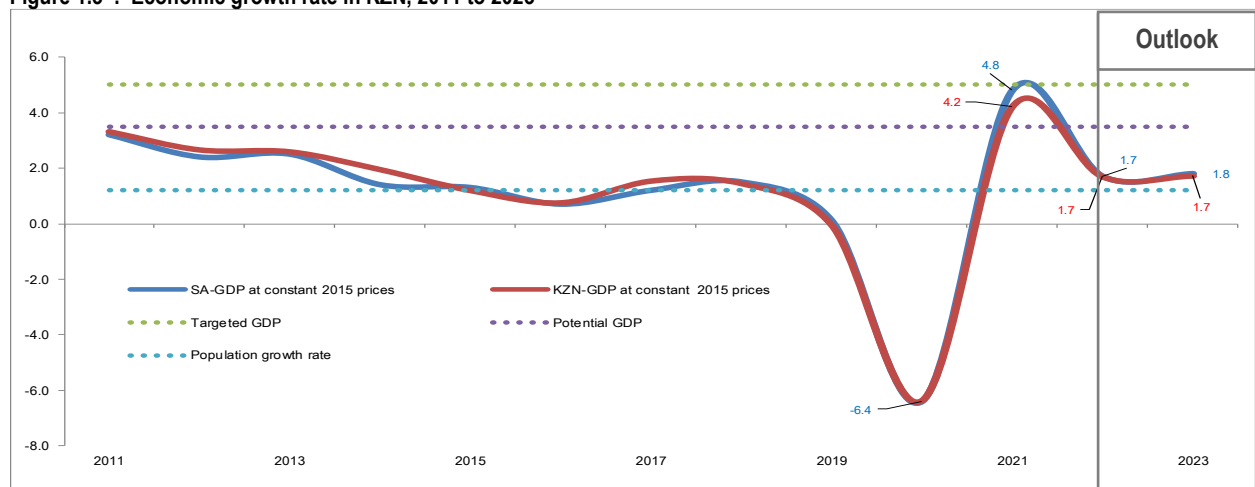


Source: International Monetary Fund, 2022

### 1.3.3 KZN economic review and outlook

KZN's economy continues to rebound from a substantial contraction in 2020 of 6.4 per cent caused by the Covid-19 pandemic. Similar to the national trend, economic recovery in KZN was resilient amid the resurgence of the pandemic during the various waves. This economic recovery was supported by numerous factors, including fiscal policy measures executed at different tiers of government, accommodative monetary policy stance pursued by the central bank, provincial economic recovery plans and less restrictive Covid-19 regulations. However, economic recovery moderated in the second half of 2021 due to a significant infection outbreak during the third wave and causing increased national lockdown restrictions to be implemented. In addition, the unrests in July 2021 impacted on the economic recovery. The July 2021 unrests saw prevalent violence and destruction of property where shopping centres and warehouses were looted and vandalised, trucks set alight, roads blocked, and communication towers damaged, resulting in the disruption of economic activity and seriously damaging investor confidence. Consequently, real regional GDP (GDP-R) contracted markedly by 8.3 per cent in the third quarter of 2021. As a result, KZN's economy expanded significantly by an estimated 4.2 per cent in 2021. However, real output is expected to drop marginally to 1.7 per cent in 2022 and 2023. The downward forecast in provincial growth reflects the same structural factors which affect the national economy, namely a high unemployment rate, inequality, and fiscal constraints.

Figure 1.3 : Economic growth rate in KZN, 2011 to 2023



Source: International Monetary Fund, 2022 and IHS Markit, 2022

### **Sector analysis**

The substantial contraction in KZN's GDP-R in the third quarter of 2021 was primarily driven by a notable decrease in economic activity in six sectors. The most significant reduction in economic activity was reported in *agriculture, trade, manufacturing*, and the *transport* sectors. Real output by the *agricultural* sector declined significantly by 44.7 per cent in the third quarter of 2021, following a revised expansion of 24.8 per cent in the second quarter. As a result, the agricultural sector had the greatest negative impact overall on the GDP-R at 3.1 percentage points. The marked contraction in the third quarter reflects the negative impact of the July 2021 unrests on the production of field crops and animal products, coupled with the disruption of logistics services, thereby hampering agricultural commodities' transportation for exportation.

*Trade's* economic activity decreased significantly by 20.4 per cent in the third quarter of 2021, following a revised expansion of 8.8 per cent in the second quarter. This sector's substantial decrease in real output emanated from a broad-based contraction in several sectors affected by tighter lockdown restrictions and local and global supply disruptions. The subsectors that recorded the most significant decreases included *wholesale, retail and motor trade* and *catering and accommodation* services. In addition, the *catering and accommodation* subsector was weighed down by lockdown restrictions that prohibited sit-ins at restaurants and alcohol sales.

*Manufacturing's* real gross value added (GVA) dropped by 15.6 per cent in the third quarter of 2021, after it had contracted by 3.1 per cent in the previous quarter. Economic activity in this sector was negatively impacted by numerous factors, including stricter lockdown restrictions at the height of the third wave. Other headwinds that contributed to a significant drop in activity included the July 2021 unrests, electricity supply challenges, and global supply disruptions. Consequently, several subsectors such as motor vehicles, food, and beverages reported a significant decrease in production.

After expanding significantly by 30.2 per cent in the second quarter, the *transport* sector contracted markedly by 8.6 per cent in the third quarter of 2021. As a result, it reduced overall GDP-R by 0.9 percentage points. This contraction reflects the effects of reduced activity in subsectors such as *rail and land transport*. For example, the poor state of the rail infrastructure due to vandalism weighed down economic activity as transportation of bulk goods and travellers was impeded.

### **Travel and tourism in KZN**

The Covid-19 pandemic and the restrictions on international mobility took a significant toll on the sector worldwide. The World Travel and Tourism Council (WTTC, 2021a)<sup>5</sup> maintains that the industry suffered a decline in global GDP of a staggering 49.1 per cent from \$9.2 trillion in 2019 to \$4.7 trillion in 2020. The report further indicates that in 2020, the sector contributed 5.5 per cent or \$4.7 trillion of global GDP and created 272 million jobs, both directly<sup>6</sup> and indirectly.<sup>7</sup>

In SA, the government adopted a tourism recovery plan which focuses on rejuvenating the sector. The Tourism Sector Recovery Plan highlights three dimensions of the pandemic determining how the tourism industry can recover. These are the shape of recovery, geographic variation, and new equilibrium conditions. The SA government further developed a Tourism Relief Fund amounting to R200 million, with a capped amount of R50 000 per entity. The fund was to assist small, medium and micro enterprises (SMMEs) in the tourism and hospitality industry under stress due to travel restrictions. The Tourism Relief Fund supported 4 000 businesses (National Department of Tourism (NDT), 2021)<sup>8</sup>.

In respect of KZN, in 2020, the number of people directly employed in the *Travel and tourism* sector was approximately 79 393. The industry's total contribution to employment within the province was estimated

<sup>5</sup> World Travel and Tourism Council (2021a): Global Economic Impact and Trends 2021. Available online. <https://wttc.org/Portals/0/Documents/Reports/2021/Global%20Economic%20Impact%20and%20Trends%202021.pdf?ver=2021-07-01-114957-177>. [Accessed 4 August 2021]

<sup>6</sup> The direct contribution to GDP, as per the WTTC, includes accommodation, transportation and travel, entertainment, visitor attractions, food and beverage, cultural activities, and sport and recreation.

<sup>7</sup> The Indirect contribution to GDP extends to the spill-over effect of purchasing goods and services external to the sector, such as printing and publishing, marketing and promotion, construction and others.

<sup>8</sup> National Department of Tourism (2021a): Tourism Relief Fund 4 000 beneficiaries made public. Available online: <https://www.tourism.gov.za/AboutNDT/Publications/Tourism%20Relief%20Fund%204000%20beneficiaries%20made%20public.pdf>. [Accessed 3 Jan 2022].

at 155 591. During the same year, tourism's direct contribution to provincial GDP was R11.900 billion. The total contribution (inclusive of direct, indirect, and induced spending) to GDP was approximated at R13.700 billion (South African Tourism (SAT), 2021).

The Tourism Sector Recovery Plan covered several initiatives to mitigate the effects of the pandemic. These included repurposing some conference centres and stadiums to be used as field hospitals, provision of support to SMMEs, tourism relief support, enhanced industry communication, re-skilling, promotion or marketing, among others.

## 1.4 Provincial labour market

Labour markets worldwide continue to recover from the severe economic contraction in 2020. However, the negative impact of the Covid-19 pandemic on the national labour market is evidenced by slow employment growth, a continuous rise in the structural unemployment rate due to a skills mismatch, as well as discouraged job seekers. Moreover, the high unemployment rate is rife among the youth, particularly those with less than a matric education level.

The Quarterly Labour Force Survey (QLFS) by StatsSA (2021) shows that the number of people employed declined markedly by 4.4 per cent, from about 14.9 million in the second quarter to 14.3 million in the third quarter of 2021. The employment level dropped by 2.8 per cent in the third quarter of 2021 compared to the corresponding period in 2020. The most considerable employment losses emanated from the formal sector with about 571 000 losses, followed by private households with 65 000 losses. The number of employed persons decreased in all industries, with the largest employment losses recorded in trade (309 000). The finance industry was the exception as the number of people employed increased by 138 000. In KZN, the number of employed persons declined significantly by 5.1 per cent to 2.3 million in the third quarter of 2021.

Despite the robust economic growth as the national economy recovers from the pandemic-induced contraction, the official unemployment continued to increase. StatsSA (2021)<sup>9</sup> indicates that the official unemployment rate increased by 0.5 percentage points to 34.9 per cent in the third quarter of 2021. This implies that approximately 7.64 million people were out of employment during the third quarter. Further, the unemployment level in the third quarter of 2021 was 17 per cent higher than the corresponding period in 2020. KZN, though, recorded a decrease of 3.8 percentage points in the official unemployment rate to 28.7 per cent in the third quarter of 2021.

## 1.5 Development Indicators

### 1.5.1 Poverty and human development

SA uses three measures of poverty, namely the Food Poverty Line (FPL), the Lower-Bound Poverty Line (LBPL), and the Upper-Bound Poverty Line (UBPL), for statistical reporting. The data reported helps identify patterns, facilitating the planning, implementation, monitoring, and evaluation of poverty reduction programmes (StatsSA, 2018). As defined by StatsSA (2020), the FPL<sup>10</sup> shows the level of consumption below which individuals cannot purchase sufficient food to provide them with an adequate diet. Those living below this line are consuming insufficient calories for their nourishment. The LBPL<sup>11</sup> denotes food and non-food items required by households. However, those living below this line must sacrifice some food to get these non-food items such as transport and airtime. Finally, individuals living below the UBPL<sup>12</sup> are those who can consume both food and non-food items but cannot meet other necessities such as shelter, education, security and healthcare.

<sup>9</sup> Stats SA (2021): *Quarterly Labour Force Survey*, Quarter Three: 2021, Statistical release P0211. Available online: <http://www.statssa.gov.za/publications/P0211/P02113rdQuarter2021.pdf> [Accessed on 20 January 2022].

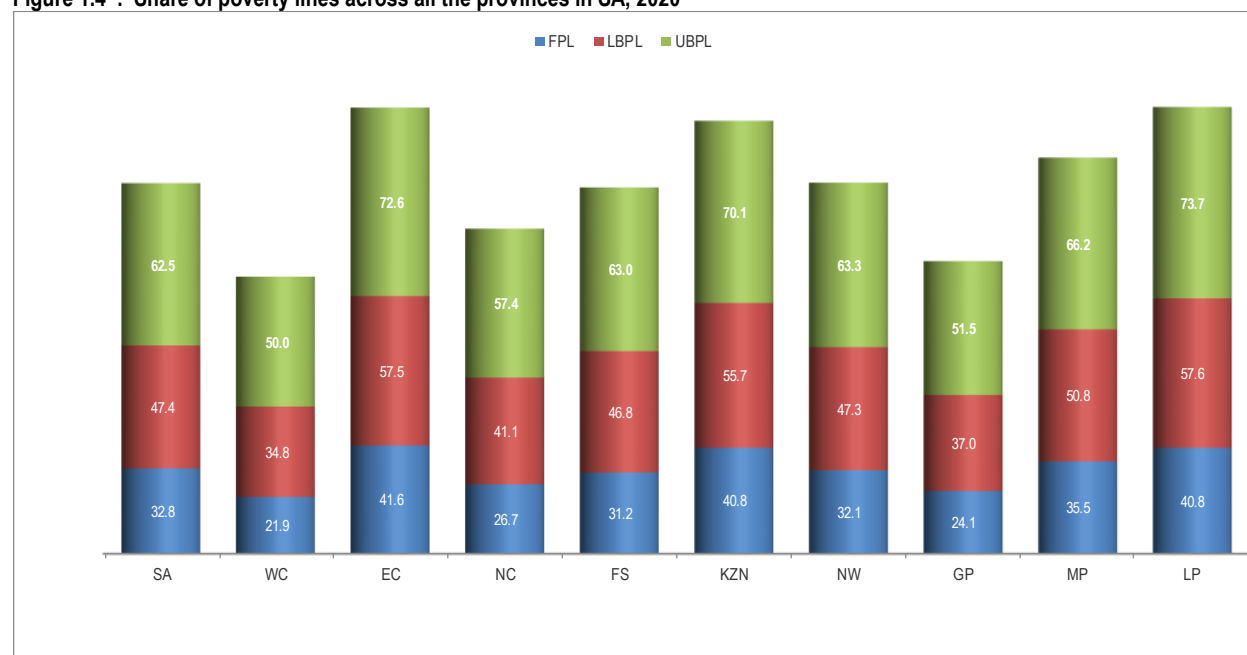
<sup>10</sup> Food poverty line – R585 (in April 2020 prices) per person per month. This refers to the amount of money that an individual needs to afford the minimum required daily energy intake. This is also commonly referred to as the "extreme" poverty line.

<sup>11</sup> Lower-bound poverty line – R840 (in April 2020 prices) per person per month. This refers to the food poverty line plus the average amount derived from non-food items of households whose total expenditure is equal to the food poverty line.

<sup>12</sup> Upper-bound poverty line – R1 268 (in April 2019 prices) per person per month. This refers to the food poverty line plus the average amount derived from non-food items of households whose food expenditure is equal to the food poverty line.



Figure 1.4 : Share of poverty lines across all the provinces in SA, 2020



Source: IHS Markit, 2022

Figure 1.4 shows the share of people living below the FPL, the LBPL and the province's UBPL in 2020. The WC (21.9 per cent) had the lowest share of people living below the FPL, followed by GP (24.1 per cent), Northern Cape (NC) (26.7 per cent), and Free State (FS) (31.2 per cent). Approximately 40.8 per cent of the KZN population was still living below the FPL in 2020. This estimation was the second highest in the country after EC at 41.6 per cent. Regarding the share of people living below the LBPL, KZN had the third highest number of people living within this bracket (55.7 per cent), after Limpopo (LP) and EC at 57.6 per cent and 57.5 per cent, respectively. As a result, the share of persons within KZN living below the UBPL in 2020 stood at 70.1 per cent, 1.3 percentage points up from the level it was at in 2019, and the third highest in the country.

### 1.5.2 Household income and income inequality

Table 1.3 shows that in 2020, the bulk (35.2 per cent) of KZN households were categorised as lower-income earners (between R0 and R54 000 per annum). At the same time, approximately 21 per cent were categorised as low emerging middle-income earners (between R54 000 and R96 000 per annum). An estimated 28.8 per cent were emerging middle class (earning between R96 000 and R360 000 per annum). Approximately 6.9 per cent of households were categorised as realised middle-class earners (R360 000 to R600 000), 5.4 per cent were upper-middle-class (R600 000 to R1 200 000), with only 2.6 per cent of KZN households considered affluent, earning over R1.200 million per annum.

Table 1.3 : Income distribution by the proportion of households in KZN, 2020

Income category	Income level (R'000)	African	White	Coloured	Asian	Grand total
Lower income	0 - 54	42%	2%	14.7%	3.5%	35.2%
Low emerging middle income	54 - 96	24%	2%	15.9%	9.4%	21.0%
Emerging middle class	96 - 360	27%	30%	42.2%	47.3%	28.8%
Realised middle class	360 - 600	4%	22%	12.9%	17.3%	6.9%
Upper middle class	600 - 1 200	3%	26%	10.3%	14.5%	5.4%
Affluent	1 200 +	1%	17%	4%	8.0%	2.6%
<b>Grand total</b>		<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: IHS Markit, 2021

About 42 per cent of African households earned less than R54 000 per annum. A further 24 per cent earned between R54 000 and R96 000 per annum. In contrast, most white, coloured and Asian households fell within the emerging middle class at 30 per cent, 42.2 per cent and 47.3 per cent, respectively. The white population constituted the highest percentage of the realised middle class, upper-middle-class and affluent income categories. It is evident that significant income disparities still exist among the four population groups in the country. The Africans remain least favoured by the current conditions.

### 1.5.3 Grant beneficiaries

SA has the largest and most well developed social security system in Africa. In a country like SA, where inequality levels are high, and labour market participation is low, social grants have played an essential role in supporting households to attain some minimum standard of living. In addition, the safety net includes making a substantial contribution towards reducing food poverty in the country.

**Table 1.4 : Number and proportion of grant beneficiaries as at September 2021**

	Old Age		War Veterans'		Disability		Grant-in-aid		Care Dependency		Foster Child		Child Support		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Eastern Cape	590 530	15.9	6	22.2	175 857	16.7	33 656	12.3	22 495	15.2	75 273	22.0	1 950 341	15.1	2 848 158	15.4
Free State	211 859	5.7	-	-	78 048	7.4	10 718	3.9	8 657	5.8	25 025	7.3	708 109	5.5	1 042 416	5.7
Gauteng	681 047	18.4	7	25.9	121 003	11.5	10 612	3.9	20 368	13.7	42 974	12.6	1 972 058	15.3	2 848 069	15.4
<b>KwaZulu-Natal</b>	<b>728 251</b>	<b>19.6</b>	<b>4</b>	<b>14.8</b>	<b>235 067</b>	<b>22.3</b>	<b>79 439</b>	<b>29.1</b>	<b>38 285</b>	<b>25.8</b>	<b>65 058</b>	<b>19.0</b>	<b>2 928 076</b>	<b>22.7</b>	<b>4 074 180</b>	<b>22.1</b>
Limpopo	487 710	13.1	1	3.7	100 285	9.5	54 668	20.1	16 342	11.0	40 878	11.9	1 949 568	15.1	2 649 452	14.4
Mpumalanga	265 889	7.2	-	-	77 738	7.4	23 286	8.5	11 154	7.5	23 215	6.8	1 156 223	9.0	1 557 505	8.4
North- West	276 503	7.5	1	3.7	63 990	6.1	17 241	6.3	9 310	6.3	26 733	7.8	876 759	6.8	1 270 537	6.9
Nothern Cape	92 331	2.5	1	3.7	50 579	4.8	19 279	7.1	5 622	3.8	10 588	3.1	323 218	2.5	501 618	2.7
Western Cape	377 049	10.2	7	25.9	151 721	14.4	23 738	8.7	16 062	10.8	32 574	9.5	1 046 099	8.1	1 647 250	8.9
<b>South Africa</b>	<b>3 711 169</b>	<b>100.0</b>	<b>27</b>	<b>100.0</b>	<b>1 054 288</b>	<b>100.0</b>	<b>272 637</b>	<b>100.0</b>	<b>148 295</b>	<b>100.0</b>	<b>342 318</b>	<b>100.0</b>	<b>12 910 451</b>	<b>100.0</b>	<b>18 439 185</b>	<b>100.0</b>

Source: SASSA 2022

KZN had the highest number of social grants beneficiaries as at the end of September 2021 on a national scale, with 4 074 180 recipients (22.1 per cent). The province had the highest share of all categories of social grants, except for the Foster Child Grant.

## 2. BUDGET STRATEGY AND AGGREGATES

### 2.1 Introduction: Budget strategy – An overview

The Medium-Term Budget Policy Statement (MTBPS) tabled by the national Minister of Finance in Parliament on 11 November 2021 emphasised government's commitment to the fiscal path that was chosen, which is mainly characterised by fiscal consolidation in order to stabilise the country's debt in light of the country's poor economic performance exacerbated by the Covid-19 pandemic. Although there are no additional budget cuts made to the provincial baseline over the 2022/23 MTEF, the carry-through of the budget cuts made in the previous budget process are deeper in 2022/23 and 2023/24, while 2024/25 sees some reprieve from the budget cuts. The budget cuts were a combination of freezing salary increases, as well as additional reductions implemented to support fiscal consolidation particularly on headcount reductions. Government was taken to court by the unions regarding the non-implementation of the last leg of the 2018/19 agreement and the unions lost the appeal in the Constitutional court, thus the wage freeze remains in place. Pertaining to the 2022 wage agreement, which is currently being negotiated by government with the unions, National Treasury allocated R2.828 billion to KZN for the implementation of the 2022 wage agreement in line with the 2021 wage agreement. The Executive Council resolved that, since the 2022 wage agreement has not been finalised yet, this amount remains unallocated at this point, but that this rather be done in-year based on the need per Vote, as was done in 2021.

National Treasury allocated a total of R7.693 billion (including R2.828 billion for the wage agreement in 2022/23 only), R3.804 billion and R2.671 billion over the MTEF, mainly for Education, Health and Social Development under the Provincial Equitable Share (PES). These additions were offset to some extent by minor changes to the PES allocations as a result of the update to the formula, which saw the province losing R111.317 million in 2022/23, while gaining R86.748 million in 2023/24 and R5.527 million in 2024/25. It was also resolved that these minor changes to KZN's PES allocation not be deducted or added to any of the Votes, but that the budget cut in the first year be offset from the allocation made for the 2022 wage agreement, while the minor additions in the outer years be added to the Contingency Reserve of those years.

There were some changes to the Provincial Own Revenue budgets after the Provincial Own Revenue submissions made by departments were reviewed, and it was noted that revenue projections with regard to interest revenue seemed high compared to the actual projected revenue collection for 2021/22, while projections from motor vehicle licences seemed conservative compared to the 2021/22 actual collections. As such, interest revenue was reduced by R138 million, R152 million and R166 million over the MTEF, while revenue from motor vehicle licences was revised upwards by R30 million, R31.200 million and R32.448 million over the MTEF, to fall in line with current collection trends. Together with other minor adjustments made to revenue by other departments, the net reduction to Provincial Own Revenue over the MTEF is R132.601 million, R146.247 million and R191.831 million. The Executive Council approved that the Provincial Own Revenue reductions not be effected as budget cuts against all Votes at this stage, but rather be dealt with by reducing the Contingency Reserve and offsetting parts of the reduction from the amount allocated by National Treasury for the 2022 wage agreement. The reductions made against the allocation from National Treasury for the wage agreement were done with an understanding that efforts will be made in the 2022/23 Adjustments Estimate to allocate funds from provincial cash resources to increase the 2022 wage agreement funds back to R2.827 billion.

The Early Childhood Development (ECD) function is shifted within the province from the Department of Social Development (DSD) to the Department of Education (DOE) over the 2022/23 MTEF.

The Department of Sport and Recreation merges with the Department of Arts and Culture and the budget for these two Votes is shown under Vote 10: Sport, Arts and Culture in the 2022/23 *EPRE*.

## 2.2 Aligning provincial budgets to achieve government's prescribed outcomes

In preparing the 2022/23 budget, departments were requested to focus on aligning and integrating their plans to the national outcomes, as contained in the MTSF implementation plan of 2022/23, national sector plans and the PGDS. It should be noted that some departments did not respond to this request, while many submissions were of poor quality. The following are some of the provincial initiatives funded in this budget, mainly from reprioritisation:

**Table 2.1: Alignment of the Provincial Growth and Development Strategy to 2022/23 budget**

No.	PGDS Priority No.	Department	Priority Projects	Budget
1.	Priority 1	1. Office of the Premier	<ul style="list-style-type: none"><li>Workshops on anti-corruption strategy</li></ul>	R2 million
	A capable and ethical state	2. Provincial Treasury	<ul style="list-style-type: none"><li>Operation Clean Audit executed (including integrated asset management system by Treasury).</li><li>Increase revenue collection (including debt) and revenue generating capabilities in all departments by 31 March 2023.</li><li>Electronic document management systems procured (Invoice payment tracking, e-leave management).</li></ul>	R1.143 million
				R773 000
				R2.361 million
			<ul style="list-style-type: none"><li>Monitor long-term contracts for municipalities and provincial departments.</li><li>60% reduction of fruitless and wasteful expenditure in KZN (from 2019 baseline).</li><li>20% reduction of irregular expenditure in the public sector by 60% by 2022</li><li>At least 75% reduction of qualified audits in the public sector by 2024; baseline 6 departments qualified as at 2019, of these 1 per year improved from qualified, 0 new qualifications</li></ul>	R20.169 million
		<ul style="list-style-type: none"><li>20% improvement in municipal audit outcomes - Improve municipal capacity and audit outcomes, including improved Back to Basics Programme</li></ul>	R7.800 million	
2.	Priority 2	1. Human Settlements	<ul style="list-style-type: none"><li>Eradicate title deeds backlog and issuing of title deeds</li></ul>	R6.265 million
	Economic Growth and Job Creation	2. Sport, Arts and Culture	<ul style="list-style-type: none"><li>No. of employment opportunities facilitated through the Mass Employment Stimulus Programme (Mass Participation and Sport Development grant and EPWP)</li></ul>	R10. 725 million
3.	Priority 3	1. Education	<ul style="list-style-type: none"><li>Provide sanitary towels to indigent girls and women in schools (quintile 1, 2 and 3; farm schools and special schools)</li></ul>	R52.789 million
	Education, Skills and Health		<ul style="list-style-type: none"><li>No. of learners with disabilities enrolled in formal education programmes</li></ul>	R1.364 billion
			<ul style="list-style-type: none"><li>No. of learners provided hot meals during school hours</li></ul>	R1.952 billion
	2. Sport, Arts and Culture	<ul style="list-style-type: none"><li>New libraries built</li></ul>	R70 million	
	3. Agriculture and Rural Development	<ul style="list-style-type: none"><li>Structured Agricultural Education and Training</li></ul>	R98.023 million	
<ul style="list-style-type: none"><li>Research and Technology Development Services</li></ul>		R177.950 million		
4.	Priority 4	1. Social Development	<ul style="list-style-type: none"><li>Implement food and nutrition security initiatives for vulnerable individuals and household</li><li>Pilot project for linking caregivers of CSG beneficiaries to sustainable initiatives (Please note: this also contributes to Priority 2)</li></ul>	R19.425 million
	Consolidating the social wage through reliable and quality basic services		<ul style="list-style-type: none"><li>Increase the number of people accessing substance abuse prevention programmes</li><li>Establishment of two new treatment centers for substance abuse</li><li>Provision of re-integration and after care services for people who received substance abuse treatment</li></ul>	R99.138 million
			<ul style="list-style-type: none"><li>Increase the number of victims of violence against women accessing psychosocial support</li><li>Integrated Anti-GBV and Femicide Campaign Implemented and monitored and linked to men's forum, dedicated boys to men programmes and awareness among girls and women</li><li>Provide shelters for victims of GBV in all districts</li></ul>	R77.875 million
			<ul style="list-style-type: none"><li>Community-based care and support services are available to persons with disabilities who need such services</li><li>Residential facilities and services are available to PWDs who need 24-hour care</li></ul>	R160.806 million
5.	Priority 5	1. Human Settlements	<ul style="list-style-type: none"><li>Adequate housing and improved quality living environments: Deliver housing units through subsidy mechanism</li><li>Approve subsidy applications to enable the purchase of units via the Finance Linked Individual Subsidy Programme (FLISP)</li><li>Deliver serviced sites</li><li>Deliver social housing/ rental housing units in PDAs</li><li>Deliver community residential units (CRU)/ rental housing units in PDAs</li></ul>	R2.537 billion
	Spatial Integration, Human Settlements and Local			

**Table 2.1: Alignment of the Provincial Growth and Development Strategy to 2022/23 budget**

No.	PGDS Priority No.	Department	Priority Projects	Budget
	Government		Upgrade informal settlements to Phase 3	
		2. COGTA	<ul style="list-style-type: none"> <li>Implementation Water Master Plan Intervention Programmes</li> </ul>	R35.100 million
			<ul style="list-style-type: none"> <li>Monitoring District Disaster Management Centres on the implementation of the Disaster Risk Management legislation</li> <li>Supporting municipalities to incorporate climate change adaptation and disaster risk reduction programmes into the IDP</li> <li>Supporting Traditional Authorities with Grade 2 CSCs functionality</li> </ul>	R32 million
6.	Priority 6  Social Cohesion and Safe Communities	1. Community Safety and Liaison	<ul style="list-style-type: none"> <li>No. of crime prevention volunteers deployed along the borderline</li> <li>Implementation of the crime prevention volunteer programme</li> <li>Youth and other vulnerable groups crime prevention programmes implemented</li> <li>Rural safety crime prevention programme implemented</li> </ul>	R46 123
		2. Sport, Arts and Culture	<ul style="list-style-type: none"> <li>No. of people actively participating in organised sport and active recreation events</li> </ul>	R6.168 million
			<ul style="list-style-type: none"> <li>No. of schools, hubs and clubs provided with equipment and/or attire as per the established norms and standards</li> </ul>	R 2.908 million
7.	Priority 7  A better South Africa and World		<ul style="list-style-type: none"> <li>No information submitted by departments</li> </ul>	

### 2.3 Summary of budget aggregates

Table 2.2 provides an analysis of the overall provincial budget performance by comparing total receipts against total payments, resulting in a surplus or deficit before financing over the seven-year period. The table also provides the details on financing to provide the net position after financing for each year.

In aggregate, KZN recorded a surplus after financing in 2018/19, 2019/20, and 2020/21. Careful cash and budget management has meant that the province has spent very close to a balanced budget for the past few years, and has remained cash positive in terms of the provincial bank balance.

**Table 2.2 : Provincial budget summary**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2018/19	2019/20	2020/21		2021/22		2022/23	2023/24	2024/25
<b>Provincial receipts</b>									
Transfer receipts from national	119 494 354	127 607 051	129 240 173	129 860 858	134 501 623	134 501 623	139 550 610	135 501 322	138 997 771
Equitable share	99 263 681	106 014 289	107 307 567	107 126 399	111 591 762	111 591 762	114 509 371	110 785 551	114 372 560
Conditional grants	20 230 673	21 592 762	21 932 606	22 734 459	22 909 861	22 909 861	25 041 239	24 715 771	24 625 211
Provincial own receipts	3 579 209	3 847 536	3 376 188	3 721 916	3 721 916	3 627 279	3 761 099	3 920 298	4 073 930
<b>Total provincial receipts</b>	<b>123 073 563</b>	<b>131 454 587</b>	<b>132 616 361</b>	<b>133 582 774</b>	<b>138 223 539</b>	<b>138 128 902</b>	<b>143 311 709</b>	<b>139 421 620</b>	<b>143 071 701</b>
<b>Provincial payments*</b>									
Current payments	102 216 799	109 437 649	112 411 201	112 595 006	118 808 193	120 027 148	118 575 811	117 336 987	120 393 676
Transfers and subsidies	12 626 689	13 731 625	13 307 768	12 569 348	13 572 388	13 781 213	12 527 657	12 492 532	13 063 899
Payments for capital assets	7 236 570	6 928 281	8 108 720	8 505 668	8 628 802	8 547 556	9 271 280	9 253 783	9 399 636
Payments for financial assets	14 535	20 390	156 241	-	4 128	6 615	-	-	-
<b>Total provincial payments</b>	<b>122 094 593</b>	<b>130 117 945</b>	<b>133 983 930</b>	<b>133 670 022</b>	<b>141 013 511</b>	<b>142 362 532</b>	<b>140 374 748</b>	<b>139 083 302</b>	<b>142 857 211</b>
<b>Surplus/(deficit) before financing</b>	<b>978 970</b>	<b>1 336 642</b>	<b>(1 367 569)</b>	<b>(87 248)</b>	<b>(2 789 972)</b>	<b>(4 233 630)</b>	<b>2 936 961</b>	<b>338 318</b>	<b>214 490</b>
<b>Financing</b>	<b>1 341 547</b>	<b>1 278 321</b>	<b>4 269 398</b>	<b>453 880</b>	<b>2 905 903</b>	<b>2 905 903</b>	<b>21 573</b>	<b>-</b>	<b>-</b>
Provincial roll-overs	507 456	344 166	263 258	-	356 889	356 889	-	-	-
Provincial cash resources	811 090	899 125	4 137 763	189 880	2 280 352	2 280 352	5 642	-	-
Surplus Own Revenue surrendered	(812)	(2 166)	(4 662)	-	-	-	-	-	-
Surplus Own Revenue from prior year	3 813	812	2 166	-	4 662	4 662	-	-	-
Suspension to ensuing years	20 000	36 384	257 068	264 000	264 000	264 000	15 931	-	-
Allocations from the Contingency Reserve	-	-	(386 195)	-	-	-	-	-	-
<b>Surplus/(deficit) after financing</b>	<b>2 320 517</b>	<b>2 614 963</b>	<b>2 901 829</b>	<b>366 632</b>	<b>115 931</b>	<b>(1 327 727)</b>	<b>2 958 534</b>	<b>338 318</b>	<b>214 490</b>

\* Estimated actual expenditure for 2021/22 as at 31 December 2021

The 2021/22 Revised Estimate in Table 2.2, which is based on the December 2021 IYM, indicates that the province will end the year with a deficit of R1.328 billion. This projected over-spending is mainly by DOE due to the impact of the 2021/22 budget cuts. The Department of Health (DOH) was also significantly affected by the cuts and both these departments were projected to be over-spent by significant amounts by mid-year, prompting the Executive Council to order that these two departments prepare turnaround plans to reduce spending to remain within budget. DOH was able to implement very stringent measures in order to achieve this, while DOE's projected over-spending has also reduced, but not enough to remain within budget.

## 2.4 Financing

### *Contingency Reserve*

The total provincial receipts exceed total provincial payments over the MTEF, thereby reflecting a surplus budget. This indicates that not all funds available to the province have been allocated to the 14 Votes.

### *Implementation of Section 34(2) of the PFMA (First charge rule)*

The first charge rule (in terms of Section 34(2) of the PFMA) means that the affected departments will see a reduction in their budgets available for spending, in order to pay back over-expenditure incurred in prior years. These amounts are not removed from their budgets, but are allocated to *Payments for financial assets* to allow for the necessary accounting treatment thereof.

### *Sources of financing*

The paragraphs below aim to provide an explanation for some of the terms contained in Table 2.2. The province has three sources of financing available, namely provincial roll-overs, provincial cash resources, and suspensions to the ensuing financial year.

