

VOTE 1

Office of the Premier

Operational budget	R815 343 240
Remuneration of the Premier	R 2 531 760
Total amount to be appropriated	R817 875 000
Responsible Executive Authority	The Premier
Administering department	Office of the Premier
Accounting officer	Director-General: Office of the Premier

1. Overview

Vision

The vision of the Office of the Premier (OTP) is: *To be a well-governed, inclusive, prosperous and innovative Province of KwaZulu-Natal.*

Mission

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

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

Strategic outcomes

The **strategic policy direction** of the OTP is directly linked to national government's five-year Medium Term Development Plan (MTDP) 2024-29 to which the PGDS is also aligned. The three priorities in both plans are as follows:

- Priority 1: Inclusive growth and job creation.
- Priority 2: Reduce poverty and tackle the high cost of living.
- Priority 3: Build a capable, ethical and developmental state.

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

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

Core functions

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

- *Leadership and governance:* To provide strategic leadership and governance across all provincial departments, ensuring compliance with national and provincial laws.
- *Co-ordination across government spheres:* To foster inter-governmental relations and ensure the seamless co-ordination of provincial, national, and local government actions. This role involves leading the integration of planning cycles and policies across various government spheres. It also involves managing intergovernmental frameworks such as the District Development Model (DDM) and Operation Sukuma Sakhe (OSS) to enhance the effectiveness of provincial service delivery.
- *Policy development and implementation:* To co-ordinate the development and implementation of provincial policies. This includes aligning provincial policies with national objectives, overseeing the development and execution of the PGDS, which drives socio-economic development in alignment with national goals.
- *Monitoring and evaluation:* To ensure the monitoring and evaluation of service delivery across provincial departments.
- *Capacity building and institutional support:* For building capacity within provincial departments to ensure they can effectively implement government priorities. Providing institutional support to enhance collaboration between the political leadership and administrative structures ensures the smooth execution of provincial priorities.

Legislative mandate

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

- The Constitution of the Republic of South Africa, 1996
- Public Service Act, 1994, as amended
- Public Finance Management Act (PFMA), (Act No.1 of 1999, as amended)
- Public Administration Management Act, 2014
- Preferential Procurement Policy Framework Act, 2000 and revised regulations dated 16 January 2023
- Public Procurement Act, 2024
- KZN Supply Chain Management Policy Framework, 2006
- KZN Youth Commission Act, 2005
- Annual Division of Revenue Act (DORA)
- Public Service Regulations, 2016
- Labour Relations Act, 1995
- Employment Equity Act, 1998
- Basic Conditions of Employment Act, 1997
- Promotion of Access to Information Act, 2000
- Electronic Communications and Transactions Act, 2002
- State Information Technology Agency Act, 1999
- Promotion of Administrative Justice Act, 2000
- Promotion of Equality and Prevention of Unfair Discrimination Act, 2000
- Skills Development Act, 1998, as amended
- KZN Royal House Trust Act, 2018
- Traditional Leadership and Governance Framework Act, 2003
- KZN Traditional Leadership and Governance Act, 2005
- KZN Commissions Act, 1999

- National Youth Commission Act, 1996
- Occupational Health and Safety Act, 1993
- Broad Based Black Economic Employment Act, 2003
- Protected Disclosures Act, 2000, as amended
- Spatial Planning and Land Use Management Act, 2013
- Prevention and Combating of Corrupt Activities Act, 2004
- Inter-governmental Relations Framework Act, 2005
- Foreign Service Act, 2019
- Disaster Management Act, 2015
- Climate Change Act, 2024

Aligning departmental budgets to achieve government's prescribed outcomes

Economic and resource constraints remain a challenge facing government and hence the department will continue to build strategic partnerships with all stakeholders, including the private sector, to increase delivery capacity in the province. These partnerships are, thus, also critical in ensuring that the strategic intent, vision and developmental path set out in the PGDS Vision 2030 are achieved.

For KZN, the 7th Administration is guided by the principles and statements of intent, which all parties to the Government of National Unity (GNU) committed to uphold, including:

- Respect for the Constitution, the Bill of Rights in its entirety, a united South Africa and the rule of law.
- Non-racialism and non-sexism.
- Social justice, redress and equity, and the alleviation of poverty.
- Human dignity and the progressive realisation of socio-economic rights.
- Nation-building, social cohesion and unity in diversity.
- Peace, stability and safe communities, especially for women and children.
- Accountability, transparency and community participation in government.
- Evidence-based policy and decision-making.
- A professional, merit-based, non-partisan, developmental public service that puts people first.
- Integrity, good governance and accountable leadership.

2. Review of the 2024/25 financial year

Section 2 provides a review of 2024/25, outlining the main achievements and progress made by the department during the year, as well as giving a brief discussion on challenges and new developments.

Provincial Planning Commission (PPC)

The functions of the PPC remain similar to those of the National Planning Commission (NPC). Its main purpose is to advise and make recommendations to the Premier and the Provincial Executive Council on a long-term strategic development perspective and vision of the province. The key focus areas included providing support in the finalisation of the 30-Year Review Report, the KZN Situational Review, identification of priorities for 2024/25 in the Provincial Programme of Action and promoting alignment to the NDP.

The PPC conducted a review of the PGDS to inform the key interventions required to yield results over the 5-year term, in alignment with national and provincial priorities. It also engaged with the Department of Planning, Monitoring and Evaluation (DPME) to provide inputs on the development of the MTDP 2024-29, which sets the tone for the prioritisation of government's Programme of Action for the next five

years. The PPC continued to monitor and support the Action Work Groups (AWG) to improve the implementation of strategic interventions.

The PPC had fruitful engagements with the uMngeni-uThukela Water Advisory Board to support the development of methodology for the identification of small dams through the Water Polygon study to support the Water Master Plan Implementation and a draft finding has been prepared.

Policy and research co-ordination

In recent years, the department worked on a process to revive the implementation of the Socio-Economic Impact Assessment System (SEIAS), which is aimed to minimise unintended consequences from policy initiatives, regulations and legislation. The discipline of SEIAS is being implemented in KZN to assist departments to anticipate implementation risks and encourage measures to mitigate them.

SEIAS was applied on the KZN Climate Change Strategy and Plan, the KZN HIV and AIDS Provincial Implementation Plan, the Provincial Policy Guiding Heritage 2024, the KZN Provincial Public Service Training Academy policy to strengthen the capability of policy development and research in the provincial government, the Implementation Plan on Recognition of Prior Learning, the Policy Framework on Adult Education and Training in the Workplace, the Security Policy of the Office of the Premier, and Integrated Reward and Recognition Model for the Office of the Premier.

Strategic planning

The department continued to implement its mandate to render support to provincial departments and their respective public entities with respect to their 5-year Strategic Plans (SPs) and APPs. Technical support was provided in the re-tabling of the 2024/25 APPs (post the general elections). This included providing support in the realignment to the priorities of the 7th Administration, as well as supporting departments in the understanding of the transitional arrangements in the context of the administrative planning cycle.

A key deliverable, as per the DPME, remains the assessment of provincial departmental 5-year SPs (2025-2030) and APPs (2025/26) to determine whether they are aligned with the NDP and the new MTDP, the PGDS and national and provincial priorities and policy pronouncements.

Options for the automation of planning and reports were explored, with a system being prepared for provincial macro planning and a guideline and tool to support the strengthening of sector plans was developed.

Monitoring and evaluation (M&E)

The scope for provincial monitoring and reporting includes internal and external oversight on the implementation of the APP, MTSF (replaced by the MTDP from 2025/26) and transversal monitoring of the Premier's priority programmes. Information is monitored on a quarterly basis. The implementation of Lekgotla and SOPA resolutions is also tracked quarterly by the department.

There was significant improvement in the overall management of performance information by provincial departments in 2023/24. The provincial average for the achievement of APP targets for 2023/24 was 76.4 per cent, up from 73 per cent in 2022/23. The first quarter provincial average for 2024/25 is at the 68 per cent margin and is likely to increase to 80 per cent at the end of 2024/25.

Inter-governmental relations (IGR)

The IGR unit continued to be the vehicle to ensure full and seamless integration between OSS and DDM. Towards this end the following was implemented in 2024/25:

- The DDM Regulations were promulgated, and are now part of the IGR Framework Act, and these were workshopped to various IGR structures including the Premier's Co-ordinating Forum (PCF).
- Towards synergising OSS and DDM IGR structures, a draft concept document on integrated service delivery was developed.
- The process to promote alignment was guided by various workshops at a technical level including a workshop held with members of the Governance, State Capacity and Institutional Development (GSCID) Cluster.

- Intra-governmental relations were also improved through an internal integration workshop, as well as successful integration of the OSS Provincial Task Team to the Provincial IGR Practitioners Forum.
- The reporting on the implementation of District One Plans was elevated to Committee of Heads of Departments (COHOD), the various clusters, the Premier's Co-ordination Forum and the Provincial Executive Council.

International relations

KZN enjoys good diplomatic relations with overseas provinces/states. Aside from regular exchanges between leaders, parliamentarians, and officials, the network of resident embassies and high commissions, non-resident ambassadors and honorary consuls-general helps KZN to maintain and strengthen links with various countries.

KZN co-operated closely with international counterparts in a wide range of sectors. In 2024/25, KZN also expanded contacts and deepened relations with emerging economies ie: India and China. In the main, the focus areas on global platforms included participation in cultural ceremonies in Malawi, reaffirming the province's commitment to climate change mitigation, as well as galvanising political commitment to the HIV and AIDS response.

Protection of human rights

As in previous years, stakeholder consultative sessions were held throughout the province in all district municipalities. The department improved in moving swiftly in the provision of interventions for cases reported through the community structures, government departments and social networks. This includes interventions in human rights violation reported cases and the protection of the rights of senior citizens. The interventions usually involve getting all the relevant stakeholders together to fast-track the resolution of the matter.

Human rights awareness sessions were co-ordinated in partnership with various departments. The department continued to sensitise communities on their basic human rights and all legal mandates that are relevant to the empowerment of the vulnerable sector. The consultation for the Development and Review of Senior Citizens and Human Rights Implementation Plan took place through a strategic session in order to forge intersectoral collaboration for implementation of Senior Citizens and Human Rights programmes.

Public service transformation

The department continued with its mission to professionalise the public service and inculcate a culture of professionalism, thereby improving service delivery. The province, led by the Office of the Premier, is reviewing the KZN Provincial HR Turnaround Strategy to be aligned to the National framework towards the professionalisation of the public sector in order to be responsive to new challenges brought about by this policy imperative. The input from organised labour and provincial departments is being consolidated in order to submit it for approval by COHOD on or before 31 March 2025.