*Provincial roll-overs* refer to funds that were appropriated and committed but not spent in that financial year. These unspent funds are then re-allocated to the relevant department during the Adjustments Estimate in the following year.

*Provincial cash resources* refer to surplus funds in the provincial revenue fund, after taking into account all commitments and roll-overs. This includes unspent appropriated funds in departments that were not rolled over to the ensuing financial year, as well as surplus provincial own revenue that was collected in a prior financial year. This category also includes unspent funds which were surrendered in one financial year and allocated back to the same department in ensuing years. This source of financing also relates to any internal provincial reprioritisation that is undertaken to finance provincial commitments.

*Suspension to ensuing years* is when a department requests that funds be stopped from their budget in one year, but allocated back in the next or ensuing years when the project for which the funds was stopped is ready to continue. It also relates to the Provincial Legislature and occurs when the Legislature, in terms of S22(1) of the PFMA, as well as the Financial Management of Parliament and Provincial Legislatures Act (FMPPLA), retains its own revenue.

The cost-cutting measures are updated and re-issued to departments each year and remain in place as they are critical elements of good governance. National Treasury issued Instruction Note 03 of 2017/18, which lists the national cost-cutting measures. This Instruction Note is available on National Treasury's website ([www.treasury.gov.za](http://www.treasury.gov.za)). The provincial cost-cutting measures are:

### *Compensation of employees related:*

1. Vacant posts are frozen for both departments and public entities. Departments and public entities are permitted to fill critical vacant posts, as long as they remain within their baselines and receive permission to fill these posts from the Premier and the MEC for Finance. Departments and public entities to ensure that only funded vacant posts appear on PERSAL.
2. Where posts become vacant through natural attrition, or where departments and public entities elect to fill critical posts from within their baselines, these may not be filled without receiving approval from the Premier and MEC for Finance.
3. Any revised organograms which have the effect of increasing a department's or public entity's total staff number may not be implemented. Any revisions to organograms must be approved by the Premier and MEC for Finance prior to submission to DPSA.
4. No leave conversion payments (leave to be taken) – this does not apply to leave pay-outs when staff exit the public service.
5. Strict control of overtime.

### *Procurement related:*

6. Furniture and equipment purchases to be approved by the Accounting Officer and the CFO. All furniture and equipment to be purchased should be standardised according to staff designations.

7. Energy-saving projects to be explored with the aim of reducing electricity and water usage.
8. Timeous planning to be undertaken to ensure market-related prices are charged by service providers.
9. Cell phone, landline and data bundle costs to be reviewed and limitations in respect of usage and approval of these services to be effected. Stricter cell phone limits to be introduced.
10. Hiring of offices: government-owned properties to be utilised as far as possible to limit costs, except where these come at a cost, in that case, quotes should be sourced and the cheapest venue be used.
11. Transversal contracts to be used for inventory items such as stationery, nappies, baby food, medication, etc.
12. Essential training to be done in-house (exceptions to be approved by the HOD/CEO).
13. Catering for meetings to be stopped (exceptions to be approved by the HOD/CEO, but there should be no catering for internal meetings).
14. When printing APPs, SPs, Annual Reports, speeches etc., the use of colour pages to be minimised and lighter weight of pages and covers to be used. Feasibility of using electronic distribution (e.g. compact discs) to be looked at to reduce costs. Gold and silver embossed letterheads may not be used.
15. No bottled water may be procured for meetings, etc. Where it is not practically possible to provide water in jugs, Provincial Treasury approval must be sought.
16. All newspapers and other publications purchased for employees must be discontinued. Such purchases must be in line with National Treasury's Instruction Note.
17. New expenditure items/projects/mandates will be permitted only if they are funded through internal reprioritisation by the department and/or entity. Motivation for items/projects/mandates that require new funding from the provincial fiscus must be submitted to Provincial Treasury who will assess these critically.

***Travelling related:***

18. S&T – only essential trips to be undertaken.
19. Monthly mileage restrictions to be adhered to and officials to use one hired car for meetings outside KZN (synergy between departments and public entities attending same meetings). Kilometre controls to be implemented on travelling (average of 2 500 kilometres per month per official unless there are exceptional circumstances – exceptions to be approved by the HOD).
20. Responsibility managers to ensure co-ordinated travel to reduce costs, and officials to travel together unless absolutely unavoidable.
21. Meetings and workshops to be held where the majority of the officials reside/work (50 per cent).
22. Departments and public entities to develop an integrated annual calendar of standing events/meetings so that meetings and workshops are properly co-ordinated to reduce travel costs.
23. Meetings need to start at a reasonable time to reduce the need to sleep over. Over-night accommodation, where required, needs to be cost-effective. Departments and public entities need to determine the most economical option when considering stay-overs vs commuting.
24. Assessment to be done between road travel to end destination vs distance to airport (e.g. cheaper for a person from Newcastle to travel to Jhb by road than to drive to Dbn to take flight to Jhb).
25. Overseas trips to be rationalised with the number of delegates being kept to a minimum. Submissions seeking PT approval must reach PT at least 7 days before the planned travel. The submission must include quotations for all items. Annual trips need to be planned in advance to take advantage of travel discounts.
26. The ministerial handbook issued in 2019 states that ministers and their partners must travel economy class for all official domestic travel, as well as international travel where the travel time is less than two hours. As such, the provincial cost-cutting measures are updated to state that HODs, CEOs and Chairs of Board and Members of Parliament (MPLs) should travel economy for all official domestic flights, as well as international flights where the travel time is less than two hours.

27. Departments need to provide evidence that the official has liaised with the Department of International Relations and Corporation (DIRCO) if it is official international business and the province is representing the country, such as with climate change conferences. DIRCO also has facilities where official delegations can stay over in the embassy/consulate, as well as provide ground transport.
28. Departments and public entities to plan meetings carefully and rationalise the number of meetings held (it seems that staff from regions/districts are sometimes called to head office meetings organised by different units on various different days, requiring them to travel to and from the regions/districts frequently. These meetings must be co-ordinated and planned between the various units to reduce the wastage of time and money).
29. Where there are one-day meetings in other provinces, officials to travel there and back on the same day (where possible).

***Events related (including workshops/meetings, etc.):***

30. Departments and public entities must ensure total enforcement of the current cost-cutting measures. Lavish and expensive events will not be approved by Provincial Treasury. Furthermore, events should be limited to service delivery events or campaigns only and the costs associated with such events should be rationalised.
  - a) No. of service delivery events held by departments and public entities must be strictly kept at no more than 24 per annum, as approved by the Provincial Executive Council. (250 people event R150 000; 500 people event R250 000; 750 people event R380 000; 1 000 people event R500 000; 2 000 people event R1 million). Average cost per person is R500. The cost per event to be adhered to, as per guidelines given. Three quotations for all aspects relating to the event.
  - b) Date of the event.
  - c) Venue of the event.
  - d) Motivation showing the purpose and objective of the event, linking to its contribution to service delivery mandate of the department or public entity.
  - e) Total cost of the event – with the breakdown cost of each item. The submission should be signed by the CFO and the HOD before forwarding to Provincial Treasury for approval.
  - f) Requests must be submitted to Provincial Treasury no later than 5 working days before the event is to take place. **If requests do not reach Provincial Treasury within this stipulated timeframe with all the required supporting documentation, approval will not be granted.**
31. Musicians and other performing artists to be sourced from a database administered by the Department of Sport, Arts and Culture (DSAC). The Arts Development unit can be contacted on 033 – 341 3608/09 in this regard. DSAC will ensure that the rate charged by the musicians and performing artists falls in line with the rates set out in Provincial Government's "Departmental Honoraria and Special Payment Policy". While the artists will be selected by DSAC, the payment to these artists is the responsibility of the department or public entity requesting the services of the artist/s. Provincial Treasury will ensure that the amount to be paid to the artist/s falls in line with the policy when departments submit the request for an event to be held to Provincial Treasury.
32. Programme Director or MC services at events should be rendered by a departmental official to reduce costs. Exceptions to be motivated and approval to be requested from Provincial Treasury.
33. Safety Officer should cost no more than R15 000, extra security personnel should be hired only after a risk assessment has been done.
34. With regards to catering at service delivery events, departments and entities should provide catering at no more than R100-R120 per meal per person.
35. Morning tea should be no more than R55 per head, which should cover tea/coffee and muffin.



36. No tracksuits, t-shirts, caps, bags or other promotional materials to be purchased or handed out at events (exceptions to be approved by Provincial Treasury). Procurement of uniforms for staff working at service delivery events/functions must be approved by Provincial Treasury.
37. Departments and public entities to share databases for government and community venues to minimise use of private venues.
38. Marquees and catering costs for events to be reduced through timeous procurement (departments and public entities should end fixed contracts with just one service provider – look at a panel of event coordinators instead).
39. Proper planning of events to be undertaken to reduce costs. Core planning team to co-ordinate all events in the departments and public entities to ensure value for money.
40. Number of departmental/public entity officials attending events to be kept at an absolute minimum.
41. Internal meetings, strategic planning sessions and workshops to be held in departments' and public entities' offices instead of private venues (exceptions to be approved by Provincial Treasury). Where Provincial Treasury approval is requested, proof must be given that all other avenues have been exhausted before a private venue will be approved.
42. External meetings, workshops and events to be held in government facilities instead of private venues (exceptions to be approved by Provincial Treasury). Use of marquees to only be considered where such events could not be held in municipal halls, school halls, FET College facilities, etc. Where Provincial Treasury approval is being requested, proof must be provided that all other avenues have been exhausted before a private venue will be approved.
43. No team-building exercises or year-end/Christmas functions to be held (only permitted if paid for by the staff themselves).
44. Procurement and/or hiring of VIP/stakeholder and facilities such as marquees, toilets and catering, etc. for events is strictly prohibited.
45. Donations and sponsorships made by departments and public entities towards events must be submitted to Provincial Treasury prior to making such donations or sponsorships. The submission must indicate what value for money will be achieved and what aspects of the proposed events are being sponsored.
46. Provincial Treasury will provide benchmark prices for expenditure related to events, departments are encouraged to renegotiate for better and lower costs for events.

***Sport Day/Events related:***

Departments should make individual submissions with regard to the sports day event to Treasury for approval and the following should be noted:

47. Departments are allowed to centrally procure tracksuits, caps and t-shirts for the sport day, but departments will have to raise a debt for the employees for them to pay back the money to the respective departments over three months.
48. Departments are permitted to procure sport kit for the teams for the various sporting codes. This kit, however, belongs to the department, and the items after being used, will have to be washed and returned to a central point at the respective CFO's office who must keep a register of all the items.
49. With regard to catering, departments should not to exceed the cost per person of R100 – R120 or provide light meals such as muffins for breakfast and hotdogs for lunch only. This amount is sufficient to provide a decent meal for such an event. While hotdogs are suggested, this is not prescriptive. A health roll with chicken mayonnaise with fruits, or any other nutritious meal could be procured and R100 – R120 is deemed reasonable in this regard.
50. Departments can procure bottled water but costs must be reduced to a standard price of bottled water.
51. Departments will be granted approval to hire a marquee with its accessories, however, the cost must be minimised.

- 52. Approval is granted based on the fact that this is a sport event and is in line with the employee health and wellness programme.
- 53. Three quotations are required for each item that approval is required for.
- 54. Inter-provincial sport outings that involve travelling, accommodation and catering costs are discouraged, unless departments are participating in nationally organised sport events, all such must be submitted to Provincial Treasury for approval.

***Prepayments/Advance payments***

- 55. Where procurement of goods and services relating to this circular require that a prepayment be made to a service provider, the department/entity should submit a request for approval of such prepayment to the office of the Provincial Accountant General.

### 3. BUDGET PROCESS AND MEDIUM-TERM EXPENDITURE FRAMEWORK (MTEF)

#### 3.1 The 2022/23 MTEF budget process in brief

##### 3.1.1 Treasury Guidelines

The 2022/23 MTEF budget process was different from prior years in that it was not possible to hold a physical Treasury Guidelines workshop due to the national lockdown regulations associated with the Covid-19 pandemic which placed restrictions on the gathering of people. Nonetheless, the process commenced with each Provincial Budget Analyst informing their respective departments and public entities of what is required in terms of the budget process and having online workshops in this regard. KZN's budget was not cut over the 2022/23 MTEF, as was the case over the 2021/22 MTEF where the province saw significant budget cuts which carry-through over the MTEF. There were some additions to the PES, mainly due to additions made by National Treasury in 2022/23 for the cost-of-living adjustment, as well as to assist with the budget pressures experienced by Education, Health and Social Development brought about by the budget cuts made in the previous budget process. Funds were also allocated by National Treasury for allocation to DOE relating to the Presidential Youth Employment Initiative (PYEI). The province will continue to budget for a Contingency Reserve, with the level set at R350 million in 2022/23.

##### 3.1.2 Initiative measurement criteria

Unlike previous years, and as a result of no additions made to the provincial baseline except for specific purposes, departments and public entities were not requested to submit requests for additional funding as the budget cuts from the 2021/22 MTEF which remain in the provincial baseline, meant that there were no resources available to fund such requests.

##### 3.1.3 Allocation process

No MTEC meetings were held to assess the budget submissions as a result of the Covid-19 lockdown regulations but engagements happened virtually between Provincial Treasury and the departments (and their entities). Also, meetings were held with the Provincial Legislature in terms of the FMPPLA, with some of these engagements taking place virtually.

National Treasury added funds to the provincial fiscus toward the 2022 cost-of living adjustment. As the 2022 wage agreement has not been finalised yet, it was decided that this amount not be allocated to departments in the main budget, but that this rather be done in-year based on the need per Vote, as was done in 2021/22. Other additions to the provincial fiscus are for budget pressures in Education, Health and Social Development, as well as the PYEI, as explained. The data updates of the PES formula resulted in 2022/23 being cut by R111.317 million, while there were additions of R86.748 million in 2023/24 and R5.527 million in 2024/25. All these amendments meant that the PES showed a net increase of R7.581 billion, R3.890 billion and R2.677 billion over the MTEF.

#### 3.2 Provincial fiscal framework

Table 3.1 summarises the provincial fiscal framework for the 2022/23 MTEF. The PES formula was updated with new data as described in Chapter 4. The impact of this is that KZN's share of the PES remains largely unchanged with amendments to the data causing below a 0.01 percentage change in KZN's share of the PES. The province thus loses R111.317 million in 2022/23, but gains R86.748 million in 2023/24 and R5.527 million in 2024/25. There were also additions made to the PES as explained.

**Table 3.1 : Summary of provincial fiscal framework**

R thousand	2022/23	2023/24	2024/25
<b>1. Receipts</b>			
<b>Baseline allocation</b>	<b>133 620 335</b>	<b>134 161 926</b>	<b>139 598 599</b>
Transfer receipts from national	129 735 265	130 104 425	135 342 280
Equitable share	106 927 994	106 895 005	112 132 860
Conditional grants	22 807 271	23 209 420	23 209 420
Provincial own receipts	3 885 070	4 057 501	4 256 319
<b>Increase / (Decrease) in allocation</b>	<b>9 691 374</b>	<b>5 259 694</b>	<b>3 473 102</b>
Transfer receipts from national	9 815 345	5 396 897	3 655 491
Equitable share	7 581 377	3 890 546	2 239 700
Conditional grants	2 233 968	1 506 351	1 415 791
Provincial own receipts	(123 971)	(137 203)	(182 389)
<b>Revised allocation</b>	<b>143 333 282</b>	<b>139 421 620</b>	<b>143 071 701</b>
Transfer receipts from national	139 550 610	135 501 322	138 997 771
Equitable share (after update of formula data and additions)	114 509 371	110 785 551	114 372 560
Conditional grants	25 041 239	24 715 771	24 625 211
Provincial own receipts	3 761 099	3 920 298	4 073 930
Provincial cash resources	21 573	-	-
<b>2. Planned spending by departments</b>	<b>140 374 748</b>	<b>139 083 302</b>	<b>142 857 211</b>
<b>3. Contingency Reserve</b>	<b>2 958 534</b>	<b>338 318</b>	<b>214 490</b>
<b>4. Contingency Reserve excluding amount set aside for 2022 wage agreement</b>	<b>350 000</b>	<b>338 318</b>	<b>214 490</b>

Amendments are also made to the province's conditional grant allocation. Some amendments appear to provide for inflationary growth in the outer year, but there are also other additions, as well as a few reductions made. In total, KZN's grants increase by R2.234 billion in 2022/23, by R1.506 billion in 2023/24 and R1.416 billion in 2024/25. The following are the main amendments:

The **Education Infrastructure grant (EIG)** shows an increase of R250.892 million in 2022/23, R325.762 million in 2023/24 and R100.245 million in 2024/25. This grant is incentive based and the increase in 2022/23 is because the department complied with the stipulated planning and reporting requirements and received a final score of 83 per cent and thus qualified for an incentive allocation. The grant also includes a disaster allocation relating to storms and flooding that occurred in the province in 2019 and 2020 causing damage to schools. In this regard, the grant includes an allocation of R144.783 million and R325.762 million in 2022/23 and 2023/24.

The **National School Nutrition Programme (NSNP) grant** receives an increase of R59.465 million in 2022/23 and an inflationary increase in 2024/25 of R88.375 million.

The **Early Childhood Development (ECD) grant** sees a reduction of R59.555 million, R75.174 million and R66.999 million over the MTEF. In this regard, the national Department of Social Development indicated that the subsidy component of this grant previously used the number of children who are eligible for the Child Support Grant in each province, whereas from 2022/23 onward, the formula uses the number of children targeted for subsidisation. The data was collected with the assistance of the provincial Departments of Social Development.

The **Health Facility Revitalisation grant** increases by R42.772 million in 2022/23. This grant is also incentive-based and, as the department scored 92 per cent in terms of the assessment criteria set by National Treasury, this incentive allocation was received.

The **Provincial Roads Maintenance grant (PRMG)** sees significant increases of R789.799 million, R607.161 million and R433.049 million over the MTEF. This grant includes an additional allocation of R490.025 million and R293.531 million in the first two years of the MTEF and this relates to storm and flood damage in 2019 and 2020 and this allocation is for the repair of roads damaged during these storms.

The **Human Settlements Development grant (HSDG)** sees an increase of R397.705 million, R474.974 million and R119.336 million over the MTEF, with the additions in the first two years being mainly due to the receipt of disaster funds. These funds are received to repair houses damaged by storms and floods in 2019 and 2020.

Table 3.1.1 provides the detail in terms of the provincial cash resources contained in Table 3.1.

**Table 3.1.1 : Provincial priorities funded using provincial cash resources**

Description	2022/23	2023/24	2024/25
1. V6: Funds suspended from 2021/22	15 931	-	-
2. V8: Funds from FLISP sale for housing register	5 477	-	-
3. V10: KZN Sport Awards Sponsorship	165	-	-
<b>Total</b>	<b>21 573</b>	<b>-</b>	<b>-</b>

Line 1 indicates the funds suspended from Provincial Treasury in the 2021/22 Adjustments Estimate, and allocated back to the department in 2022/23 in line with their request. Line 2 relates to funds collected by Human Settlements in 2019/20 from the sale of housing units and allocated back to the department for various purposes. Line 3 relates to funds collected by Sport, Arts and Culture from sponsorships towards the annual Sport Awards and these funds are allocated to the department for this purpose. Details of allocations over the 2022/23 MTEF, per department, are provided in Table 3.3 in Section 3.3.2.

### 3.3 Summary of additional allocations for the 2022/23 MTEF

#### 3.3.1 Existing growth in the 2021/22 MTEF baseline allocation

Table 3.2 shows the baseline budgets for the 2021/22 MTEF before any changes were made as part of the 2022/23 budget process. This serves as a reminder that all departments' baselines for the MTEF showed positive rates of growth, although the growth is very low, mainly due to the significant budget cuts implemented against the province over the 2021/22 MTEF with carry-through.

**Table 3.2 : Existing growth rates in 2021/22 MTEF baseline budgets**

R thousand	Main Appropriation 2021/22	Medium-term baseline budgets			Ann. % growth 21/22-24/25
		2022/23	2023/24	2024/25	
1. Office of the Premier	802 240	767 551	775 511	813 511	0.5
2. Provincial Legislature	627 785	644 322	649 429	681 251	2.8
3. Agriculture and Rural Development	2 520 302	2 485 946	2 506 055	2 628 852	1.4
4. Economic Development, Tourism and Enviro. Affairs	3 341 675	3 406 593	3 434 711	3 603 012	2.5
5. Education	53 184 040	53 254 018	53 850 861	56 489 553	2.0
6. Provincial Treasury	653 845	668 178	672 819	705 787	2.6
7. Health	48 412 269	47 482 126	47 304 974	49 622 918	0.8
8. Human Settlements	3 597 231	3 719 124	3 860 303	4 049 458	4.0
9. Community Safety and Liaison	233 378	233 821	235 819	247 374	2.0
10. Sport, Arts and Culture	1 477 397	1 479 564	1 481 894	1 554 507	1.7
11. Co-operative Governance and Traditional Affairs	1 781 551	1 818 040	1 833 154	1 922 979	2.6
12. Transport	11 644 409	11 616 714	11 633 894	12 203 955	1.6
13. Social Development	3 698 571	3 749 431	3 789 702	3 975 397	2.4
14. Public Works	1 695 329	1 934 255	1 744 027	1 829 484	2.6
<b>Total</b>	<b>133 670 022</b>	<b>133 259 683</b>	<b>133 773 153</b>	<b>140 328 037</b>	<b>1.6</b>

#### 3.3.2 Summary of changes to baselines

The additional PES allocations to departments are summarised in Table 3.3. The detail can be found under each Vote's chapter in the *EPRE*.

**Table 3.3 : Summary of equitable share changes to allocations, 2022/23 MTEF**

	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
	R thousand			Percentage share		
<b>Vote 5 : Education</b>	<b>3 695 562</b>	<b>3 436 964</b>	<b>2 039 684</b>	<b>75.7</b>	<b>90.4</b>	<b>76.4</b>
ECD function shift from Vote 13: Equitable share funds	383 559	401 836	419 919	7.9	10.6	15.7
Additions from National Treasury for existing budget pressures	1 832 241	1 551 197	1 619 765	37.5	40.8	60.6
Additions from National Treasury for Presidential Youth Employment Initiative	1 479 762	1 483 931	-	30.3	39.0	-
<b>Vote 6 : Provincial Treasury</b>	<b>15 931</b>	<b>-</b>	<b>-</b>	<b>0.3</b>	<b>-</b>	<b>-</b>
Funds suspended from 2021/22	15 931	-	-	0.3	-	-
<b>Vote 7 : Health</b>	<b>1 511 503</b>	<b>695 690</b>	<b>964 877</b>	<b>31.0</b>	<b>18.3</b>	<b>36.1</b>
Additions from National Treasury to respond to Covid-19 & reduce impact of budget cuts	1 511 503	695 690	964 877	31.0	18.3	36.1
<b>Vote 10 : Sport, Arts and Culture</b>	<b>165</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>
KZN Sport Awards sponsorship (collected in 2021/22)	165	-	-	0.0	-	-
<b>Vote 13 : Social Development</b>	<b>(342 064)</b>	<b>(328 856)</b>	<b>(333 130)</b>	<b>(7.0)</b>	<b>(8.6)</b>	<b>(12.5)</b>
ECD function shift to Vote 5: Education	(383 559)	(401 836)	(419 919)	(7.9)	(10.6)	(15.7)
Additions from National Treasury - funding for NPOs already contracted by DSD	41 495	72 980	86 789	0.9	1.9	3.2
<b>Total</b>	<b>4 881 097</b>	<b>3 803 798</b>	<b>2 671 431</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Table 3.4 shows the revised budgets of departments for the 2022/23 MTEF, after taking into account all adjustments made. KZN's budget increases by 5 per cent in aggregate in 2022/23. Some Votes show negative growth in 2022/23, and this is because the budget cuts were higher in that year when the 2021/22 MTEF budget cuts were made. The significant negative growth against DSD, is because of the ECD function shift to DOE.

**Table 3.4 : Summary of revised budgets by Vote, 2022/23 MTEF**

R thousand/ percentage	Main Appropriation	Medium-term Estimates			Annual Percentage Growth		
	2021/22	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
1. Office of the Premier	802 240	767 551	775 511	810 331	(4.3)	1.0	4.5
2. Provincial Legislature	627 785	644 322	649 429	678 650	2.6	0.8	4.5
3. Agriculture and Rural Development	2 520 302	2 490 556	2 506 054	2 619 019	(1.2)	0.6	4.5
4. Economic Development, Tourism and Environmental Affairs	3 341 675	3 412 995	3 434 711	3 588 930	2.1	0.6	4.5
5. Education	53 184 040	57 480 788	57 794 640	58 502 212	8.1	0.5	1.2
6. Provincial Treasury	653 845	684 109	672 819	703 102	4.6	(1.7)	4.5
7. Health	48 412 269	49 609 770	48 164 424	50 496 965	2.5	(2.9)	4.8
8. Human Settlements	3 597 231	4 123 328	4 335 277	4 033 291	14.6	5.1	(7.0)
9. Community Safety and Liaison	233 378	236 867	235 819	246 429	1.5	(0.4)	4.5
10. Sport, Arts and Culture	1 477 397	1 489 055	1 492 763	1 571 310	0.8	0.2	5.3
11. Co-operative Governance and Traditional Affairs	1 781 551	1 820 033	1 833 154	1 915 649	2.2	0.7	4.5
12. Transport	11 644 409	12 474 796	12 241 055	12 499 111	7.1	(1.9)	2.1
13. Social Development	3 698 571	3 198 281	3 203 619	3 369 878	(13.5)	0.2	5.2
14. Public Works	1 695 329	1 942 297	1 744 027	1 822 334	14.6	(10.2)	4.5
<b>Total</b>	<b>133 670 022</b>	<b>140 374 748</b>	<b>139 083 302</b>	<b>142 857 211</b>	<b>5.0</b>	<b>(0.9)</b>	<b>2.7</b>

## 4. RECEIPTS

### 4.1 National Fiscal Framework and Division of Revenue for the 2022/23 MTEF

#### 4.1.1 Background

The Division of Revenue Bill provides for the division of revenue between and among the three spheres of government as per sections 214(1)(a) to (c) of the Constitution. In terms of section 10(1) of the Intergovernmental Fiscal Relations (IGFR) Act (Act 97 of 1997), this Bill must be tabled when the budget is tabled in the National Assembly. Part of the process towards tabling the 2022 budget is consultation on the recommendations made by the Financial and Fiscal Commission (FFC) on the annual division of revenue as required by section 9(1) of the IGFR Act. The Act also sets out the process to determine the equitable allocation of nationally raised revenue and the consultation process to be followed.

#### 4.1.2 Division of revenue and fiscal framework

##### 4.1.2.1 Fiscal policy and trends

Medium-term fiscal policy is focused on consolidation: reducing the budget deficit and stabilising the debt-to-GDP ratio. Government will use part of the higher tax revenues associated with the recent commodity price surge to narrow the deficit, while controlling non-interest expenditure to support economic growth, job creation and social protection, and cover the higher costs of the public service wage agreement. Government remains committed to supporting low-income households, particularly given the severe impact of the Covid-19 pandemic. Furthermore, changes to spending are funded through reprioritisation and reviewing existing programmes. This releases additional resources into the framework and enables government to end the fiscal consolidation of public finances by 2024/25. The fiscal framework contains growth in compensation spending while increasing capital expenditure. Infrastructure projects will be financed through the Infrastructure Fund, using public-private partnerships and other funding arrangements to improve planning and speed up delivery.

##### 4.1.2.2 Division of revenue

Table 4.1 sets out the division of nationally raised revenue between the three spheres of government.

**Table 4.1 : Division of revenue between spheres of government, 2018/19 – 2024/25**

R million	Audited Outcome			Revised Estimate	Medium-term Estimates		
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>National departments</b>	<b>634 314</b>	<b>749 775</b>	<b>790 495</b>	<b>831 142</b>	<b>824 712</b>	<b>770 910</b>	<b>805 662</b>
Of which:							
Indirect transfers to provinces	3 882	2 927	3 056	3 954	4 612	4 550	4 015
Indirect transfers to local government	6 337	5 565	4 100	4 903	8 055	8 481	8 862
<b>Provinces</b>	<b>571 954</b>	<b>613 450</b>	<b>628 807</b>	<b>661 196</b>	<b>682 539</b>	<b>667 310</b>	<b>690 157</b>
Equitable share	470 287	505 554	520 717	544 835	560 757	543 149	562 018
Conditional grants	101 667	107 896	108 090	116 361	121 782	124 161	128 138
<b>Local government</b>	<b>118 488</b>	<b>122 986</b>	<b>137 098</b>	<b>135 310</b>	<b>150 630</b>	<b>160 514</b>	<b>170 147</b>
Equitable share	60 758	65 627	83 102	75 724	87 311	94 087	101 486
Conditional grants	45 262	44 191	39 969	44 969	47 983	50 994	52 534
General fuel levy sharing with metros	12 469	13 167	14 027	14 617	15 335	15 433	16 127
Provisional allocation not assigned to Votes <sup>1</sup>	-	-	-	-	5 569	28 295	32 078
<b>Non-interest allocations</b>	<b>1 324 756</b>	<b>1 486 211</b>	<b>1 556 401</b>	<b>1 627 648</b>	<b>1 663 450</b>	<b>1 627 028</b>	<b>1 698 044</b>
Percentage increase	6.6%	12.2%	4.7%	4.6%	2.2%	(2.2%)	4.4%
Debt-service costs	181 849	204 769	232 596	268 306	301 806	334 979	363 515
Contingency reserves	-	-	-	-	10 000	5 000	5 000
Unallocated reserves	-	-	-	-	-	25 000	30 000
<b>Main budget expenditure</b>	<b>1 506 605</b>	<b>1 690 980</b>	<b>1 788 996</b>	<b>1 895 954</b>	<b>1 975 257</b>	<b>1 992 007</b>	<b>2 096 559</b>
Percentage increase	7.2%	12.2%	5.8%	6.0%	4.2%	0.8%	5.2%
Percentage shares							
National departments	47.9%	50.4%	50.8%	51.1%	49.7%	48.2%	48.4%
Provinces	43.2%	41.3%	40.4%	40.6%	41.2%	41.7%	41.4%
Local government	8.9%	8.3%	8.8%	8.3%	9.1%	10.0%	10.2%

Source: National Treasury

<sup>1</sup> Support to Eskom, amounts for Budget Facility for Infrastructure projects and other provisional allocations

The budget was reprioritised taking into account the weaker than expected economic and fiscal environment, policy priorities, each sphere's revenue-raising capacity and responsibilities, and input from various intergovernmental forums and the FFC, among others. Provincial and municipal governments face multiple pressures, such as providing schooling for growing population numbers and improving health services. Local government is expected to continue to expand access to free basic services for poor households and ensure that those that can afford to pay for services, do so.

Excluding debt-service costs, and the contingency and unallocated reserves, allocated expenditure shared between the three spheres amounts to R1.663 trillion, R1.627 trillion and R1.698 trillion over the MTEF. In 2022/23, national departments receive 49.7 per cent of available funds, provinces 41.2 per cent and local government 9.1 per cent. Of the total transfer to provinces in 2022/23, R560.757 billion is allocated to the PES and R121.782 billion is allocated to conditional grants.

Table 4.2 shows how the changes to the baselines are distributed across the three spheres of government. The new focus areas are accommodated by small increases in non-interest spending.

**Table 4.2 : Changes to baselines, 2022/23 – 2023/24**

R million	2022/23	2023/24	Total	% Share
National departments	88 426	31 921	120 347	61.2
Provinces	39 195	20 486	59 681	30.3
Local government	4 532	12 091	16 623	8.5
<b>Increases/ (Decreases)</b>	<b>132 153</b>	<b>64 498</b>	<b>196 651</b>	<b>100.0</b>

The combined baseline increases by R132.153 billion in 2022/23 and by R64.498 billion in 2023/24 compared to indicative figures published in the 2021 MTBPS. The provincial baseline increases by R39.195 billion and R20.486 billion in 2022/23 and 2023/24, respectively.

### 4.1.3 Provincial Equitable Share

Provincial revenue consists of the PES, conditional grants and Provincial Own Revenue. The PES is the main source of revenue for provinces and is allocated *via* a formula using objective data. The formula is largely population-driven, designed to ensure fair, stable and predictable revenue shares, and to address economic and fiscal disparities. Although the division is based on the equitable shares as outlined in Table 4.3, provinces have the discretion to allocate funds in line with their specific provincial priorities.

The formula has six components, i.e. education, health, basic, institutional, poverty and economic activity. To ensure fair funding allocations to each province, the PES formula is updated annually to reflect demographic changes and demand for services based on need. The periodic review of the formula to assess its continued appropriateness and equity started in 2016 and is ongoing.

**Table 4.3 : Equitable share components and weighting, 2022/23 MTEF**

Component	Share (weighting) %
<b>Education share</b> - based on the size of the school-age population (ages 5 - 17) and the no. of learners (Grade R to 12) enrolled in public ordinary schools	48
<b>Health share</b> - based on each province's risk profile and health system caseload	27
<b>Basic share</b> - derived from each province's share of the total population of the country	16
<b>Institutional component</b> - divided equally among the provinces	5
<b>Poverty component</b> - based on income data and used to reinforce the redistributive bias of the formula	3
<b>Economic activity component</b> - based on the final GDP by Region (province) data	1

The PES formula accounts for data updates made to the components of the formula, and any policy changes made to the structure of the formula resulting from the review of the PES formula. The major change to be phased in over the 2022/23 MTEF, relates to the health component, which accounts for 27 per cent of the formula. In addition, the updates to the PES formula are informed by the data from the 2021 Mid-Year Population Estimates (MYPE) age cohort data, the 2021 Learner Unit Record Information Tracking System (LURITS) data, the 2019 GDP-R, the 2010/11 Income and Expenditure Survey (IES) and the 2019 General Household Survey (GHS). Allocation changes tend to mirror shifts in population across provinces, which result in changes in the relative demand for public services across these areas. The impact of these data updates are phased in over three years from 2022/23 to 2024/25, to ensure some stability in the revenue stream to allow for sound planning. The impact of the changes to specific components and data updates on KZN over the 2022/23 MTEF is as follows:



**Education component (48 per cent)**

The education component has two sub-components, accounting for school-age population (5 to 17 years) and enrolment data. Each element is assigned a weight of 50 per cent. The component uses StatsSA's 2021 MYPE for the 5 to 17 age cohort, as well as the 2021 LURITS data. Despite the school enrolment in KZN increasing by 27 000 from 2020 to 2021, the weighted average was revised downward by 0.02 per cent, to 21.5 per cent.

**Health (27 per cent)**

The risk-adjusted index is an index of each province's health risk profile, and is applied to the uninsured population to estimate the weighted population, which is used to estimate the province's share of the risk-adjusted sub-component. Changes in the health component follow a recent review that updated the risk-adjusted capitation index, a guide to healthcare costs per person that accounts for 75 per cent of the component, by assessing the factors and weights used to compose the index. In the updated component, the standalone HIV variable is integrated into other variables. Three variables are added: premature mortality, which uses deaths below the age of 65 as a proxy for the burden of disease, a multiple deprivation index, which adjusts for differences in the social determinants of health such as education and sanitation, and sparsity, which accounts for the higher cost of delivering healthcare in remote and low density areas. The risk-adjusted sub-component is phased in from 2022/23 and phased in over three years. The new risk-adjusted index was designed to include factors that take into consideration the relative cost of health care needs by age and sex, the total fertility rate of the female population, the burden of disease through premature mortality, a deprivation index to account for the impact of socio-economic factors and sparsity to account for costs of delivering health care needs. In addition, the risk-adjusted sub-component has been updated with population without medical aid using the 2019 GHS and the 2021 MYPE.

The output sub-component uses patient load data from the District Health Information Services (DHIS), and this too is updated. The average number of visits to primary healthcare clinics in 2018/19 and 2019/20 is calculated to estimate each province's share, which makes up 5 per cent of the health component. For hospitals, each province's share of the total patient-day equivalents at public hospitals in 2018/19 and 2019/20 is used to estimate their share of this part of the output sub-component, making up 20 per cent of the health component. In total, the output component is 25 per cent of the health component. The composite result of data updates applied to the health component result in an increase of 0.08 per cent in the weighted share, to 20.7 per cent in 2022/23.

**Basic component (16 per cent)**

The basic component is derived from the province's proportion of the national population. The updated data from the 2021 MYPE shows that KZN's population increased by 112 000, to 11.643 million, however, the basic component share decreases by 0.03 per cent.

**Institutional component (5 per cent)**

The institutional component recognises that some costs associated with running a provincial government and providing services are not directly related to the size of the population. The institutional component is distributed equally between the nine provinces, with each province receiving 11.1 per cent.

**Poverty component (3 per cent)**

The poverty component introduces a redistributive element to the formula and is assigned a weight of 3 per cent. The estimated size of the poor population in each province is calculated by multiplying the proportion that fall into the poorest 40 per cent of households as per the 2010/11 IES by the population for the province from the 2021 MYPE. The proportion of poor households in KZN is 45.3 per cent. The poor population in KZN represents a weighted share of 22 per cent, unchanged from 2021/22.

**Economic activity component (1 per cent)**

The economic activity component is a proxy for provincial tax capacity and expenditure assignments and, for the 2022/23 MTEF, 2019 GDP-R data is used. KZN's weighted share of the economic activity component decreases by 0.1 per cent, from 16 per cent to 15.9 per cent.

**Phasing in of changes to the data updates**

Table 4.4 shows the full impact of the data updates on the PES per province. It compares the shares for the 2021/22 and 2022/23 MTEF. KZN's weighted average share remains unchanged at 20.4 per cent.

**Table 4.4 : Full impact of data updates on the equitable share**

	2021/22 MTEF weighted average	2022/23 MTEF weighted average	Difference
<b>Percentage</b>			
Eastern Cape	12.7%	12.8%	0.0%
Free State	5.5%	5.5%	0.0%
Gauteng	21.7%	21.5%	-0.2%
<b>KwaZulu-Natal</b>	<b>20.4%</b>	<b>20.4%</b>	<b>0.0%</b>
Limpopo	11.3%	11.4%	0.1%
Mpumalanga	8.2%	8.2%	0.1%
Northern Cape	2.6%	2.6%	0.0%
North West	7.1%	7.1%	0.0%
Western Cape	10.5%	10.5%	0.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>

To mitigate the impact of annual data updates, the new shares are phased in over the 2022/23 MTEF. Table 4.5 shows that KZN receives 20.4 per cent of the PES in 2024/25, unchanged from 2022/23, based on the weighted shares from the 2021/22 MTEF.

**Table 4.5 : Implementation of the equitable share weights, 2022/23 – 2024/25**

	2022/23 Indicative weighted shares from 2021/22 MTEF	2022/23 2023/24 2024/25 2022/23 MTEF weighted shares 3-year phasing		
<b>Percentage</b>				
Eastern Cape	12.9%	12.9%	12.8%	12.8%
Free State	5.5%	5.5%	5.5%	5.5%
Gauteng	21.5%	21.4%	21.4%	21.5%
<b>KwaZulu-Natal</b>	<b>20.4%</b>	<b>20.4%</b>	<b>20.4%</b>	<b>20.4%</b>
Limpopo	11.4%	11.4%	11.4%	11.4%
Mpumalanga	8.2%	8.2%	8.2%	8.2%
Northern Cape	2.7%	2.7%	2.7%	2.7%
North West	7.0%	7.1%	7.1%	7.1%
Western Cape	10.5%	10.4%	10.5%	10.5%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Table 4.6 shows the weighted share distribution of each of the PES formula's components, given the weighted average share of 20.4 per cent for KZN when the data updates are implemented fully over the MTEF. The phase-in mechanism provides a smooth path to achieving these new weighted shares by the third year of the MTEF.

**Table 4.6 : Distributing the equitable shares by province, 2022/23 MTEF**

	Education	Health	Basic share	Poverty	Economic activity	Institutional	Weighted average
<b>Percentage</b>	<b>48.0%</b>	<b>27.0%</b>	<b>16.0%</b>	<b>3.0%</b>	<b>1.0%</b>	<b>5.0%</b>	<b>100%</b>
Eastern Cape	13.5%	12.7%	11.2%	14.6%	7.6%	11.1%	12.8%
Free State	5.2%	5.5%	4.9%	5.1%	5.0%	11.1%	5.5%
Gauteng	20.0%	23.1%	26.2%	19.0%	34.5%	11.1%	21.5%
<b>KwaZulu-Natal</b>	<b>21.5%</b>	<b>20.7%</b>	<b>19.3%</b>	<b>22.0%</b>	<b>15.9%</b>	<b>11.1%</b>	<b>20.4%</b>
Limpopo	12.6%	10.3%	9.8%	13.0%	7.4%	11.1%	11.4%
Mpumalanga	8.3%	7.6%	7.9%	9.3%	7.5%	11.1%	8.2%
Northern Cape	2.2%	2.1%	2.2%	2.2%	2.0%	11.1%	2.6%
North West	6.8%	6.8%	6.9%	8.3%	6.5%	11.1%	7.1%
Western Cape	9.8%	11.2%	11.8%	6.5%	13.6%	11.1%	10.5%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Table 4.7 depicts the revisions to KZN's PES for the 2022/23 MTEF.

**Table 4.7 : Revisions to the KZN PES – 2022/23 MTEF<sup>1</sup>**

R thousand	2022/23 MTEF			Total Revisions
	2022/23	2023/24	2024/25	
PES as per 2021/22 MTEF allocation letter	106 927 994	106 895 005	111 695 602	325 518 601
Adjustments to baseline due to data updates in PES formula (phased-in from 2022/23 of the 2021 MTEF)	(111 317)	86 748	5 527	(19 042)
<b>Total: Technically adjusted PES before adjustments to baselines</b>	<b>106 816 677</b>	<b>106 981 753</b>	<b>111 701 129</b>	<b>325 499 559</b>
<b>Adjustments to baseline</b>	<b>7 692 694</b>	<b>3 803 798</b>	<b>2 671 431</b>	<b>14 167 923</b>
Plus: Wage agreement additional allocation: Cash gratuity (2022/23)	2 827 693	-	-	2 827 693
Plus: Additional allocations: Social Development - Welfare NGOs	41 495	72 980	86 789	201 264
Plus: Additional allocations: Provincial Health departments	1 511 503	695 690	964 877	3 172 070
Plus: Additional allocations: Provincial Education departments	1 832 241	1 551 197	1 619 765	5 003 203
Plus: Additional allocation: Education PYEI	1 479 762	1 483 931	-	2 963 693
<b>Total PES for 2022/23 MTEF<sup>2</sup></b>	<b>114 509 371</b>	<b>110 785 551</b>	<b>114 372 560</b>	<b>339 667 482</b>
Variance 2021/22 MTEF vs 2022/23 MTEF	7 581 377	3 890 546	2 676 958	14 148 881

<sup>1</sup> The population estimates were informed by the data set that StatsSA provided on estimated population for 2021, from the 2020 mid-year population estimates

<sup>2</sup> Included are funds for Food Relief, HIV Prev. progs., Infrastr. Dev. Improv. prog., Municipal Interventions, Sanitary Dignity project, Social Worker cond. grant & Social Worker addition

The PES is revised upward by a total of R7.581 billion in 2022/23, compared to the 2021/22 MTEF, largely because of adjustments to the PES due to data updates, plus additions relating to the wage agreement, as well as additional allocations to Social Development, Health and Education, as follows:

***Adjustment to baseline due to impact of data updates in the PES formula (R19.042 million)***

As discussed, the PES formula was updated with a new redesigned risk-adjusted index that will inform the health component from 2022/23. In addition, the components were updated using data from the 2019 GHS, the 2021 MYPE, the 2018/19 and 2019/20 DHIS, the 2021 LURITS data, the 2019 GDP-R, and the 2010/11 IES. The changes are phased in over three years from 2022/23, and sees KZN losing R111.317 million in 2022/23, after which the province gains R86.748 million and R5.527 million in 2023/24 and 2024/25, respectively.

***Adjustment to baseline in respect of wage agreement cash gratuity 2022/23 (R2.828 billion)***

Additions in respect of the wage increase amount to R2.828 billion in 2022/23. This addition is to provide for the annual increments given to public servants. Similar to 2021/22, funds were set aside for 2022/23 to fund the carry-through costs of the cash gratuity, in the event that no new wage agreement is reached in 2022. This amount excludes the funds which are allocated through the conditional grants that fund *Compensation of employees*.

***Adjustment to baseline toward Social Development – Welfare NGOs (R201.264 million)***

Additions of R41.495 million, R72.980 million and R86.789 million are allocated to augment the budget in DSD. The funding is for non-profit, non-government welfare organisations that are already contracted by the department and will assist the province to maintain the transfers that flow to such non-profit organisations over the 2022/23 MTEF.

***Adjustment for Health (R3.172 billion)***

The baseline is adjusted upward by R1.512 billion, R695.690 million, and R964.877 million over the MTEF to support DOH to continue to fund their response to the Covid-19 pandemic and to reduce the impact of budget reductions on essential medical goods and services.

***Adjustment for Education (R5.003 billion)***

DOE receives additional amounts of R1.832 billion, R1.551 billion and R1.620 billion over the MTEF to address education budget pressures. This funding is meant to address the existing budget pressure in the sector, largely related to the number of educators in schools.

***Adjustment for Education – Presidential Youth Employment Initiative (R2.964 billion)***

The baseline is adjusted upward by R1.480 billion in 2022/23 and R1.484 billion in 2023/24, to allow for the continuation of the PYEI.

***Total transfers to provinces***

Table 4.8 reflects total transfers to the nine provinces for 2022/23, after the revisions. KZN receives the second highest share of PES at R114.509 billion, after GP, which receives the highest share of PES and conditional grant funding. KZN receives conditional grants amounting to R25.041 billion. In total, KZN receives transfers of R139.551 billion in 2022/23.

**Table 4.8 : Total transfers to provinces, 2022/23**

R million	Equitable share	Conditional grants	Total transfers
Eastern Cape	72 231	13 850	86 081
Free State	31 107	8 737	39 845
Gauteng	120 042	26 503	146 545
KwaZulu-Natal	114 509	25 041	139 551
Limpopo	64 056	10 741	74 796
Mpumalanga	45 962	9 060	55 022
Northern Cape	14 942	4 795	19 737
North West	39 540	8 568	48 108
Western Cape	58 367	14 016	72 383
Unallocated	-	471	471
<b>Total</b>	<b>560 757</b>	<b>121 782</b>	<b>682 539</b>

#### 4.1.4 Conditional grants to provinces

Table 4.9 shows the conditional grants from 2021/22 to 2024/25. Direct conditional grant baselines total R121.782 billion in 2022/23, R124.161 billion in 2023/24 and R128.138 billion in 2024/25, inclusive of R809 million in respect of the once-off non-pensionable cash gratuity to public servants which is allocated to the conditional grants that fund *Compensation of employees*. Indirect conditional grants amount to R4.612 billion, R4.550 billion and R4.015 billion, respectively over the MTEF.

**Table 4.9 : Conditional grants to provinces 2021/22 – 2024/25**

R million	Adj. Budget	Medium-term Estimates			MTEF total
	2021/22	2022/23	2023/24	2024/25	
<b>Agriculture, Land Reform and Rural Development</b>	<b>2 238</b>	<b>2 294</b>	<b>2 325</b>	<b>2 429</b>	<b>7 049</b>
Comprehensive Agricultural Support Programme grant	1 558	1 599	1 618	1 691	4 908
Ilima/Letsema Projects grant	597	610	620	648	1 879
Land Care grant: Poverty Relief and Infrastructure Development	83	85	86	90	261
<b>Basic Education</b>	<b>21 936</b>	<b>23 008</b>	<b>24 151</b>	<b>24 895</b>	<b>72 053</b>
Early Childhood Development grant	1 235	1 193	1 242	1 298	3 733
Education Infrastructure grant	11 689	12 384	13 094	13 342	38 820
HIV and AIDS (Life-Skills Education) grant	242	242	242	253	736
Learners with Profound Intellectual Disabilities grant	243	256	260	272	788
Maths, Science and Technology grant	412	425	433	453	1 310
National School Nutrition Programme grant	8 115	8 508	8 879	9 278	26 665
<b>Co-operative Governance</b>	<b>140</b>	<b>145</b>	<b>146</b>	<b>152</b>	<b>444</b>
Provincial Disaster Response grant	140	145	146	152	444
<b>Health</b>	<b>52 462</b>	<b>56 252</b>	<b>54 183</b>	<b>56 171</b>	<b>166 606</b>
District Health Programmes grant	27 753	29 023	26 866	28 072	83 961
Health Facility Revitalisation grant	6 435	6 780	7 120	7 361	21 261
Human Resources and Training grant	4 298	5 449	5 479	5 367	16 295
National Health Insurance grant	269	694	695	717	2 105
National Tertiary Services grant	13 708	14 306	14 024	14 654	42 984
<b>Human Settlements</b>	<b>17 604</b>	<b>18 702</b>	<b>19 586</b>	<b>19 970</b>	<b>58 259</b>
Human Settlements Development grant	13 403	14 256	14 944	15 118	44 318
Informal Settlements Upgrading Partnership grant	3 890	4 121	4 303	4 496	12 920
Provincial Emergency Housing grant	311	326	340	355	1 021
<b>Public Works</b>	<b>837</b>	<b>858</b>	<b>861</b>	<b>900</b>	<b>2 619</b>
EPWP Integrated Grant for Provinces	422	433	435	454	1 322
Social Sector EPWP Incentive Grant for Provinces	414	425	426	446	1 297
<b>Sport, Arts and Culture</b>	<b>2 087</b>	<b>2 176</b>	<b>2 175</b>	<b>2 272</b>	<b>6 623</b>
Community Library Services grant	1 496	1 573	1 571	1 641	4 785
Mass Participation and Sport Development grant	591	604	604	631	1 839
<b>Transport</b>	<b>19 057</b>	<b>18 347</b>	<b>20 733</b>	<b>21 349</b>	<b>60 428</b>
Provincial Roads Maintenance grant	11 937	11 256	13 330	13 613	38 200
Public Transport Operations grant	7 121	7 090	7 403	7 735	22 229
<b>Total direct conditional allocations</b>	<b>116 361</b>	<b>121 782</b>	<b>124 161</b>	<b>128 138</b>	<b>374 081</b>
<b>Indirect transfers</b>	<b>3 954</b>	<b>4 612</b>	<b>4 550</b>	<b>4 015</b>	<b>13 177</b>
<b>Basic Education</b>	<b>2 397</b>	<b>2 403</b>	<b>2 079</b>	<b>2 172</b>	<b>6 653</b>
School Infrastructure Backlogs Indirect grant	2 397	2 403	2 079	2 172	6 653
<b>Health</b>	<b>1 557</b>	<b>2 209</b>	<b>2 471</b>	<b>1 843</b>	<b>6 523</b>
National Health Insurance Indirect grant	1 557	2 209	2 471	1 843	6 523

Some changes were made to provincial allocations that directly impact several conditional grant allocations. Where no amendments were made to the structure of the grants, or where they merely are adjusted for inflation, these are not discussed here.

##### *Basic Education*

Following the 2019 State of the Nation Address pronouncement that the responsibility for early childhood development centres will be moved from the national DSD to the Department of Basic Education (DBE), the departments have been working closely and the function shift comes into effect on 1 April 2022. The grant baseline is R3.733 billion over the MTEF. A portion of the funds allocated for the maintenance component of the grant are unallocated for 2023/24 and 2024/25 as they will be informed by the outcomes of the infrastructure assessments that need to be conducted in each province.

The EIG includes R145 million in 2022/23 and R326 million in 2023/24 earmarked for repairing school infrastructure damaged in 2019 and 2020 by natural disasters in KZN.

##### *Co-operative Governance and Traditional Affairs*

From 2022/23, the name of the Provincial Disaster Relief grant will be amended to the Provincial Disaster Response grant. Over the medium term, R444 million has been allocated to the grant.

### Health

Structural changes are made to the HIV, TB, Malaria, Community Outreach and HPV Vaccine grant. The six components of the conditional grant are collapsed into two components, namely a Comprehensive HIV/AIDS Component (made up from the HIV/AIDS and the TB components) and a District Health Component (made up of the Community Outreach, Malaria, HPV and Covid-19 components). The components that were previously created for Mental Health and Oncology are shifted from this conditional grant to the direct National Health Insurance (NHI) grant. The name of the grant changes from the HIV, TB, Malaria, Community Outreach and HPV Vaccine grant to the District Health Programmes grant. Furthermore, R1.331 billion is allocated to the District Health Programmes grant in 2022/23, for costs associated with administering the Covid-19 vaccination roll-out programme by the provinces.

Over the 2022/23 MTEF, there is a significant funding shortfall for placement of medical graduates in posts in provinces, and funds were reprioritised from the Health Facility Revitalisation grant and the NHI Indirect grant to the Human Resource and Training grant to support provinces in this regard. Over the MTEF, R1.202 billion, R1.234 billion and R942 million is allocated to this grant.

### Human Settlements

Amounts of R398 million and R475 million in 2022/23 and 2023/24, respectively, are earmarked for repairing houses affected by natural disasters in 2019 and 2020 in KZN allocated against the HSDG.

### Transport

The conditional grant allocations for the PRMG are determined using a formula, where the incentive portion of the grant is meant to be based on performance indicators that measure the relative performance of provinces on improving road conditions. However, some of the indicators cannot be measured due to incomplete and outdated data, and thus, the national Department of Transport does not have clear criteria to allocate the incentive portion for this grant. As a result, the R1.740 billion that was set aside for the incentive portion for grant for 2022/23 was reduced from the baseline of the conditional grant. The PRMG was augmented by R490 million in 2022/23 and R294 million in 2023/24, in respect of provincial roads that were damaged by floods and storms that occurred in 2019 and 2020 in KZN.

## 4.2 Provincial receipts

### 4.2.1 Overall provincial position

Table 4.10 shows the actual and projected total revenue for 2018/19 to 2024/25, while *Annexure 1.A* provides more detail.

**Table 4.10 : Analysis of total receipts**

	Audited Outcome			Adjusted Appropriation	Medium-term Estimates			Average Annual Growth	
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2018/19-2021/22	2021/22-2024/25
<b>R thousand</b>									
Transfers from national	119 494 354	127 607 051	129 240 173	134 501 623	139 550 610	135 501 322	138 997 771		
Equitable share	99 263 681	106 014 289	107 307 567	111 591 762	114 509 371	110 785 551	114 372 560		
Conditional grants	20 230 673	21 592 762	21 932 606	22 909 861	25 041 239	24 715 771	24 625 211		
Own revenue	3 579 209	3 847 536	3 376 188	3 721 916	3 761 099	3 920 298	4 073 930		
<b>Total receipts</b>	<b>123 073 563</b>	<b>131 454 587</b>	<b>132 616 361</b>	<b>138 223 539</b>	<b>143 311 709</b>	<b>139 421 620</b>	<b>143 071 701</b>		
<b>% of total revenue</b>									
Transfers from national	97.1	97.1	97.5	97.3	97.4	97.2	97.2		
Equitable share	80.7	80.6	80.9	80.7	79.9	79.5	79.9		
Conditional grants	16.4	16.4	16.5	16.6	17.5	17.7	17.2		
Own revenue	2.9	2.9	2.5	2.7	2.6	2.8	2.8		
<b>Nominal growth (%)</b>									
Transfers from national		6.8	1.3	4.1	3.8	(2.9)	2.6	4.0	1.1
Equitable share		6.8	1.2	4.0	2.6	(3.3)	3.2	4.0	0.8
Conditional grants		6.7	1.6	4.5	9.3	(1.3)	(0.4)	4.2	2.4
Own revenue		7.5	(12.3)	10.2	1.1	4.2	3.9	1.3	3.1
<b>Total</b>		<b>6.8</b>	<b>0.9</b>	<b>4.2</b>	<b>3.7</b>	<b>(2.7)</b>	<b>2.6</b>	<b>3.9</b>	<b>1.2</b>
<b>Real growth (%)</b>									
Transfers from national		1.2	(2.8)	1.4	(0.5)	(6.9)	(1.7)	0.2	(3.1)
Equitable share		1.2	(2.8)	1.3	(1.6)	(7.3)	(1.1)	0.2	(3.4)
Conditional grants		1.2	(2.5)	1.8	4.8	(5.4)	(4.6)	0.4	(1.8)
Own revenue		1.9	(15.8)	7.4	(3.1)	(0.1)	(0.5)	(2.4)	(1.2)
<b>Total receipts</b>		<b>1.2</b>	<b>(3.2)</b>	<b>1.6</b>	<b>(0.6)</b>	<b>(6.7)</b>	<b>(1.7)</b>	<b>0.1</b>	<b>(3.0)</b>

National transfers received decrease marginally from 97.4 to 97.2 per cent of the total provincial receipts over the MTEF. The largest share is still from the PES. In monetary terms, the PES is R114.509 billion, R110.786 billion and R114.373 billion over the MTEF. Conditional grant funding provides a further R25.041 billion, R24.716 billion and R24.625 billion over the MTEF. The balance of the total receipts is from Provincial Own Revenue which is revenue collected by provincial departments, which grows marginally over the MTEF.

## 4.2.2 Provincial Equitable Share

The weighting of the various PES components is a policy decision that takes a number of factors into account, and this is discussed in more detail in Section 4.1.3 of this chapter.

## 4.2.3 National conditional grants

Several conditional grants were introduced over the years with varying purposes, conditions and outcomes. Conditional grants are ring fenced for specific purposes. Table 4.11 shows conditional grant transfers per Vote and more detail is given in *Annexure I.C*.

**Table 4.11 : Summary of national conditional grant transfers by Vote**

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2018/19	2019/20	2020/21	Appropriation	Appropriation	Estimate	2022/23	2023/24	2024/25
				2021/22					
<b>Vote 3 : Agriculture and Rural Development</b>	<b>324 412</b>	<b>288 413</b>	<b>308 017</b>	<b>305 573</b>	<b>305 573</b>	<b>305 573</b>	<b>311 748</b>	<b>312 169</b>	<b>326 409</b>
CASP grant	223 975	199 351	203 509	214 053	214 053	214 053	218 604	222 174	232 152
Ilima/Letsema Projects grant	71 263	71 802	83 311	73 799	73 799	73 799	75 424	76 685	80 130
Land Care grant	21 866	12 418	12 550	13 022	13 022	13 022	13 110	13 310	14 127
EPWP Integrated Grant for Provinces	7 308	4 842	4 647	4 699	4 699	4 699	4 610	-	-
Provincial Disaster Relief grant	-	-	4 000	-	-	-	-	-	-
<b>Vote 4 : Econ. Dev., Tourism and Environ. Affairs</b>	<b>3 740</b>	<b>5 529</b>	<b>4 988</b>	<b>5 080</b>	<b>5 080</b>	<b>5 080</b>	<b>6 402</b>	-	-
EPWP Integrated Grant for Provinces	3 740	5 529	4 988	5 080	5 080	5 080	6 402	-	-
<b>Vote 5 : Education</b>	<b>3 837 191</b>	<b>4 210 402</b>	<b>4 088 777</b>	<b>4 144 628</b>	<b>4 144 628</b>	<b>4 144 628</b>	<b>4 726 483</b>	<b>4 873 298</b>	<b>4 751 353</b>
Education Infrastructure grant (EIG)	2 016 435	2 287 162	1 912 594	2 120 492	2 120 492	2 120 492	2 387 952	2 555 766	2 330 249
HIV and AIDS (Life-Skills Education) grant	58 922	62 155	47 362	61 450	61 450	61 450	61 183	62 910	65 678
National School Nutrition Programme (NSNP) grant	1 534 878	1 621 291	1 727 246	1 831 602	1 831 602	1 831 602	1 952 777	1 967 842	2 056 217
Maths, Science and Technology (MST) grant	61 203	64 638	60 632	67 855	67 855	67 855	70 244	70 193	73 457
Learners with Profound Intellectual Disabilities grant	27 230	32 279	32 586	32 576	32 576	32 576	34 423	34 534	35 524
Social Sector EPWP Incentive Grant for Provinces	27 004	24 814	22 842	28 543	28 543	28 543	30 508	-	-
EPWP Integrated Grant for Provinces	2 000	2 028	2 180	2 110	2 110	2 110	2 193	-	-
Early Childhood Development (ECD) grant	109 519	116 035	283 335	-	-	-	187 203	182 053	190 228
<b>Vote 7 : Health</b>	<b>9 303 113</b>	<b>9 770 858</b>	<b>10 954 135</b>	<b>11 011 186</b>	<b>11 045 753</b>	<b>11 045 753</b>	<b>11 860 441</b>	<b>11 320 208</b>	<b>11 756 878</b>
District Health Programmes grant	5 677 225	5 840 629	6 833 651	7 160 537	7 166 582	7 166 582	7 547 069	7 087 769	7 406 077
Health Facility Revitalisation grant	1 401 988	1 353 497	1 271 414	1 247 730	1 247 730	1 247 730	1 389 913	1 383 930	1 427 110
Health Professions Training and Development grant	351 197	370 863	-	-	-	-	-	-	-
National Tertiary Services grant	1 794 649	1 895 149	2 015 775	1 955 628	1 955 628	1 955 628	2 045 854	2 000 300	2 090 132
National Health Insurance grant	-	55 376	60 945	50 415	50 415	50 415	84 726	83 762	85 718
Human Papillomavirus Vaccine grant	44 976	32 303	-	-	-	-	-	-	-
EPWP Integrated Grant for Provinces	8 896	10 313	10 903	12 689	12 689	12 689	11 736	-	-
Social Sector EPWP Incentive Grant for Provinces	24 182	20 998	-	21 228	21 228	21 228	26 293	-	-
Human Resources Capacitation grant	-	191 730	-	-	-	-	-	-	-
HR and Training grant	-	-	622 529	562 959	591 481	591 481	754 850	764 447	747 841
Provincial Disaster Relief grant	-	-	138 918	-	-	-	-	-	-
<b>Vote 8 : Human Settlements</b>	<b>3 365 663</b>	<b>3 850 852</b>	<b>3 155 236</b>	<b>3 176 545</b>	<b>3 279 135</b>	<b>3 279 135</b>	<b>3 698 591</b>	<b>3 922 479</b>	<b>3 602 330</b>
Human Settlements Development grant	3 252 757	3 583 937	3 020 763	2 455 021	2 455 021	2 455 021	2 935 224	3 132 253	2 776 615
Provincial Emergency Housing grant	-	151 243	86 095	-	102 590	102 590	-	-	-
EPWP Integrated Grant for Provinces	11 484	15 090	11 638	7 149	7 149	7 149	6 499	-	-
Title Deeds Restoration grant	101 422	100 612	36 740	-	-	-	-	-	-
Informal Sett. Upgrading Part. Grant for Prov.	-	-	-	714 375	714 375	714 375	756 868	790 226	825 715
<b>Vote 9 : Community Safety and Liaison</b>	<b>10 321</b>	<b>7 007</b>	<b>7 891</b>	<b>4 161</b>	<b>4 161</b>	<b>4 161</b>	<b>3 046</b>	-	-
Social Sector EPWP Incentive Grant for Provinces	10 321	7 007	7 891	4 161	4 161	4 161	3 046	-	-
<b>Vote 10 : Sport, Arts and Culture</b>	<b>278 548</b>	<b>293 647</b>	<b>205 589</b>	<b>283 849</b>	<b>283 849</b>	<b>283 849</b>	<b>288 557</b>	<b>286 024</b>	<b>299 368</b>
Mass Participation and Sport Development grant	98 739	104 673	38 219	94 208	94 208	94 208	97 278	96 974	102 480
Community Library Services grant	174 397	184 417	167 370	185 572	185 572	185 572	186 891	189 050	196 888
EPWP Integrated Grant for Provinces	4 000	2 110	-	1 960	1 960	1 960	2 108	-	-
Social Sector EPWP Incentive Grant for Provinces	1 412	2 447	-	2 109	2 109	2 109	2 280	-	-
<b>Vote 11 : Co-op. Governance and Traditional Affairs</b>	<b>15 880</b>	<b>3 858</b>	<b>2 777</b>	<b>1 994</b>	<b>1 994</b>	<b>1 994</b>	<b>1 993</b>	-	-
EPWP Integrated Grant for Provinces	4 552	3 858	2 777	1 994	1 994	1 994	1 993	-	-
Provincial Disaster Recovery grant	11 328	-	-	-	-	-	-	-	-
<b>Vote 12 : Transport</b>	<b>3 009 461</b>	<b>3 122 557</b>	<b>3 152 805</b>	<b>3 526 389</b>	<b>3 526 389</b>	<b>3 526 389</b>	<b>4 098 264</b>	<b>4 001 593</b>	<b>3 888 873</b>
Provincial Roads Maintenance grant	1 826 745	1 882 781	1 843 325	2 138 225	2 138 225	2 138 225	2 720 678	2 634 584	2 460 472
Public Transport Operations grant	1 106 154	1 168 099	1 246 362	1 314 912	1 314 912	1 314 912	1 309 303	1 367 009	1 428 401
EPWP Integrated Grant for Provinces	76 562	71 677	63 118	73 252	73 252	73 252	68 283	-	-
<b>Vote 13 : Social Development</b>	<b>76 321</b>	<b>34 913</b>	<b>48 148</b>	<b>269 589</b>	<b>307 834</b>	<b>307 834</b>	<b>37 672</b>	-	-
Social Sector EPWP Incentive Grant For Provinces	13 490	34 913	48 148	42 558	42 558	42 558	37 672	-	-
Early Childhood Development grant	-	-	-	227 031	265 276	265 276	-	-	-
Social Worker Employment grant	57 855	-	-	-	-	-	-	-	-
Provincial Disaster Recovery grant	4 976	-	-	-	-	-	-	-	-
<b>Vote 14 : Public Works</b>	<b>6 023</b>	<b>4 726</b>	<b>4 243</b>	<b>5 465</b>	<b>5 465</b>	<b>5 465</b>	<b>8 042</b>	-	-
EPWP Integrated Grant for Provinces	6 023	4 726	4 243	5 465	5 465	5 465	8 042	-	-
<b>Total</b>	<b>20 230 673</b>	<b>21 592 762</b>	<b>21 932 606</b>	<b>22 734 459</b>	<b>22 909 861</b>	<b>22 909 861</b>	<b>25 041 239</b>	<b>24 715 771</b>	<b>24 625 211</b>

The conditional grant allocation for KZN is at R25.041 billion, R24.716 billion and R24.625 billion. The detail is provided in each department's chapter in the *EPRE*.

#### 4.2.4 Total provincial own receipts (own revenue)

Table 4.12 summarises Provincial Own Revenue by economic classification. The bulk of Provincial Own Revenue is collected against *Tax receipts* which comprises *Motor vehicle licences*, *Casino taxes*, *Horse racing taxes* and *Liquor licences*.

**Table 4.12 : Summary of provincial own receipts**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2018/19	2019/20	2020/21		2021/22		2022/23	2023/24	2024/25
Tax receipts	2 424 087	2 591 366	2 446 193	2 679 137	2 679 137	2 680 232	2 820 818	2 943 681	3 065 138
Casino taxes	552 199	604 611	291 526	560 618	560 618	468 061	587 528	613 379	640 981
Horse racing taxes	85 127	94 221	117 371	88 592	88 592	121 476	92 844	96 929	101 291
Liquor licences	23 226	26 112	22 921	29 013	29 013	29 013	30 406	31 744	33 172
Motor vehicle licences	1 763 535	1 866 422	2 014 375	2 000 914	2 000 914	2 061 682	2 110 040	2 201 629	2 289 694
Sale of goods and services other than capital assets	491 896	476 132	347 262	495 001	495 001	430 690	504 573	527 526	547 530
Transfers received	375	380	235	-	-	167	-	-	-
Fines, penalties and forfeits	41 135	26 550	25 099	40 640	40 640	55 772	42 925	45 234	45 271
Interest, dividends and rent on land	474 340	616 844	394 230	415 461	415 461	310 348	296 895	303 981	312 061
Sale of capital assets	51 816	25 206	19 889	19 193	19 193	39 300	20 218	20 914	21 546
Transactions in financial assets and liabilities	95 560	111 058	143 280	72 484	72 484	110 770	75 670	78 962	82 384
<b>Total receipts</b>	<b>3 579 209</b>	<b>3 847 536</b>	<b>3 376 188</b>	<b>3 721 916</b>	<b>3 721 916</b>	<b>3 627 279</b>	<b>3 761 099</b>	<b>3 920 298</b>	<b>4 073 930</b>

*Tax receipts* shows that the major revenue sources in this category are *Motor vehicle licences* and *Casino taxes*. Over the MTEF, this category increases from R2.821 billion in 2022/23 to R3.065 billion in 2024/25.

*Sale of goods and services other than capital assets* ranks second in revenue collection and shows a steady increase over the MTEF. The main contribution to this category is patient fees collected by the DOH. Other items under this category are new and renewal of drivers' licence, learners' licence, abnormal loads, boarding fees, rentals, tender fees, commission on PERSAL deductions such as insurance premiums and garnishees, etc.

*Interest, dividends and rent on land* is the third highest revenue category and fluctuates over the period. This category mainly relates to interest earned on the provincial bank accounts. The budget in this regard had to be reduced over the MTEF due to lower cash balances following the budget cuts made in the previous budget process. This is explained in more detail in the Vote 6: Provincial Treasury chapter.