Information Communication Technology

The department continued to roll-out various IT systems in 2024/25 including the provincial Broadband Connectivity project for all the departments in the province, as well as the eLeave system, a data management tool and the Employee Performance Management Development System (EPMDS).

Operation Sukuma Sakhe (OSS)

OSS is a ward-based programme used to mobilise government and non-governmental resources to address social problems afflicting various households, vulnerable groups and communities. The department continuously conducts war-room audits and verification to ensure safety of the equipment and to identify war-room needs and also ensure that items that were provided to war-rooms are still safeguarded by the local municipality.

During 2024/25, there was continued implementation of the OSS Revitalisation Strategy. The two main focus areas were on profiling, as well as the co-ordination and capacitation of fieldworkers. Profiling included household profiling, case management and the administration of the National School Nutrition Programme (NSNP). The profiling was accompanied by the implementation of service delivery interventions.

KZN Youth Empowerment Fund

The KZN Youth Empowerment Fund programme is a flagship programme. The 7th Administration has adopted the programme and proposed that the fund should be extended to accommodate entrepreneurs that are at the nascent stage and those that require funding between R20 000 and R50 000. An amount of R75 million was allocated towards this in the 2024/25 Adjusted Appropriation. An advert was opened from 1 October to 1 November 2024 and assessment and due diligence on applications started in November 2024.

His Majesty, the King's activities

The core mandate of King's Support and Royal Household Operations is to provide efficient and effective support services to the Monarch and the Royal family. Activities of the Monarch mainly involve hosting royal events and traditional ceremonies. His Majesty, the King also, from time to time, holds meetings with prominent people in the country and abroad. The department therefore has to provide support by coordinating and managing such Royal events, as well as providing protocol, secretariat services, logistic arrangements for His Majesty, the King's movements, as well as managing His Majesty, the King's engagements. The department also provides a general administration support service, which includes processing payments, the procurement of *Goods and services*, management of fleet and human resources. The department is also charged with oversight responsibility over the KZN Zulu Royal House Trust (ZRHT).

The Royal events change yearly. The Office of the Premier uses the Annual Royal Calendar approved by His Majesty, the King for that particular year to support those Royal events planned for that year. In 2024/25 a total of 19 events were originally planned with 14 having occurred to date including *Umkhosi Wesivivane*, the Royal Reed Dance, *Umkhosi WeLembe*, the unveiling of King Shaka's statue, and *Umkhosi woSelwa*, among others. Four more events are planned for the remainder of 2024/25.

KZN Zulu Royal House Trust (ZRHT)

The ZRHT continued to provide support to the Zulu Monarch and members of the Royal Household family as mandated by the KZN Royal House Trust Act. Direct support in the form of stipends, medical aid, cellphones, transport services and groceries were provided to the Queens of the late King and those of the current King, as listed in the new beneficiary list. Support was also extended to the princes and princesses who are still at school going age, as well as in tertiary level. In addition, the ZRHT purchased two vehicles for the Queens to use when performing Royal duties. The Trust further undertook the construction of a few rondavels in the new palace called Emashobeni, as well as in KwaKhangela palace and also provided day-to-day maintenance of Royal palaces' infrastructure.

The ZRHT continued to explore investment projects that have a potential of generating revenue. Short-term investment projects in commercial farming were identified with the assistance of DARD. Feasibility studies and business plans are currently conducted and drafted, respectively, for projects such as cattle farming, organic produce, as well as Agro-Processing Ventures.

Long-term investment projects were also explored prioritising property development. Property development, specifically focused on student accommodation, has been identified as a strategic investment project for the ZRHT as this has a potential of generating sustainable long-term revenue and create local employment opportunities. Discussions are underway with one of the universities in the province.

Forensic investigation services

By the third quarter of 2024/25, the department completed 18 investigations and conducted 41 follow-ups to track the status on the implementation of recommendations arising from forensic investigation reports. A further nine reports were submitted for approval, and it is envisaged that these reports will be issued to the respective Accounting Officers by the fourth quarter. The forensic audit unit undertook the following initiatives during the year, among others:

- Assisted law enforcement agencies, such as the Anti-Corruption Task Team, National Prosecuting Authority (NPA), South African Police Services (SAPS), Specialised Commercial Crime Unit and the Asset Forfeiture Unit, on matters under criminal investigation.

- Monitored that the recommendations of various forensic reports were implemented by the respective Accounting Officers of departments by conducting thorough follow-up exercises.
- Continued with the implementation of the Forensic Case Management system that will be used to record, consolidate, and track all forensic investigations conducted within all spheres of provincial government. The roll-out plan is anticipated to be completed by 31 March 2025.

3. Outlook for the 2025/26 financial year

Section 3 looks at the key focus areas of 2025/26, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments. The bulk of the department's budget allocation is for cross-cutting and transversal activities, such as OSS, integrity management, youth development, the Nerve Centre, support to the Royal Household, as well as transfers to its public entity, the ZRHT. In 2025/26 and over the medium-term, OTP will focus on the priorities listed below.

Provincial Planning Commission (PPC)

The mandate for the PPC remains unchanged. This will be reviewed and realigned as national processes relating to the NPC and the national planning legislation on the work of Planning Commissions unfolds.

The PPC will continue to remain a key focus area in the province and in particular the need for provincial plans and policy instruments to remain aligned to the NDP, and the priorities of the national and provincial government. The results-based framework will remain a key driver guiding the planning processes and will further be informed by the Integrated Development Indicator Framework. The shift will be to focus on key priorities and tangible results. Whereas the MTDP sets the tone at the national level, realignment of plans will be ongoing.

Policy and research co-ordination

The department will continue to co-ordinate and update the existing inventory of public policies, policy instruments and research projects, and facilitate the co-ordination of policies, research and planning through the existing forums and structures. Repositories will continue to be maintained to promote access to relevant research reports, policy and planning documents and evaluation reports.

Strategic planning

The department will continue to provide technical planning support services to provincial departments and public entities to enable them to develop their SPs and APPs that are aligned with the NDP, MTDP, PGDS and national and provincial policy priorities. While the MTDP is likely to be finalised late, the realignment support to the finalised priorities will be a priority, as well as the drafting of the 2026/27 APPs and updating of the SPs, as may be necessary.

Monitoring and evaluation (M&E)

The provincial M&E Framework is being reviewed to promote integrated planning, monitoring, reporting and evaluation in KZN. This will improve the credibility of data and provide an evidence base for decision making. The framework will guide implementation in 2025/26.

The province will further implement digital M&E systems in 2025/26, for which development is at an advanced stage. The integrated systems will enable accountability across various levels of planning and reporting (MTDP, PGDS, sector and APPs). Outcomes to be prioritised include:

- Tracking the development impact of government policies plans and programmes through evaluation studies, informed by monitoring data.
- Ensuring the implementation of the NDP/MTDP and priorities as pronounced by the GNU are translated into effective service delivery programmes at provincial and district levels.
- Monitoring progress at the coalface of service delivery through frontline monitoring, citizen-based monitoring, *Izimbizo* and the Presidential hotline to assess real change and improvement in the lives of citizens.

Inter-governmental relations

In line with the priorities of the 7th Administration, 2025/26 will focus on the review of the Provincial IGR Strategy which will be preceded by wide consultations among the relevant partners in all three spheres of government. There will be a focus to strengthen the PCF as the uppermost IGR structure of co-ordination of all spheres by the Premier. This will be done through:

- A Programme of Action will be developed for the PCF to facilitate effective local government and governance.
- Partnering with local government, beyond Mayors, including *Izinduna* and Municipal Managers and the participation in the PCF.
- The strengthening of the Technical PCF, including attendance by Municipal Managers.

International relations

International relations play a strategic role in the growth and development of an economy. Some of the province's major benefits of good international relations are positioning the province as the tourism and investment destination of choice, enhancement of skills transfer, training and educational opportunities, exchanges, sharing of best practices, expanding our global climate action network to reflect a shared commitment to address the climate crisis, as well as promoting people to people relations. Key international engagements include, among many others are listed as follows:

- G20 side events planned for KwaZulu-Natal.
- 26th International AIDS Conference from 13-17 July 2025 in Rwanda.
- Under2 Coalition at New York Climate Week in September 2025 in the USA.

Information Communication Technology

The department will continue to roll-out various IT systems in 2025/26 including the provincial Broadband Connectivity project for all the departments in the province, as well as the implementation of the Digital Transformation Strategy, a data management tool, as well as the automation of the APP, operational plans and EPMDS system.

Operation Sukuma Sakhe (OSS)

There will be continued implementation of the OSS Revitalisation Strategy, which will focus on profiling, as well as the co-ordination of fieldworkers in districts that were not prioritised in 2024/25.

The DDM Indaba that is planned for the fourth quarter of 2024/25 will produce resolutions that will be implemented in 2025/26 to strengthen the alignment of DDM and OSS. In 2025/26, the department will then focus on implementation of resolutions from the DDM Indaba for improved service delivery co-ordination.

His Majesty, the King's activities

The Royal Household annual events/programmes remain the same as for the previous years. The only variation may be on the dates resulting from consultations with His Majesty, the King.

KZN Zulu Royal House Trust

The appointment of the new Board of Trustees is expected to be finalised in 2025/26. With additions to the new beneficiary list and a new palace, budget pressures are expected to continue. However, the ZRHT will continue to provide support services to members of the Zulu Royal family in line with the KZN Zulu Royal House Trust Act and prioritising those family members appearing on the new beneficiary list.

The ZRHT will continue to explore medium- to long-term revenue-generating projects prioritising property development to ensure the long-term financial sustainability of the Zulu Royal family. The ZRHT will consider public-private partnerships, but private-sector participation will be prioritised in raising funds for medium- to long-term. The ZRHT will continue to explore opportunities in commercial farming and create partnerships with the provincial entities specialising in agriculture. The planning and co-ordination of a fundraising event to celebrate the Zulu cultural heritage is underway, and the event is expected to take place early in 2025/26.

Forensic investigation services

The department is hoping to develop a stronger collaboration to strengthen provincial compliance and to foster greater initiatives with COGTA to deal with fraud, corruption, irregularities and maladministration occurring within municipalities and municipal entities within the province. This will be done through an approved forensic investigations framework.

The department plans to continue assisting law enforcement agencies on matters under criminal investigation. The department will attend regular meetings with the respective agencies to monitor criminal investigation and monitor the prosecution of top priority cases within the province which will emanate from provincial forensic investigations.

The department will continue to conduct follow-ups with departments to track the status of implementation of recommendations by Accounting Officers on investigations and to engage the SAPS on the status of criminal matters emanating from provincial forensic investigations. The bulk of the recommendations relates to disciplinary action, civil recovery, remedial actions to be implemented by provincial departments, and the balance involves criminal matters to be investigated by the SAPS.