Table 4.13 provides a detailed analysis of revenue per Vote.

**Table 4.13 : Summary of provincial own receipts by Vote**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2018/19	2019/20	2020/21		2021/22		2022/23	2023/24	2024/25
1. Office of the Premier	2 054	4 881	508	1 394	1 394	1 432	1 462	1 526	1 595
2. Provincial Legislature	1 672	3 073	5 618	1 009	1 009	5 600	1 058	1 104	1 153
3. Agriculture and Rural Development	21 387	19 121	21 586	22 598	22 598	27 912	23 760	24 990	26 113
4. Economic Development, Tourism and Enviro Affairs	664 103	774 539	485 080	682 162	682 162	635 812	714 905	746 360	779 945
5. Education	113 527	99 284	88 578	114 890	114 890	146 339	105 306	109 970	114 918
6. Provincial Treasury	471 730	602 957	389 310	414 271	414 271	285 694	295 886	302 932	310 973
7. Health	303 140	303 958	216 618	342 259	342 259	285 897	358 686	374 469	390 945
8. Human Settlements	45 806	21 085	5 645	4 835	4 835	7 656	4 891	5 106	5 336
9. Community Safety and Liaison	174	233	170	165	165	197	173	180	188
10. Sport, Arts and Culture	2 404	1 099	1 540	1 487	1 487	6 280	970	967	989
11. Co-operative Governance and Traditional Affairs	9 828	4 780	35 319	5 125	5 125	9 501	5 299	5 532	5 779
12. Transport	1 913 566	1 987 394	2 104 588	2 111 608	2 111 608	2 191 451	2 227 119	2 324 993	2 413 058
13. Social Development	17 792	12 148	13 021	9 957	9 957	12 561	10 436	10 937	11 429
14. Public Works	12 026	12 984	8 607	10 156	10 156	10 947	11 148	11 232	11 509
<b>Total provincial own receipts</b>	<b>3 579 209</b>	<b>3 847 536</b>	<b>3 376 188</b>	<b>3 721 916</b>	<b>3 721 916</b>	<b>3 627 279</b>	<b>3 761 099</b>	<b>3 920 298</b>	<b>4 073 930</b>
Provincial Legislature receipts not surrendered to PRF	1 672	3 073	5 618	1 009	1 009	5 600	1 058	1 104	1 153
<b>Total adjusted provincial own receipts</b>	<b>3 577 537</b>	<b>3 844 463</b>	<b>3 370 570</b>	<b>3 720 907</b>	<b>3 720 907</b>	<b>3 621 679</b>	<b>3 760 041</b>	<b>3 919 194</b>	<b>4 072 777</b>

The most significant revenue contributors are Department of Transport (DOT), Department of Economic Development, Tourism and Environmental Affairs (EDTEA), Provincial Treasury, DOH and DOE. Details of these departments' revenue collections are provided in each Vote's chapter in the *EPRE* and largely relate to motor vehicle licences, casino taxes, health patient fees, interest collected on the provincial bank account and recoveries from previous years.

## 4.2.5 Donor and agency funding

Table 4.14 indicates donor and agency funding received, per department. Detail on expenditure incurred against the donor and agency receipts is provided in *Annexure 1.F* and in each Vote's chapter in the *EPRE*.

**Table 4.14 : Donor and agency funding - receipts**

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2018/19	2019/20	2020/21	Appropriation	Appropriation	Estimate	2022/23	2023/24	2024/25
<b>Donor funding</b>	<b>254 583</b>	<b>1 692</b>	<b>24 113</b>	-	<b>20 689</b>	<b>20 689</b>	<b>20 840</b>	-	-
Economic Development, Tourism and Enviro Affairs	37 363	-	24 113	-	20 431	20 431	20 840	-	-
Provincial Treasury	214 758	-	-	-	-	-	-	-	-
Health	2 462	1 692	-	-	258	258	-	-	-
<b>Agency funding</b>	<b>29 625</b>	<b>41 069</b>	<b>34 787</b>	-	<b>37 893</b>	<b>37 893</b>	<b>10 000</b>	-	-
Office of the Premier	7 876	5 797	16 088	-	20 000	20 000	10 000	-	-
Health	4 245	19 412	2 839	-	7 292	7 292	-	-	-
Transport	17 504	15 860	15 860	-	10 601	10 601	-	-	-
<b>Total</b>	<b>284 208</b>	<b>42 761</b>	<b>58 900</b>	-	<b>58 582</b>	<b>58 582</b>	<b>30 840</b>	-	-



## 5. PAYMENTS

### 5.1 Overall position

Total provincial payments increased from R122.095 billion in 2018/19 to an estimated R142.363 billion in the 2021/22 Revised Estimate. The 2022/23 MTEF shows reductions due to the carry-through impact of the budget cuts implemented in the previous budget process. As such, the provincial payments are R140.375 billion, R139.083 billion and R142.857 billion over the MTEF.

### 5.2 Payments by Vote

Table 5.1 illustrates the summary of provincial payments by Vote.

**Table 5.1 : Summary of provincial payments and estimates by Vote**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2018/19	2019/20	2020/21		2021/22		2022/23	2023/24	2024/25
1. Office of the Premier	722 163	704 970	587 198	802 240	810 240	802 240	767 551	775 511	810 331
2. Provincial Legislature	572 277	631 031	587 598	627 785	730 636	730 636	644 322	649 429	678 650
3. Agriculture and Rural Development	2 126 696	2 489 898	2 436 931	2 520 302	2 546 022	2 546 022	2 490 556	2 506 054	2 619 019
4. Economic Development, Tourism and Enviro Affairs	2 957 862	3 224 805	3 008 066	3 341 675	3 366 675	3 366 675	3 412 995	3 434 711	3 588 930
5. Education	50 776 516	54 835 076	57 390 772	53 184 040	57 433 185	58 803 503	57 480 788	57 794 640	58 502 212
6. Provincial Treasury	625 063	640 645	531 869	653 845	636 893	613 883	684 109	672 819	703 102
7. Health	42 549 830	45 226 576	49 370 245	48 412 269	50 629 977	50 629 977	49 609 770	48 164 424	50 496 965
8. Human Settlements	3 734 629	4 261 359	3 547 458	3 597 231	3 709 403	3 709 403	4 123 328	4 335 277	4 033 291
9. Community Safety and Liaison	224 891	233 783	184 276	233 378	233 378	232 447	236 867	235 819	246 429
10. Sport, Arts and Culture	1 370 631	1 433 294	1 081 151	1 477 397	1 492 600	1 492 600	1 489 055	1 492 763	1 571 310
11. Co-operative Governance and Traditional Affairs	1 564 785	1 966 799	1 513 868	1 781 551	1 790 551	1 790 551	1 820 033	1 833 154	1 915 649
12. Transport	10 329 366	9 317 572	8 811 778	11 644 409	11 619 409	11 619 409	12 474 796	12 241 055	12 499 111
13. Social Development	2 864 306	3 120 495	3 141 527	3 698 571	3 953 213	3 963 857	3 198 281	3 203 619	3 369 878
14. Public Works	1 675 578	2 031 642	1 791 193	1 695 329	2 061 329	2 061 329	1 942 297	1 744 027	1 822 334
<b>Total</b>	<b>122 094 593</b>	<b>130 117 945</b>	<b>133 983 930</b>	<b>133 670 022</b>	<b>141 013 511</b>	<b>142 362 532</b>	<b>140 374 748</b>	<b>139 083 302</b>	<b>142 857 211</b>

National Treasury effected budget cuts in the previous budget process and most departments were able to deal with the cuts without a significant negative impact on service delivery, except for Health, Education and to some extent Public Works. Due to Health and Education being the biggest departments in the province, the bulk of these cuts was effected against these two departments. The bulk of these cuts were effected against the *Compensation of employees* budget, while Health also effected the budget cuts against the medicines budget.

Education in 2022/23 receives additional funding of R1.832 billion, R1.551 billion and R1.620 billion over the three MTEF years' respectively. This funding is to address existing budget pressures. The department also receives R1.480 billion in 2022/23 and R1.484 billion in 2023/24, as part of the national allocation to the PYEI. In addition, funding is shifted to Education from Social Development in respect of the ECD function shift.

Health receives R1.512 billion, R695.690 million and R964.877 million over the MTEF, respectively. This funding is specifically for costs associated with responding to the Covid-19 pandemic, as well as to reduce the impact of the 2021/22 budget cuts on essential medical goods and services.

The conditional grant allocations increase by R2.234 billion in 2022/23, by R1.506 billion in 2023/24 and R1.416 billion in 2024/25, as detailed in Chapter 3.

Table 5.2 shows an analysis of payments and estimates by major Votes.

The table shows that DOE still has the highest budget in KZN, taking up 40.9 per cent of the provincial budget in 2022/23. DOH is the second highest spending provincial department, with a 35.3 per cent share of the provincial budget in 2022/23. DSD reflects a steady share of total expenditure, at 2.3 per cent over the MTEF, increasing marginally to 2.4 per cent in the outer year. *Other Functions* constitutes all the other departments and remains fairly steady over the MTEF at an average of 21.4 per cent.

Table 5.2 : Analysis of payments and estimates by major Vote

	Audited Outcome			Adjusted Appropriation 2021/22	Medium-term Estimates			Average Annual Growth	
	2018/19	2019/20	2020/21		2022/23	2023/24	2024/25	2018/19- 2021/22	2021/22- 2024/25
<b>R thousand</b>									
Education	50 776 516	54 835 076	57 390 772	57 433 185	57 480 788	57 794 640	58 502 212		
Health	42 549 830	45 226 576	49 370 245	50 629 977	49 609 770	48 164 424	50 496 965		
Social Development	2 864 306	3 120 495	3 141 527	3 953 213	3 198 281	3 203 619	3 369 878		
Other Functions	25 903 941	26 935 798	24 081 386	28 997 136	30 085 909	29 920 619	30 488 156		
<b>Total expenditure</b>	<b>122 094 593</b>	<b>130 117 945</b>	<b>133 983 930</b>	<b>141 013 511</b>	<b>140 374 748</b>	<b>139 083 302</b>	<b>142 857 211</b>		
<b>% of total expenditure</b>									
Education	41.6	42.1	42.8	40.7	40.9	41.6	41.0		
Health	34.8	34.8	36.8	35.9	35.3	34.6	35.3		
Social Development	2.3	2.4	2.3	2.8	2.3	2.3	2.4		
Other Functions	21.2	20.7	18.0	20.6	21.4	21.5	21.3		
<b>Nominal growth (%)</b>									
Education		8.0	4.7	0.1	0.1	0.5	1.2	4.2	0.6
Health		6.3	9.2	2.6	(2.0)	(2.9)	4.8	6.0	(0.1)
Social Development		8.9	0.7	25.8	(19.1)	0.2	5.2	11.3	(5.2)
Other Functions		4.0	(10.6)	20.4	3.8	(0.5)	1.9	3.8	1.7
<b>Total expenditure</b>		<b>6.6</b>	<b>3.0</b>	<b>5.2</b>	<b>(0.5)</b>	<b>(0.9)</b>	<b>2.7</b>	<b>4.9</b>	<b>0.4</b>
<b>Real growth (%)</b>									
Education		2.4	0.5	(2.5)	(4.0)	(3.6)	(3.0)	0.4	(3.6)
Health		0.7	4.8	(0.1)	(6.0)	(6.9)	0.4	2.1	(4.2)
Social Development		3.3	(3.4)	22.6	(22.4)	(4.0)	0.7	7.3	(9.1)
Other Functions		(1.4)	(14.2)	17.4	(0.5)	(4.7)	(2.4)	0.0	(2.5)
<b>Total expenditure</b>		<b>1.0</b>	<b>(1.2)</b>	<b>2.6</b>	<b>(4.5)</b>	<b>(5.0)</b>	<b>(1.6)</b>	<b>1.1</b>	<b>(3.7)</b>

### 5.3 Payments by economic classification

#### 5.3.1 Provincial summary of payments and estimates by economic classification

Table 5.3 presents a summary of payments and estimates by economic classification. *Annexure 1.B* provides more detail in this regard.

Table 5.3 : Summary of provincial payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2018/19	2019/20	2020/21		2021/22		2022/23	2023/24	2024/25
<b>Current payments</b>	<b>102 129 076</b>	<b>109 321 945</b>	<b>112 323 820</b>	<b>112 501 944</b>	<b>118 720 131</b>	<b>119 939 086</b>	<b>118 485 969</b>	<b>117 245 483</b>	<b>120 297 829</b>
Compensation of employees	75 657 752	81 133 639	83 097 655	82 407 331	88 055 808	89 806 029	86 141 855	84 919 415	87 235 348
Goods and services	26 462 466	28 179 577	29 225 107	30 093 727	30 662 987	30 130 638	32 343 337	32 325 307	33 061 685
Interest and rent on land	8 858	8 729	1 058	826	1 336	2 419	777	761	796
<b>Transfers and subsidies to:</b>	<b>12 626 689</b>	<b>13 731 625</b>	<b>13 307 768</b>	<b>12 569 348</b>	<b>13 572 388</b>	<b>13 781 213</b>	<b>12 527 657</b>	<b>12 492 532</b>	<b>13 063 899</b>
Provinces and municipalities	1 618 267	1 941 231	1 515 406	1 349 291	1 961 946	1 960 035	4 031 868	3 620 253	3 791 400
Departmental agencies and accounts	1 958 258	2 348 201	2 316 474	2 411 765	2 366 410	2 366 358	2 502 596	2 484 061	2 589 798
Higher education institutions	4 663	100	-	-	5 342	5 362	5 016	-	-
Foreign governments and international organisations	515	297	313	284	284	284	300	313	327
Public corporations and private enterprises	2 017 434	2 035 588	1 669 648	1 692 992	1 734 278	1 734 278	1 672 602	1 761 646	1 843 508
Non-profit institutions	3 072 479	3 133 381	4 339 805	3 654 908	3 935 950	3 913 570	3 651 074	3 937 311	4 122 112
Households	3 955 073	4 272 827	3 466 122	3 460 108	3 568 178	3 801 326	664 201	688 948	716 754
<b>Payments for capital assets</b>	<b>7 236 570</b>	<b>6 928 281</b>	<b>8 108 720</b>	<b>8 505 668</b>	<b>8 628 802</b>	<b>8 547 556</b>	<b>9 271 280</b>	<b>9 253 783</b>	<b>9 399 636</b>
Buildings and other fixed structures	6 262 387	5 298 747	6 825 746	7 125 105	6 920 430	6 935 534	7 835 211	8 037 317	8 103 863
Machinery and equipment	961 840	1 602 731	1 260 367	1 362 326	1 654 223	1 559 256	1 418 322	1 198 277	1 276 790
Heritage assets	2 690	15	80	-	4 997	4 997	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	219	-	73	601	489	489	630	658	688
Land and sub-soil assets	-	-	-	-	-	54	-	-	-
Software and other intangible assets	9 434	26 788	22 454	17 636	48 663	47 226	17 117	17 531	18 295
<b>Payments for financial assets</b>	<b>14 535</b>	<b>20 390</b>	<b>156 241</b>	<b>-</b>	<b>4 128</b>	<b>6 615</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>122 006 870</b>	<b>130 002 241</b>	<b>133 896 549</b>	<b>133 576 960</b>	<b>140 925 449</b>	<b>142 274 470</b>	<b>140 284 906</b>	<b>138 991 798</b>	<b>142 761 364</b>
Statutory payments (Members' remuneration)	87 723	115 704	87 381	93 062	88 062	88 062	89 842	91 504	95 847
<b>Total economic classification (incl. stat. payment)</b>	<b>122 094 593</b>	<b>130 117 945</b>	<b>133 983 930</b>	<b>133 670 022</b>	<b>141 013 511</b>	<b>142 362 532</b>	<b>140 374 748</b>	<b>139 083 302</b>	<b>142 857 211</b>

*Current payments* consumes the bulk of the total provincial spending, and is set to increase from R119.939 billion in the 2021/22 Revised Estimate to R120.298 billion in 2024/25. The largest portion of this category relates to *Compensation of employees*, driven mainly by DOE and DOH. The decrease in 2022/23 and 2023/24 is mainly attributed to the budget cuts made in the previous budget process.

*Transfers and subsidies* shows a fluctuating trend from 2018/19 to 2024/25. A substantial portion of this category is against *Households* and *Non-profit institutions* and largely relates to the HSDG under the Department of Human Settlements (DOHS), as well as transfers to public schools for norms and standards, respectively. Fluctuations in transfers to public entities also impact on this category mainly

against *Departmental agencies and accounts*. This category is also affected by fiscal consolidation cuts made in the previous budget process.

*Buildings and other fixed structures* reflects nominal growth over the MTEF. The budget provides for various infrastructure projects, mainly by DOT, DOH and DOE.

Table 5.4 provides an analysis of payments and estimates by economic classification, looking at average annual growth, and percentage share of various categories when compared to total expenditure.

**Table 5.4 : Analysis of payments and estimates by economic classification**

	Audited Outcome			Adjusted Appropriation	Medium-term Estimates			Average Annual Growth	
	2018/19	2019/20	2020/21		2022/23	2023/24	2024/25	2018/19-2021/22	2021/22-2024/25
<b>R thousand</b>									
Current	102 129 076	109 321 945	112 323 820	118 720 131	118 485 969	117 245 483	120 297 829		
Transfers	12 626 689	13 731 625	13 307 768	13 572 388	12 527 657	12 492 532	13 063 899		
Capital	7 236 570	6 928 281	8 108 720	8 628 802	9 271 280	9 253 783	9 399 636		
Financial assets	14 535	20 390	156 241	4 128	-	-	-		
Compensation	75 745 475	81 249 343	83 185 036	88 143 870	86 231 697	85 010 919	87 331 195		
Non-compensation	46 349 118	48 868 602	50 798 894	52 869 641	54 143 051	54 072 383	55 526 016		
Non-compensation (excl. transfers)	33 722 429	35 136 977	37 491 126	39 297 253	41 615 394	41 579 851	42 462 117		
Non-compensation non-capital (NCNC)	39 112 548	41 940 321	42 690 174	44 240 839	44 871 771	44 818 600	46 126 380		
NCNC (excl. transfers)	26 485 859	28 208 696	29 382 406	30 668 451	32 344 114	32 326 068	33 062 481		
Statutory payments (Members' remuneration)	87 723	115 704	87 381	88 062	89 842	91 504	95 847		
<b>Total expenditure</b>	<b>122 094 593</b>	<b>130 117 945</b>	<b>133 983 930</b>	<b>141 013 511</b>	<b>140 374 748</b>	<b>139 083 302</b>	<b>142 857 211</b>		
<b>% of total expenditure</b>									
Current	83.6	84.0	83.8	84.2	84.4	84.3	84.2		
Transfers	10.3	10.6	9.9	9.6	8.9	9.0	9.1		
Capital	5.9	5.3	6.1	6.1	6.6	6.7	6.6		
Financial assets	-	-	0.1	-	-	-	-		
Compensation	62.0	62.4	62.1	62.5	61.4	61.1	61.1		
Non-compensation	38.0	37.6	37.9	37.5	38.6	38.9	38.9		
Non-compensation (excl. transfers)	27.6	27.0	28.0	27.9	29.6	29.9	29.7		
Non-compensation non-capital (NCNC)	32.0	32.2	31.9	31.4	32.0	32.2	32.3		
NCNC (excl. transfers)	21.7	21.7	21.9	21.7	23.0	23.2	23.1		
<b>Nominal growth (%)</b>									
Current		7.0	2.7	5.7	(0.2)	(1.0)	2.6	5.1	0.4
Transfers		8.8	(3.1)	2.0	(7.7)	(0.3)	4.6	2.4	(1.3)
Capital		(4.3)	17.0	6.4	7.4	(0.2)	1.6	6.0	2.9
Financial assets		40.3	666.3	(97.4)	(100.0)	-	-	(34.3)	(100.0)
Compensation		7.3	2.4	6.0	(2.2)	(1.4)	2.7	5.2	(0.3)
Non-compensation		5.4	3.9	4.1	2.4	(0.1)	2.7	4.5	1.6
Non-compensation (excl. transfers)		4.2	6.7	4.8	5.9	(0.1)	2.1	5.2	2.6
Non-compensation non-capital (NCNC)		7.2	1.8	3.6	1.4	(0.1)	2.9	4.2	1.4
NCNC (excl. transfers)		6.5	4.2	4.4	5.5	(0.1)	2.3	5.0	2.5
<b>Real growth (%)</b>									
Current		1.5	(1.4)	3.0	(4.3)	(5.2)	(1.7)	1.3	(3.7)
Transfers		3.1	(7.0)	(0.6)	(11.5)	(4.4)	0.2	(1.3)	(5.4)
Capital		(9.3)	12.3	3.7	3.0	(4.3)	(2.7)	2.1	(1.4)
Financial assets		33.0	635.5	(97.4)	(100.0)	(4.1)	(4.2)	(36.7)	(100.0)
Compensation		1.7	(1.7)	3.3	(6.2)	(5.5)	(1.6)	1.3	(4.4)
Non-compensation		(0.1)	(0.2)	1.4	(1.8)	(4.3)	(1.6)	0.6	(2.6)
Non-compensation (excl. transfers)		(1.2)	2.4	2.2	1.6	(4.2)	(2.2)	1.4	(1.6)
Non-compensation non-capital (NCNC)		1.6	(2.3)	1.0	(2.7)	(4.3)	(1.4)	0.4	(2.8)
NCNC (excl. transfers)		1.0	(0.0)	1.7	1.1	(4.2)	(2.0)	1.2	(1.7)

*Current* expenditure is the largest category, and the percentage of total expenditure fluctuates over the seven-year period. This category was 83.6 per cent of the total expenditure in 2018/19 and will be 84.2 per cent in 2024/25. This category is affected by budget cuts made in the previous budget process.

The share of total expenditure for *Transfers* reflects a declining trend, from 10.3 per cent in 2018/19 to 9.1 per cent in 2024/25. These fluctuations are largely influenced by fluctuations in the HSDG.

*Capital* fluctuates and shows an increasing trend in terms of its share of total expenditure, with its share being 5.9 per cent in 2018/19 increasing marginally to 6.6 per cent in 2024/25.

### 5.3.2 Analysis of payments and estimates by economic classification – Education

Table 5.5 shows DOE's summary of payments and estimates by economic classification. The analysis is provided above and below the table.

The share of *Current* payments to total expenditure shows slight fluctuations from 90.8 per cent in 2022/23 and 2024/25 with 90.5 per cent in 2023/24. The largest share of total expenditure is in respect of *Compensation of employees* and *Goods and services*, where most of the priorities for the department are

budgeted including conditional grants such as the NSNP grant for school feeding, purchase, warehousing and distribution of Learner Teacher Support Material (LTSM), teacher development, matric examination administration including printing, distribution and marking, maintenance of ECD centres, as well as the Sanitary Dignity project, etc.

Table 5.5 : Analysis of payments and estimates summary by economic classification - Education

	Audited Outcome			Adjusted Appropriation	Medium-term Estimates			Average Annual Growth	
	2018/19	2019/20	2020/21		2022/23	2023/24	2024/25	2018/19-2021/22	2021/22-2024/25
<b>R thousand</b>									
Current	46 866 205	50 431 127	51 509 434	53 187 372	52 175 056	52 293 739	53 093 260		
Transfers	2 152 005	2 269 240	3 586 488	2 092 128	2 721 820	2 965 834	3 099 245		
Capital	1 758 306	2 134 709	2 152 357	2 153 685	2 583 912	2 535 067	2 309 707		
Financial assets	-	-	142 493	-	-	-	-		
Compensation	42 293 314	45 441 188	46 020 028	47 977 398	47 066 626	46 945 553	47 588 954		
Non-compensation	8 480 864	9 387 143	11 370 660	9 038 169	9 455 787	9 324 697	10 414 162		
Non-compensation (excl. transfers)	6 328 859	7 117 903	7 784 172	6 946 041	6 733 967	6 358 863	7 314 917		
Non-compensation non-capital (NCNC)	6 722 558	7 252 434	9 218 303	6 884 484	6 871 875	6 789 630	8 104 455		
NCNC (excl. transfers)	4 570 553	4 983 194	5 631 815	4 792 356	4 150 055	3 823 796	5 005 210		
<b>Total expenditure</b>	<b>50 776 516</b>	<b>54 835 076</b>	<b>57 390 772</b>	<b>57 433 185</b>	<b>57 480 788</b>	<b>57 794 640</b>	<b>58 502 212</b>		
<b>% of total expenditure</b>									
Current	92.3	92.0	89.8	92.6	90.8	90.5	90.8		
Transfers	4.2	4.1	6.2	3.6	4.7	5.1	5.3		
Capital	3.5	3.9	3.8	3.7	4.5	4.4	3.9		
Financial assets	-	-	0.2	-	-	-	-		
Compensation	83.3	82.9	80.2	83.5	81.9	81.2	81.3		
Non-compensation	16.7	17.1	19.8	15.7	16.5	16.1	17.8		
Non-compensation (excl. transfers)	12.5	13.0	13.6	12.1	11.7	11.0	12.5		
Non-compensation non-capital (NCNC)	13.2	13.2	16.1	12.0	12.0	11.7	13.9		
NCNC (excl. transfers)	9.0	9.1	9.8	8.3	7.2	6.6	8.6		
<b>Nominal growth (%)</b>									
Current		7.6	2.1	3.3	(1.9)	0.2	1.5	4.3	(0.1)
Transfers		5.4	58.0	(41.7)	30.1	9.0	4.5	(0.9)	14.0
Capital		21.4	0.8	0.1	20.0	(1.9)	(8.9)	7.0	2.4
Financial assets		-	-	(100.0)	-	-	-	-	-
Compensation		7.4	1.3	4.3	(1.9)	(0.3)	1.4	4.3	(0.3)
Non-compensation		10.7	21.1	(20.5)	4.6	(1.4)	11.7	2.1	4.8
Non-compensation (excl. transfers)		12.5	9.4	(10.8)	(3.1)	(5.6)	15.0	3.2	1.7
Non-compensation non-capital (NCNC)		7.9	27.1	(25.3)	(0.2)	(1.2)	19.4	0.8	5.6
NCNC (excl. transfers)		9.0	13.0	(14.9)	(13.4)	(7.9)	30.9	1.6	1.5
<b>Real growth (%)</b>									
Current		2.0	(2.0)	0.6	(5.9)	(3.9)	(2.8)	0.5	(4.2)
Transfers		(0.0)	51.7	(43.2)	24.8	4.4	0.1	(4.6)	9.3
Capital		15.1	(3.2)	(2.5)	15.1	(6.0)	(12.7)	3.1	(1.9)
Financial assets		(5.2)	(4.0)	(100.0)	(4.1)	(4.1)	(4.2)	-	-
Compensation		1.8	(2.8)	1.6	(5.9)	(4.4)	(2.9)	0.5	(4.4)
Non-compensation		4.9	16.3	(22.5)	0.3	(5.5)	7.0	(1.6)	0.5
Non-compensation (excl. transfers)		6.6	5.0	(13.0)	(7.0)	(9.5)	10.2	(0.6)	(2.5)
Non-compensation non-capital (NCNC)		2.3	22.0	(27.2)	(4.3)	(5.3)	14.3	(2.9)	1.2
NCNC (excl. transfers)		3.3	8.5	(17.1)	(16.9)	(11.7)	25.4	(2.1)	(2.8)

*Compensation* shows a decreasing trend over the period, with the MTEF influenced mainly by in-year budget increases due to additional allocations from National Treasury to reduce pressures in the department, internal reprioritisation that was undertaken, as well as a once-off allocation for the PYEI project which ends in 2023/24. This results in negative nominal growth of 1.9 per cent in 2022/23.

*Transfers* fluctuates influenced by the unpredictability in procurement method for S21(c) schools with some schools who opt to purchase their LTSM *via* the management agent, as well as payments of domestic accounts on behalf of some S21 schools who are in arrears. The increase in percentage of total expenditure from 4.7 per cent in 2022/23 to 5.3 per cent in 2024/25 relates to the ECD function shift from DSD to DOE effective from 01 April 2022. This also provides for transfers to public ordinary, independent and public special schools, as well as transfers to NPOs responsible for ECD centres.

*Capital* reflects real growth of 3.1 per cent from 2018/19 to 2021/22 due to the in-year increases to the budget which were allocated against the EIG and from the provincial fiscus to address pressures such as water and sanitation in schools and storm damage. The negative real growth of 1.9 per cent from 2021/22 to 2024/25 is due to the incentive allocation to the EIG, which is not provided for in 2023/24, as well as the additional disaster funds in respect of floods and storm damage to infrastructure which was allocated in 2022/23 and 2023/24, only.

### 5.3.3 Analysis of payments and estimates by economic classification – Health

Table 5.6 shows DOH's expenditure by economic classification.

Table 5.6 : Analysis of payments and estimates summary by economic classification - Health

	Audited Outcome			Adjusted Appropriation	Medium-term Estimates			Average Annual Growth	
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2018/19-2021/22	2021/22-2024/25
R thousand									
Current	39 684 474	42 384 217	45 686 367	47 933 942	46 902 330	45 298 823	47 407 905		
Transfers	1 106 595	809 848	633 753	722 721	749 290	782 365	819 072		
Capital	1 758 330	2 032 119	3 045 953	1 973 314	1 958 150	2 083 236	2 269 988		
Financial assets	431	392	4 172	-	-	-	-		
Compensation	26 336 189	28 190 772	29 536 991	31 802 398	30 641 174	29 579 189	30 914 877		
Non-compensation	16 213 641	17 035 804	19 833 254	18 827 579	18 968 596	18 585 235	19 582 088		
Non-compensation (excl. transfers)	15 107 046	16 225 956	19 199 501	18 104 858	18 219 306	17 802 870	18 763 016		
Non-compensation non-capital (NCNC)	14 455 311	15 003 685	16 787 301	16 854 265	17 010 446	16 501 999	17 312 100		
NCNC (excl. transfers)	13 348 716	14 193 837	16 153 548	16 131 544	16 261 156	15 719 634	16 493 028		
Total expenditure	42 549 830	45 226 576	49 370 245	50 629 977	49 609 770	48 164 424	50 496 965		
% of total expenditure									
Current	93.3	93.7	92.5	94.7	94.5	94.1	93.9		
Transfers	2.6	1.8	1.3	1.4	1.5	1.6	1.6		
Capital	4.1	4.5	6.2	3.9	3.9	4.3	4.5		
Financial assets	-	-	-	-	-	-	-		
Compensation	61.9	62.3	59.8	62.8	61.8	61.4	61.2		
Non-compensation	38.1	37.7	40.2	37.2	38.2	38.6	38.8		
Non-compensation (excl. transfers)	35.5	35.9	38.9	35.8	36.7	37.0	37.2		
Non-compensation non-capital (NCNC)	34.0	33.2	34.0	33.3	34.3	34.3	34.3		
NCNC (excl. transfers)	31.4	31.4	32.7	31.9	32.8	32.6	32.7		
Nominal growth (%)									
Current		6.8	7.8	4.9	(2.2)	(3.4)	4.7	6.5	(0.4)
Transfers		(26.8)	(21.7)	14.0	3.7	4.4	4.7	(13.2)	4.3
Capital		15.6	49.9	(35.2)	(0.8)	6.4	9.0	3.9	4.8
Financial assets		(9.0)	964.3	(100.0)	-	-	-	(100.0)	-
Compensation		7.0	4.8	7.7	(3.7)	(3.5)	4.5	6.5	(0.9)
Non-compensation		5.1	16.4	(5.1)	0.7	(2.0)	5.4	5.1	1.3
Non-compensation (excl. transfers)		7.4	18.3	(5.7)	0.6	(2.3)	5.4	6.2	1.2
Non-compensation non-capital (NCNC)		3.8	11.9	0.4	0.9	(3.0)	4.9	5.3	0.9
NCNC (excl. transfers)		6.3	13.8	(0.1)	0.8	(3.3)	4.9	6.5	0.7
Real growth (%)									
Current		1.2	3.5	2.3	(6.2)	(7.4)	0.2	2.6	(4.5)
Transfers		(30.6)	(24.9)	11.1	(0.6)	0.1	0.3	(16.4)	(0.1)
Capital		9.5	43.9	(36.9)	(4.8)	2.0	4.4	0.1	0.4
Financial assets		(13.8)	921.5	(100.0)	(4.1)	(4.1)	(4.2)	(100.0)	-
Compensation		1.5	0.6	4.9	(7.6)	(7.5)	0.1	2.6	(5.1)
Non-compensation		(0.4)	11.7	(7.5)	(3.4)	(6.1)	0.9	1.3	(2.9)
Non-compensation (excl. transfers)		1.8	13.6	(8.1)	(3.5)	(6.3)	0.9	2.3	(3.0)
Non-compensation non-capital (NCNC)		(1.6)	7.4	(2.2)	(3.2)	(7.0)	0.5	1.4	(3.3)
NCNC (excl. transfers)		0.8	9.2	(2.7)	(3.3)	(7.3)	0.5	2.6	(3.4)

The largest share of total expenditure goes to *Current* payments, increasing from 93.3 per cent in 2018/19 to 94.7 per cent in the 2021/22 Adjusted Appropriation. The growing share was largely due to the costs of the provincial response to Covid-19, with the contracting of temporary staff being one of the main cost drivers. This trend is reversed from 2022/23, with the share decreasing to 93.9 per cent, as the provincial response to Covid-19 is anticipated to be reduced.

*Transfers* reflects a reduction in the share of expenditure from 2.6 per cent in 2018/19 to 1.5 per cent in 2022/23, growing marginally to 1.6 per cent in 2023/24 and 2024/25. This trend is mainly due to the provincialisation of the St. Mary's and Siloah Hospitals in 2019/20 and 2020/21, respectively, with the funding moving to *Current*.

*Capital* shows a high share of 6.2 per cent in 2020/21, mainly due to the once-off allocation of funding for Covid-19 related infrastructure upgrades. The share is 3.9 per cent in 2022/23, as the Dr Pixley Ka Isaka Seme Memorial Hospital (PKISMH) is expected to be completed in February 2022, with funding reprioritised to maintenance going forward. The category grows over the MTEF as more major upgrading and additions are planned at existing facilities, such as the construction of a new neo-natal facility and staff flats at Nkonjeni Hospital in the Zululand district and the new 28 bed psychiatric unit at Port Shepstone Hospital in the Ugu district.

### 5.3.4 Analysis of payments and estimates by economic classification – Social Development

Table 5.7 shows DSD's expenditure by economic classification.

The share of *Current* payments to total expenditure shows a decrease from 75 per cent in 2022/23 to 72.9 per cent in 2023/24 and 72.7 per cent in 2024/25 as a result of the carry-through effects of the prior MTEF budget cuts, as well as the fact that the Social Sector EPWP Grant for Provinces is only allocated

until 2022/23 at this stage. The largest share of total expenditure is in respect of *Compensation of employees* and *Transfers and subsidies to: Non-profit institutions*, in line with the department's core functions.

Table 5.7 : Analysis of payments and estimates summary by economic classification - Social Development

	Audited Outcome			Adjusted Appropriation	Medium-term Estimates			Average Annual Growth	
	2018/19	2019/20	2020/21		2021/22	2022/23	2023/24	2024/25	2018/19-2021/22
R thousand									
Current	2 108 373	2 381 291	2 459 646	2 549 205	2 397 501	2 334 510	2 451 131		
Transfers	569 711	581 805	602 260	1 284 152	690 052	753 120	797 537		
Capital	184 693	157 399	79 621	119 856	110 728	115 989	121 210		
Financial assets	1 529	-	-	-	-	-	-		
Compensation	1 475 936	1 571 196	1 598 574	1 727 009	1 665 176	1 559 039	1 640 752		
Non-compensation	1 388 370	1 549 299	1 542 953	2 226 204	1 533 105	1 644 580	1 729 126		
Non-compensation (excl. transfers)	818 659	967 494	940 693	942 052	843 053	891 460	931 589		
Non-compensation non-capital (NCNC)	1 386 841	1 549 299	1 542 953	2 226 204	1 533 105	1 644 580	1 729 126		
NCNC (excl. transfers)	817 130	967 494	940 693	942 052	843 053	891 460	931 589		
Total expenditure	2 864 306	3 120 495	3 141 527	3 953 213	3 198 281	3 203 619	3 369 878		
% of total expenditure									
Current	73.6	76.3	78.3	64.5	75.0	72.9	72.7		
Transfers	19.9	18.6	19.2	32.5	21.6	23.5	23.7		
Capital	6.4	5.0	2.5	3.0	3.5	3.6	3.6		
Financial assets	0.1	-	-	-	-	-	-		
Compensation	51.5	50.4	50.9	43.7	52.1	48.7	48.7		
Non-compensation	48.5	49.6	49.1	56.3	47.9	51.3	51.3		
Non-compensation (excl. transfers)	28.6	31.0	29.9	23.8	26.4	27.8	27.6		
Non-compensation non-capital (NCNC)	48.4	49.6	49.1	56.3	47.9	51.3	51.3		
NCNC (excl. transfers)	28.5	31.0	29.9	23.8	26.4	27.8	27.6		
Nominal growth (%)									
Current		12.9	3.3	3.6	(6.0)	(2.6)	5.0	6.5	(1.3)
Transfers		2.1	3.5	113.2	(46.3)	9.1	5.9	31.1	(14.7)
Capital		(14.8)	(49.4)	50.5	(7.6)	4.8	4.5	(13.4)	0.4
Financial assets		(100.0)	-	-	-	-	-	(100.0)	-
Compensation		6.5	1.7	8.0	(3.6)	(6.4)	5.2	5.4	(1.7)
Non-compensation		11.6	(0.4)	44.3	(31.1)	7.3	5.1	17.0	(8.1)
Non-compensation (excl. transfers)		18.2	(2.8)	0.1	(10.5)	5.7	4.5	4.8	(0.4)
Non-compensation non-capital (NCNC)		11.7	(0.4)	44.3	(31.1)	7.3	5.1	17.1	(8.1)
NCNC (excl. transfers)		18.4	(2.8)	0.1	(10.5)	5.7	4.5	4.9	(0.4)
Real growth (%)									
Current		7.1	(0.9)	1.0	(9.8)	(6.7)	0.6	2.6	(5.4)
Transfers		(3.2)	(0.6)	107.8	(48.5)	4.6	1.4	26.3	(18.2)
Capital		(19.2)	(51.4)	46.7	(11.4)	0.4	0.1	(16.6)	(3.8)
Financial assets		(100.0)	(4.0)	(2.5)	(4.1)	(4.1)	(4.2)	(100.0)	-
Compensation		0.9	(2.3)	5.3	(7.5)	(10.3)	0.8	1.5	(5.8)
Non-compensation		5.8	(4.4)	40.6	(34.0)	2.8	0.7	12.7	(11.9)
Non-compensation (excl. transfers)		12.0	(6.7)	(2.4)	(14.2)	1.4	0.1	0.9	(4.5)
Non-compensation non-capital (NCNC)		5.9	(4.4)	40.6	(34.0)	2.8	0.7	12.8	(11.9)
NCNC (excl. transfers)		12.2	(6.7)	(2.4)	(14.2)	1.4	0.1	1.0	(4.5)

*Compensation* shows a fluctuating trend over the period, with the MTEF influenced by the carry-through effects of the budget cuts. This has resulted in negative nominal growth of 3.6 per cent in 2022/23, 6.4 per cent in 2023/24 and nominal growth of 5.2 per cent in 2024/25. The extent of the prior MTEF budget cuts against this category has created spending pressures, causing difficulties in the affordability of filling critical vacant posts, as well as the payment of salaries for approximately 800 currently employed staff.

*Transfers* shows an increasing trend, with the budget over the MTEF including allocations for national priorities, such as child and youth care, victim empowerment, the provision of shelters for victims of GBV, as well as additional funding for NPOs already contracted by DSD to maintain the transfers to these NPOs. As a share of total expenditure, this category increased from 21.6 per cent in 2022/23 to 23.7 per cent in 2024/25.

### 5.3.5 Analysis of payments and estimates by economic classification – Other departments

Table 5.8 shows the remaining departments' payments and estimates by economic classification (i.e. all departments excluding DOE, DOH and DSD).

The share of *Current* to total budget increases from 52 per cent in 2018/19, to 56.9 per cent in 2024/25. The decrease in 2020/21 mainly related to the budget cut toward funding the provincial response to the Covid-19 pandemic, the wage freeze, as well as additional reductions implemented to support fiscal consolidation. The MTEF shows an increasing trend which can largely be ascribed to inflationary increments. This category provides for the payment of 3 463 *Izinduna* by the Department of Co-operative

Governance and Traditional Affairs (COGTA) over the MTEF, as well as EDTEA's provision for the roll-out and implementation of the Operation Vula Fund programme and other programmes to support SMME development in the province.

Table 5.8 : Analysis of expenditure summary by classification - Other

	Audited Outcome			Adjusted Appropriation	Medium-term Estimates			Average Annual Growth	
	2018/19	2019/20	2020/21		2022/23	2023/24	2024/25	2018/19-2021/22	2021/22-2024/25
<b>R thousand</b>									
Current	13 470 024	14 125 310	12 668 373	15 049 612	17 011 082	17 318 411	17 345 533		
Transfers	8 798 378	10 070 732	8 485 267	9 473 387	8 366 495	7 991 213	8 348 045		
Capital	3 535 241	2 604 054	2 830 789	4 381 947	4 618 490	4 519 491	4 698 731		
Financial assets	12 575	19 998	9 576	4 128	-	-	-		
Compensation	5 640 036	6 046 187	6 029 443	6 637 065	6 858 721	6 927 138	7 186 612		
Non-compensation	20 263 905	20 889 611	18 051 943	22 360 071	23 227 188	22 993 481	23 301 544		
Non-compensation (excl. transfers)	11 465 527	10 818 879	9 566 676	12 886 684	14 860 693	15 002 268	14 953 499		
Non-compensation non-capital (NCNC)	20 251 330	20 869 613	18 042 367	22 355 943	23 227 188	22 993 481	23 301 544		
NCNC (excl. transfers)	11 452 952	10 798 881	9 557 100	12 882 556	14 860 693	15 002 268	14 953 499		
Statutory payments (Members' remuneration)	87 723	115 704	87 381	88 062	89 842	91 504	95 847		
<b>Total expenditure</b>	<b>25 903 941</b>	<b>26 935 798</b>	<b>24 081 386</b>	<b>28 997 136</b>	<b>30 085 909</b>	<b>29 920 619</b>	<b>30 488 156</b>		
<b>% of total expenditure</b>									
Current	52.0	52.4	52.6	51.9	56.5	57.9	56.9		
Transfers	34.0	37.4	35.2	32.7	27.8	26.7	27.4		
Capital	13.6	9.7	11.8	15.1	15.4	15.1	15.4		
Financial assets	-	0.1	-	-	-	-	-		
Compensation	21.8	22.4	25.0	22.9	22.8	23.2	23.6		
Non-compensation	78.2	77.6	75.0	77.1	77.2	76.8	76.4		
Non-compensation (excl. transfers)	44.3	40.2	39.7	44.4	49.4	50.1	49.0		
Non-compensation non-capital (NCNC)	78.2	77.5	74.9	77.1	77.2	76.8	76.4		
NCNC (excl. transfers)	44.2	40.1	39.7	44.4	49.4	50.1	49.0		
Statutory payments (Members' remuneration)	0.3	0.4	0.4	0.3	0.3	0.3	0.3		
<b>Nominal growth (%)</b>									
Current		4.9	(10.3)	18.8	13.0	1.8	0.2	3.8	4.8
Transfers		14.5	(15.7)	11.6	(11.7)	(4.5)	4.5	2.5	(4.1)
Capital		(26.3)	8.7	54.8	5.4	(2.1)	4.0	7.4	2.4
Financial assets		59.0	(52.1)	(56.9)	(100.0)	-	-	(31.0)	(100.0)
Compensation		7.2	(0.3)	10.1	3.3	1.0	3.7	5.6	2.7
Non-compensation		3.1	(13.6)	23.9	3.9	(1.0)	1.3	3.3	1.4
Non-compensation (excl. transfers)		(5.6)	(11.6)	34.7	15.3	1.0	(0.3)	4.0	5.1
Non-compensation non-capital (NCNC)		3.1	(13.5)	23.9	3.9	(1.0)	1.3	3.4	1.4
NCNC (excl. transfers)		(5.7)	(11.5)	34.8	15.4	1.0	(0.3)	4.0	5.1
Statutory payments (Members' remuneration)		31.9	(24.5)	0.8	2.0	1.8	4.7	0.1	2.9
<b>Real growth (%)</b>									
Current		(0.6)	(13.9)	15.8	8.4	(2.4)	(4.1)	(0.0)	0.5
Transfers		8.5	(19.1)	8.8	(15.3)	(8.4)	0.1	(1.3)	(8.1)
Capital		(30.2)	4.3	50.9	1.1	(6.2)	(0.4)	3.5	(1.9)
Financial assets		50.7	(54.0)	(58.0)	(100.0)	(4.1)	(4.2)	(33.5)	(100.0)
Compensation		1.6	(4.3)	7.3	(0.9)	(3.2)	(0.6)	1.7	(1.6)
Non-compensation		(2.3)	(17.1)	20.7	(0.4)	(5.1)	(2.9)	(0.5)	(2.8)
Non-compensation (excl. transfers)		(10.6)	(15.1)	31.3	10.6	(3.2)	(4.5)	0.2	0.7
Non-compensation non-capital (NCNC)		(2.3)	(17.0)	20.8	(0.4)	(5.1)	(2.9)	(0.4)	(2.8)
NCNC (excl. transfers)		(10.6)	(15.1)	31.4	10.6	(3.2)	(4.5)	0.2	0.7
Statutory payments (Members' remuneration)		25.0	(27.5)	(1.8)	(2.2)	(2.4)	0.3	(3.5)	(1.4)

*Transfers* caters for transfers relating to the HSDG and transfers to various public entities, among others. This category reflects a declining trend from 34 per cent in 2018/19, to 27.4 per cent in 2024/25. The decrease in 2020/21 largely relates to budget cuts effected to provide funding for the provincial response to the Covid-19 pandemic. The increase in the 2021/22 Adjusted Appropriation largely relates to additional funding for the pressures in property rates payments, the Provincial Emergency Housing grant, the implementation of service delivery projects such as the water intervention projects, as well as other priority projects such as the Operation Vula Fund programme. The budget remains steady over the MTEF other than a decrease in 2023/24 largely due to the carry-through of the budget cuts made in in the previous budget process.

*Capital* shows an increasing trend from 13.6 per cent in 2018/19 to 15.4 per cent in 2024/25. The fluctuations over the MTEF are largely due to additions made to DOHS and DOT with regard to disaster allocations.

## 5.4 Payments and estimates by functional area

Table 5.9 shows the summary of payments and estimates by functional or policy area, details of which are shown in *Annexure 1.E (a) and (b)*. The analysis explains what each category consists of, while a detailed analysis on the trends is available in each Vote's chapter in the *EPRE*.

Table 5.9 : Summary of payments and estimates by functional area

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2018/19	2019/20	2020/21		2021/22		2022/23	2023/24	2024/25
General Public Services	5 660 346	6 530 469	5 556 728	6 212 302	6 654 050	6 611 187	6 521 111	6 394 997	6 681 411
Public Order and Safety	224 891	233 783	184 276	233 378	233 378	232 447	236 867	235 819	246 429
Economic Affairs	13 926 418	13 436 713	12 507 790	15 690 030	15 778 200	15 778 200	16 569 744	16 272 827	16 714 536
Environmental Protection	973 642	1 030 630	1 200 630	1 169 167	1 135 726	1 135 726	1 148 212	1 190 714	1 242 440
Housing and Community Amenities	3 734 629	4 261 359	3 547 458	3 597 231	3 709 403	3 709 403	4 123 328	4 335 277	4 033 291
Health	41 993 153	44 724 150	49 000 711	47 972 570	50 180 478	50 273 311	49 174 909	47 724 840	50 035 596
Recreation, Culture and Religion	1 353 345	1 414 946	1 070 184	1 458 338	1 471 041	1 471 041	1 471 898	1 475 209	1 553 565
Education	51 376 853	55 376 978	57 784 498	53 658 250	57 918 174	59 201 431	57 950 644	58 271 201	59 002 222
Social Protection	2 851 316	3 108 917	3 131 655	3 678 756	3 933 061	3 949 786	3 178 035	3 182 418	3 347 721
<b>Total</b>	<b>122 094 593</b>	<b>130 117 945</b>	<b>133 983 930</b>	<b>133 670 022</b>	<b>141 013 511</b>	<b>142 362 532</b>	<b>140 374 748</b>	<b>139 083 302</b>	<b>142 857 211</b>

The highest expenditure is on *Education* and includes budgets for public ordinary schools, public special school education, ECD and infrastructure development, as well as health sciences and training, and structured agricultural training. The substantial decline in 2022/23 when compared to the 2021/22 Revised Estimate is due to budget cuts made in the previous budget process with carry-through, and the fact that DOE is projecting to over-spend in 2021/22.

The second largest expenditure is on *Health*. This category also sees a substantial decline in 2022/23 due to the budget cuts effected in the previous budget process, both in respect of the equitable share and conditional grants. The MTEF budget is in respect of delivery of primary health care services to the approximately 87.4 per cent uninsured population of KZN, the District Health Programmes grant, laundry services and orthotic and prosthetic services posts, among others.

*Economic Affairs* comprises DOT (for the construction and maintenance of the road network, public transport services and law enforcement), the Department of Agriculture and Rural Development (DARD) (providing support to food insecure communities at subsistence and household food production level) and EDTEA (Operation Vula, the development of SMMEs, the Environmental Affairs and Gaming and Betting functions). This category shows fluctuations over the MTEF, influenced by a disaster allocation made to DOT, with these funds only allocated in the first two years of the MTEF.

*General Public Services* includes the Legislature (provides oversight over all departments) and administrative departments such as Provincial Treasury (financial management, internal audit, SCM, as well as support for transversal financial systems), Office of the Premier (OTP) (cross-cutting and transversal activities, such as integrity management, youth development, support to His Majesty, the King, KZN Youth Empowerment Fund, Forensic Investigation Services), COGTA (support and ensures alignment between national, provincial and local government priorities, promotes good governance and enhances financial management in municipalities, provides support and builds capacity of traditional institutions, traditional council elections, etc.), Department of Public Works (DOPW) (municipal property rates, the implementation of Government Immovable Asset Management Act (GIAMA) projects, as well as improving infrastructure support and infrastructure projects), and a portion of DOT (for administrative, strategic, financial and corporate support services).

*Housing and Community Amenities* relates to DOHS, and is mainly in respect of the HSDG, for the provision of low-income housing programmes, including people's housing programmes, integrated residential development programmes, rural housing subsidies, informal settlement upgrades, etc.

*Social Protection* relates to DSD and caters for various social services, such as services to older persons and persons with disabilities, care and services to families, child care and protection services, victim empowerment, substance abuse, youth and women development, the HIV Prevention Programme, additional Social Workers, etc.

*Recreation, Culture and Religion* falls under DSAC which provides sport and recreation facilities and the school sport programme, while also ensuring the cultural advance of KZN through hosting various cultural events and provision of reading and writing material, the provincialisation of museums and libraries, as well as the construction of new libraries and museums.

*Environmental Protection* relates to Environmental Affairs under EDTEA and includes transfers to Ezemvelo KZN Wildlife (EKZNW).



*Public Order and Safety* relates to the Department of Community Safety and Liaison (DCSL), and performs the function of safety information analysis, crime awareness projects, including school safety, substance abuse and stock theft, etc. The MTEF budget provides for the maintenance and establishment of community safety structures, crime prevention programmes, station evaluations, among others.

## 5.5 Infrastructure payments and estimates

### 5.5.1 Introduction

The National Minister of Finance, when tabling his budget on 23 February 2022, emphasized the role infrastructure development will play in the revitalisation of the country's economy. The upgrading of roads, bridges, transport networks, school infrastructure and improvements of hospitals and clinics will provide employment opportunities for the citizens of the province. National Treasury is currently considering different approaches in infrastructure delivery, pertaining to the financing and also delivery mechanism. It is expected that, once the reviews are completed, they will be rolled out in conjunction with provinces.

#### 5.5.1.1 Infrastructure management

The province continues to roll-out the Infrastructure Delivery Management System (IDMS) as it is essential that the investment in infrastructure is properly planned and delivered, while entrenching value for money. The IDMS provides best practices in terms of planning for long, medium and short-term infrastructure delivery. The plans developed in this regard include the long-term plan known as the User Asset Management Plan (UAMP) for buildings or Road Asset Management Plan (RAMP) for roads infrastructure, with a ten-year horizon. The medium-term plan is the Infrastructure Programme Management Plan (IPMP), with a three-year horizon, and the short-term plan is the Infrastructure Programme Implementation Plan (IPIP) with a one-year horizon. All provincial departments are required to prepare these plans prior to the commencement of a new financial year.

To monitor progress on project implementation and accompanying spending, all departments are required to utilise a monitoring and reporting tool called the Infrastructure Reporting Model (IRM). The IRM includes a planning and a budgeting component. A detailed infrastructure analysis and the project list for each department is presented in the *2022/23 Estimates of Capital Expenditure (ECE)*. The publication presents a global view of provincial government investment in infrastructure.

### 5.5.2 Trends in infrastructure payments and estimates

The infrastructure payments and estimates by category are shown in Table 5.10: Summary of infrastructure payments and estimates by category. This table includes the HSDG from 2021/22. This follows consultation within the Human Settlements sector and recommendations made by the National Treasury. Historical figures were restated.

**Table 5.10 : Summary of infrastructure payments and estimates by category**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2018/19	2019/20	2020/21	2021/22			2022/23	2023/24	2024/25
<b>Existing infrastructure assets</b>	<b>7 929 225</b>	<b>7 199 271</b>	<b>8 949 803</b>	<b>9 514 848</b>	<b>9 502 498</b>	<b>9 606 776</b>	<b>10 571 622</b>	<b>11 004 627</b>	<b>10 730 706</b>
Maintenance and repair: Current	3 288 714	3 224 167	3 127 167	3 556 342	3 699 737	3 752 115	4 057 610	4 005 149	3 860 183
Upgrades and additions: Capital	2 944 824	2 533 357	3 854 100	3 474 375	3 419 145	3 288 435	3 347 822	3 601 138	4 153 621
Refurbishment and rehabilitation: Capital	1 695 687	1 441 747	1 968 536	2 484 131	2 383 616	2 566 226	3 166 190	3 398 340	2 716 902
<b>New infrastructure assets: Capital</b>	<b>1 621 876</b>	<b>1 323 643</b>	<b>1 003 110</b>	<b>1 166 599</b>	<b>1 117 669</b>	<b>1 080 873</b>	<b>1 321 199</b>	<b>1 037 839</b>	<b>1 233 340</b>
<b>Infrastructure transfers</b>	<b>3 594 232</b>	<b>4 346 327</b>	<b>3 358 447</b>	<b>3 174 504</b>	<b>3 716 896</b>	<b>3 596 638</b>	<b>3 956 464</b>	<b>4 094 911</b>	<b>3 803 333</b>
Infrastructure transfers: Current	44 798	39 478	33 090	25 189	37 529	37 529	36 600	36 017	35 449
Infrastructure transfers: Capital	3 549 434	4 306 849	3 325 357	3 149 315	3 679 367	3 559 109	3 919 864	4 058 894	3 767 884
<b>Infrastructure: Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Infrastructure: Leases</b>	<b>368 083</b>	<b>421 968</b>	<b>489 909</b>	<b>391 125</b>	<b>593 372</b>	<b>597 746</b>	<b>467 070</b>	<b>465 314</b>	<b>468 215</b>
<b>Non infrastructure</b>	<b>1 797 036</b>	<b>2 694 570</b>	<b>2 248 700</b>	<b>2 202 615</b>	<b>2 511 213</b>	<b>2 447 178</b>	<b>2 317 132</b>	<b>2 358 414</b>	<b>2 452 787</b>
<b>Total</b>	<b>15 310 452</b>	<b>15 985 779</b>	<b>16 049 969</b>	<b>16 449 691</b>	<b>17 441 648</b>	<b>17 329 211</b>	<b>18 633 487</b>	<b>18 961 105</b>	<b>18 688 381</b>
<i>Capital infrastructure</i>	<i>9 811 821</i>	<i>9 605 596</i>	<i>10 151 103</i>	<i>10 274 420</i>	<i>10 599 797</i>	<i>10 494 643</i>	<i>11 755 075</i>	<i>12 096 211</i>	<i>11 871 747</i>
<i>Current infrastructure</i>	<i>3 701 595</i>	<i>3 685 613</i>	<i>3 650 166</i>	<i>3 972 656</i>	<i>4 330 638</i>	<i>4 387 390</i>	<i>4 561 280</i>	<i>4 506 480</i>	<i>4 363 847</i>

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

The bulk of the infrastructure expenditure is on existing infrastructure assets through maintenance, refurbishment, upgrades and additions.

*Maintenance and repair: Current* caters for routine, preventative, mechanical servicing and other maintenance. This category shows a downward trend over the MTEF.

*Upgrades and additions: Capital* is mainly driven by DOH's upgrades to their facilities, including staff accommodation, as well as the upgrade of schools by DOE. The category increases over the MTEF.

*Refurbishment and rehabilitation: Capital* show an upward trend in the first two years of the MTEF and a decline thereafter and this is partially influenced by DOE allocating the full disaster allocation against this category and these funds were only received for two years.

*New infrastructure assets: Capital* shows fluctuations over the MTEF.

*Infrastructure transfers* includes the HSDG transfers to municipalities.

*Infrastructure: Leases* provides for the hiring of office accommodation for various district offices across the province and this expenditure item is mainly driven by DOH and DOE. The decrease in 2022/23 is attributed to the once-off hiring of facilities related to Covid-19 by DOH in 2021/22, while DOE has under budgeted for this item over the MTEF. This will be addressed in-year through reprioritisation to address the shortfall, especially in 2023/24.

*Non infrastructure* largely relates to DOH for procurement of capital medical equipment. Fluctuations are attributed to exchange rate variations in the cost of essential medical equipment.

Table 5.11 shows the infrastructure payments and estimates by Vote. Four departments, namely DOT, DOH, DOHS and DOE, spend the most on infrastructure in the province.

**Table 5.11 : Summary of infrastructure payments and estimates by Vote**

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2018/19	2019/20	2020/21	Appropriation	Appropriation	Estimate	2022/23	2023/24	2024/25
					2021/22				
1. Office of the Premier	13 498	22 248	18 265	16 477	28 277	41 277	18 478	19 291	20 158
2. Provincial Legislature	15 982	17 358	26 793	12 020	61 070	60 793	12 675	13 232	13 827
3. Agriculture and Rural Development	134 147	202 630	213 536	230 113	201 929	208 887	169 971	129 011	128 500
4. Economic Dev, Tourism and Enviro Affairs	450 833	604 330	465 841	245 108	277 552	238 152	262 222	264 717	276 630
5. Education	2 354 779	2 886 699	2 988 056	2 596 810	2 797 200	2 797 497	2 913 422	3 215 350	3 019 495
6. Provincial Treasury	19 323	19 249	18 744	19 737	22 877	22 965	21 684	22 377	22 479
7. Health	1 975 497	2 243 643	3 482 735	2 015 844	2 134 605	2 096 138	2 180 546	2 199 393	2 279 271
8. Human Settlements	3 007 116	3 381 071	2 822 674	2 820 735	3 300 148	3 196 462	3 717 046	3 946 633	3 630 047
9. Community Safety and Liaison	9 381	11 875	13 692	11 794	11 794	11 794	12 394	12 945	13 535
10. Sport, Arts and Culture	168 704	134 181	121 769	185 961	211 461	213 849	190 860	180 647	185 270
11. Co-operative Governance and Traditional Affairs	152 110	310 470	127 808	136 327	293 876	294 900	227 323	247 534	289 943
12. Transport	6 774 246	5 847 856	5 577 475	7 965 493	7 888 493	7 890 335	8 735 789	8 520 320	8 611 063
13. Social Development	193 313	246 450	125 788	159 586	175 680	213 076	145 518	162 971	170 305
14. Public Works	41 523	57 719	46 793	33 686	36 686	43 086	25 559	26 684	27 858
<b>Total</b>	<b>15 310 452</b>	<b>15 985 779</b>	<b>16 049 969</b>	<b>16 449 691</b>	<b>17 441 648</b>	<b>17 329 211</b>	<b>18 633 487</b>	<b>18 961 105</b>	<b>18 688 381</b>

## 5.6 Public Private Partnerships (PPP)

The following gives an update on the PPPs in KZN.

### *Inkosi Albert Luthuli Central Hospital (IALCH)*

DOH entered into a PPP transaction in terms of which a 15-year concession contract in respect of the IALCH was signed in December 2001 between DOH and Impilo Consortium (Pty) Ltd. Financial closure occurred in February 2002, with the hospital opening its doors on 28 June 2002. As required by the contract, DOH had finalised the final works programme and the contract review. The term of this contract ended on 31 January 2017 and had to be extended by three years to allow DOH to finalise its exit strategy. The exit strategy has since been completed. In November 2019, DOH approached National Treasury for another extension for a further three years to allow the department to finalise the appointment of a new private party, to which, National Treasury extended the contract by only 18 months, ending 31 July 2021. Treasury Approval I from National Treasury was then received in February 2021.

DOH was only able to select qualified bidders on 31 July 2021 and had not appointed a new private party at this stage. This resulted in DOH having to approach National Treasury again for an extension of a further 18 months ending 31 January 2023. The Request for Proposal for the appointment of a private party closed on 28 February 2022, eleven months before the expiry of the current extension.

There is a concern in terms of events that still need to transpire, such as the evaluation process, three Treasury approvals required (Revised Treasury Approval I, Treasury Approval IIB and Treasury Approval III) and negotiation of the contract with a private party is a lengthy process which does not take less than four months. It may thus be difficult for DOH to reach financial closure by 31 January 2023.

#### ***KwaDukuza Municipality – Solid Waste Management project***

The KwaDukuza Municipality identified the need to procure the most cost-effective service delivery mechanism regarding refuse removal. A team of Transaction Advisors was appointed to assist the municipality in undertaking Section 78 investigations. The feasibility study report is complete, and, as required by the Municipal Systems Act (Act No. 32 of 2000), the municipality finalised public participation and stakeholder consultation. Treasury Views and Recommendation 1 (TVR1) for the project were received from National Treasury during 2016/17. All necessary approvals, Views and Recommendations were obtained (TVR2 and TVR3).

In October 2020, the municipality concluded a concession contract with Dolphin Coast Waste Management, having followed the requirements of Section 33 of the MFMA. The PPP unit will continue to provide technical support and will monitor and evaluate the current concession contract.

#### ***Ilembe District Municipality – Water and Sanitation***

In January 1999, the Borough of Dolphin Coast (now iLembe District Municipality) and Siza Water Company entered into a concession agreement whereby Siza Water Company would oversee, manage and implement the provision of water and sanitation services within the municipal boundary on a concession basis.

This is a closed project, with a concession period of 30 years and the contract reviewable on a five-year basis. The district municipality has recently finalised the five-year plan ending 2024. With only seven years left before the end of this concession contract, both the PPP unit and the Government Technical Advisory Centre (GTAC) are negotiating an early commencement of the exit strategy to allow the municipality to explore various options available to them before the end of the contract. The PPP unit will continue to provide technical support and will monitor and evaluate the current concession contract.

#### ***City of uMhlathuze – Water re-use project***

The City of uMhlathuze is a large and growing economic region with many significant industrial concerns, and is dependent on an adequate supply of water to sustain itself and its residents.

uMhlathuze undertook preparatory work in the form of water resource studies and master planning that resulted in recognising the importance of securing an adequate water supply to underpin its planned growth.

A feasibility study has been completed, and the views and recommendations from National Treasury and Provincial Treasury have been solicited, with the project being given the go-ahead. The municipality is in the process of appointing a private party, and the PPP unit will continue with its compliance monitoring, support and evaluation function to assess the implementation of Section 120 of the MFMA.

#### ***City of uMhlathuze – Airport relocation***

The uMhlathuze Municipality is concerned about the long-term sustainability of the Richards Bay airport and has undertaken a pre-feasibility study, primarily in response to this concern.

The situation has been exacerbated by ongoing difficulties presented by the current concession arrangement under which the airport is operated and managed, which is scheduled to end soon. On a technical level, the main concerns relate to the ability of the airport to meet the International Civil Aviation Organisation (ICAO) requirements for compliance of new aircraft types to be introduced on

feeder routes in South Africa during the analysis period, as well as the limitation at the current airport for expansion due to its location. A Transaction Advisor has been appointed, and the feasibility study investigation has commenced and will be finalised during 2022/23. The PPP unit will continue with its compliance monitoring, support and evaluation function to assess the implementation of Section 120 of the MFMA.

### King Shaka International Airport Public Transport Link

EDTEA identified the need to develop a public transport system linking King Shaka International Airport (KSIA) to Durban and surrounding areas.

The King Shaka Public Transport Link (Transport Link) forms part of a holistic and integrated transport network and the need to advance the use of public transport in the province. The Transport Link project is also envisaged to address and support the goal of improving the citizens' standard of living in and around Durban through infrastructure development. Procurement processes were undertaken for the appointment of a Transaction Advisor. The preferred and reserved bidder was gazetted, and one bidder was not satisfied with the evaluation outcome and decided to challenge the process. The matter is being handled by both EDTEA and Provincial Treasury, as both departments are respondents to the court challenge.

## 5.7 Transfers

### 5.7.1 Transfers to public entities (listed in terms of Schedule 3 of the PFMA) and other entities

Table 5.12 shows the transfers made by departments to public entities as listed in Schedule 3 of the PFMA, as well as to other entities. More detail on the transfers is provided under each Vote's chapter.

**Table 5.12 : Summary of 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		
	2018/19	2019/20	2020/21		2021/22		2022/23	2023/24	2024/25
<b>Transfers to public entities</b>	<b>2 279 483</b>	<b>2 372 824</b>	<b>2 347 637</b>	<b>2 314 923</b>	<b>2 386 057</b>	<b>2 386 057</b>	<b>2 371 755</b>	<b>2 431 625</b>	<b>2 541 071</b>
<b>Vote 1 : Office of the Premier</b>	<b>19 600</b>	<b>22 586</b>	<b>30 654</b>	<b>23 748</b>	<b>23 748</b>	<b>23 748</b>	<b>24 888</b>	<b>25 983</b>	<b>27 152</b>
Zulu Royal House Trust	19 600	22 586	30 654	23 748	23 748	23 748	24 888	25 983	27 152
<b>Vote 3 : Agriculture and Rural Dev.</b>	<b>202 372</b>	<b>195 747</b>	<b>190 647</b>	<b>197 342</b>	<b>210 776</b>	<b>210 776</b>	<b>219 963</b>	<b>213 445</b>	<b>223 074</b>
Agri-business Development Agency	120 014	133 653	190 647	197 342	210 776	210 776	219 963	213 445	223 074
Ithala Development Finance Corporation	23 557	-	-	-	-	-	-	-	-
Mjindi Farming (Pty) Ltd	58 801	62 094	-	-	-	-	-	-	-
<b>Vote 4 : Economic Dev, Tourism and Enviro. Affairs</b>	<b>2 057 511</b>	<b>2 154 491</b>	<b>2 126 336</b>	<b>2 080 833</b>	<b>2 138 533</b>	<b>2 138 533</b>	<b>2 126 904</b>	<b>2 192 197</b>	<b>2 290 845</b>
Dube TradePort Corporation	356 695	478 268	399 652	477 537	477 537	477 537	490 991	504 531	527 235
Ezemvelo KwaZulu-Natal Wildlife	767 512	769 438	986 992	881 657	881 657	881 657	854 830	893 255	933 451
KwaZulu-Natal Film Commission	96 267	90 538	83 548	81 082	84 082	84 082	83 855	88 157	92 124
KwaZulu-Natal Gaming and Betting Board	42 310	44 771	55 788	48 361	51 361	51 361	50 552	52 776	55 151
KwaZulu-Natal Liquor Authority	80 189	84 680	83 586	87 382	87 382	87 382	88 340	89 252	93 268
KwaZulu-Natal Tourism Authority	151 117	199 887	111 091	138 442	142 342	142 342	157 202	150 890	157 680
KwaZulu-Natal Sharks Board	72 297	79 587	73 377	70 245	70 245	70 245	71 443	69 663	72 798
Trade and Investment KwaZulu-Natal	85 935	102 321	83 415	85 306	98 306	98 306	99 836	90 116	94 171
Ithala Development Finance Corporation	275 659	164 717	161 812	93 632	138 432	138 432	119 910	124 142	129 728
Richards Bay Industrial Development Zone	129 530	140 284	87 075	117 189	107 189	107 189	109 945	129 415	135 239
<b>Vote 10 : Sport, Arts and Culture</b>	<b>42 646</b>	<b>66 304</b>	<b>56 888</b>	<b>66 360</b>	<b>66 360</b>	<b>66 360</b>	<b>66 014</b>	<b>64 853</b>	<b>67 377</b>
KZN Amafa and Research Institute	33 989	57 163	50 944	57 786	57 786	57 786	57 515	57 354	59 878
The PlayHouse Company	8 657	9 141	5 944	8 574	8 574	8 574	8 499	7 499	7 499
<b>Vote 11 : COGTA</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13 000</b>	<b>13 000</b>	<b>13 000</b>	<b>-</b>	<b>-</b>	<b>-</b>
Agri-Business Development Agency	-	-	-	13 000	13 000	13 000	-	-	-
<b>Transfers to other entities</b>	<b>4 598 865</b>	<b>4 934 174</b>	<b>5 793 090</b>	<b>5 259 325</b>	<b>5 455 327</b>	<b>5 433 258</b>	<b>5 226 936</b>	<b>5 521 963</b>	<b>5 771 218</b>
1. Office of the Premier	-	-	-	50 000	50 000	50 000	-	-	327
2. Provincial Legislature	40 515	40 297	40 313	40 284	284	284	300	313	327
3. Agriculture and Rural Development	89 160	188 382	175 379	152 113	152 273	152 293	115 954	131 615	140 673
4. Economic Dev., Tourism and Enviro. Affairs	208 684	245 785	110 551	112 172	363 661	370 036	146 030	112 631	117 700
5. Education	1 937 116	2 003 796	3 347 209	2 110 539	1 965 267	1 965 267	2 579 765	2 817 560	2 944 332
6. Provincial Treasury	3 801	1 090	527	628	1 178	1 071	1 658	1 809	1 591
7. Health	62 473	53 427	57 294	59 205	59 205	59 205	62 048	64 778	67 693
8. Human Settlements	184 730	246 759	172 925	171 788	168 088	168 088	171 965	174 232	176 392
9. Community Safety and Liaison	-	-	-	-	-	-	-	-	-
10. Sport, Arts and Culture	101 448	91 912	51 487	77 898	85 669	85 669	81 917	81 584	81 947
11. Co-operative Governance and Traditional Affairs	60	99 000	-	-	-	-	58 000	8 100	5 000
12. Transport	1 411 689	1 398 113	1 250 250	1 321 338	1 341 338	1 336 893	1 335 845	1 393 663	1 456 254
13. Social Development	559 189	565 613	587 155	1 163 360	1 268 364	1 244 452	673 454	735 678	779 309
14. Public Works	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>6 878 348</b>	<b>7 306 998</b>	<b>8 140 727</b>	<b>7 574 248</b>	<b>7 841 384</b>	<b>7 819 315</b>	<b>7 598 691</b>	<b>7 953 588</b>	<b>8 312 289</b>

There are 15 active public entities, of which two are listed in the PFMA as Schedule 3D entities, 11 as Schedule 3C entities, and two are currently unlisted.