OTP is currently finalising a framework for investigations which would ensure a centralised forensic unit in the province under OTP, which will ensure a bigger, more efficient and skilled unit. Once the forensic investigations framework has been approved, all forensic investigations in the province will be centralised at OTP and all investigations (departments, municipalities, municipal entities and public entities) will be conducted by OTP. The framework will be aligned to the new administration 2024-2029.

4. Reprioritisation

The department undertook reprioritisation and movement of funds between programmes and economic classifications. The movements across economic categories are discussed below:

- *Compensation of employees* was decreased by R8.755 million in 2025/26 and this was reprioritised to *Goods and services*. The bulk of these movements were from Programme 3: Policy and Governance and a minimal portion in Programme 1: Administration due to over-budgeting. However, there is an increase against *Compensation of employees* in Programme 2: Institutional Development in line with the personnel establishment. The allocation over the 2025/26 MTEF addresses costs for filled positions, vacant funded positions, as well as the carry-through costs of the 2024 wage agreement over the MTEF in all the units within the department.
- *Goods and services* was increased by R28.484 million in 2025/26 and this reprioritisation was from *Compensation of employees* (R8.755 million) as mentioned above, from *Transfers and subsidies* (R1.661 million) from staff exit costs, as well as from *Payments for capital assets* (R18.008 million) which was over-budgeted for and has been reprioritised. The reprioritisation that was undertaken in 2025/26 is mainly to cater for planned projects such as the new IT projects, including a data management tool, support to vulnerable persons and communities affected by crime, gender-based violence (GBV) and other social ills, as well as *Izimbizo*, security access systems upgrade etc.

Further details of these movements are as follows:

- *Transfers and subsidies to: Households* was decreased by R1.661 million in 2025/26 and R1.737 million in 2025/26 as staff exit costs were over-budgeted for.
- *Payments for capital assets* was reduced by R18.008 million in Programme 1 and Programme 2, moved to *Goods and services* in line with the departmental activities and for service delivery. There is no reprioritisation from this category in Programme 3 as *Payments for capital assets* is centralised to either Programme 1 or 2.

All service delivery projects, as outlined in the departmental APP, will still proceed in 2025/26, but savings will be realised by scaling down various projects, particularly the scale of events, as well as implementing cost-cutting measures.

5. Procurement

The department will continue to implement the procurement plan for procurement activities in line with the strategic objective, preferential procurement objectives and the mandate of the department to ensure that there is compliance with the government's supply chain management guidelines, policies and regulations for effective and principled procurement of *Goods and services*. The department will also implement the procurement plan for procurement exceeding R500 000 and the demand management plan for procurement below R500 000 for 2025/26, to ensure that the organisation's needs are met.

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

The major procurement that the department will undertake relates to the advertising and hiring of services for events aimed at effectively implementing the department's mandate, as well as computer services in respect of the procurement of the provincial Broadband Connectivity project for all the departments in the province. This project is ongoing over the MTEF, with the pace of roll-out limited by available funding.

The department will also procure services for the maintenance and refurbishment of its buildings to address scheduled and *ad hoc* maintenance projects. The buildings targeted for routine maintenance include the Moses Mabhida building in Pietermaritzburg, and the Premier's Parkside residence. The department also leases buildings, including offices in the Invesco Centre in Pietermaritzburg and the Marine building in Durban. The department is, through DOPWI, looking for accommodation that is cheaper than the Invesco Centre, for which the lease agreement was extended by another 12 months to 31 March 2025. The lease agreement will again be extended by a further 12 months by DOPWI to 31 March 2026.

6. Receipts and financing

6.1 Summary of receipts and financing

Table 1.1 gives the sources of funding of Vote 1 from 2021/22 to 2027/28. The table also compares actual and budgeted receipts against actual and budgeted payments. The department receives a provincial allocation in the form of an equitable share.

Table 1.1 : Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
Equitable share	760 240	774 099	892 057	784 153	858 572	858 572	817 875	854 789	893 255
Conditional grants	-	-	-	-	-	-	-	-	-
Total receipts	760 240	774 099	892 057	784 153	858 572	858 572	817 875	854 789	893 255
Total payments	754 197	733 373	921 152	784 153	869 153	869 153	817 875	854 789	893 255
Surplus/(Deficit) before financing	6 043	40 726	(29 095)	-	(10 581)	(10 581)	-	-	-
Financing									
of which									
Provincial roll-overs	-	-	-	-	-	-	-	-	-
Provincial cash resources	50 000	2 496	-	-	10 581	10 581	-	-	-
Suspension to future year	-	(30 000)	30 000	-	-	-	-	-	-
Surplus/(Deficit) after financing	56 043	13 222	905	-	-	-	-	-	-

In 2021/22, an additional amount of R58 million was allocated to the department, as follows:

- The department received R50 million, allocated from provincial cash resources, suspended from 2020/21 for transfer to the KZN Growth Fund Agency (KZNGFA) for the KZN Youth Empowerment Fund.

- R8 million was allocated being an addition made to the equitable share by National Treasury for the 2021 wage agreement.

The under-spending of R56.043 million in 2021/22 was mainly attributed to *Goods and services*, with a number of items under-spent impacted by the national lockdown for Covid-19. In addition, *Compensation of employees* was under-spent partly due to additional funding of R8 million received in the Adjustments Estimate for the non-pensionable allowance, but this was funded from savings as vacant posts were filled later than anticipated. The slow filling of vacant posts also contributed to the under-spending.

In 2022/23, there were additional allocations as follows:

- An addition of R6.548 million was made to the equitable share by National Treasury for the 2022 wage agreement.
- There was a further allocation of R2.670 million in respect of donor funds received from the African Union (AU) towards the April flood disaster response. This amount was reduced to R2.496 million in the 2022/23 Second Adjustments Estimate as, when the donor funds were received in the provincial bank account in January 2023, the exchange rate had changed slightly. This amount is reflected against provincial cash resources.
- Mitigating the allocations was the suspension of R30 million in the 2022/23 Second Adjustments Estimate. These funds were allocated back to the department in 2023/24 for the implementation of the provincial Broadband Connectivity project.

The department ended 2022/23 with under-spending of R13.222 million largely attributed to external bursaries for which there was a lower uptake than expected. Also under-spent was *Goods and services* mainly attributed to the donor funds received from the AU for water distribution among communities affected by the flood disaster not being spent, due to lengthy consultation processes with the municipalities and COGTA on the determination of the greatest need. The under-spending was also attributed to outsourced forensic investigations, which only commenced in the latter part of the financial year, as a result of challenges experienced by the Forensic Investigations Services unit with obtaining a suitable service provider.

In 2023/24, the high growth from 2022/23 was due to a once-off allocation of R100 million which was for the KZN Youth Empowerment Fund allocated against the equitable share. There were further additional allocations as follows:

- R30 million was allocated, being funds suspended from the department's budget in the 2022/23 Second Adjustments Estimate and reallocated in 2023/24. These funds were for the provincial Broadband Connectivity project allocated from provincial cash resources.
- R30 million was allocated from the equitable share towards legal fees incurred by the Royal Household.
- Mitigating these allocations was an equitable share reduction of R10 million suspended from the Vote for allocation to Vote 9: Community Safety and Liaison for the provincial Crime Fighting Initiative.
- The department ended 2023/24 with a minimal under-spending of R905 thousand mainly attributed to cost-containment measures implemented on administrative items.

In 2024/25, the Main Appropriation was R784.153 million, with the negative growth from 2023/24 largely attributed to the once-off allocation of R100 million in 2023/24 for the KZN Youth Empowerment Fund. There were further allocations as follows:

- R75 million was allocated for the KZN Youth Empowerment Fund, to be used for the institutionalisation of youth development and to prioritise young people who are unemployed, including those that are graduates. The sources of this funding were the equitable share (R64.419 million) and provincial cash resources (R10.581 million). Note that the KZNGFA already held approximately R24 million from prior allocations, so the total for 2024/25 was close to R100 million, as announced by the Premier.

- R10 million was allocated from the equitable share for transfer to the ZRHT, with respect to pressures arising from legal fees, travel costs, a vehicle and the new beneficiary list.

These allocations increased the 2024/25 budget to R869.153 million. The department is projecting a balanced budget at year-end, as per the November 2024 IYM.

The once-off allocations of R85 million in 2024/25 account for the negative growth in 2025/26. The significant growth thereafter over the outer years of the MTEF is attributed to the envisaged salary related adjustments taking into consideration the number of critical posts to be filled, as well as the inflationary adjustments.

6.2 Departmental receipts

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

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

Table 1.2 : Summary of departmental receipts collection

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	165	165	167	190	190	180	213	223	233
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	5	2	1	1	1	1	1	1	1
Sale of capital assets	-	600	-	1 217	1 217	1 217	-	1 332	-
Transactions in financial assets and liabilities	974	536	773	64	64	30	67	70	73
Total	1 144	1 303	941	1 472	1 472	1 428	281	1 626	307

Sale of goods and services other than capital assets comprises of revenue from commission on PERSAL deductions such as insurance premiums and garnishee orders and tender fees. This revenue category is difficult to accurately budget for, due to its uncertain nature. The revenue trend over the MTEF shows inflationary growth.

Interest, dividends and rent on land is derived from interest on staff debts. The department is very conservative in terms of budgeting for this source due to its unpredictable nature. As such, there is no growth provided over the MTEF.

Sale of capital assets is from the sale of redundant assets, such as motor vehicles and equipment. Revenue collected against this category depends on factors such as the asset disposal policy, size of the fleet and the price received at the auction. It must be noted that the department does not conduct an auction every year, in line with the departmental asset disposal policy. The revenue collection shown in 2022/23 and 2024/25 is related to the sale of redundant vehicles. The next auction is planned for 2026/27.

Transactions in financial assets and liabilities is derived in respect of recoveries from previous financial years expenditure, such as staff debts. The revenue collection fluctuates from 2021/22 to the 2024/25 Revised Estimate, in line with the recovery of staff debts. The revenue grows slightly over the MTEF.

6.3 Agency funding

Tables 1.3 and 1.4 reflect the details of agency funding for the period 2021/22 to 2027/28. The department received agency receipts in respect of the Manufacturing, Engineering and Related Services Sector Education and Training Authority (MERSETA) and the National Skills Fund (NSF).