The public entities' budgets were affected by the Covid-19 pandemic over the previous two years, and the budgets over the MTEF take into account the service delivery requirements of the public entities to address their mandates and to respond to the needs of their clients in a constrained economic environment.

The transfers to public entities reflect inflationary growth over the MTEF and provide for operational costs, as well as specific capital projects in the SEZs, and various support initiatives to facilitate economic recovery and to restore investor confidence.

The province will continue with the implementation of the Rationalisation of public entities process. In line with the Rationalisation of public entities recommendations, a key milestone achieved includes the review and amendment of Legislation (founding mandates) of eight entities.

This includes the KZN Environmental, Biodiversity, Protected Areas and Human-Wildlife Interaction Management Bill, which incorporates the functions of the KZN Sharks Board (KZNSB) into EKZNW, the KZN Economic Regulatory Authority Bill, merging the Boards of the KZN Liquor Authority (KZNLA) and KZN Gaming and Betting Board (KZNGBB), the Tourism and Audio Visual Agency Bill, in order to establish one entity to perform the powers, roles and functions of the KZN Film Commission (KZNFC) and KwaZulu-Natal Tourism Authority (TKZN). Furthermore, the KZN Growth Fund Agency Bill, to convert the current private KZN Growth Fund Trust (KZNGFT) to a provincial public entity, and the Moses Kotane Research Institute Bill, to convert the non-profit company to a provincial public entity, are in the final stages of review.

The Bills for the entities to be merged are expected to be enacted in 2022/23, but the impact thereof has not yet been incorporated into the 2022/23 MTEF budget.

### 5.7.2 Transfers to local government

Table 5.13 provides a summary of provincial transfers to local government by category, with Table 5.14 presenting a summary by grant type.

**Table 5.13 : Summary of transfers to local government by category**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2018/19	2019/20	2020/21		2021/22		2022/23	2023/24	2024/25
Category A	801 300	716 384	647 086	674 172	755 449	743 685	1 158 234	1 011 639	1 150 145
Category B	749 429	1 084 545	837 982	648 896	1 034 791	1 046 555	2 735 040	2 473 384	2 510 629
Category C	50 886	117 136	9 460	1 953	137 036	137 036	101 888	100 324	97 512
Unallocated	-	-	-	-	1 500	1 500	-	-	-
<b>Total</b>	<b>1 601 615</b>	<b>1 918 065</b>	<b>1 494 528</b>	<b>1 325 021</b>	<b>1 928 776</b>	<b>1 928 776</b>	<b>3 995 162</b>	<b>3 585 347</b>	<b>3 758 286</b>

Category A (metropolitan council) refers to municipalities that have exclusive municipal executive and legislative authority within their areas. The transfers to the eThekweni Metro relate to payments of property rates, the Community Library Services grant, municipal clinics, among others.

Category B (local municipality) refers to a municipality that shares municipal executive and legislative authority with a Category C (defined below) municipality.

Category C (district municipality) refers to municipalities that have municipal executive and legislative authority in an area that includes more than one local municipality.

**Table 5.14 : Summary of transfers to local government by department and grant type**

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2018/19	2019/20	2020/21	Appropriation	Appropriation	Estimate	2022/23	2023/24	2024/25
<b>Vote 3 : Agriculture and Rural Dev.</b>	<b>25</b>	<b>30</b>	<b>4</b>	<b>42</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>6</b>	<b>6</b>
OSCA - Rates and Taxes	25	30	4	42	4	4	4	6	6
<b>Vote 4 : Economic Dev., Tourism and Enviro. Affairs</b>	<b>7 200</b>	<b>44 900</b>	<b>56 525</b>	<b>-</b>	<b>74 933</b>	<b>74 933</b>	<b>65 300</b>	<b>-</b>	<b>-</b>
Revitalisation of City Centre	-	-	300	-	-	-	-	-	-
Infrastructure Economic Development	-	-	14 500	-	14 017	14 017	16 300	-	-
Municipal Employment Initiative	-	-	-	-	3 000	3 000	15 500	-	-
KwaMajomela Light Manuf. Centre	-	2 100	3 500	-	7 821	7 821	-	-	-
Margate Airport	3 000	3 000	4 000	-	-	-	5 000	-	-
Newcastle Airport	-	-	-	-	2 000	2 000	3 000	-	-
Mkhuze Airport	2 000	30 000	-	-	31 000	31 000	-	-	-
Pietermaritzburg Airport	-	-	2 500	-	-	-	3 000	-	-
Richards Bay Airport	-	-	-	-	-	-	1 000	-	-
Prince Mangosuthu Buthelezi Airport	-	-	-	-	-	-	500	-	-
uTshwayelo	-	-	-	-	1 720	1 720	1 000	-	-
Mtubatuba Agro-processing Facility	-	-	1 750	-	-	-	-	-	-
Estcourt Community Bridge - Dalton	-	-	5 000	-	-	-	-	-	-
Long Term Development Strategy	-	-	1 000	-	2 000	2 000	2 000	-	-
Kosi Bay Border Dev.	1 200	-	-	-	-	-	-	-	-
Tourism Route Strategy - various munic.	-	2 100	-	-	-	-	-	-	-
Cultural Village	-	700	-	-	-	-	-	-	-
Mkhuze Falls	-	2 500	3 000	-	-	-	-	-	-
Howick Falls	-	-	5 000	-	-	-	-	-	-
Mtubatuba Tourist Centre	-	-	1 750	-	-	-	-	-	-
Jozini Information Centre	-	-	1 500	-	-	-	-	-	-
uMzumba Trails	-	2 000	-	-	-	-	-	-	-
Sibhudu Caves & KwaShushu Hotspring	-	1 000	-	-	-	-	-	-	-
Drakensberg Extravaganza	-	-	6 500	-	-	-	-	-	-
Balele Game Reserve	-	-	-	-	3 000	3 000	3 500	-	-
Koppie Guesthouse: Mahlalela Com. Trust	-	1 500	-	-	2 500	2 500	-	-	-
Mtubatuba Information Centre	-	-	-	-	6 000	6 000	6 500	-	-
Highover Game Reserves	-	-	-	-	-	-	3 000	-	-
Beach Development	-	-	-	-	-	-	5 000	-	-
Greenest Municipality Competition	1 000	-	6 225	-	1 875	1 875	-	-	-
<b>Vote 7 : Health</b>	<b>215 276</b>	<b>222 892</b>	<b>199 352</b>	<b>244 843</b>	<b>234 843</b>	<b>234 843</b>	<b>256 596</b>	<b>268 736</b>	<b>281 275</b>
Subsidy: Municipal clinics	215 276	222 892	199 352	244 843	234 843	234 843	256 596	268 736	281 275
<b>Vote 8 : Human Settlements</b>	<b>193 664</b>	<b>85 974</b>	<b>104 318</b>	<b>64 289</b>	<b>78 629</b>	<b>78 629</b>	<b>2 332 091</b>	<b>2 235 261</b>	<b>2 325 448</b>
Accredited municipalities	43 098	17 758	32 190	24 289	36 629	36 629	34 289	34 289	34 289
CRU programme	80 000	-	51 501	40 000	40 000	40 000	45 000	45 000	45 000
HSDG	-	-	-	-	-	-	1 532 962	1 602 814	1 693 001
ISUPG	-	-	-	-	-	-	719 840	553 158	553 158
Rates and taxes	357	379	524	-	2 000	2 000	-	-	-
Title deeds restoration prog.	69 997	67 837	20 103	-	-	-	-	-	-
FLISP	212	-	-	-	-	-	-	-	-
<b>Vote 10 : Sport, Arts and Culture</b>	<b>306 773</b>	<b>314 857</b>	<b>305 412</b>	<b>319 539</b>	<b>340 039</b>	<b>340 039</b>	<b>327 182</b>	<b>318 761</b>	<b>333 647</b>
Art Centres (Operational costs)	1 911	1 911	956	1 911	1 911	1 911	1 911	1 911	1 911
Museum subsidies	8 987	12 438	15 443	13 012	13 012	13 012	11 530	12 220	12 758
Provincialisation of libraries	197 965	207 863	212 392	190 763	190 763	190 763	190 075	193 802	202 329
Community Library Services grant	50 045	51 503	45 184	60 066	60 066	60 066	68 468	68 468	74 481
Maintenance grant	1 700	450	900	900	900	900	2 311	1 728	1 160
Infrastructure	46 165	40 692	30 537	52 887	73 387	73 387	52 887	40 632	41 008
<b>Vote 11 : COGTA</b>	<b>150 101</b>	<b>218 620</b>	<b>-</b>	<b>-</b>	<b>154 020</b>	<b>154 020</b>	<b>78 000</b>	<b>24 700</b>	<b>47 560</b>
Shared Legal Services	2 000	-	-	-	-	-	-	-	-
Indigent Register	3 000	-	-	-	-	-	-	-	-
Integrated Youth Dev. Summit	1 000	-	-	-	-	-	-	-	-
Dev. Planning and Shared Serv	2 650	4 350	-	-	-	-	-	-	-
Schemes Support programme	4 500	6 050	-	-	-	-	-	-	-
Spatial Dev. Framework Support	5 000	4 450	-	-	-	-	-	-	-
Nodal Plans	5 000	-	-	-	-	-	-	-	-
Building Plans Info. Mgt System	2 000	2 500	-	-	-	-	-	-	-
Geospatial Database Development	800	1 500	-	-	-	-	-	-	-
GIS Functionality	500	2 600	-	-	-	-	-	-	-
Corridor Development programme	13 200	5 000	-	-	-	-	11 200	-	-
Small Town Rehabilitation programme	24 400	66 500	-	-	33 920	33 920	45 800	15 700	36 560
Construction of TSCs and CSCs	5 000	17 000	-	-	-	-	-	-	-
Operational Support for TSCs	2 050	-	-	-	-	-	-	-	-
CSC Infrastructure Support	-	-	-	-	7 500	7 500	-	-	-
Nelson Mandela Exhibition Centre	5 201	-	-	-	-	-	-	-	-
RASET	8 000	-	-	-	-	-	-	-	-
Massification prog (incl. elec. projects)	62 800	86 670	-	-	7 600	7 600	5 000	-	-
Water Intervention Programme	-	-	-	-	105 000	105 000	-	-	-
Disaster Management programme	3 000	22 000	-	-	-	-	16 000	9 000	11 000
<b>Vote 14 : Public Works</b>	<b>728 576</b>	<b>1 030 792</b>	<b>828 917</b>	<b>696 308</b>	<b>1 046 308</b>	<b>1 046 308</b>	<b>935 989</b>	<b>737 883</b>	<b>770 350</b>
Property rates	728 576	1 030 792	828 917	696 308	1 046 308	1 046 308	935 989	737 883	770 350
<b>Total</b>	<b>1 601 615</b>	<b>1 918 065</b>	<b>1 494 528</b>	<b>1 325 021</b>	<b>1 928 776</b>	<b>1 928 776</b>	<b>3 995 162</b>	<b>3 585 347</b>	<b>3 758 286</b>

## 5.8 Personnel numbers and costs

Table 5.15 provides personnel numbers and the total personnel costs. In 2022/23, National Treasury provided provinces with funds for the cost-of-living adjustment, but this is not yet allocated to departments. Allocations will take place in-year after assessing how much is needed per Vote and considering savings from vacancies. National Treasury reduced KZN's baseline in the previous budget process, but additional funds were allocated in-year in 2021/22 when an agreement was reached with the unions that there would be increases. However, only the non-pensionable cash allowance was funded.

**Table 5.15 : Summary of personnel numbers and costs by Vote**

Personnel numbers	As at	As at	As at	As at	As at	As at	As at
	31 March 2019	31 March 2020	31 March 2021	31 March 2022	31 March 2023	31 March 2024	31 March 2025
1. Office of the Premier	550	544	558	548	561	561	561
2. Provincial Legislature	277	273	285	314	282	282	282
3. Agriculture and Rural Development	2 650	2 616	2 589	2 833	3 134	3 134	3 134
4. Economic Development, Tourism and Enviro Affairs	777	726	866	875	947	938	938
5. Education	113 423	115 705	135 162	199 843	205 839	205 839	141 722
6. Provincial Treasury	539	536	591	473	582	582	582
7. Health	78 774	77 431	80 453	82 400	80 600	80 600	80 600
8. Human Settlements	647	660	615	594	661	652	652
9. Community Safety and Liaison	180	181	210	225	225	225	225
10. Sport, Arts and Culture	994	1 074	987	1 185	1 286	1 286	1 286
11. Co-operative Governance and Traditional Affairs	1 606	1 927	2 311	2 225	2 217	2 229	2 229
12. Transport	4 565	4 023	3 949	5 919	5 919	5 919	5 919
13. Social Development	6 650	6 265	6 470	6 539	6 430	6 430	6 430
14. Public Works	1 633	1 633	1 595	1 487	1 547	1 529	1 529
<b>Total</b>	<b>213 265</b>	<b>213 594</b>	<b>236 641</b>	<b>305 460</b>	<b>310 230</b>	<b>310 206</b>	<b>246 089</b>
Total personnel cost (R thousand)	75 657 752	81 133 639	83 097 655	89 806 029	86 141 855	84 919 415	87 235 348
Unit cost (R thousand)	355	380	351	294	278	274	354

## 5.9 Information on training

Table 5.16 provides a summary of the amounts spent by department on training.

**Table 5.16 : Summary of payments and estimates on training by Vote**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2018/19	2019/20	2020/21	2021/22			2022/23	2023/24	2024/25
1. Office of the Premier	3 247	1 247	1 466	3 691	2 701	1 407	2 719	2 913	3 044
2. Provincial Legislature	534	1 820	234	1 755	1 755	1 547	3 212	3 353	3 504
3. Agriculture and Rural Development	5 128	5 628	7 487	7 611	7 302	7 491	13 637	13 921	14 277
4. Economic Development, Tourism and Enviro Affairs	3 119	21 934	10 078	3 130	8 805	7 611	3 280	3 424	3 578
5. Education	10 937	55 278	102 967	338 267	190 825	136 432	402 067	403 189	368 998
6. Provincial Treasury	2 189	2 028	787	3 501	2 739	1 877	3 469	3 459	3 615
7. Health	1 181 630	1 343 637	1 424 912	1 210 098	1 282 906	1 402 928	1 200 793	1 227 886	1 298 849
8. Human Settlements	3 562	4 958	2 908	3 009	3 009	2 000	1 815	2 044	2 166
9. Community Safety and Liaison	37	522	180	1 583	473	934	1 733	1 433	1 498
10. Sport, Arts and Culture	4 332	11 061	2 968	6 970	6 970	7 876	7 187	7 519	7 755
11. Co-operative Governance and Traditional Affairs	419	962	51	1 732	1 046	762	1 839	1 944	2 022
12. Transport	6 008	10 203	2 476	10 665	8 958	7 544	11 163	12 653	13 221
13. Social Development	15 114	17 840	3 488	12 790	12 790	11 036	13 402	14 044	14 676
14. Public Works	12 454	7 196	6 782	11 177	9 531	9 132	11 959	12 492	13 042
<b>Total</b>	<b>1 248 710</b>	<b>1 484 314</b>	<b>1 566 784</b>	<b>1 615 979</b>	<b>1 539 810</b>	<b>1 598 577</b>	<b>1 678 275</b>	<b>1 710 274</b>	<b>1 750 245</b>

Table 5.17 reflects departmental payments on training per programme over the seven-year period.

**Table 5.17 : Information on training**

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2018/19	2019/20	2020/21	2021/22			2022/23	2023/24	2024/25
Number of staff	213 265	213 594	236 641	305 460	305 460	305 460	310 230	310 206	246 089
Number of personnel trained	69 921	73 956	74 894	78 044	78 144	77 371	78 811	78 849	78 538
of which									
Male	32 834	34 697	35 202	36 636	36 669	36 215	36 981	37 011	36 895
Female	37 088	39 259	39 692	41 408	41 475	41 156	41 830	41 838	41 643
Number of training opportunities	75 099	80 548	84 520	85 600	85 610	85 582	85 917	85 934	85 934
of which									
Tertiary	22 469	22 758	8 703	8 752	8 754	8 741	8 766	8 768	8 768
Workshops	39 816	39 514	6 160	6 987	6 987	6 977	7 155	7 158	7 158
Seminars	601	607	607	644	643	638	648	651	651
Other	12 213	17 669	69 050	69 217	69 226	69 226	69 348	69 357	69 357
Number of bursaries offered	10 516	11 799	12 380	12 550	12 551	3 002	3 075	3 095	3 095
Number of interns appointed	1 604	1 790	1 820	1 709	1 712	1 768	1 896	1 896	1 896
Number of learnerships appointed	441	509	479	507	527	527	522	522	522
Number of days spent on training	5 113	5 203	4 933	5 181	5 568	5 539	5 712	5 722	5 722

## 6. MEASURING PERFORMANCE IN GOVERNMENT

The Department of Performance, Monitoring and Evaluation (DPME) is the lead department regarding measuring government performance. From 2015/16, the responsibility of collecting and assessing departments' non-financial data at provincial level devolved from Provincial Treasury to OTP. As a result, OTP is also the responsible department for the assessment of Strategic Plans (SPs) and Annual Performance Plans (APPs).

Uniform budget and programme structures for 2022/23 are applicable to each department. Note that OTP, Provincial Treasury, DOPW and COGTA do not fully comply with the uniform structures at this stage. COGTA's and OTP's deviations were approved by National Treasury, whereas the other deviations are currently under discussion with National Treasury. Recent corrections of deviations include movement of the Gaming and Betting function from OTP to EDTEA and the movement of the Heritage function from OTP to DSAC, both with effect from 1 April 2019.

More recently, two provincial public entities were merged, namely Mjindi Farming (Pty) Ltd which was merged with the Agri-business Development Agency from 1 April 2020, and the Forensic Investigation Services function was moved from Provincial Treasury to OTP with effect from 1 August 2020. In 2022/23 there is a further merger, with the Departments of Arts and Culture, as well as Sport and Recreation merging to form one single DSAC, bringing KZN in line with the national uniform structure. In addition, the ECD function, which previously was housed within DSD, is moved to DOE, also in line with a similar movement at national level in line with a proclamation by the President in the 2019 SONA.

EDTEA is currently engaged in implementing the recommendations of the rationalisation process comprising, but not limited to, the merger of TKZN and the KZNFC, KZNSB and EKZNW, as well as combining the Accounting Authorities of the KZNLA and the KZNGBB. Although EDTEA does not have a standardised budget structure for the sector, the mergers will augment reporting of performance through standardised performance measures for the merged entities. The Bills for the entities to be merged are expected to be enacted in 2022/23, but the impact thereof has not yet been incorporated into the 2022/23 MTEF budget, the SPs and APPs.

As with the uniform budget structures, performance information is also standardised in a number of sectors. Currently these include DOE, DOH, DSD, COGTA, DARD, DCSL, DOT, DOPW and the new DSAC and these standardised measures are included in each chapter of the *EPRE*. With regard to OTP, the Provincial Legislature, EDTEA, Provincial Treasury and DOHS, these departments do not have standardised measures but a selection of their measures, as set out in their APPs, are included in each chapter.



# ANNEXURE – OVERVIEW OF PROVINCIAL REVENUE AND EXPENDITURE

Table 1.A : Details of provincial own receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2021/22	Revised Estimate	Medium-term Estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
<b>Tax receipts</b>	<b>2 424 087</b>	<b>2 591 366</b>	<b>2 446 193</b>	<b>2 679 137</b>	<b>2 679 137</b>	<b>2 680 232</b>	<b>2 820 818</b>	<b>2 943 681</b>	<b>3 065 138</b>
Casino taxes	552 199	604 611	291 526	560 618	560 618	468 061	587 528	613 379	640 981
Horse racing taxes	85 127	94 221	117 371	88 592	88 592	121 476	92 844	96 929	101 291
Liquor licences	23 226	26 112	22 921	29 013	29 013	29 013	30 406	31 744	33 172
Motor vehicle licences	1 763 535	1 866 422	2 014 375	2 000 914	2 000 914	2 061 682	2 110 040	2 201 629	2 289 694
<b>Sale of goods and services other than capital assets</b>	<b>491 896</b>	<b>476 132</b>	<b>347 262</b>	<b>495 001</b>	<b>495 001</b>	<b>430 690</b>	<b>504 573</b>	<b>527 526</b>	<b>547 530</b>
Sale of goods and services produced by dept. (excl. capital assets)	490 855	475 411	345 693	493 727	493 727	429 605	503 238	526 132	546 075
Sales by market establishments	35 406	34 556	30 917	50 450	50 450	40 871	50 620	52 666	54 684
Administrative fees	105 458	91 276	57 953	62 828	62 828	66 674	66 382	69 896	70 295
Other sales	349 991	349 579	256 823	380 449	380 449	322 060	386 236	403 570	421 096
<i>of which</i>			-						
<i>Commission</i>	70 845	71 749	81 316	82 524	82 524	88 633	88 075	91 989	96 037
<i>Health patient fees</i>	133 797	173 580	95 096	165 122	165 122	132 872	173 048	180 662	188 611
<i>Tuition fees</i>	4 444	7 928	4 344	2 314	2 314	2 339	8 630	9 044	9 451
<i>Other</i>	98 434	96 107	81 734	89 277	89 277	80 549	80 790	84 450	88 031
Sale of scrap, waste, arms and other used current goods (excluding capital assets)	1 041	721	1 569	1 274	1 274	1 085	1 335	1 394	1 455
<b>Transfers received from:</b>	<b>375</b>	<b>380</b>	<b>235</b>	<b>-</b>	<b>-</b>	<b>167</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other governmental units	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	2	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	375	380	-	-	-	165	-	-	-
Households and non-profit institutions	-	-	235	-	-	-	-	-	-
<b>Fines, penalties and forfeits</b>	<b>41 135</b>	<b>26 550</b>	<b>25 099</b>	<b>40 640</b>	<b>40 640</b>	<b>55 772</b>	<b>42 925</b>	<b>45 234</b>	<b>45 271</b>
<b>Interest, dividends and rent on land</b>	<b>474 340</b>	<b>616 844</b>	<b>394 230</b>	<b>415 461</b>	<b>415 461</b>	<b>310 348</b>	<b>296 895</b>	<b>303 981</b>	<b>312 061</b>
Interest	473 273	616 489	393 914	414 809	414 809	309 670	296 491	303 558	311 626
Dividends	452	35	-	39	39	39	41	43	43
Rent on land	615	320	316	613	613	639	363	380	392
<b>Sale of capital assets</b>	<b>51 816</b>	<b>25 206</b>	<b>19 889</b>	<b>19 193</b>	<b>19 193</b>	<b>39 300</b>	<b>20 218</b>	<b>20 914</b>	<b>21 546</b>
Land and subsoil assets	1 139	-	-	-	-	-	-	-	-
Other capital assets	50 677	25 206	19 889	19 193	19 193	39 300	20 218	20 914	21 546
<b>Transactions in financial assets and liabilities</b>	<b>95 560</b>	<b>111 058</b>	<b>143 280</b>	<b>72 484</b>	<b>72 484</b>	<b>110 770</b>	<b>75 670</b>	<b>78 962</b>	<b>82 384</b>
<b>Total</b>	<b>3 579 209</b>	<b>3 847 536</b>	<b>3 376 188</b>	<b>3 721 916</b>	<b>3 721 916</b>	<b>3 627 279</b>	<b>3 761 099</b>	<b>3 920 298</b>	<b>4 073 930</b>

# Overview of Provincial Revenue and Estimates

**Table 1.B : Details of payments and estimates by economic classification**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation 2021/22	Revised Estimate	Medium-term Estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
<b>Current payments</b>	<b>102 129 076</b>	<b>109 321 945</b>	<b>112 323 820</b>	<b>112 501 944</b>	<b>118 720 131</b>	<b>119 939 086</b>	<b>118 485 969</b>	<b>117 245 483</b>	<b>120 297 829</b>
Compensation of employees	75 657 752	81 133 639	83 097 655	82 407 391	88 055 808	89 806 029	86 141 855	84 919 415	87 235 348
Salaries and wages	65 388 354	70 134 006	71 715 074	71 044 044	76 612 044	78 162 248	74 514 198	72 794 267	74 622 134
Social contributions	10 269 398	10 999 633	11 382 581	11 363 347	11 443 764	11 643 781	11 627 656	12 125 148	12 613 214
Goods and services	26 462 466	28 179 577	29 225 107	30 093 727	30 662 987	30 130 638	32 343 337	32 325 307	33 061 685
Administrative fees	58 163	62 977	72 359	50 415	132 512	133 051	50 458	52 300	51 923
Advertising	134 162	169 908	233 995	222 048	241 807	244 001	238 211	218 911	229 456
Minor assets	92 212	112 360	63 168	138 104	142 427	107 004	132 419	135 910	139 897
Audit cost: External	155 252	135 972	114 770	120 343	153 497	170 555	131 356	136 060	142 950
Bursaries: Employees	21 349	25 035	28 865	38 759	22 259	19 285	20 915	21 426	22 436
Catering: Departmental activities	143 048	169 329	125 398	174 418	176 728	167 281	175 295	180 547	168 035
Communication (G&S)	297 593	285 913	285 369	356 103	365 035	367 706	365 148	365 655	365 909
Computer services	757 110	735 502	777 131	785 293	824 882	803 839	798 497	837 638	867 246
Cons. & prof serv: Business and advisory services	1 142 856	1 405 542	1 355 658	1 649 202	1 393 657	1 485 164	1 539 328	1 157 169	1 667 351
Infrastructure and planning	197 982	220 038	218 703	191 564	264 070	212 728	228 731	212 231	221 761
Laboratory services	2 063 584	2 314 472	2 423 100	2 495 762	2 537 900	2 706 486	2 670 142	2 633 093	2 756 732
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	166 313	170 291	131 819	158 276	185 678	205 632	209 015	172 429	176 830
Contractors	2 810 780	2 532 560	2 004 533	2 942 332	2 986 749	2 825 530	3 420 024	3 300 698	3 224 227
Agency and support / outsourced services	3 035 184	2 669 526	2 672 415	2 912 168	3 120 001	3 067 735	3 210 620	3 260 597	3 423 514
Entertainment	488	107	9	1 073	1 902	789	898	886	892
Fleet services (including govt motor transport)	793 725	850 965	714 488	844 749	775 395	793 239	889 695	899 051	939 967
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	39 071	55 852	428 225	320 802	281 907	190 005	115 753	121 026	139 266
Inventory: Farming supplies	129 750	357 164	214 797	153 267	157 889	162 217	80 304	78 361	85 318
Inventory: Food and food supplies	116 461	121 236	112 858	160 602	157 676	142 676	143 932	151 235	157 937
Inventory: Chemicals, fuel, oil, gas, wood and coal	172 536	196 791	147 935	269 759	201 813	201 206	210 499	219 632	229 515
Inventory: Learner and teacher support material	669 901	845 424	742 305	582 696	578 874	579 031	603 486	653 251	683 556
Inventory: Materials and supplies	91 588	96 399	98 109	108 989	98 793	103 318	1 177 520	1 504 350	1 099 099
Inventory: Medical supplies	1 779 889	1 922 206	2 069 441	1 925 545	2 028 185	2 268 947	1 937 511	1 638 366	1 702 793
Inventory: Medicine	4 057 335	4 197 856	4 732 793	4 423 929	4 546 199	4 019 337	4 547 797	4 344 114	4 651 133
Medas inventory interface	195 014	(34 231)	138 969	-	-	-	-	-	-
Inventory: Other supplies	420 202	689 889	781 283	710 349	758 971	744 700	763 145	834 127	870 279
Consumable supplies	298 775	357 342	1 189 939	377 106	528 835	522 311	476 194	398 066	418 162
Consumable: Stationery, printing and office supplies	230 417	225 744	181 426	266 973	260 300	211 363	295 457	296 399	309 094
Operating leases	573 646	586 165	718 692	651 037	831 312	796 082	766 512	768 477	788 232
Property payments	3 562 466	4 275 131	4 596 637	4 327 253	4 556 251	4 686 892	4 494 255	4 773 689	4 933 692
Transport provided: Departmental activity	529 118	462 700	455 108	601 178	545 924	530 980	580 164	384 934	407 457
Travel and subsistence	848 995	930 658	618 142	844 233	750 778	718 030	848 320	886 217	923 639
Training and development	82 388	127 086	67 019	227 066	193 216	151 806	333 981	323 141	284 030
Operating payments	645 904	740 824	672 552	739 029	679 252	653 996	761 562	814 713	838 827
Venues and facilities	118 991	131 525	24 481	103 102	111 785	111 580	96 085	99 421	108 004
Rental and hiring	30 218	33 319	12 616	220 204	70 554	26 316	30 108	30 187	32 525
Interest and rent on land	8 858	8 729	1 058	826	1 336	2 419	777	761	796
Interest	8 858	8 729	686	714	1 321	2 415	659	638	667
Rent on land	-	-	372	112	15	4	118	123	129
<b>Transfers and subsidies to</b>	<b>12 626 689</b>	<b>13 731 625</b>	<b>13 307 768</b>	<b>12 569 348</b>	<b>13 572 388</b>	<b>13 781 213</b>	<b>12 527 657</b>	<b>12 482 532</b>	<b>13 063 899</b>
Provinces and municipalities	1 618 267	1 941 231	1 515 406	1 349 291	1 961 946	1 960 035	4 031 868	3 620 253	3 791 400
Provinces	16 652	18 416	20 878	24 270	25 670	23 759	25 806	26 806	28 114
Provincial Revenue Funds	-	-	-	-	-	57	-	-	-
Provincial agencies and funds	16 652	18 416	20 878	24 270	25 670	23 759	25 806	26 806	28 114
Municipalities	1 601 615	1 922 815	1 494 528	1 325 021	1 936 276	1 936 276	4 006 062	3 593 447	3 763 286
Municipalities	1 601 590	1 918 035	1 494 524	1 324 979	1 928 772	1 928 772	3 995 158	3 585 341	3 758 280
Municipal agencies and funds	25	4 780	4	42	7 504	7 504	10 904	8 106	5 006
Departmental agencies and accounts	1 958 258	2 348 201	2 316 474	2 411 765	2 366 410	2 366 358	2 502 596	2 484 061	2 589 798
Social security funds	-	-	-	85	61	51	-	-	-
Entities receiving funds	1 958 258	2 348 201	2 316 474	2 411 680	2 366 349	2 366 307	2 502 596	2 484 061	2 589 798
Higher education institutions	4 663	100	-	-	5 342	5 362	5 016	-	-
Foreign governments and international organisations	515	297	313	284	284	284	300	313	327
Public corporations and private enterprises	2 017 434	2 035 588	1 669 648	1 692 992	1 734 278	1 734 278	1 672 602	1 761 646	1 843 508
Public corporations	499 472	400 815	252 187	216 331	250 596	250 596	233 280	256 982	268 392
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	499 472	400 815	252 187	216 331	250 596	250 596	233 280	256 982	268 392
Private enterprises	1 517 962	1 634 773	1 417 461	1 476 661	1 483 682	1 483 682	1 439 322	1 504 664	1 575 116
Subsidies on production	1 390 894	1 382 096	1 233 733	1 314 912	1 314 912	1 314 912	1 309 303	1 367 009	1 428 407
Other transfers	127 068	252 677	183 728	161 749	168 770	168 770	130 019	137 655	146 715
Non-profit institutions	3 072 479	3 133 381	4 339 805	3 654 908	3 935 950	3 913 570	3 651 074	3 937 311	4 122 112
Households	3 955 073	4 272 827	3 466 122	3 460 108	3 568 178	3 801 326	664 201	688 948	716 754
Social benefits	383 195	439 832	441 458	294 876	326 449	392 001	306 157	319 168	333 999
Other transfers to households	3 571 878	3 832 995	3 024 664	3 165 232	3 241 729	3 409 325	358 044	369 780	382 755
<b>Payments for capital assets</b>	<b>7 236 570</b>	<b>6 928 281</b>	<b>8 108 720</b>	<b>8 505 668</b>	<b>8 628 802</b>	<b>8 547 556</b>	<b>9 271 280</b>	<b>9 253 783</b>	<b>9 399 636</b>
Buildings and other fixed structures	6 262 387	5 298 747	6 825 746	7 125 105	6 920 430	6 935 534	7 835 211	8 037 317	8 103 863
Buildings	3 266 894	3 323 625	4 498 703	3 395 477	3 289 299	3 290 888	3 927 223	4 199 880	4 106 782
Other fixed structures	2 995 493	1 975 122	2 327 043	3 729 628	3 631 131	3 644 646	3 907 988	3 837 437	3 997 081
Machinery and equipment	961 840	1 602 731	1 260 367	1 362 326	1 654 223	1 559 256	1 418 322	1 198 277	1 276 790
Transport equipment	330 129	401 091	471 742	420 468	445 578	434 717	364 593	396 985	427 835
Other machinery and equipment	631 711	1 201 640	788 625	941 858	1 208 645	1 124 539	1 053 729	801 292	848 955
Heritage assets	2 690	15	80	-	4 997	4 997	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	219	-	73	601	489	489	630	658	688
Land and sub-soil assets	-	-	-	-	-	54	-	-	-
Software and other intangible assets	9 434	26 788	22 454	17 636	48 663	47 226	17 117	17 531	18 295
<b>Payments for financial assets</b>	<b>14 535</b>	<b>20 390</b>	<b>156 241</b>	<b>-</b>	<b>4 128</b>	<b>6 615</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>122 006 870</b>	<b>130 002 241</b>	<b>133 896 549</b>	<b>133 576 960</b>	<b>140 925 449</b>	<b>142 274 470</b>	<b>140 284 906</b>	<b>138 991 798</b>	<b>142 761 364</b>
Statutory payments	87 723	115 704	87 381	93 062	88 062	88 062	88 842	91 504	95 847
<b>Total (including statutory payments)</b>	<b>122 094 593</b>	<b>130 117 945</b>	<b>133 983 930</b>	<b>133 670 022</b>	<b>141 013 511</b>	<b>142 362 532</b>	<b>140 374 748</b>	<b>139 083 302</b>	<b>142 857 211</b>
Unauth. Exp. (1st charge) not available for spending	-	-	-	-	-	-	-	-	-
<b>Baseline available for spending after 1st charge</b>	<b>122 094 593</b>	<b>130 117 945</b>	<b>133 983 930</b>	<b>133 670 022</b>	<b>141 013 511</b>	<b>142 362 532</b>	<b>140 374 748</b>	<b>139 083 302</b>	<b>142 857 211</b>

Table 1.C : Information relating to conditional grants

Vote and Grant	2018/19			2019/20			2020/21			2021/22			2022/23			2023/24			2024/25		
	Adjusted Appropriation	Actual Transfer	Audited Expenditure	Adjusted Appropriation	Actual Transfer	Audited Expenditure	Adjusted Appropriation	Actual Transfer	Audited Expenditure	Adjusted Appropriation	Revised Transfer Estimate	Revised Exp Estimate	Adjusted Appropriation	Revised Transfer Estimate	Revised Exp Estimate	Adjusted Appropriation	Revised Transfer Estimate	Revised Exp Estimate	Adjusted Appropriation	Revised Transfer Estimate	Revised Exp Estimate
<b>R thousand</b>																					
<b>Vote 3: Agriculture and Rural Development</b>																					
CASP grant	324 412	324 412	264 607	288 413	288 413	308 641	308 617	308 017	291 077	305 573	305 573	311 293	311 748	312 169	326 409						
Ilmal/Lesema Projects grant	223 975	223 975	170 962	199 351	199 351	220 332	203 509	203 509	194 438	214 053	214 053	216 085	218 604	222 174	232 152						
Land Care grant	71 263	71 263	67 655	71 802	71 802	68 332	63 311	63 311	75 692	73 799	73 799	77 487	75 624	76 085	80 130						
EPWP Integrated Grant for Provinces	21 866	21 866	18 682	12 418	12 418	15 115	12 550	12 550	12 550	13 022	13 022	13 022	13 110	13 130	14 127						
Provincial Disaster Relief grant	7 308	7 308	7 308	4 842	4 842	4 842	4 647	4 647	4 647	4 699	4 699	4 699	4 610	4 610	4 610						
<b>Vote 4 : Economic Development, Tourism and Enviro Affairs</b>																					
EPWP Integrated Grant for Provinces	3 740	3 740	5 529	5 529	5 529	4 988	4 988	4 988	5 080	5 080	5 080	5 080	6 402	6 402	6 402						
<b>Vote 5 : Education</b>																					
Education Infrastructure grant (EIG)	3 837 191	3 837 191	3 952 309	4 210 402	4 210 402	4 246 120	4 088 777	4 088 777	3 854 613	4 144 628	4 144 628	4 298 302	4 726 483	4 873 398	4 751 353						
HIV and AIDS (Life-Skills Education) grant	2 016 435	2 016 435	2 017 603	2 287 162	2 287 162	2 287 162	1 912 594	1 912 594	1 922 646	2 120 492	2 120 492	2 120 492	2 387 952	2 555 766	2 330 249						
National School Nutrition Programme (NSNP) grant	58 922	58 922	54 557	62 155	62 155	72 570	47 362	47 362	47 490	61 450	61 450	61 450	61 450	61 450	65 678						
Maths, Science and Technology (MST) grant	1 534 878	1 534 878	1 647 325	1 621 291	1 621 291	1 628 447	1 727 246	1 727 246	1 573 575	1 831 602	1 831 602	1 965 276	1 965 276	1 965 276	2 056 217						
Learners with Profound Intellectual Disabilities grant	61 203	61 203	67 015	64 638	64 638	67 200	60 632	60 632	60 632	67 855	67 855	70 244	70 244	70 993	73 457						
Social Sector EPWP Incentive Grant for Provinces	27 230	27 230	31 473	32 279	32 279	30 441	32 586	32 586	22 975	32 576	32 576	28 543	34 423	34 534	35 524						
EPWP Integrated Grant for Provinces	27 004	27 004	2 025	24 814	24 814	2 028	22 842	22 842	2 182	28 543	28 543	30 508	30 508	30 508	30 508						
Early Childhood Development (ECD) grant	2 000	2 000	22 992	2 028	2 028	42 237	2 180	2 180	33 000	2 110	2 110	32 576	2 193	2 193	2 193						
<b>Vote 7 : Health</b>																					
District Health Programmes grant	9 303 113	9 303 113	9 324 909	9 770 858	9 770 858	10 201 750	11 063 099	10 954 135	10 908 940	11 045 753	11 045 753	11 142 868	11 860 441	11 320 208	11 756 878						
Health Facility Revitalisation grant	5 677 225	5 677 225	5 677 225	5 840 629	5 840 629	5 840 629	6 930 766	6 930 766	6 833 651	7 166 582	7 166 582	7 263 697	7 547 069	7 087 769	7 406 077						
Health Professions Training and Development grant	1 401 988	1 401 988	1 401 988	1 353 497	1 353 497	1 353 497	1 271 414	1 271 414	1 271 414	1 247 730	1 247 730	1 247 730	1 389 913	1 383 930	1 427 110						
National Tertiary Services grant	351 197	351 197	351 197	370 863	370 863	370 863	370 863	370 863	370 863	370 863	370 863	370 863	370 863	370 863	370 863						
National Health Insurance grant	1 794 649	1 794 649	1 794 649	1 895 149	1 895 149	1 895 149	2 015 775	2 015 775	2 015 775	1 955 628	1 955 628	2 045 854	2 045 854	2 000 300	2 090 132						
Human Papillomavirus Vaccine grant	33 386	33 386	33 386	55 376	55 376	38 499	60 945	60 945	58 073	50 415	50 415	50 415	84 726	83 762	85 718						
EPWP Integrated Grant for Provinces	44 976	44 976	33 386	32 303	32 303	37 563	10 903	10 903	10 903	12 689	12 689	12 689	11 736	11 736	11 736						
Social Sector EPWP Incentive Grant for Provinces	8 896	8 896	8 896	10 313	10 313	10 313	10 903	10 903	10 903	21 228	21 228	21 228	26 236	26 236	26 236						
Human Resources Capacitation grant	24 182	24 182	24 182	20 998	20 998	20 998	20 998	20 998	20 998	20 998	20 998	20 998	20 998	20 998	20 998						
HR and Training grant	-	-	-	191 730	191 730	634 378	634 378	622 529	634 378	591 481	591 481	591 481	754 850	764 447	747 841						
Provincial Disaster Relief grant	-	-	-	-	-	138 918	138 918	138 918	138 918	-	-	-	-	-	-						
<b>Vote 8 : Human Settlements</b>																					
Human Settlements Development grant	3 365 663	3 365 663	3 850 852	3 850 852	3 850 852	3 155 236	3 155 236	3 155 236	3 176 545	3 279 135	3 279 135	3 698 591	3 698 591	3 922 479	3 602 330						
Provincial Emergency Housing grant	3 252 757	3 252 757	3 583 907	3 583 907	3 583 907	3 020 763	3 020 763	3 020 763	2 455 021	2 455 021	2 455 021	2 935 224	2 935 224	3 132 353	2 776 615						
EPWP Integrated Grant for Provinces	11 484	11 484	15 090	15 090	15 090	11 638	11 638	11 638	7 149	7 149	7 149	6 499	6 499	6 499	6 499						
Title Deeds Restoration grant	101 422	101 422	100 612	100 612	100 612	36 740	36 740	36 740	36 740	-	-	-	-	-	-						
Informal Sett. Upgrading Part. Grant for Prov.	-	-	-	-	-	-	-	-	-	714 375	714 375	756 868	756 868	790 226	825 715						
<b>Vote 9 : Community Safety and Liaison</b>																					
Social Sector EPWP Incentive Grant for Provinces	10 321	10 321	10 321	7 007	7 007	7 007	7 891	7 891	7 891	4 161	4 161	4 161	3 046	3 046	3 046						
<b>Vote 10 : Sport, Arts and Culture</b>																					
Mass Participation and Sport Development grant	278 548	279 583	293 647	293 647	293 647	205 589	205 589	205 589	283 849	283 849	283 849	288 557	288 557	286 024	299 368						
Community Library Services grant	98 739	98 739	104 673	104 673	104 673	38 219	38 219	38 219	94 208	94 208	94 208	97 278	97 278	96 974	102 480						
EPWP Integrated Grant for Provinces	174 397	174 397	184 417	184 417	184 417	167 370	167 370	167 370	165 572	185 572	185 572	186 891	186 891	189 050	196 888						
Social Sector EPWP Incentive Grant for Provinces	4 000	4 000	2 110	2 110	2 110	-	-	-	1 960	1 960	1 960	2 108	2 108	2 108	2 108						
<b>Vote 11 : Co-op. Governance and Traditional Affairs</b>																					
EPWP Integrated Grant for Provinces	15 880	15 880	5 265	3 858	3 858	4 146	2 777	2 777	2 109	2 109	2 109	2 280	2 280	2 280	2 280						
Provincial Disaster Recovery grant	4 552	4 552	4 552	3 858	3 858	2 777	2 777	2 777	1 994	1 994	1 994	1 994	1 993	1 993	1 993						
<b>Vote 12 : Transport</b>																					
Provincial Roads Maintenance grant	3 009 461	3 009 461	3 006 992	3 122 557	3 122 557	3 125 026	3 152 805	3 152 805	3 140 176	3 526 389	3 526 389	3 526 389	4 098 264	4 001 593	3 886 873						
Public Transport Operations grant	1 825 745	1 826 745	1 826 745	1 882 781	1 882 781	1 882 781	1 843 325	1 843 325	1 843 325	2 138 225	2 138 225	2 138 225	2 720 678	2 634 584	2 460 472						
EPWP Integrated Grant for Provinces	1 106 154	1 106 154	1 106 154	1 168 099	1 168 099	1 168 099	1 246 362	1 246 362	1 233 733	1 314 912	1 314 912	1 314 912	1 309 303	1 367 009	1 429 401						
<b>Vote 13 : Social Development</b>																					
Social Sector EPWP Incentive Grant For Provinces	76 321	76 321	34 913	34 913	34 913	48 148	48 148	48 148	269 589	307 834	307 834	37 672	37 672	37 672	37 672						
Early Childhood Development grant	13 490	13 490	34 913	34 913	34 913	48 148	48 148	48 148	42 558	42 558	42 558	37 672	37 672	37 672	37 672						
Social Worker Employment grant	57 855	57 855	-	-	-	-	-	-	227 031	265 276	265 276	-	-	-	-						
Provincial Disaster Recovery grant	4 976	4 976	-	-	-	-	-	-	-	-	-	-	-	-	-						
<b>Vote 14 : Public Works</b>																					
EPWP Integrated Grant for Provinces	6 023	6 023	4 726	4 726	4 726	5 465	4 243	4 243	5 465	5 465	5 465	8 042	8 042	8 042	8 042						
<b>Total</b>	<b>20 230 673</b>	<b>20 231 708</b>	<b>20 754 070</b>	<b>21 592 762</b>	<b>21 592 762</b>	<b>21 312 116</b>	<b>22 041 570</b>	<b>21 532 606</b>	<b>21 946 002</b>	<b>22 909 861</b>	<b>23 322 949</b>	<b>25 041 239</b>	<b>24 715 771</b>	<b>24 625 211</b>							

Table 1.D : Summary of transfers to local government

R thousand				Main	Adjusted	Revised	Medium-term Estimates		
Audited Outcome				Appropriation	Appropriation	Estimate			
				2021/22			2022/23	2023/24	2024/25
2018/19	2019/20	2020/21							
<b>A KZN2000 eThekweni</b>	<b>801 300</b>	<b>716 384</b>	<b>647 086</b>	<b>674 172</b>	<b>755 449</b>	<b>743 685</b>	<b>1 158 234</b>	<b>1 011 639</b>	<b>1 150 145</b>
<b>Total: Ugu Municipalities</b>	<b>45 721</b>	<b>106 201</b>	<b>49 359</b>	<b>48 764</b>	<b>91 718</b>	<b>94 062</b>	<b>280 169</b>	<b>230 189</b>	<b>238 949</b>
B KZN212 uMdoni	14 943	22 029	17 403	13 736	19 997	19 997	63 875	54 840	75 251
B KZN213 uMzumbi	2 442	13 198	292	4 853	2 630	2 630	45 987	32 165	32 399
B KZN214 uMuziwabantu	6 162	7 845	2 329	7 826	2 557	4 901	45 313	31 148	20 212
B KZN216 Ray Nkonyeni	20 774	42 494	29 335	22 349	47 234	47 234	104 526	74 539	69 113
C DC21 Ugu District Municipality	1 400	20 635	-	-	19 300	19 300	20 468	37 497	41 974
<b>Total: uMgungundlovu Municipalities</b>	<b>163 978</b>	<b>202 309</b>	<b>172 633</b>	<b>141 631</b>	<b>220 829</b>	<b>222 650</b>	<b>394 555</b>	<b>552 905</b>	<b>572 375</b>
B KZN221 uMshwathi	9 827	11 858	7 857	15 853	21 739	21 739	59 089	48 615	49 374
B KZN222 uMngeni	14 738	7 684	7 016	14 546	7 819	7 819	16 572	19 605	20 298
B KZN223 Mpofana	10 517	4 536	3 333	2 474	3 478	4 335	8 097	11 256	11 371
B KZN224 iMpendle	7 406	4 720	4 798	2 474	4 993	4 993	5 897	7 331	7 445
B KZN225 Msunduzi	110 470	149 953	134 673	100 437	129 614	129 614	265 032	419 245	446 762
B KZN226 Mkhambathini	2 044	5 266	4 712	2 726	19 632	20 596	18 800	31 639	26 766
B KZN227 Richmond	7 176	14 242	5 244	3 121	15 554	15 554	21 068	10 214	10 359
C DC22 uMgungundlovu District Municipality	1 800	4 050	5 000	-	18 000	18 000	-	5 000	-
<b>Total: uThukela Municipalities</b>	<b>88 192</b>	<b>149 824</b>	<b>95 806</b>	<b>92 960</b>	<b>107 208</b>	<b>108 064</b>	<b>230 268</b>	<b>196 159</b>	<b>192 918</b>
B KZN235 Okhahlamba	8 077	16 860	15 248	9 994	7 867	8 723	45 505	30 342	35 118
B KZN237 iNkosi Langaibalele	25 140	34 525	35 535	29 172	33 101	33 101	44 586	46 125	47 520
B KZN238 Alfred Duma	36 675	80 889	45 023	53 794	66 240	66 240	88 613	97 448	95 036
C DC23 uThukela District Municipality	18 300	17 550	-	-	-	-	51 564	22 244	15 244
<b>Total: uMzinyathi Municipalities</b>	<b>70 019</b>	<b>86 455</b>	<b>70 930</b>	<b>48 656</b>	<b>71 825</b>	<b>73 712</b>	<b>129 435</b>	<b>122 580</b>	<b>132 827</b>
B KZN241 eNdameni	27 228	19 090	19 802	16 211	21 965	21 965	19 019	17 549	18 322
B KZN242 Nquthu	17 532	30 559	28 230	15 450	34 610	34 610	16 220	16 757	18 244
B KZN244 uMsinga	10 262	18 609	7 514	7 281	7 780	7 780	28 575	27 855	28 954
B KZN245 uMvoti	14 547	14 097	15 384	9 714	7 470	9 357	58 121	60 419	67 307
C DC24 uMzinyathi District Municipality	450	4 100	-	-	-	-	7 500	-	-
<b>Total: Amajuba Municipalities</b>	<b>48 130</b>	<b>56 764</b>	<b>38 849</b>	<b>43 278</b>	<b>77 879</b>	<b>77 879</b>	<b>691 621</b>	<b>347 163</b>	<b>360 290</b>
B KZN252 Newcastle	32 021	35 547	20 718	30 126	43 432	43 432	640 000	297 501	309 252
B KZN253 eMadlangeni	7 451	5 974	5 178	5 397	13 676	13 676	11 985	7 828	8 085
B KZN254 Dannhauser	8 258	10 783	12 953	7 755	20 771	20 771	39 636	41 834	42 953
C DC25 Amajuba District Municipality	400	4 460	-	-	-	-	-	-	-
<b>Total: Zululand Municipalities</b>	<b>78 691</b>	<b>140 126</b>	<b>112 590</b>	<b>68 440</b>	<b>132 192</b>	<b>132 192</b>	<b>242 490</b>	<b>252 011</b>	<b>314 497</b>
B KZN261 eDumbe	14 158	35 297	13 745	7 314	18 918	14 918	38 576	42 621	61 937
B KZN262 uPhongolo	8 442	16 444	13 549	6 714	19 442	19 442	77 111	81 291	111 930
B KZN263 AbaQulusi	13 822	25 235	23 465	13 417	27 558	27 558	28 795	26 257	27 570
B KZN265 Nongoma	12 101	16 021	14 626	9 752	14 844	14 844	58 080	58 626	54 091
B KZN266 Ulundi	27 957	38 968	42 749	29 332	45 698	45 698	37 517	41 305	52 058
C DC26 Zululand District Municipality	2 211	8 161	4 456	1 911	9 732	9 732	2 411	1 911	6 911
<b>Total: uMkhanyakude Municipalities</b>	<b>78 264</b>	<b>120 077</b>	<b>74 793</b>	<b>50 367</b>	<b>125 195</b>	<b>125 195</b>	<b>202 027</b>	<b>206 116</b>	<b>215 173</b>
B KZN271 uMhlabyalingana	27 908	22 712	16 961	16 905	22 634	22 634	64 502	55 439	52 960
B KZN272 Jozini	10 100	15 070	15 080	12 730	19 645	19 645	39 624	39 554	38 694
B KZN275 Mtubatuba	24 578	35 707	20 552	12 888	32 424	32 424	42 578	35 977	45 620
B KZN276 Big Five Hlabisa	13 678	15 888	22 200	7 844	19 492	19 492	37 664	41 480	44 522
C DC27 uMkhanyakude District Municipality	2 000	30 700	-	-	31 000	31 000	17 659	33 666	33 377
<b>Total: King Cetshwayo Municipalities</b>	<b>92 995</b>	<b>155 571</b>	<b>124 735</b>	<b>79 111</b>	<b>160 941</b>	<b>162 918</b>	<b>221 824</b>	<b>208 658</b>	<b>192 407</b>
B KZN281 uMfolozi	13 872	26 191	25 949	3 710	28 841	28 841	4 470	4 500	4 096
B KZN282 uMhlathuze	39 637	42 283	37 989	50 482	52 776	52 776	128 726	110 199	84 657
B KZN284 uMlalazi	16 248	33 911	20 480	10 506	21 077	21 077	33 954	48 993	57 829
B KZN285 Mthonjaneni	3 148	8 498	7 844	4 579	7 603	7 603	14 193	9 203	9 421
B KZN286 Nkandla	17 765	42 408	32 469	9 792	50 640	52 617	40 477	35 757	36 398
C DC28 King Cetshwayo District Municipality	2 325	2 280	4	42	4	4	4	6	6
<b>Total: iLembe Municipalities</b>	<b>85 403</b>	<b>96 667</b>	<b>68 376</b>	<b>41 053</b>	<b>94 805</b>	<b>97 574</b>	<b>249 274</b>	<b>251 267</b>	<b>233 058</b>
B KZN291 Mandeni	11 740	8 999	14 240	5 194	11 886	11 886	27 614	5 497	5 739
B KZN292 KwaDukuza	20 222	40 564	24 036	18 862	23 714	23 714	110 749	168 553	151 291
B KZN293 Ndwedwe	14 547	12 686	14 230	3 663	16 348	16 348	59 445	62 722	60 895
B KZN294 Maphumulo	16 894	24 218	15 870	13 334	17 857	20 626	51 466	14 495	15 133
C DC29 iLembe District Municipality	22 000	10 200	-	-	25 000	25 000	-	-	-
<b>Total: Harry Gwala Municipalities</b>	<b>48 922</b>	<b>87 687</b>	<b>39 371</b>	<b>36 589</b>	<b>89 235</b>	<b>89 345</b>	<b>195 265</b>	<b>206 660</b>	<b>155 647</b>
B KZN433 Greater Kokstad	15 891	28 620	20 030	8 217	15 034	15 034	48 751	90 982	97 477
B KZN434 uBuhlebezwe	9 662	11 308	4 829	6 518	11 117	11 117	96 879	93 896	45 391
B KZN435 uMzimkhulu	13 863	14 577	5 671	16 825	19 737	19 737	27 874	16 454	7 216
B KZN436 Dr Nkosazana Dlamini Zuma	9 506	18 182	8 841	5 029	9 347	9 457	19 479	5 328	5 563
C DC43 Harry Gwala District Municipality	-	15 000	-	-	34 000	34 000	2 282	-	-
<b>Unallocated</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 500</b>	<b>1 500</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1 601 615</b>	<b>1 918 065</b>	<b>1 494 528</b>	<b>1 325 021</b>	<b>1 928 776</b>	<b>1 928 776</b>	<b>3 995 162</b>	<b>3 585 347</b>	<b>3 758 286</b>

Table 1.E(a) : Details of payments and estimates by functional area

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2018/19	2019/20	2020/21	2021/22			2022/23	2023/24	2024/25
<b>General Public Services</b>									
Executive and Legislature	793 055	874 367	785 711	893 672	979 824	963 852	904 612	914 670	955 439
Office of the Premier	36 067	48 183	36 052	43 418	40 554	40 554	40 349	41 186	43 040
Provincial Legislature	756 988	826 184	749 659	850 254	939 270	923 298	864 263	873 484	912 399
Financial and Fiscal Services	592 542	608 235	507 499	621 675	606 112	585 294	651 511	640 147	668 827
Provincial Treasury	592 542	608 235	507 499	621 675	606 112	585 294	651 511	640 147	668 827
General Services (Public Works, Local Govt.)	4 274 749	5 047 867	4 263 518	4 696 955	5 068 114	5 062 041	4 964 988	4 840 180	5 057 145
<b>Total: General Public Services</b>	<b>5 660 346</b>	<b>6 530 469</b>	<b>5 556 728</b>	<b>6 212 302</b>	<b>6 654 050</b>	<b>6 611 187</b>	<b>6 521 111</b>	<b>6 394 997</b>	<b>6 681 411</b>
<b>Public Order and Safety</b>									
Police Services	224 891	233 783	184 276	233 378	233 378	232 447	236 867	235 819	246 429
Community Safety and Liaison	224 891	233 783	184 276	233 378	233 378	232 447	236 867	235 819	246 429
<b>Total: Public Order and Safety</b>	<b>224 891</b>	<b>233 783</b>	<b>184 276</b>	<b>233 378</b>	<b>233 378</b>	<b>232 447</b>	<b>236 867</b>	<b>235 819</b>	<b>246 429</b>
<b>Economic Affairs</b>									
General Economic Affairs	1 952 926	2 169 026	1 789 986	2 148 858	2 215 734	2 215 734	2 245 191	2 223 073	2 325 142
Economic Dev, Tourism and Enviro Affairs	1 952 926	2 169 026	1 789 986	2 148 858	2 215 734	2 215 734	2 245 191	2 223 073	2 325 142
Agriculture	2 036 071	2 384 152	2 352 700	2 411 492	2 437 786	2 437 786	2 378 819	2 392 033	2 499 867
Agriculture and Rural Development	2 036 071	2 384 152	2 352 700	2 411 492	2 437 786	2 437 786	2 378 819	2 392 033	2 499 867
Transport	9 937 421	8 883 535	8 365 104	11 129 680	11 124 680	11 124 680	11 945 734	11 657 721	11 889 527
Transport	9 937 421	8 883 535	8 365 104	11 129 680	11 124 680	11 124 680	11 945 734	11 657 721	11 889 527
<b>Total: Economic Affairs</b>	<b>13 926 418</b>	<b>13 436 713</b>	<b>12 507 790</b>	<b>15 690 030</b>	<b>15 778 200</b>	<b>15 778 200</b>	<b>16 569 744</b>	<b>16 272 827</b>	<b>16 714 536</b>
<b>Environmental Protection</b>									
Environmental Affairs and Conservation	973 642	1 030 630	1 200 630	1 169 167	1 135 726	1 135 726	1 148 212	1 190 714	1 242 440
<b>Total: Environmental Protection</b>	<b>973 642</b>	<b>1 030 630</b>	<b>1 200 630</b>	<b>1 169 167</b>	<b>1 135 726</b>	<b>1 135 726</b>	<b>1 148 212</b>	<b>1 190 714</b>	<b>1 242 440</b>
<b>Housing and Community Amenities</b>									
Housing Development	3 734 629	4 261 359	3 547 458	3 597 231	3 709 403	3 709 403	4 123 328	4 335 277	4 033 291
Human Settlements	3 734 629	4 261 359	3 547 458	3 597 231	3 709 403	3 709 403	4 123 328	4 335 277	4 033 291
<b>Total: Housing and Community Amenities</b>	<b>3 734 629</b>	<b>4 261 359</b>	<b>3 547 458</b>	<b>3 597 231</b>	<b>3 709 403</b>	<b>3 709 403</b>	<b>4 123 328</b>	<b>4 335 277</b>	<b>4 033 291</b>
<b>Health</b>									
Outpatient services	14 033 439	14 981 388	17 402 462	17 836 893	19 484 750	19 550 940	19 543 703	18 506 283	19 389 737
Hospital Services	27 959 714	29 742 762	31 598 249	30 135 677	30 695 728	30 722 371	29 631 206	29 218 557	30 645 859
<b>Total: Health</b>	<b>41 993 153</b>	<b>44 724 150</b>	<b>49 000 711</b>	<b>47 972 570</b>	<b>50 180 478</b>	<b>50 273 311</b>	<b>49 174 909</b>	<b>47 724 840</b>	<b>50 035 596</b>
<b>Recreation, Culture and Religion</b>									
Sporting and Recreational Affairs	1 353 345	1 414 946	1 070 184	1 458 338	1 471 041	1 471 041	1 471 898	1 475 209	1 553 565
Sport, Arts and Culture	592 101	599 732	422 122	634 468	641 321	641 321	641 776	643 577	673 923
Sport, Arts and Culture	761 244	815 214	648 062	823 870	829 720	829 720	830 122	831 632	879 642
<b>Total: Recreation, Culture and Religion</b>	<b>1 353 345</b>	<b>1 414 946</b>	<b>1 070 184</b>	<b>1 458 338</b>	<b>1 471 041</b>	<b>1 471 041</b>	<b>1 471 898</b>	<b>1 475 209</b>	<b>1 553 565</b>
<b>Education</b>									
Pre-primary & Primary Phases	25 457 374	27 187 288	28 906 190	25 770 590	28 078 386	27 961 451	27 330 407	27 391 491	28 623 371
Secondary Education Phase	16 568 784	18 070 237	18 852 299	17 661 581	17 724 969	19 353 693	18 151 049	18 139 570	18 955 357
Subsidiary Services to Education	7 460 476	8 149 419	8 107 905	8 241 112	10 042 830	9 905 540	10 467 282	10 675 277	9 264 272
Education not defined by level	1 890 219	1 970 034	1 918 104	1 984 967	2 071 989	1 980 747	2 001 906	2 064 863	2 159 222
<b>Total: Education</b>	<b>51 376 853</b>	<b>55 376 978</b>	<b>57 784 498</b>	<b>53 658 250</b>	<b>57 918 174</b>	<b>59 201 431</b>	<b>57 950 644</b>	<b>58 271 201</b>	<b>59 002 222</b>
<b>Social protection</b>									
Social Services and Population Development	2 851 316	3 108 917	3 131 655	3 678 756	3 933 061	3 949 786	3 178 035	3 182 418	3 347 721
<b>Total: Social protection</b>	<b>2 851 316</b>	<b>3 108 917</b>	<b>3 131 655</b>	<b>3 678 756</b>	<b>3 933 061</b>	<b>3 949 786</b>	<b>3 178 035</b>	<b>3 182 418</b>	<b>3 347 721</b>
<b>Total</b>	<b>122 094 593</b>	<b>130 117 945</b>	<b>133 983 930</b>	<b>133 670 022</b>	<b>141 013 511</b>	<b>142 362 532</b>	<b>140 374 748</b>	<b>139 083 302</b>	<b>142 857 211</b>

**Table 1.E(b) : Details of function**

Function	Category	Department	Programme
General Public Services	Legislative	Office of the Premier Provincial Legislature	Administration Administration Parliamentary Business Members Remuneration Office of the MEC
		All departments	Administration
	General Services	Office of the Premier	Institutional Development Policy and Governance Administration Administration Property Management Provision of Buildings, Structures and Equipmt.
		Transport Public Works	Administration Administration Property Management Provision of Buildings, Structures and Equipmt.
	General Policy and Administration	Co-operative Governance and Traditional Affairs	Administration Local Governance Development and Planning Traditional Institutional Management
	Financial and Fiscal Services	Provincial Treasury	Administration Sustainable Resource Management Financial Management Internal Audit
Public Order and Safety	Police Services	Community Safety and Liaison	Administration Civilian Oversight
Economic Affairs	General Economic Affairs	Economic Dev, Tourism and Enviro Affairs	Administration Integrated Econ Dev Services Trade and Sector Development Business Regulation and Governance Economic Planning
	Agriculture	Agriculture and Rural Development	Administration Agriculture Rural Development
	Transport	Transport	Transport Infrastructure Transport Operations Transport Regulations Community Based Programme
Environmental Protection	Environmental Protection	Economic Dev, Tourism and Enviro Affairs	Environmental Affairs
Housing and Community Amenities	Housing Development	Human Settlements	Administration Housing Needs, Research and Planning Housing Development Housing Asset Management, Property Mgt.
Health	Outpatient services NEC	Health	District Health Services Health Facilities Management
	Hospital Services	Health	Administration District Health Services Emergency Medical Services Provincial Hospital Services Central Hospital Services Health Sciences and Training Health Care Support Services Health Facilities Management
Recreational, Culture and Religion	Sporting and recreational affairs services	Sport, Arts and Culture	Administration Cultural Affairs Libraries and Archive Services Sport and Recreation
Education	Pre-primary and Primary Levels	Education	Public Ordinary School Education Early Childhood Development
	Secondary Education Phase	Education	Public Ordinary School Education
	Education Services not defined by level	Education	Public Special School Education Independent School Subsidies
		Agriculture and Rural Development	Agriculture (Structured Agric Training)
	Subsidiary services to education	Health	Health Sciences and Training
		Education	Administration Public Ordinary School Education Public Special School Education Early Childhood Development Infrastructure Development Examination and Education Related Services
Social Protection	Social Security Services	Social Development	Administration
	Social Services and Population Development	Social Development	Social Welfare Services Children and Families Restorative Services Development and Research

Table 1.F : Donor and agency funding - payments

Name of Donor/ Agency Organisation	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
<b>R thousand</b>									
<b>Donor funding</b>	<b>221 712</b>	<b>11 834</b>	<b>32 421</b>	-	<b>25 902</b>	<b>25 902</b>	<b>20 840</b>	-	-
Economic Development, Tourism and Enviro Affairs	1 887	11 128	32 421	-	25 644	25 644	20 840	-	-
Swiss Donor Funds - SECO	1 887	11 128	32 421	-	25 644	25 644	20 840	-	-
Provincial Treasury	219 055	-	-	-	-	-	-	-	-
EU Global Fund: Fight against HIV/AIDS, TB & Malaria	219 055	-	-	-	-	-	-	-	-
Health	770	706	-	-	258	258	-	-	-
Astra Zeneca	-	-	-	-	26	26	-	-	-
Atlantic Philanthropies	770	701	-	-	174	174	-	-	-
COGTA	-	3	-	-	-	-	-	-	-
Conforth Investments	-	-	-	-	32	32	-	-	-
Impumelelo Trust Innovation	-	-	-	-	24	24	-	-	-
SA Breweries	-	2	-	-	-	-	-	-	-
MASEA Awards	-	-	-	-	2	2	-	-	-
<b>Agency funding</b>	<b>13 260</b>	<b>15 377</b>	<b>21 326</b>	-	<b>47 953</b>	<b>47 953</b>	<b>10 000</b>	-	-
Office of the Premier	8 556	3 206	14 401	-	20 000	20 000	10 000	-	-
NSF	1 332	-	-	-	-	-	-	-	-
MERSETA	7 224	3 206	14 401	-	20 000	20 000	10 000	-	-
Health	3 060	12 171	1 666	-	17 352	17 352	-	-	-
HWSETA Learnership: Bethesda Sub-Campus	-	-	11	-	9	9	-	-	-
HWSETA Learnership: Edendale Campus	-	-	-	-	61	61	-	-	-
HWSETA Learnership: Head Office	-	-	-	-	-	-	-	-	-
HWSETA Learnership: HIV and AIDS Support	-	-	-	-	45	45	-	-	-
HWSETA Learnership: King Edward Sub-Campus	211	-	-	-	-	-	-	-	-
HWSETA Learnership: Ngwelezane	-	-	-	-	261	261	-	-	-
HWSETA Learnership: Nkandla	-	-	-	-	26	26	-	-	-
HWSETA Learnership: Pharmacy	-	1	-	-	-	-	-	-	-
HWSETA Learnership: Prince Mshiyeni Hospital/St Aidens	2	50	4	-	59	59	-	-	-
HWSETA Learnership: Social and Auxilliary	-	-	-	-	-	-	-	-	-
HWSETA Learnership: Dental/Oral Hygiene	-	-	-	-	1 085	1 085	-	-	-
HWSETA Learnership: Sign Language Training	411	-	-	-	-	-	-	-	-
HWSETA Learnership: Social Environmental Health	-	-	-	-	50	50	-	-	-
HWSETA Learnership: Tradesman RPL	-	-	-	-	-	-	-	-	-
HWSETA Learnership: TVET Graduates	2 418	765	540	-	-	-	-	-	-
HWSETA - Bridging for enrolled nurse training	18	90	-	-	315	315	-	-	-
HWSETA	-	-	-	-	6 407	6 407	-	-	-
PSETA	-	-	-	-	222	222	-	-	-
HWSETA: isiZulu training	-	14	-	-	-	-	-	-	-
HWSETA: Ad hoc projects	-	1 497	228	-	107	107	-	-	-
HWSETA: Interns 2018/19	-	-	600	-	-	-	-	-	-
HWSETA: NHI Leaders and Gov. Prog.	-	6 574	181	-	200	200	-	-	-
HWSETA: Healthcare Quality and Patient Safety	-	3 020	-	-	39	39	-	-	-
HWSETA: Nursing	-	160	102	-	8 466	8 466	-	-	-
Transport	1 644	-	5 259	-	10 601	10 601	-	-	-
RTMC	1 644	-	5 018	-	10 601	10 601	-	-	-
eThekwin Metro	-	-	241	-	-	-	-	-	-
<b>Total</b>	<b>234 972</b>	<b>27 211</b>	<b>53 747</b>	-	<b>73 855</b>	<b>73 855</b>	<b>30 840</b>	-	-