Table 1.3 : Details of agency funding receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
Agency funding	20 000	8 424	5 029	-	8 702	6 423	2 279	-	-
NSF	-	1 439	-	-	1 439	1 439	-	-	-
MERSETA	20 000	6 985	5 029	-	6 939	4 660	2 279	-	-
PSETA	-	-	-	-	324	324	-	-	-
Total	20 000	8 424	5 029	-	8 702	6 423	2 279	-	-

Table 1.4 : Details of agency funding payments and estimates

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
Agency funding	13 089	6 657	6 680	-	8 702	6 423	2 279	-	-
NSF	-	-	-	-	1 439	1 439	-	-	-
MERSETA	13 089	6 657	6 680	-	6 939	4 660	2 279	-	-
PSETA	-	-	-	-	324	324	-	-	-
Total	13 089	6 657	6 680	-	8 702	6 423	2 279	-	-

The department, through the Training Academy, received funding in the past from the NSF. The NSF project implemented learnerships, apprenticeships and skills programmes for the training of unemployed youth, in areas such as toolmaking and digital television installation. Although the contract between OTP and the NSF ended in March 2020, the funding will be used for a Graduate Recruitment Scheme, which is one of the developmental programmes supporting job creation for the youth.

The department received funding from MERSETA for training apprentices in various trades such as fitting and turning, electricians, spray painting, welding, millwright and diesel mechanics. In 2020/21, the department, through the Training Academy, signed a contract to the value of R55 million from MERSETA to train 200 apprentices which was later revised to 113 apprentices and 892 skills programmes to be spent up to 2023/24. The project was originally funded at a total cost of R54.979 million that was to be paid to OTP in tranches until the project end date. An amount of R5.029 million was received in 2023/24. The project was scheduled to end on 31 March 2024. However, OTP and MERSETA have extended the contract from 31 March 2024 to 30 September 2025. An amount of R6.939 million has been received from MERSETA in 2024/25 and payments amounting to R4.660 million were made for the financial year.

There is residual funding for the Public Sector Education and Training Authority (PSETA) of R324 000. The funding for this project ended in 2018 when the last and final tranche was received. The sum of R324 000 is a roll-over from an internship project that was managed by OTP to place graduates. However, not all of the funds were used as some graduates left the project due to finding permanent employment elsewhere.

The NSF funding ended in March 2020 and there is a residual amount of R1.439 million which has been rolled over to 2024/25. The Director-General approved the project implementation plan for the utilisation of these funds.

7. Payment summary

This section provides information pertaining to the Vote as a whole at an aggregated level, including payments and budgeted estimates by programme and economic classification. Further details are given in Section 7, as well as in the *Annexure – Vote 1: Office of the Premier*.

7.1 Key assumptions

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

- All inflation related increases are based on CPI projections.
- The department has provided for *Compensation of employees* to increase by 6 per cent in 2025/26 (as based on the 2024/25 Revised Estimate) to provide for carry-through costs of filling critical vacant

posts. There is growth of 6 per cent in 2026/27 and 6 per cent in the outer year of the MTEF. These increases are sufficient for the 1.5 per cent pay progression, the carry-through of the 2024 wage agreement, as well as possible wage agreement increases.

- OTP has budgeted R3.100 million per year over the MTEF to employ 33 people as interns to support administrative functions within the department.
- An amount of R27.741 million was originally budgeted for 50 contract posts (unemployed graduates) in 2025/26 and R29.406 million in 2026/27. To address pressures in *Compensation of employees*, 38 of these contracts will not be renewed upon contract end and the funds have been reprioritised for critical posts within the department.

7.2 Amendments to provincial and equitable share funding: 2023/24 to 2025/26 MTEF

Table 1.5 shows amendments to provincial and equitable share funding received by the department over the 2023/24, 2024/25 and 2025/26 MTEF periods. The carry-through allocations for the outer year (i.e. 2027/28) are based on the incremental percentage used in the 2025/26 MTEF.

Table 1.5 : Summary of amendments to provincial and equitable share allocations for the 2023/24 to 2025/26 MTEF

R thousand	2023/24	2024/25	2025/26	2026/27	2027/28
2023/24 MTEF period	96 546	3 321	390	408	426
Cost of living adjustment carry-through (3%)	6 354	7 287	7 372	7 704	8 051
KZN Youth Empowerment Fund	100 000	-	-	-	-
PES data update and own revenue reductions	(9 808)	(3 966)	(6 982)	(7 296)	(7 624)
2024/25 MTEF period	-	(29 499)	(29 149)	(30 461)	(31 832)
Fiscal consolidation reduction by National Treasury		(29 499)	(29 149)	(30 461)	(31 832)
2025/26 MTEF period	-	-	-	-	-
Total	96 546	(26 178)	(28 759)	(30 053)	(31 405)

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

- The department's equitable share was increased by R6.354 million in 2023/24, with carry-through, related to the funding for the 2022 wage agreement (3 per cent). The funds were allocated proportionately to all programmes.
- The department's equitable share was increased by a once-off amount of R100 million in 2023/24 for the KZN Youth Empowerment Fund, in line with the SOPA, 2022 pronouncement.
- The department's equitable share was reduced by R9.808 million in 2023/24, with carry-through. These reductions relate to the equitable share reduction as a result of the annual updates of the data that informs the equitable share formula, as well as reductions in the province's own revenue baseline. The cuts were effected proportionately against all programmes.

In the 2024/25 MTEF, the department's equitable share was reduced against all programmes by R29.499 million, with carry-through, due to the fiscal consolidation reduction by National Treasury. Further detail of these cuts is provided in Section 8.

In the 2025/26 MTEF, there were no changes made to the department's allocation.

7.3 Summary by programme and economic classification

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

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
1. Administration	200 499	214 387	230 336	226 733	244 573	244 573	237 726	248 771	259 966
2. Institutional Development	326 684	261 921	278 738	329 778	313 438	313 438	362 906	378 581	395 617
3. Policy and Governance	227 014	257 065	412 078	227 642	311 142	311 142	217 243	227 437	237 672
Total	754 197	733 373	921 152	784 153	869 153	869 153	817 875	854 789	893 255

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
Current payments	586 929	652 995	714 305	703 451	708 318	707 359	752 550	785 769	821 130
Compensation of employees	321 427	333 761	356 252	402 417	370 690	370 690	417 809	442 871	462 802
Goods and services	265 502	319 234	358 053	301 034	337 628	336 669	334 741	342 898	358 328
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	121 106	48 665	193 875	57 601	151 888	152 847	59 151	61 872	64 655
Provinces and municipalities	212	136	135	79	108	138	83	87	91
Departmental agencies and accounts	46 163	24 888	57 583	26 337	36 337	36 337	27 517	28 783	30 078
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	97 079	-	75 000	75 000	-	-	-
Non-profit institutions	50 000	-	-	-	-	-	-	-	-
Households	24 731	23 641	39 078	31 185	40 443	41 372	31 551	33 002	34 486
Payments for capital assets	46 162	31 713	12 972	23 101	8 947	8 947	6 174	7 148	7 470
Buildings and other fixed structures	17 847	6 366	1 833	2 048	2 048	2 048	-	-	-
Machinery and equipment	28 315	25 347	11 139	21 053	6 899	6 899	6 174	7 148	7 470
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	754 197	733 373	921 152	784 153	869 153	869 153	817 875	854 789	893 255

The structure of the department consists of three programmes, and does not conform fully to the generic programme structure of the sector at this stage, but National Treasury approval was received in July 2018 for the deviation. Variances to the generic programme structure include:

- Unique to KZN, following the signing of the proclamation to combine the former Department of the Royal Household with Vote 1, the budget of the former Department of the Royal Household was added to Vote 1's budget as a sub-programme under Programme 3, effective from 1 April 2015.
- The sub-programme: IGR was moved to Programme 1 and this was approved by National Treasury.
- The inclusion of the Forensic Investigation Services function is not part of the formal budget structure of Offices of the Premier but is in line with a Provincial Executive Council resolution in this regard.
- During 2023/24, the external bursaries function, formerly under Youth Services, was transferred to the Training Academy with the operational costs unable to be restated.

Growth is negative in 2022/23, largely due to the once-off nature of the spending in 2021/22, related to the completion of the Moses Mabhida building roof repairs and the purchase of motor vehicles. There were fiscal consolidation budget cuts made over the 2024/25 MTEF. The department was allocated a further R100 million for the KZN Youth Empowerment Fund in 2023/24, originally allocated to *Transfers and subsidies to: Non-profit institutions*, but moved in the 2023/24 Adjustments Estimate to *Transfers and subsidies to: Public corporations and private enterprises*. This was due to an amendment to the plans for the KZN Youth Empowerment Fund as the department no longer intended to utilise the KZNGFA for the disbursement of the funds. This once-off allocation accounts for the negative growth in the 2024/25 Main Appropriation.

In 2024/25, there were delays in filling vacant critical funded posts as a result of internal processes, as well as significant staff exits and this lower spending is mitigated by the spending pressures on support provided to address social problems affecting households, vulnerable groups and communities which were higher than expected. There was also a once-off allocation for the Royal family's legal costs amounting to R14.382 million. An additional R75 million was allocated for the KZN Youth Empowerment Fund in line with the pronouncement made in the SOPA, 2024 and an additional R10 million was allocated for transfer to the ZRHT, with respect to pressures arising from legal fees, travel costs, a vehicle and the new beneficiary list. The decrease in 2025/26 is mainly attributed to the abovementioned once-off allocations amounting R85 million and the growth is inflationary thereafter.

In Programme 1, the increase in 2022/23 was mainly due to an increase in economic activities as the Covid-19 restrictions were relaxed. The impact of the eased restrictions was that more outreach activities were undertaken. Also contributing were wage increases and the filling of posts, once-off spending

relating to the Moses Mabhida building roof repairs, as well as the purchases of replacement motor vehicles. In addition, there were once-off costs for the Command Centre for Disaster Management in which the department was responsible for co-ordinating the province's response to the April 2022 flood disaster. The increase in 2023/24 largely relates to stakeholder engagements, which provided support to address social problems affecting households, vulnerable groups and communities where intensive travel to identified areas was undertaken. In addition, there were activities undertaken in terms of the District champions for OSS/DDM responsibilities emanating from two unplanned and hence unbudgeted for Provincial Executive Council meetings held in the uMkhanyakude and Amajuba Districts. Furthermore, there were pressures related to spending on special projects, such as the BRICS Africa Trade Conference, BRICS Gender Dividend Debate, OTP Career Expo, state funeral expenses in respect of the late Prince Mangosuthu Buthelezi, the Premier's *Izimbizo* and Premier's stakeholder engagements. Many of these activities were once-off, accounting for the decrease in the 2024/25 Main Appropriation. As mentioned, there were also fiscal consolidation budget cuts over the 2024/25 MTEF. The increase in the 2024/25 Adjusted Appropriation was mainly reprioritisation from enforced savings largely on bulk media advertising moved to cater for increased activities in respect of support provided to vulnerable groups and communities affected by crime, GBV and other social ills, as well as stakeholder engagements to address service delivery gaps including oversight functions. Due to these activities being largely once-off, there is a decrease in 2025/26. Growth in the two outer years of the MTEF is inflationary only.

Programme 2 shows a significant decrease in 2022/23 mainly due to the digital transformation strategy funding being once-off in 2021/22, including the IT capital item procurement which was higher in 2021/22 as a result of demand. In addition, there was reduced spending on *Compensation of employees* as a result of the exit of officials through natural attrition, and the process of filling posts was slower than expected. The increase in 2023/24 is mainly attributed to the hiring of unemployed graduate personnel, who added capacity to various units in the department. Also contributing to this increase was the advertising budget (centralised in Programme 2) that was high, related to various activities undertaken, such as the Dunlop Tyres partnership (related to the KZN Youth Empowerment Fund), profiling of potential beneficiaries of the KZN Youth Empowerment Fund, International Women's Day and the Premier's *Izimbizo*, as well as provision for the provincial Broadband Connectivity project, with R30 million suspended from 2022/23 in this regard and allocated back to the department in 2023/24. The increase was mitigated to some extent by a reduction toward funding the provincial Crime Fighting Initiative. The increase in the 2024/25 Main Appropriation is mainly attributed to the movement of the External Bursaries function and the related budgetary allocation to this sub-programme, as well as an allocation to provide for the filling of vacant posts. As mentioned, there were also fiscal consolidation budget cuts over the 2024/25 MTEF which mitigated the increase to some extent. The decrease in the 2024/25 Adjusted Appropriation is attributed to the movement of funds to Programme 1 within *Goods and services*, to cater for additional stakeholder engagements to address service delivery gaps, increased oversight in areas affected by natural disasters in the province, as well as to support vulnerable groups and communities affected by crime, GBV and other social ills. The funds moved to Programme 1 were enforced savings, mainly on bulk media advertising, personnel costs as a result of delays in filling posts and staff exit costs, as well as *Machinery and equipment*, which was due to stringent internal cost containment measures on the procurement of computer equipment and office furniture. Growth in 2025/26 and the outer years of the MTEF is mainly for new IT developments such as cybersecurity, eLearning, eRecruitment and EPMDS projects, as well as to sufficiently cover personnel costs for all posts (new and existing).

Programme 3 shows high growth in 2022/23 due to more activities occurring, such as events and campaigns, as a result of more people being vaccinated against Covid-19 and national restrictions being eased. In addition, there was the deferred implementation of the provincial M&E system, which evaluates the impact of service delivery activities, as well as once-off costs related to His Majesty, the King's coronation events. The project was deferred from 2021/22 due to slow tender processes. The increase in 2022/23 was also due to the implementation of the M&E Impact Assessment project in response to the April 2022 flood disaster, as well as spending in respect of the unemployed graduate employees. The increase in 2023/24 largely relates to a once-off allocation of R100 million for the KZN Youth Empowerment Fund, as well as the 2023 wage agreement. The decrease in the 2024/25 Main Appropriation is largely attributed to the once-off allocation in 2023/24. The increase in the 2024/25

Adjusted Appropriation is mainly attributed to R85 million received from provincial cash resources in respect of the KZN Youth Empowerment Fund (R75 million) and the ZRHT (R10 million) for legal fees, travel costs, a vehicle and the new beneficiary list. The decrease in 2025/26 is mainly attributed to the above-mentioned once-off allocations, as well as an expected reduction in the number of unemployed graduates. Growth over the outer years of the MTEF is to cater for inflation.

Compensation of employees grows steadily from 2021/22 to 2024/25, as the department fills critical vacant approved posts. It is noted that the 2024/25 MTEF budget cuts were not effected against this category. The increase in 2023/24 relates to the unfunded 2023 wage agreement, as well as the appointment of interns and unemployed graduates. The increase in the 2024/25 Main Appropriation was attributed to the planned filling of posts already approved for filling in 2023/24, however there were delays in this process resulting in the reduction in the 2024/25 Adjusted Appropriation. There were also significant numbers of exiting staff, which contributed to the reduction. The growth in 2025/26 is to cater for filled posts, as well as vacant funded posts to be filled, as well as the carry-through of the 2024 wage agreement. Growth over the two outer years of the MTEF is inflationary only and includes provision for the carry-through costs of the wage agreement.

Goods and services growth in 2022/23 is mainly related to the return to holding events as national lockdown restrictions were eased, as well as for once-off costs for the Command Centre for Disaster Management in which the department was responsible for co-ordinating the province's response to the April 2022 flood disaster, the implementation of the provincial M&E system deferred from 2021/22, as well as once-off costs related to the King's coronation. The increase in 2023/24 was attributed to stakeholder engagements, which provided support to address social problems affecting households, vulnerable groups and communities where intensive travel to identified areas was undertaken. In addition, there were activities undertaken in terms of the District champions for OSS/DDM responsibilities emanating from two unplanned and hence unbudgeted for Provincial Executive Council meetings held in the uMkhanyakude and Amajuba Districts. Furthermore, there were pressures related to spending on special projects, such as the BRICS Africa Trade Conference, BRICS Gender Dividend Debate, OTP Career Expo, state funeral expenses in respect of Prince Mangosuthu Buthelezi, the Premier's *Izimbizo* and Premier's stakeholder engagements. Also contributing to this increase was advertising costs related to various activities undertaken, such as the Dunlop Tyres partnership (related to the KZN Youth Empowerment Fund), profiling of potential beneficiaries of the KZN Youth Empowerment Fund, International Women's Day and the Premier's *Izimbizo*, as well as provision for the provincial Broadband Connectivity project, with R30 million suspended from 2022/23 in this regard and allocated back to the department in 2023/24. The decrease in the 2024/25 Main Appropriation was due to a number of the 2023/24 activities being once-off. The increase in the 2024/25 Adjusted Appropriation was due to increased activities in respect of support provided to vulnerable groups and communities affected by crime, GBV and other social ills, as well as stakeholder engagements to address service delivery gaps including oversight functions. Due to some of these activities being once-off, there is no growth in 2025/26. However, the allocation caters for planned projects such as the new IT projects, eMapp Financial Tool Licence Fees, support to vulnerable persons and communities, security access systems upgrades etc in 2025/26. The growth over the outer years is inflationary and provides for maintaining the current levels of service.

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

- *Provinces and municipalities* caters for the motor vehicle licences for the department as a whole. The lower baseline from 2022/23 and 2023/24 was in line with the planned scrapping of redundant vehicles, with steady growth from the lower base over the 2025/26 MTEF. During the 2024/25 Adjustments Estimate, savings were moved from *Compensation of employees* for under-budgeted costs for the new numbering system for vehicles.
- *Departmental agencies and accounts* caters for transfers to the ZRHT. The high spending in 2021/22 relates to the hiring of vehicles for the Queens while delivery of their new vehicles was awaited, costs incurred for various activities around the funerals held for His Majesty, the King and Her Royal Highness, the Queen. In addition, there was pressure resulting from the fencing of the seven palaces being replaced as the poor condition of the fences posed safety and security risks for the Queens and

Amazinyane. The high spending in 2023/24 was due to legal fees for various court cases involving the royal succession process, as well as for the purchase of a vehicle for Her Majesty, the Queen. These once-off costs account for the decrease in 2024/25. This category was cut over the 2024/25 MTEF by R815 000 in 2024/25, with carry-through, with the department passing on some of the impact of the cuts to the ZRHT. The transfer to the ZRHT was increased by once-off funding of R10 million in the 2024/25 Adjusted Appropriation to cater for the Royal Household's legal fees, travel costs, a vehicle and the new beneficiary list. The 2025/26 MTEF provides for inflationary increases only.

- With regard to *Non-profit institutions*, the department had budgeted to transfer the second tranche of funding in 2020/21 for the KZN Youth Empowerment Fund, to the KZNGFA. This funding was suspended to 2021/22 as economic activity was insufficient to generate funding requests largely due to the Covid-19 pandemic. The fund was administered by the KZNGFA under EDTEA, hence the transfer to this entity. The department was allocated a further R100 million for the fund in 2023/24, originally allocated to *Non-profit institutions* for transfer to the KZNGFA, but moved in the 2023/24 Adjustments Estimate to *Public corporations and private enterprises*. This was due to an amendment to the plans for the KZN Youth Empowerment Fund, as the department at that stage no longer planned to use the KZNGFA for the disbursement of the funds. The department is currently identifying projects that have the potential of creating mass jobs in different sectors, in partnership with the private sector, and new service providers have been identified, including Dunlop Tyres, as well as other companies such as Huawei, Fuze Aviation, etc. A further R75 million was allocated to *Public corporations and private enterprises* in the 2024/25 Adjusted Appropriation for the KZN Youth Empowerment Fund, being once-off funding.
- *Households* consists of staff exit costs, medical aid contributions for ex-parliamentarians (PARMED), the Provincial Bursary Programme, etc. The fluctuations in the prior years relate to staff exit costs, which are difficult to accurately predict. The amounts budgeted in 2024/25 and over the 2025/26 MTEF provide for staff exit costs, external bursaries and PARMED. Note that external bursaries were originally administered under Programme 3 but this function was shifted to the Strategic Human Resources sub-programme in Programme 2 from 2024/25. Note also that there were discussions underway with the Provincial Legislature and National Treasury regarding the movement of PARMED, as there was a finding by the A-G that this function is incorrectly placed in OTP. There is currently no finalisation of this issue. *Households* was increased in the 2024/25 Adjusted Appropriation to address under-budgeted staff exit costs in all programmes within the Vote. The allocation in the 2025/26 MTEF caters for all the envisaged staff exit costs.
- *Buildings and other fixed structures* historical spending relates to various projects, such as the roof repairs project at the Moses Mabhida building. The high spending in 2021/22 relates to the roof repairs at the Moses Mabhida building, as mentioned. The spending in 2022/23 was to cater for the completion of the security upgrades at the Premier's Parkside residence. The spending in 2023/24 provided for refurbishment of the department's buildings, including the replacement of the cladding at the Moses Mabhida building to address water leaks. The allocation in 2024/25 caters for the work to be undertaken in the sourced additional office spaces. The department has made no allocation for this category over the 2025/26 MTEF as no new projects are anticipated.
- *Machinery and equipment* mainly relates to the purchase of essential office computers, furniture and equipment for new appointments and the purchase of official vehicles, accounting for the high spending in 2021/22. The decrease in 2022/23 was mainly due to once-off spending in 2021/22 for furniture and office equipment for new staff, as well as no vehicles procured. The further decrease in 2023/24 was attributed to funds shifted to *Goods and services* within Programme 1 in respect of office and equipment purchases for the war-rooms that were reclassified as assets for distribution under *Goods and services*, as well as funding moved for transfer to the ZRHT for a motor vehicle for Her Majesty, the Queen. The increase in the 2024/25 Main Appropriation provided for the replacement of furniture and computer equipment, with the reduction in the 2024/25 Adjusted Appropriation being attributed to internal analysis which led to identified savings as only critical purchases were prioritised. The negative growth in 2025/26 is attributed to reprioritisation after intensive analysis, with growth over the outer years of the MTEF being inflationary only.