Table 1.G(i) : Details of transfers to local government: 2022/23

Municipality		Vote 3					Vote 4					Vote 7					Vote 8					Vote 10					Vote 11					Vote 14		Total
		3.1	4.1	4.2	4.3	4.4	4.5	4.6	7.1	8.1	8.2	8.3	8.4	10.1	10.2	10.3	10.4	10.5	10.6	11.1	11.2	11.3	11.4	14.1	14.1									
R thousand	eThekweni	-	1 800	1 000	-	-	-	256 596	236 806	45 000	10 970	34 885	6 241	-	55 161	9 310	-	-	-	-	-	-	-	500 485	1 138 234									
	Ugu Municipalities	-	2 000	1 000	5 000	-	2 500	-	206 600	-	6 064	-	449	-	21 054	5 891	-	-	-	-	4 000	4 600	21 011	280 169										
	uMboni	-	2 000	-	-	-	-	-	40 956	-	-	-	-	-	7 655	2 359	-	-	-	-	4 000	-	6 905	63 875										
	uMzumbane	-	-	-	-	-	-	-	43 591	-	-	-	-	-	-	-	-	-	-	-	-	-	2 396	45 987										
	uMzizwabantu	-	-	-	-	-	-	-	37 498	-	-	-	-	-	-	981	969	-	-	-	-	4 600	1 265	45 313										
	Ray Nkonyeni	-	-	1 000	5 000	-	-	-	66 587	-	6 064	-	-	449	-	12 418	2 563	-	-	-	-	-	10 445	104 526										
	Ugu District Municipality	-	-	-	-	-	2 500	-	17 968	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20 468										
	uMgungundlovu Municipalities	-	-	2 000	3 000	-	3 000	-	152 916	-	2 493	77 060	1 009	-	29 298	3 417	-	-	-	-	5 000	6 600	108 762	394 555										
	uMshwathi	-	-	-	-	-	-	-	37 443	-	-	-	-	-	-	2 946	254	-	-	-	5 000	-	13 446	59 089										
	uMngeni	-	-	-	-	-	-	-	3 585	-	-	-	4 715	235	-	3 929	508	-	-	-	5 000	-	3 600	16 572										
Mpofana	-	-	-	-	-	-	-	-	-	-	-	5 501	235	-	1 964	254	-	-	-	-	-	-	143	8 097										
Impendle	-	-	-	-	-	-	-	-	600	-	-	-	-	-	1 964	254	-	-	-	-	-	-	3 079	5 897										
Msunduzi	-	-	2 000	3 000	-	-	-	-	84 858	-	2 493	66 844	539	-	14 568	870	-	-	-	-	6 600	83 260	265 032	18 800										
Mkhambathini	-	-	-	-	-	-	-	13 239	-	-	-	-	-	-	981	1 023	-	-	-	-	-	-	3 557	18 800										
Richmond	-	-	-	-	-	-	3 000	-	13 191	-	-	-	-	-	2 946	254	-	-	-	-	-	-	1 677	21 068										
uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-									
uThukela Municipalities	-	2 000	-	-	-	-	-	-	114 484	-	1 706	13 417	919	-	13 744	3 570	10 943	-	-	-	-	-	53 585	230 268										
Okhahlamba	-	-	-	-	-	-	-	-	22 614	-	-	-	235	-	1 964	1 023	-	-	-	15 900	-	-	3 769	45 505										
iNkosi Langalibalele	-	-	-	-	-	-	-	-	-	-	-	13 357	449	-	5 890	762	-	-	-	15 900	-	-	24 128	44 586										
Alfred Duma	-	2 000	-	-	-	-	-	-	40 306	-	1 706	60	235	-	5 890	1 795	10 943	-	-	-	-	-	25 688	88 613										
uThukela District Municipality	-	-	-	-	-	-	-	-	51 564	-	-	-	-	-	-	-	-	-	-	-	-	-	51 564	51 564										
uMzinyathi Municipalities	-	1 000	1 500	-	-	1 000	-	-	70 023	-	-	-	774	-	8 838	3 831	-	578	-	-	5 000	-	36 891	129 435										
eNtumeni	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-									
Nquthu	-	-	-	-	-	-	-	-	-	-	-	-	539	-	3 929	1 223	-	-	-	-	-	13 328	19 019											
uMsinga	-	1 000	-	-	-	-	-	-	19 933	-	-	-	-	-	1 964	2 046	-	-	-	-	-	12 210	16 220											
uMvoti	-	-	-	-	-	-	-	-	50 090	-	-	-	235	-	1 964	254	-	578	-	-	-	6 353	28 575	5 000	58 121									
uMzinyathi District Municipality	-	-	1 500	-	-	1 000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5 000	-	7 500	7 500										
Amajuba Municipalities	-	-	2 000	3 000	-	-	3 500	-	143 260	-	5 439	490 029	449	-	8 954	4 936	11 000	-	-	-	-	19 054	691 621											
Newcastle	-	-	2 000	3 000	-	-	-	123 885	-	5 439	478 733	449	-	-	6 992	2 595	11 000	-	-	-	-	5 907	640 000											
eMladlangeni	-	-	-	-	-	-	3 500	-	-	-	-	175	-	-	981	969	-	-	-	-	-	6 360	11 985	39 636										
Danihauser	-	-	-	-	-	-	-	-	19 375	-	-	11 121	-	-	981	1 372	-	-	-	-	-	6 787	39 636	-										
Amajuba District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-									
Zululand Municipalities	-	2 000	-	500	-	1 000	-	-	149 575	-	-	6 961	235	1 911	9 430	5 864	-	-	-	-	-	54 314	242 490											
eDumbe	-	-	-	-	-	1 000	-	-	24 169	-	-	730	-	-	1 964	1 426	-	-	-	10 700	-	4 287	38 576	-										
uPhongolo	-	-	-	-	-	-	-	-	70 062	-	-	-	-	-	1 964	508	-	-	-	5 000	-	4 577	77 111	-										
AbaQulusi	-	2 000	-	-	-	-	-	-	1 326	-	-	5 685	235	-	3 540	1 223	-	-	-	5 700	-	9 086	28 795	-										
Nongoma	-	-	-	-	-	-	-	-	47 844	-	-	-	-	-	981	1 684	-	-	-	-	-	7 571	58 080	-										
Ulundu	-	-	-	-	-	-	-	-	6 174	-	-	546	-	-	981	1 023	-	-	-	-	-	28 793	37 517	2 411										
Zululand District Municipality	-	-	-	500	-	-	-	-	-	-	-	-	-	1 911	-	-	-	-	-	-	-	-	2 411	-										
uMkhanyakude Municipalities	-	5 500	-	-	1 000	-	9 000	-	131 369	-	-	526	-	-	8 479	12 320	-	1 156	-	-	-	32 677	202 027	-										
uMhlabuyalingana	-	4 500	-	-	1 000	-	2 500	-	38 754	-	-	-	-	-	1 964	969	-	-	-	-	-	14 815	64 502	-										
Jozini	-	-	-	-	-	-	-	-	24 713	-	-	-	-	-	981	6 357	-	-	-	-	-	7 573	39 624	-										
Mubatuba	-	-	-	-	-	-	6 500	-	22 443	-	-	-	-	-	3 570	2 341	-	578	-	-	-	7 146	42 578	-										
Big Five Hlabisa	-	-	-	-	-	-	-	-	-	-	-	526	-	-	-	1 964	2 653	-	578	-	-	3 143	37 664	-										
uMkhanyakude District Municipality	-	1 000	-	-	-	-	-	-	16 659	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17 659	-									



Table 1.G(i) : Details of transfers to local government: 2022/23 (continued)

Municipality		Vote 3	Vote 4						Vote 7	Vote 8				Vote 10					Vote 11				Vote 14	Total		
	R thousand	3.1	4.1	4.2	4.3	4.4	4.5	4.6	7.1	8.1	8.2	8.3	8.4	10.1	10.2	10.3	10.4	10.5	10.6	11.1	11.2	11.3	11.4	14.1		
King Cetshwayo District Municipality	King Cetshwayo Municipalities	4	-	2 000	1 000	-	-	-	-	106 776	-	-	3 177	23 174	1 219	-	18 428	9 671	10 944	577	-	-	-	-	44 854	221 824
	uMfotzi	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 964	1 223	-	577	-	-	-	706	4 470	
	uMhlatuze	-	-	2 000	1 000	-	-	-	-	55 236	-	-	3 177	16 122	235	-	9 593	2 747	10 944	-	-	-	-	27 672	128 726	
	uMlalazi	-	-	-	-	-	-	-	-	21 020	-	-	-	1 905	984	-	4 909	562	-	-	-	-	-	4 574	33 959	
	Mthonjaneni	-	-	-	-	-	-	-	-	4 239	-	-	-	5 147	-	-	981	254	-	-	-	-	-	3 572	14 193	
	Nkandla	-	-	-	-	-	-	-	-	26 281	-	-	-	-	-	-	981	4 885	-	-	-	-	-	8 330	40 477	
	iLembe Municipalities	4	-	4 000	-	-	-	-	-	-	98 510	-	-	4 440	70 308	235	-	9 817	5 935	-	5 000	-	-	-	48 029	249 274
	Manteni	-	-	1 000	-	-	-	-	-	14 962	-	-	-	-	-	-	2 946	1 477	-	-	-	-	-	7 229	27 614	
Harry Gwala District Municipality	KwaDukuza	-	-	1 000	-	-	-	-	-	17 884	-	-	4 440	70 308	235	-	5 890	762	-	-	-	-	-	10 230	110 749	
	Ndvedwe	-	-	1 000	-	-	-	-	-	33 690	-	-	-	-	-	-	981	1 023	-	5 000	-	3 000	-	14 751	59 445	
	Maphumulo	-	-	1 000	-	-	-	-	-	31 974	-	-	-	-	-	-	-	2 673	-	-	-	-	-	15 819	51 466	
	iLembe District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Harry Gwala Municipalities	-	2 000	2 000	-	-	-	-	-	122 643	-	-	-	3 500	-	-	6 872	3 723	20 000	-	-	10 200	8 000	16 327	195 265	
	Greater Kosiad	-	-	1 000	-	-	-	-	-	39 125	-	-	-	-	-	-	1 964	1 223	-	-	-	-	-	5 439	48 751	
	uBuhlebezwe	-	-	-	-	-	-	-	-	79 536	-	-	-	3 500	-	-	981	254	-	-	5 000	-	-	5 608	96 879	
	uMzimkhulu	-	-	-	-	-	-	-	-	1 700	-	-	-	-	-	-	981	1 023	20 000	-	-	-	-	4 170	27 874	
Harry Gwala District Municipality	Dr Nkosazana Dlamini Zuma	-	-	1 000	-	-	-	-	-	-	-	-	-	-	-	-	2 946	1 223	-	-	5 200	8 000	1 110	19 479	19 479	
	Unallocated/unclassified	-	-	-	-	-	-	-	-	2 282	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 282	-
	Total	4	16 300	15 500	12 500	1 000	2 000	18 000	256 596	1 532 962	45 000	34 289	719 840	11 530	1 911	190 075	68 468	52 887	2 311	5 000	45 800	16 000	11 200	935 989	3 995 162	

Key	Grant Name	Key	Grant Name
3.1	OSCA - Rates and taxes	10.1	Infrastructure
4.1	Informal Economy/ Infrastructure	10.2	Maintenance grant
4.2	Municipal Employment Initiative	10.3	Museum subsidies
4.3	Airports	10.4	Community library services grant
4.4	uTswayelo Aquaculture	10.5	Art centres (operational costs)
4.5	Economic Development Plan	10.6	Provincialisation of libraries
4.6	Tourism programmes	11.1	Massification prog (incl. elec. projects)
7.1	Municipal clinics	11.2	Small Town Rehabilitation programme
8.1	HSDG: Interventions	11.3	Disaster Management programme
8.2	CRU Programme and Municipal Rates and Taxes	11.4	Corridor Development programme
8.3	Accredited municipalities	14.1	Property rates
8.4	ISUPG		

Table 1.G(ii) : Details of transfers to local government: 2023/24

Municipality	Vote 3	Vote 4					Vote 7	Vote 8					Vote 10					Vote 11				Vote 14	Total	
		4.1	4.2	4.3	4.4	4.5		4.6	7.1	8.1	8.2	8.3	8.4	10.1	10.2	10.3	10.4	10.5	10.6	11.1	11.2			11.3
<b>R thousand</b>	3.1																							
<b>eThekweni</b>																								
<b>Ugu Municipalities</b>																								
uMdoni	-	-	-	-	-	-	268 736	171 068	45 000	10 970	36 576	6 615	476	-	21 054	5 891	-	-	-	-	3 700	-	310 692	1 011 639
uMzombe	-	-	-	-	-	-	-	36 736	-	-	-	-	-	-	7 655	2 359	-	-	-	-	-	-	4 390	54 840
uMzizabartu	-	-	-	-	-	-	-	26 845	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5 320	32 165
Ray Nkonyeni	-	-	-	-	-	-	-	22 657	-	-	-	-	-	-	981	969	-	-	-	-	-	-	6 541	31 148
Ugu District Municipality	-	-	-	-	-	-	-	47 333	-	6 064	-	476	-	-	12 418	2 563	-	-	-	-	-	-	5 885	74 539
<b>uMgungundlovu Municipalities</b>																								
uMshwathi	-	-	-	-	-	-	-	187 782	-	2 493	211 299	1 069	-	-	28 298	3 417	-	-	-	-	-	-	113 547	552 905
uMngeni	-	-	-	-	-	-	-	31 377	-	-	-	-	-	-	2 946	254	-	-	-	-	-	-	14 038	48 615
uMngeni	-	-	-	-	-	-	-	-	-	-	3 853	249	-	-	3 929	508	-	-	-	-	-	-	11 066	19 606
Mpofana	-	-	-	-	-	-	-	4 182	-	-	4 458	249	-	-	1 964	254	-	-	-	-	-	-	149	11 256
Impendle	-	-	-	-	-	-	-	150	-	-	4 567	-	-	-	1 964	254	-	-	-	-	-	-	396	7 331
Msuruzi	-	-	-	-	-	-	-	116 399	-	2 493	198 421	571	-	-	13 568	870	-	-	-	-	-	-	86 923	419 245
Mkhambathini	-	-	-	-	-	-	-	28 740	-	-	-	-	-	-	981	1 023	-	-	-	-	-	-	895	31 639
Richmond	-	-	-	-	-	-	-	6 934	-	-	-	-	-	-	2 946	254	-	-	-	-	-	-	80	10 214
uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>uThukela Municipalities</b>																								
Okhahlamba	-	-	-	-	-	-	-	85 504	-	1 706	14 494	974	-	-	13 744	3 570	10 097	-	-	-	-	-	58 970	196 159
iNkosi Langalibalele	-	-	-	-	-	-	-	12 417	-	-	-	249	-	-	1 964	1 023	-	-	-	-	-	-	7 589	30 342
Alfred Duma	-	-	-	-	-	-	-	-	-	-	14 434	476	-	-	5 890	762	-	-	-	-	-	-	24 563	46 125
UThukela District Municipality	-	-	-	-	-	-	-	50 843	-	1 706	60	249	-	-	5 890	1 785	10 097	-	-	-	-	-	26 818	97 448
<b>uMzinyathi Municipalities</b>																								
eNtumeni	-	-	-	-	-	-	-	22 244	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22 244
uMzinyathi District Municipality	-	-	-	-	-	-	-	69 223	-	-	-	820	-	-	8 838	3 831	-	576	-	-	-	-	39 292	122 580
<b>Anajuba Municipalities</b>																								
Newcastle	-	-	-	-	-	-	-	-	-	-	-	-	571	-	3 929	1 223	-	-	-	-	-	-	11 826	17 549
eMladangeni	-	-	-	-	-	-	-	19 933	-	-	-	-	-	-	1 964	2 046	-	-	-	-	-	-	12 747	16 757
Danihauser	-	-	-	-	-	-	-	49 230	-	-	-	249	-	-	981	308	-	-	-	-	-	-	6 633	27 855
uMzinyathi District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 964	254	-	576	-	-	-	-	8 086	60 419
<b>Anajuba District Municipality</b>																								
<b>Zululand Municipalities</b>																								
eDumbe	-	-	-	-	-	-	-	114 831	-	5 439	186 343	476	-	-	8 954	4 936	10 097	-	-	-	-	-	16 087	347 163
uPhongolo	-	-	-	-	-	-	-	93 456	-	5 439	172 279	476	-	-	6 992	2 595	10 097	-	-	-	-	-	6 167	297 501
Abaqulusi	-	-	-	-	-	-	-	2 000	-	-	-	-	-	-	981	969	-	-	-	-	-	-	3 878	7 828
Nongoma	-	-	-	-	-	-	-	19 375	-	-	14 064	-	-	-	981	1 372	-	-	-	-	-	-	6 042	41 834
Ulundi	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Zululand District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>uMkhanyakude Municipalities</b>																								
uMhlabuyalingana	-	-	-	-	-	-	-	163 694	-	-	9 159	249	1 911	-	9 430	5 864	-	-	-	-	-	-	56 704	252 011
Jozini	-	-	-	-	-	-	-	31 262	-	-	1 493	-	-	-	1 964	1 426	-	-	-	-	-	-	4 476	42 621
Mtubatuba	-	-	-	-	-	-	-	74 041	-	-	-	-	-	-	1 964	508	-	-	-	-	-	-	4 778	81 291
Big Five Habisa	-	-	-	-	-	-	-	1 326	-	-	7 433	249	-	-	3 540	1 223	-	-	-	-	-	-	9 486	26 257
uMkhanyakude District Municipality	-	-	-	-	-	-	-	48 057	-	-	-	-	-	-	981	1 684	-	-	-	-	-	-	7 904	58 626
	-	-	-	-	-	-	-	9 008	-	-	233	-	-	-	981	1 023	-	-	-	-	-	-	30 060	41 305
	-	-	-	-	-	-	-	-	-	-	-	-	-	1 911	-	-	-	-	-	-	-	-	1 911	1 911
	-	-	-	-	-	-	-	147 235	-	-	1 492	-	-	-	8 479	12 320	-	576	-	-	-	-	34 114	206 116
	-	-	-	-	-	-	-	37 039	-	-	-	-	-	-	1 964	969	-	-	-	-	-	-	15 467	55 439
	-	-	-	-	-	-	-	24 310	-	-	-	-	-	-	981	6 357	-	-	-	-	-	-	7 906	39 554
	-	-	-	-	-	-	-	20 130	-	-	-	-	-	-	3 570	2 341	-	576	-	-	-	-	7 460	35 977
	-	-	-	-	-	-	-	32 090	-	-	1 492	-	-	-	1 964	2 653	-	-	-	-	-	-	3 281	41 480
	-	-	-	-	-	-	-	33 666	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33 666

Table 1.G(ii) : Details of transfers to local government: 2023/24 (continued)

Municipality	Vote 3			Vote 4			Vote 7	Vote 8					Vote 10					Vote 11					Vote 14	Total
	3.1	4.1	4.2	4.3	4.4	4.5	4.6	7.1	8.1	8.2	8.3	8.4	10.1	10.2	10.3	10.4	10.5	10.6	11.1	11.2	11.3	11.4		
<b>R thousand</b>																								
<b>King Ceshwayo Municipalities</b>	6	-	-	-	-	-	-	-	118 339	-	3 177	-	1 282	-	18 428	9 671	10 341	576	-	-	-	-	46 828	208 658
uMfolozi	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 964	1 223	-	576	-	-	-	-	737	4 500
uMhlatuze	-	-	-	-	-	-	-	-	55 202	-	3 177	-	249	-	9 593	2 747	10 341	-	-	-	-	-	28 890	110 199
uMlalazi	-	-	-	-	-	-	-	-	37 704	-	-	-	1 043	-	4 909	562	-	-	-	-	-	-	4 775	48 993
Nthorjaneni	-	-	-	-	-	-	-	-	4 239	-	-	-	-	-	981	254	-	-	-	-	-	-	3 729	9 203
Nkandla	-	-	-	-	-	-	-	-	21 194	-	-	-	-	-	981	4 885	-	-	-	-	-	-	8 697	35 757
<b>King Ceshwayo District Municipality</b>	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6
<b>iLembe Municipalities</b>	-	-	-	-	-	-	-	-	114 363	-	4 440	91 795	249	-	9 817	5 935	-	-	-	-	2 000	-	22 668	251 267
Manteni	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 946	1 477	-	-	-	-	-	-	1 074	5 497
KwaDukuza	-	-	-	-	-	-	-	-	112 305	-	4 440	37 057	249	-	5 890	762	-	-	-	-	-	-	7 850	168 553
Ndwedwe	-	-	-	-	-	-	-	-	2 058	-	-	54 738	-	-	981	1 023	-	-	-	-	2 000	-	1 922	62 722
Maphumulo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 673	-	-	-	-	-	-	11 822	14 495
<b>Ilembe District Municipality</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Harry Gwala Municipalities</b>	-	-	-	-	-	-	-	-	166 923	-	-	2 000	-	-	6 872	3 723	10 087	-	-	-	-	-	17 045	206 660
Greater Kokstad	-	-	-	-	-	-	-	-	82 117	-	-	-	-	-	1 964	1 223	-	-	-	-	-	-	5 678	90 982
uBuhlebezwe	-	-	-	-	-	-	-	-	84 806	-	-	2 000	-	-	981	254	-	-	-	-	-	-	5 855	93 896
uMzimkhulu	-	-	-	-	-	-	-	-	-	-	-	-	-	-	981	1 023	10 087	-	-	-	-	-	4 353	16 454
Dr Nkomo Dlamini Zuma	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 946	1 223	-	-	-	-	-	-	1 159	5 328
<b>Harry Gwala District Municipality</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Unallocated/unclassified</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	6	-	-	-	-	-	-	268 736	1 602 814	45 000	34 289	553 158	12 220	1 911	193 802	68 488	40 632	1 728	-	15 700	9 000	-	737 883	3 585 347

Key	Grant Name	Key	Grant Name
3.1	OSCA - Rates and taxes	10.1	Infrastructure
4.1	Informal Economy Infrastructure	10.2	Maintenance grant
4.2	Municipal Employment Initiative	10.3	Museum subsidies
4.3	Airports	10.4	Community/library services grant
4.4	uTswayelo Aquaculture	10.5	Art centres (operational costs)
4.5	Economic Development Plan	10.6	Provincialisation of libraries
4.6	Tourism programmes	11.1	Massification prog (incl. elec. projects)
7.1	Municipal clinics	11.2	Small Town Rehabilitation programme
8.1	HSDG: Interventions	11.3	Disaster Management programme
8.2	CRU Programme and Municipal Rates and Taxes	11.4	Corridor Development programme
8.3	Accredited municipalities	14.1	Property rates
8.4	ISUPG		

Table 1.G(iii) : Details of transfers to local government: 2024/25

Municipality	Vote 3			Vote 4			Vote 7			Vote 8				Vote 10						Vote 11			Vote 14		Total
	3.1	4.1	4.2	4.3	4.4	4.5	4.6	7.1	8.1	8.2	8.3	8.4	10.1	10.2	10.3	10.4	10.5	10.6	11.1	11.2	11.3	11.4	14.1		
eThekweni Ugu Municipalities	-	-	-	-	-	-	-	281 275	372 814	45 000	10 970	36 576	6 906	-	62 523	9 719	-	-	-	-	-	-	324 362	1 150 145	
	-	-	-	-	-	-	-	-	166 357	-	6 064	-	497	-	21 980	6 150	-	-	-	15 000	-	-	22 901	238 949	
	-	-	-	-	-	-	-	-	45 213	-	-	-	-	-	7 992	2 463	-	-	-	15 000	-	-	4 583	75 251	
	-	-	-	-	-	-	-	-	26 845	-	-	-	-	-	-	-	-	-	-	-	-	-	5 554	32 399	
	-	-	-	-	-	-	-	-	11 348	-	-	-	-	-	-	1 024	1 011	-	-	-	-	-	6 829	20 212	
	-	-	-	-	-	-	-	-	40 977	-	6 064	-	497	-	12 964	2 676	-	-	-	-	-	-	5 935	69 113	
	-	-	-	-	-	-	-	-	41 974	-	-	-	-	-	-	-	-	-	-	-	-	-	41 974	69 113	
	-	-	-	-	-	-	-	-	205 814	-	2 493	211 299	1 116	-	29 543	3 566	-	-	-	-	-	-	118 544	572 375	
	-	-	-	-	-	-	-	-	31 377	-	-	-	-	-	-	3 076	265	-	-	-	-	-	-	14 656	49 374
	-	-	-	-	-	-	-	-	-	-	-	-	3 653	260	-	4 102	530	-	-	-	-	-	-	11 553	20 298
uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	4 182	-	-	4 458	260	-	2 050	265	-	-	-	-	-	-	156	11 371	
	-	-	-	-	-	-	-	-	150	-	-	4 567	-	-	2 050	265	-	-	-	-	-	-	413	7 445	
	-	-	-	-	-	-	-	-	139 431	-	2 493	198 421	596	-	14 165	908	-	-	-	-	-	-	90 748	446 762	
	-	-	-	-	-	-	-	-	23 740	-	-	-	-	-	1 024	1 068	-	-	-	-	-	-	934	26 766	
	-	-	-	-	-	-	-	-	6 934	-	-	-	-	-	3 076	265	-	-	-	-	-	-	84	10 359	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	85 266	-	1 706	14 494	1 017	-	14 349	3 727	10 794	-	-	-	-	-	61 565	192 918	
	-	-	-	-	-	-	-	-	23 817	-	-	-	260	-	2 051	1 067	-	-	-	-	-	-	7 923	35 118	
	-	-	-	-	-	-	-	-	-	-	-	14 434	497	-	6 149	796	-	-	-	-	-	-	25 644	47 520	
	-	-	-	-	-	-	-	-	46 205	-	1 706	60	260	-	6 149	1 864	10 794	-	-	-	-	-	27 998	95 036	
uThukela District Municipality	-	-	-	-	-	-	-	-	15 244	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15 244	-
	-	-	-	-	-	-	-	-	76 223	-	-	-	856	-	9 227	5 500	-	-	-	-	-	-	41 021	132 827	
	-	-	-	-	-	-	-	-	-	-	-	-	596	-	4 103	1 277	-	-	-	-	-	-	12 346	18 322	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 050	2 886	-	-	-	-	-	-	13 308	18 244	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 024	1 072	-	-	-	-	-	-	6 925	28 954	
	-	-	-	-	-	-	-	-	260	-	-	-	260	-	2 050	265	-	-	-	-	-	-	8 442	67 307	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	115 965	-	5 439	186 343	497	-	9 348	5 903	20 000	-	-	-	-	-	16 795	360 290	
	-	-	-	-	-	-	-	-	94 590	-	5 439	172 279	497	-	7 300	2 709	20 000	-	-	-	-	-	6 438	309 252	
	-	-	-	-	-	-	-	-	2 000	-	-	-	-	-	1 024	1 012	-	-	-	-	-	-	4 049	8 085	
Amajuba District Municipality	-	-	-	-	-	-	-	-	19 375	-	-	14 064	-	-	1 024	2 182	-	-	-	-	-	-	6 308	42 953	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	204 787	-	-	9 159	260	1 911	9 845	6 122	10 214	-	-	5 000	8 000	-	59 199	314 497	
	-	-	-	-	-	-	-	-	49 232	-	-	1 493	-	-	2 050	1 489	-	-	-	-	-	-	4 673	61 937	
	-	-	-	-	-	-	-	-	94 148	-	-	-	-	-	2 050	530	10 214	-	-	-	-	-	4 988	111 930	
	-	-	-	-	-	-	-	-	-	-	-	7 433	260	-	3 697	1 277	-	-	-	5 000	-	-	9 903	27 570	
	-	-	-	-	-	-	-	-	43 057	-	-	-	-	-	1 024	1 758	-	-	-	-	-	-	8 252	54 091	
	-	-	-	-	-	-	-	-	18 350	-	-	233	-	-	1 024	1 068	-	-	-	-	-	-	31 383	52 058	
	-	-	-	-	-	-	-	-	-	-	-	-	-	1 911	-	-	-	-	-	-	-	-	-	6 911	-
	-	-	-	-	-	-	-	-	147 051	-	-	1 492	-	-	8 852	12 863	-	-	-	6 300	3 000	-	35 615	215 173	
Zululand District Municipality	-	-	-	-	-	-	-	-	33 750	-	-	-	-	-	2 050	1 012	-	-	-	-	-	-	16 148	52 960	
	-	-	-	-	-	-	-	-	22 779	-	-	-	-	-	1 024	6 637	-	-	-	-	-	-	8 254	38 694	
	-	-	-	-	-	-	-	-	22 360	-	-	-	-	-	3 728	2 444	-	-	-	-	-	-	7 788	45 620	
	-	-	-	-	-	-	-	-	34 785	-	-	1 492	-	-	2 050	2 770	-	-	-	-	-	-	3 425	44 522	
	-	-	-	-	-	-	-	-	33 377	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33 377	

Table 1.G(iii) : Details of transfers to local government: 2024/25 (continued)

Municipality		Vote 3 to 14 - 2016 Government Gazette (continued)																								
		Vote 3		Vote 4			Vote 7		Vote 8				Vote 10					Vote 11			Vote 14		Total			
R thousand		3.1	4.1	4.2	4.3	4.4	4.5	4.6	7.1	8.1	8.2	8.3	8.4	10.1	10.2	10.3	10.4	10.5	10.6	11.1	11.2	11.3		11.4	14.1	
King Cetshwayo Municipalities	6		-	-	-	-	-	-	-	109 071	-	3 177	-	1 349	-	19 239	10 097	-	580	-	-	-	-	48 888		
	uMfolozi	-	-	-	-	-	-	-	-	37 595	-	3 177	-	260	-	10 016	2 868	-	580	-	-	-	-	769		
	uMhlatuze	-	-	-	-	-	-	-	-	46 043	-	-	-	1 089	-	5 125	587	-	-	-	-	-	-	30 161		
	uMlaazi	-	-	-	-	-	-	-	-	4 239	-	-	-	-	-	1 024	265	-	-	-	-	-	-	4 985		
	Mthonjaneni	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3 893		
	Nkandla	-	-	-	-	-	-	-	-	21 194	-	-	-	-	-	1 024	5 100	-	-	-	-	-	-	9 080		
	King Cetshwayo District Municipality	6		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6		
	iLembe Municipalities	-		-	-	-	-	-	-	96 452	-	4 440	91 795	260	10 249	6 197	-	-	-	-	-	-	-	-	23 665	
	Manteni	-		-	-	-	-	-	-	-	-	-	-	-	-	3 076	1 542	-	-	-	-	-	-	-	1 121	
	KwaDukuza	-		-	-	-	-	-	-	94 394	-	4 440	37 057	260	6 149	796	-	-	-	-	-	-	-	-	-	8 195
Ndwedwe	-		-	-	-	-	-	-	2 058	-	-	-	54 738	-	1 024	1 068	-	-	-	-	-	-	-	-	2 007	
Maphumulo	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 791	-	-	-	-	-	-	-	15 133	
Ilembe District Municipality	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Harry Gwala Municipalities	-		-	-	-	-	-	-	113 201	-	-	-	2 000	-	-	7 174	4 637	-	580	-	10 260	-	-	-	17 795	
Greater Kokstad	-		-	-	-	-	-	-	77 212	-	-	-	-	-	-	2 050	2 027	-	-	-	10 260	-	-	-	5 928	
uNtshongweni	-		-	-	-	-	-	-	35 989	-	-	-	2 000	-	-	1 024	265	-	-	-	-	-	-	-	6 113	
uNtshongweni	-		-	-	-	-	-	-	-	-	-	-	-	-	-	1 024	1 068	-	580	-	-	-	-	-	4 544	
uMzimkhulu	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	3 076	1 277	-	-	-	-	-	-	1 210	
Dr Nkomo District Municipality	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5 563	
Harry Gwala District Municipality	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Unallocated/unclassified	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total	6		-	-	-	-	-	-	281 275	1 693 001	45 000	34 289	553 158	12 758	1 911	202 329	74 481	41 008	1 160	-	36 560	11 000	-	-	770 350	3 758 286

Key	Grant Name	Key	Grant Name
3.1	OSCA - Rates and taxes	10.1	Infrastructure
4.1	Informal Economy Infrastructure	10.2	Maintenance grant
4.2	Municipal Employment Initiative	10.3	Museum subsidies
4.3	Airports	10.4	Community library services grant
4.4	uTswayelo Aquaculture	10.5	Art centres (operational costs)
4.5	Economic Development Plan	10.6	Provincialisation of libraries
4.6	Tourism programmes	11.1	Massification prog (incl. elec. projects)
7.1	Municipal clinics	11.2	Small Town Rehabilitation programme
8.1	HSDG: Interventions	11.3	Disaster Management programme
8.2	CRU Programme and Municipal Rates and Taxes	11.4	Corridor Development programme
8.3	Accredited municipalities	14.1	Property rates
8.4	ISUPG		



**ESTIMATES  
OF  
PROVINCIAL REVENUE  
AND  
EXPENDITURE**