7.4 Summary of conditional grant payments and estimates – Nil

7.5 Summary of infrastructure payments and estimates

Table 1.8 summarises the infrastructure payments and estimates relating to the department. Further details of the department's infrastructure payments and estimates are presented in the 2025/26 ECE.

Table 1.8 : Summary of provincial infrastructure payments and estimates by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
Existing infrastructure assets	21 669	11 825	5 028	7 180	7 180	7 180	5 540	6 120	6 395
Maintenance and repair: Current	3 822	5 459	4 231	5 132	5 132	5 132	5 540	6 120	6 395
Upgrades and additions: Capital	-	-	-	-	-	-	-	-	-
Refurbishment and rehabilitation: Capital	17 847	6 366	797	2 048	2 048	2 048	-	-	-
New infrastructure assets: Capital	-	-	1 036	-	-	-	-	-	-
Infrastructure transfers	19 455	2 625	2 740	2 863	2 863	2 863	2 991	3 129	3 270
Infrastructure transfers: Current	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital	19 455	2 625	2 740	2 863	2 863	2 863	2 991	3 129	3 270
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	6 955	10 463	9 449	11 111	11 111	11 111	11 609	12 782	13 357
Non infrastructure¹	-	-	-	-	-	-	-	-	-
Total	48 079	24 913	18 253	21 154	21 154	21 154	20 140	22 031	23 022
Capital infrastructure	37 302	8 991	4 573	4 911	4 911	4 911	2 991	3 129	3 270
Current infrastructure	10 777	15 922	13 680	16 243	16 243	16 243	17 149	18 902	19 752

1. Non infrastructure¹ is a stand-alone item, and is therefore excluded from Capital infrastructure and Current infrastructure, but it is included in the overall total

With regard to *Maintenance and repair: Current* over the 2025/26 MTEF, the funding is to address scheduled and *ad hoc* maintenance projects. The buildings targeted for routine maintenance include the Moses Mabhida building in Pietermaritzburg, the Marine building in Durban and the Premier's Parkside residence. These repairs are undertaken on a needs basis and are determined in-year. The growth in this category is inflationary only.

Refurbishment and rehabilitation: Capital reflects expenditure related to projects at the Premier's Parkside residence and the Moses Mabhida building. The high spending in 2021/22 relates to savings from events held on a smaller scale as a result of the national lockdown restrictions, reprioritised from *Goods and services* for the final phase of the roof repairs project at the Moses Mabhida building. There is no provision at this stage for any projects over the 2025/26 MTEF.

Infrastructure transfers: Capital relates to the transfer to the ZRHT for infrastructure projects at the Royal palaces, with inflationary growth over the MTEF. Planned projects include the replacement of stand-by generators, the fitting of cold rooms, the installation of air conditioners, the refurbishment of palaces, the installation of boreholes and borehole pipes, the construction of septic tanks, etc.

Infrastructure: Leases relates to the lease of buildings for use by the department. Currently, the department leases a number of buildings, including offices in the Invesco Centre in Pietermaritzburg and the Marine building in Durban. The department is, through DOPWI, looking for accommodation that is cheaper than the Invesco Centre, for which the lease agreement was extended by another 12 months to 31 March 2025. No progress was made in 2024/25, and the lease agreement will again be extended by a further 12 months by DOPWI, to 31 March 2026.

7.6 Summary of Public Private Partnerships – Nil

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

Over the 2025/26 MTEF, the OTP will exercise oversight over one public entity, namely ZRHT. Table 1.9 shows transfers made to ZRHT, as well as one other entity (namely the over the seven years under review.

The financial summary received from ZRHT is given in *Annexure – Vote 1: Office of the Premier*.

Note that no financial summary is included for the KZNGFA in the annexure, as OTP is not the parent department of that entity.

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
Transfers to public entities	46 163	24 888	57 583	26 337	36 337	36 337	27 517	28 783	30 078
Zulu Royal House Trust	46 163	24 888	57 583	26 337	36 337	36 337	27 517	28 783	30 078
Transfers to other entities	50 000	-	100 000	-	75 000	75 000	-	-	-
KZN Growth Fund Agency	50 000	-	-	-	-	-	-	-	-
Other entities	-	-	100 000	-	75 000	75 000	-	-	-
Total	96 163	24 888	157 583	26 337	111 337	111 337	27 517	28 783	30 078

The ZRHT was established in 2009/10 as an entity in terms of the KZN Royal Household Trust Act, 2007, but is now governed by the KZN Zulu Royal House Trust Act, 2018. The entity was registered as a Schedule 3C provincial public entity in 2012/13. The high spending in 2021/22 relates to the hiring of vehicles for the Queens while delivery of their new vehicles was awaited, costs incurred for various activities around the funerals held for the late His Majesty, the King and Her Royal Highness, the Queen. In addition, there was pressure resulting from the fencing of the seven palaces being replaced as the poor condition of the fences posed safety and security risks for the Queens and *Amazinyane*. The high spending in 2023/24 was due to legal fees for various court cases involving the Royal succession process. The MTEF provides for operational costs of the ZRHT such as municipal costs, fuel, food supplies, etc., relating to the Queens and other members of the Zulu Royal family. The increase in the 2024/25 Adjusted Appropriation was to cater for the Royal Household's higher than expected legal fees, travel costs, a vehicle and the new beneficiary list. These once-off costs account for the decrease in 2025/26. This category was cut over the 2024/25 MTEF by R815 000 in 2024/25, with carry-through, with the department passing on the impact of the cuts to the ZRHT. The 2025/26 MTEF provides for inflationary increases only.

In 2020/21, the department had budgeted to transfer the second tranche of funding for the KZN Youth Empowerment Fund, to the KZNGFA. This funding was suspended in the 2020/21 Adjustments Estimate as economic activity was insufficient to generate adequate funding requests largely due to the Covid-19 pandemic, and the funding was reallocated in 2021/22. The fund was administered by the KZNGFA under EDTEA, hence the transfer to this entity. The department was allocated a further R100 million for the fund in 2023/24, originally allocated to *Transfers and subsidies to: Non-profit institutions*, but moved in the 2023/24 Adjustments Estimate to *Transfers and subsidies to: Public corporations and private enterprises*. This was due to an amendment to the plans for the KZN Youth Empowerment Fund as the department no longer intended to utilise the KZNGFA for the disbursement of the funds. The department has identified projects that have the potential of creating mass jobs in different sectors, in partnership with the private sector, and new service providers have been identified, including Dunlop Tyres, as well as other companies such as Huawei, Fuze Aviation, etc. A further R75 million was allocated for the KZN Youth Empowerment Fund in the 2024/25 Adjusted Appropriation for the continuation of the fund. Note that this is once-off funding and there are no carry-through allocations over the MTEF.

7.8 Transfers to local government

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

7.9 Transfers and subsidies

Table 1.10 summarises transfers by programme and main category over the seven-year period, detailed before and after the table.

Programme 1 reflects the following transfers:

- *Provinces and municipalities* relates to the motor vehicle licences for the department as a whole. The decrease from 2022/23 to 2024/25 was in line with the planned scrapping of redundant vehicles. The increase in the 2024/25 Adjusted Appropriation relates to increased spending as a result of the change from previous KZN numbering to the new numbering system for all state vehicles.

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
1. Administration	1 871	1 497	3 103	2 669	7 685	7 715	1 878	1 964	2 052
Provinces and municipalities	212	136	135	79	108	138	83	87	91
Motor vehicle licences	212	136	135	79	108	138	83	87	91
Households	1 659	1 361	2 968	2 590	7 577	7 577	1 795	1 877	1 961
Staff exit costs	29	-	2 498	1 000	5 987	5 987	134	140	146
PARMED	1 630	1 361	470	1 590	1 590	1 590	1 661	1 737	1 815
2. Institutional Development	3 374	3 399	632	28 374	30 868	31 725	29 628	30 991	32 385
Households	3 374	3 399	632	28 374	30 868	31 725	29 628	30 991	32 385
Staff exit costs	3 374	3 399	632	437	2 931	2 931	408	427	446
Provincial Bursary Programme	-	-	-	27 937	27 937	28 794	29 220	30 564	31 939
3. Policy and Governance	115 861	43 769	190 140	26 558	113 335	113 407	27 645	28 917	30 218
Departmental agencies and accounts	46 163	24 888	57 583	26 337	36 337	36 337	27 517	28 783	30 078
ZRHT	46 163	24 888	57 583	26 337	36 337	36 337	27 517	28 783	30 078
Public corporations and private enterprises	-	-	97 079	-	75 000	75 000	-	-	-
Dunlop, Huawei, Fuze Aviation, etc	-	-	97 079	-	75 000	75 000	-	-	-
Non-profit institutions	50 000	-	-	-	-	-	-	-	-
KZN Growth Fund Agency	50 000	-	-	-	-	-	-	-	-
Households	19 698	18 881	35 478	221	1 998	2 070	128	134	140
Staff exit costs	1 851	1 500	1 077	221	1 998	2 070	128	134	140
Provincial Bursary Programme	17 847	17 381	34 401	-	-	-	-	-	-
Total	121 106	48 665	193 875	57 601	151 888	152 847	59 151	61 872	64 655

- Households* caters for social benefits relating to staff exit costs, as well as medical aid contributions for ex-parliamentarians (PARMED). Note that there have been discussions with the Provincial Legislature and National Treasury regarding the correct placement of this function, possibly to the Legislature or National Parliament, as there was a finding by the A-G that this function is incorrectly placed in OTP. There is no progress in this regard, at this stage. The increase in 2023/24 relates to staff exit costs due to a number of staff retiring. *Households* increased in the 2024/25 Adjustments Estimates and the Revised Estimate to address under-budgeted staff exit costs. The department has made a minimal provision for staff exit costs over the 2025/26 MTEF, while the provision for PARMED increases by inflation only.

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

- Departmental agencies and accounts* relates to transfers to the ZRHT, as detailed in Section 7.7.
- The amount of R50 million reflected against *Non-profit institutions* in 2021/22 is for the KZN Youth Empowerment Fund. The first tranche of R50 million was transferred to the KZNGFA in 2018/19, with the second tranche allocated in 2020/21, but reallocated to the department in 2021/22, as mentioned, and these funds were transferred to the KZNGFA. A further amount of R100 million was allocated toward this in 2023/24, but moved to *Public corporations and private enterprises* in the 2023/24 Adjustments Estimate, as mentioned. The increase in the 2024/25 Adjusted Appropriation was to cater for the extension of the KZN Youth Empowerment Fund, as mentioned previously.
- Households* caters for external bursaries and staff exit costs. It must be noted that, although the Provincial Bursary Programme was decentralised back to the departments from which the funds were originally moved, a portion of the budget remains for the external bursaries administered by the OTP, which were originally administered under Programme 3 but were shifted to the Strategic Human Resources sub-programme in Programme 2 from 2024/25. The historical data was not able to be restated as the operational costs for external bursaries was not able to be accurately identified. The growth in the external bursaries budget over the MTEF is inflationary only. The budget for external bursaries is based on previous intakes, which range between 150 and 200, and include progressing and new intake students. *Households* was increased by a total of R6.491 million in the 2024/25 Adjusted Appropriation to address under-budgeted staff exit costs in Programmes 2 and 3. The department has made provision for staff exit costs under these two programmes over the MTEF in line with the expected disbursements.

8. Programme description

The services rendered by this department are, as per the generic sector structure, categorised under three programmes, the details of which are discussed below. However, the department does not conform fully to

the generic programme structure of the sector at this stage, but National Treasury approval was obtained for the deviation, as explained. The amounts for each programme are summarised in terms of economic classification, with details given in *Annexure – Vote 1: Office of the Premier*.

8.1 Programme 1: Administration

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

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

The objectives of this programme are as follows:

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

Tables 1.11 and 1.12 reflect a summary of payments and estimates relating to this programme, by sub-programme and economic classification, for the period 2021/22 to 2027/28.

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24				2025/26	2026/27	2027/28
					2024/25				
1. Premier Support	26 456	28 366	30 460	25 859	27 805	27 805	30 477	31 882	33 317
2. Executive Council Support	11 574	12 484	12 215	12 648	12 430	12 430	12 465	13 039	13 626
3. Director-General Support	22 723	20 448	38 854	25 010	35 430	35 430	30 570	31 640	33 064
4. Financial Management	104 964	116 200	89 617	117 725	111 494	111 494	118 755	124 778	130 393
5. Intergovernmental Relations	34 782	36 889	59 190	45 491	57 414	57 414	45 459	47 432	49 566
Total	200 499	214 387	230 336	226 733	244 573	244 573	237 726	248 771	259 966

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24				2025/26	2026/27	2027/28
					2024/25				
Current payments	168 223	188 098	222 184	209 190	233 168	233 138	232 674	242 659	253 579
Compensation of employees	99 324	97 443	93 951	110 043	98 524	98 524	115 141	122 050	127 542
Goods and services	68 899	90 655	128 233	99 147	134 644	134 614	117 533	120 609	126 037
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	1 871	1 497	3 103	2 669	7 685	7 715	1 878	1 964	2 052
Provinces and municipalities	212	136	135	79	108	138	83	87	91
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 659	1 361	2 968	2 590	7 577	7 577	1 795	1 877	1 961
Payments for capital assets	30 405	24 792	5 049	14 874	3 720	3 720	3 174	4 148	4 335
Buildings and other fixed structures	17 847	6 366	1 833	2 048	2 048	2 048	-	-	-
Machinery and equipment	12 558	18 426	3 216	12 826	1 672	1 672	3 174	4 148	4 335
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	200 499	214 387	230 336	226 733	244 573	244 573	237 726	248 771	259 966

The increases in 2022/23 in most sub-programmes and particularly in *Goods and services* is attributed to Covid-19 restrictions that were being eased leading to more outreach programmes and more activities and community engagements being undertaken. The increase in 2023/24 was in respect of the Premier's stakeholder engagements, with more engagements than anticipated due to crime prevention initiatives, as well as activities undertaken in terms of the District Champions for OSS/DDM responsibilities emanating from the Provincial Executive Council being held in the uMkhanyakude and Amajuba Districts, the attendance and hosting of the BRICS Africa Trade Conference, BRICS Gender Dividend Debate, and OTP Career Expo held at UKZN's Howard College which were not budgeted for. The increase in the 2024/25 Adjusted Appropriation is mainly attributed to support provided to address social problems affecting households, vulnerable groups and communities which were higher than expected, with carry-through. The funding was sourced from *Machinery and equipment* through the reduced procurement of motor vehicles and office furniture. Growth over the 2025/26 MTEF is inflationary only.

The sub-programme: Premier Support provides technical, administrative and advisory support to the Premier in executing his constitutional mandate. The increase in the 2024/25 Adjusted Appropriation is due to support provided to address social problems affecting households, vulnerable groups and communities which were higher than expected, as well as higher than expected travel and subsistence costs relating to events/outreach programmes. In addition, the department had to cater for an increased pay-out of exit costs in respect of the former Premier. The relatively high growth in 2025/26 is mainly attributed to the envisaged Premier's Spousal office activities, which are still being determined, as well as personnel costs. The steady growth for the remainder of the 2025/26 MTEF caters for inflation.

The sub-programme: Executive Council Support renders secretariat support services to the Provincial Executive Council. The minor decrease in the 2024/25 Adjusted Appropriation is attributed to personnel costs as a result of delays in filling critical funded vacant posts. The growth in 2025/26 and the outer years of the 2025/26 MTEF caters for all the posts and the inflation.

The Director-General Support sub-programme provides operational support to the Director-General in strategically managing the province. The increase in the 2024/25 Adjusted Appropriation is mainly attributed to the increased demand for stakeholder engagements in district municipalities, to address disaster relief matters, crime fighting, as well as GBV initiatives. Growth in 2025/26 is negative as a result of the once-off allocation in 2024/25 to cater for additional stakeholder engagements to address service delivery gaps, increased oversight in areas affected by natural disasters in the province, as well as to support vulnerable groups and communities affected by crime, GBV and other social ills. Over the 2025/26 MTEF, the budget increases in line with inflation.

The Financial Management sub-programme provides financial management support and advisory services to the Premier and Director-General in fulfilling their legislative and oversight functions and in promoting good corporate governance. The significant increase in 2024/25 relates mainly to the introduction of the new financial system, personnel costs to cater for the filling of critical posts and the carry-through costs of the 2023 wage agreement, made possible through reprioritisation, as well as additional office space and accommodation related costs as new/additional space was secured by the department including the installation of telephone devices. The decrease in the 2024/25 Adjusted Appropriation is due to savings from exiting staff, as well as critical vacant posts that are still undergoing recruitment processes, as well as enforced savings against *Machinery and equipment* related to the procurement of motor vehicles, furniture and office equipment to address pressure in *Goods and services* in other sub-programmes including increased stakeholder engagements and household profiling targeting areas affected by natural disasters in the province and for increased household profiling to provide support to vulnerable groups and communities affected by crime, GBV and other social ills. Growth over the 2025/26 MTEF is inflationary.

The purpose of the IGR sub-programme is to improve inter- and intra-governmental relations and promote effective co-operative governance through the implementation of the IGR Act. OTP co-ordinates all departments to ensure effective delivery of all MTDP outcomes. The negative growth in the 2024/25 Main Appropriation is attributed to once-off activities undertaken in 2023/24. The increase in the 2024/25 Adjusted Appropriation was mainly to cater for additional stakeholder engagements to address service delivery gaps, increased oversight in areas affected by natural disasters in the province, as well as to support vulnerable groups and communities affected by crime, GBV and other social ills. Growth in 2025/26 is also negative as a result of the abovementioned once-off activities. Growth in the outer years of the MTEF is inflationary only.

Compensation of employees shows an increase in the 2024/25 Main Appropriation and this is attributed to the filling of posts already approved for filling in 2023/24, however there were delays in this process resulting in the reduction in the 2024/25 Adjusted Appropriation. The high growth in 2025/26 is for seven MMS posts that are still in the process of being filled in 2024/25. The increase over the outer years of the 2025/26 MTEF is inflationary and provides for the carry-through costs of the 2024 wage agreement and future wage agreements.

With regard to *Goods and services*, there are several once-off expenditures in the previous years which accounts for the decrease in the 2024/25 Main Appropriation. The significant increase in the 2024/25 Adjusted Appropriation was mainly attributed to support provided to address social problems affecting households, vulnerable groups and communities, as well as additional audit fees, which were higher than expected. Growth in 2025/26 is negative as a result of these once-off allocations in 2024/25. These activities are expected to be less in 2025/26 due to awareness campaigns that were undertaken to address these issues in 2024/25. Growth over the outer years of the 2025/26 MTEF is inflationary only.

Transfers and subsidies to: Provinces and municipalities relates to the motor vehicle licences for the department as a whole. The increase in the 2024/25 Adjusted Appropriation is for costs related to the new numbering system for vehicles.

Transfers and subsidies to: Households caters for social benefits relating to staff exit costs. The increase in the 2024/25 Adjusted Appropriation was mainly due to the exit costs for the former Premier.

Buildings and other fixed structures shows an allocation in the 2024/25 Main Appropriation and this caters for the work to be undertaken in the sourced additional office spaces. The department has made no allocation for this category over the 2025/26 MTEF as no new projects are anticipated.

The increase in the 2024/25 Main Appropriation against *Machinery and equipment* is attributed to the planned replacement of motor vehicles and office furniture and equipment. The decrease in the 2024/25 Adjusted Appropriation was due to enforced savings related to the procurement of motor vehicles, furniture and office equipment to address pressure in *Goods and services*, as mentioned. The budget in 2025/26 and over the MTEF is attributed to the plan to only procure vital equipment and to rather channel spending to areas of pressure elsewhere in the budget. The procurement of these items is in line with expected personnel and office space availability.

Service delivery measures: Administration

Table 1.13 illustrates service delivery measures pertaining to Programme 1. It is noted that the OTP sector has not yet agreed on standardised service delivery measures. Note that only a few main measures are reflected below, and the full set of measures is detailed in the department's APP. Note that some measures have changed from the 2024/25 EPRE due to alignment with the 2025/26 APP.

Table 1.13 : Service delivery measures: Administration

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2024/25	2025/26	2026/27	2027/28
1. Executive Council Support					
1.1 Improved governance and accountability	No. of Provincial Executive Council decision matrix implementation progress reports submitted to the Executive Council	24	24	24	24
2. Financial Management					
2.1 Audit improvement	% of procurement awarded to targeted groups % of invoices paid within 30 days	80% 100%	80% 100%	80% 100%	80% 100%
3. IGR					
3.1 Strengthening IGR structures	No. of districts with households profiled	1	3	5	7
3.2 International Relations strategy implementation	No. of International Relations Strategy implementation progress assessments	2	2	2	2

8.2 Programme 2: Institutional Development

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

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

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

Tables 1.14 and 1.15 summarise payments and estimates relating to this programme, by sub-programme and economic classification, for the period 2021/22 to 2027/28. Note that external bursaries were originally administered under Programme 3 but were shifted to the Strategic Human Resources sub-programme in Programme 2 from 2024/25. The historical data was not able to be restated as the operational costs for external bursaries were not able to be accurately identified.

In 2022/23, this programme reflects negative growth mainly due to once-off funding in 2021/22 for the digital transformation strategy, which was funded through internal reprioritisation, as well as reduced spending on *Compensation of employees* as a result of the exit of a high number of officials due to natural attrition, and the process of filling of these posts was slow. The department embarked on an IT project (the provincial Broadband Connectivity project) in 2023/24 which accounts for the high growth. The growth in 2023/24 is also attributed to the rapid filling of critical vacant funded posts within this programme.

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

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
R thousand	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
1. Strategic Human Resources	76 108	73 676	78 211	124 896	122 768	122 768	132 013	138 106	144 321
2. Information Communication Technology (ICT)	123 065	68 597	74 504	67 874	71 002	71 002	79 428	81 578	85 249
3. Legal Services	12 847	13 140	15 979	15 868	16 618	16 618	19 546	20 909	21 850
4. Communication Services	51 533	57 084	61 549	62 998	46 158	46 158	71 166	74 308	77 652
5. Special Programmes	32 798	16 308	14 886	16 857	16 857	16 857	15 803	16 609	17 356
6. Forensic Investigations and Integrity Management	30 333	33 116	33 609	41 285	40 035	40 035	44 950	47 071	49 189
Total	326 684	261 921	278 738	329 778	313 438	313 438	362 906	378 581	395 617

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

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
R thousand	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
Current payments	307 587	251 601	270 183	293 177	277 343	276 486	330 278	344 590	360 097
Compensation of employees	137 894	125 678	134 768	159 768	153 834	153 834	178 448	189 149	197 662
Goods and services	169 693	125 923	135 415	133 409	123 509	122 652	151 830	155 441	162 435
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	3 374	3 399	632	28 374	30 868	31 725	29 628	30 991	32 385
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	3 374	3 399	632	28 374	30 868	31 725	29 628	30 991	32 385
Payments for capital assets	15 723	6 921	7 923	8 227	5 227	5 227	3 000	3 000	3 135
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	15 723	6 921	7 923	8 227	5 227	5 227	3 000	3 000	3 135
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	326 684	261 921	278 738	329 778	313 438	313 438	362 906	378 581	395 617

The Strategic Human Resources sub-programme facilitates, co-ordinates, monitors and promotes strategic human resources and development within provincial government, as well as internally within the OTP. This sub-programme includes the Training Academy. The high growth in the 2024/25 Main Appropriation is mainly attributed to the movement of the External Bursaries function and the related budgetary allocation to this sub-programme, as well as an allocation to provide for the filling of vacant posts. In addition, funding was provided to undertake the implementation of Human Resource Management and Development strategies, policies and projects through the hosting of relevant strategic forums, the roll-out of the implementation plan of the provincial HR Turnaround Strategy in provincial departments, and interventions to automate various HR processes, among others. The decrease in the 2024/25 Adjusted Appropriation was due to delays in filling critical vacant funded posts. Growth in 2025/26 and the outer years of the MTEF is to cater for the continuation of the current services, as well as inflation only.

The ICT sub-programme co-ordinates provincial government ICT policy and renders internal ICT support and auxiliary services to the department. The decrease in the 2024/25 Adjusted Appropriation is attributed to enforced savings on IT related items as a result of stringent internal cost containment measures and these savings were moved to other item categories to alleviate spending pressures. The significant growth in 2025/26 is attributed to the continuation of IT services and the envisaged projects to be introduced within this sub-programme such as the EPMDS system, as well as *Compensation of employees* as a result of four critical posts to be filled, with two being SMS posts. Growth over the remainder of the 2025/26 MTEF is inflationary only. Activities over the MTEF include the continuation of the digital transformation strategy, including asset management processes.

The Legal Services sub-programme provides comprehensive and professional internal legal support services to OTP and provides inter-departmental, transversal state law advisory services to departments. The minor increase in the 2024/25 Adjusted Appropriation is attributed to the payment of staff exit costs. Growth in 2025/26 is to cater for three critical posts to be filled within the sub-programme, with the outer years increases accounting for inflation only.

The Communication Services sub-programme provides integrated and co-ordinated government communication services in the province, as well as internally within OTP. The decrease in the 2024/25 Adjusted Appropriation was due to the need to contain costs in terms of payment for communication in respect of TV and radio slots. The increase in 2025/26 and over the remainder of the MTEF is to cater for critical vacant funded posts to be filled, media coverage and for inflationary increases and this sub-programme will continue to co-ordinate various communication publications, campaigns and strategies, such as Simama, Anti-Rape, Anti-Xenophobia, Human Rights Day, Youth Day, Heritage Day, etc. This sub-programme also administers the Communication Forum which meets bi-annually and includes all departments.

The Special Programmes sub-programme provides security support services to the department. The negative growth in 2025/26 is due to cost containment, however there is a growing trend in *Compensation of employees* due to the personnel costs and projected wage increases. Growth over the outer years of the MTEF is inflationary only.

The Forensic Investigations and Integrity Management sub-programme was a new sub-programme in the 2021/22 MTEF to accommodate the Forensic Investigation Services function moved from Provincial Treasury. The department notes that the Integrity Management staff were moved to this sub-programme on PERSAL in 2022/23, hence the increase in 2022/23. The decrease in the 2024/25 Adjusted Appropriation was due to slow recruitment processes and the need to contain costs. The high growth in 2024/25 and over the 2025/26 MTEF is attributed to activities planned over the MTEF, including follow-ups with departments to track the status of implementation of recommendations by Accounting Officers on investigations. The Fraud Prevention Plan strategies of all departments and public entities will also be reviewed, as well as strengthening provincial compliance to deal with fraud, corruption, irregularities and maladministration occurring within municipalities and municipal entities within the province. This will be done through an approved forensic investigations framework for the unit. Growth in the outer years caters for personnel costs in terms of the critical vacant funded posts, continuation of planned activities, as well as inflation.

Compensation of employees shows high growth in the 2024/25 Main Appropriation to cater for vacant funded posts to be filled, however, due to delays in filling four SMS posts, there is a decrease in the 2024/25 Adjusted Appropriation. There are 13 posts which are in the process of being filled within this programme, with most being SMS level posts. Growth over the 2025/26 MTEF is to cater for critical vacant funded posts to be filled, as well as inflation.

Goods and services shows a decrease in 2024/25, mainly due to various once-off expenditure items in 2023/24. There were savings on communication related activities which accounts for the decrease in the 2024/25 Adjusted Appropriation. The significant growth in 2025/26 is mainly to cater for the IT systems such as the envisaged projects to be introduced such as the EPMDS system, as well as the ongoing coordination of various communication publications, campaigns and strategies, such as Simama, Anti-Rape, Anti-Xenophobia, Human Rights Day, Youth Day, Heritage Day, etc. Growth over the outer years of the MTEF is to cater for inflation only.

The amounts against *Transfers and subsidies to: Households* cater for external bursaries and staff exit costs. It must be noted that, although the Provincial Bursary Programme was decentralised back to the departments from which the funds were originally moved, a portion of the budget remains for the external bursaries administered by the OTP, which were shifted to this programme from Programme 3 in 2024/25. The historical data was not able to be restated as the operational costs for external bursaries were not able to be accurately identified. The increase in the 2024/25 Adjusted Appropriation was to cater for increased staff exit costs. The growth in the external bursaries budget over the MTEF is inflationary only. The budget for external bursaries is based on previous intakes, which range between 150 and 200, and include progressing and new intake students. There is minimal growth over the MTEF to cater for the provision for staff exit costs.

Machinery and equipment shows a decrease in the 2024/25 Adjusted Appropriation and this is attributed to enforced savings against computer equipment to address spending pressures in other categories. The negative growth in 2025/26 reflects the reprioritisation to *Goods and services* to cater for the new projects such as IT and State Law projects. Growth in 2027/28 is inflationary only.

Service delivery measures: Institutional Development

Table 1.16 illustrates service delivery measures pertaining to Programme 2. Note that only a few main measures are reflected, and the full set of measures is detailed in the APP.

Note that some measures have changed from the 2024/25 EPRE due to alignment with the 2025/26 APP. There are also three new measures, which do not have an Estimated performance for 2024/25.

Table 1.16 : Service delivery measures: Institutional Development

Outputs		Performance indicators	Estimated performance	Medium-term targets		
			2024/25	2025/26	2026/27	2027/28
1.	Strategic Human Resources					
1.1	Interventions from skills audit recommendations implemented	No. of interventions implemented from the skills audit report recommendations for SMS & MMS members	New	12	-	-
1.2	Catalytic training interventions implemented	No. of catalytic training interventions to build the capacity of the state	New	12	-	-
2.	Information Communication Technology (ICT)					
2.1	Systems developed for KZN Information and Innovation Hub	No. of reports on the implementation of broadband in the province	New	2	2	2
3.	Communication Services					
3.1	Reports on implementation of the provincial communication strategy	No. of reports on implementation of the communication strategy	4	4	4	4
4.	Special Programmes					
4.1	Ethics and integrity campaign (I Do Right)	- No. of workshops on fraud and ethics - No. of campaigns on the "I Do Right Even When Nobody is Watching" programme	13	13	13	13
			14	14	14	14

Table 1.16 : Service delivery measures: Institutional Development

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2024/25	2025/26	2026/27	2027/28
5. Forensic Investigation and Integrity Management					
5.1 Report on provincial forensic investigations	• No. of forensic investigations completed	20	20	20	20

8.3 Programme 3: Policy and Governance

The purpose of this programme is to initiate province-wide development and implementation of policies and strategies, short and long-term plans and programmes, as well as the reporting and monitoring of these for the Provincial Government, and the objectives are as follows:

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

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

Tables 1.17 and 1.18 provide a summary of payments and estimates by sub-programme and economic classification for the period 2021/22 to 2027/28.

This programme reflects an increase in 2022/23 due to the re-alignment of the department's revised organogram in respect of the Democracy Support unit, with funding moved from Programme 2, as well as to provide for the Implementation of the M&E Impact Assessment (IMEIA) project in response to the April 2022 flood disaster. There was also funding allocated to *Compensation of employees* due to continued filling of critical vacant posts within this programme and the King's Coronation which accounts for the decrease in *Goods and services* in 2023/24. The significant growth in 2023/24 relates to the once-off allocation of R100 million for the KZN Youth Empowerment Fund, accounting for the negative growth in 2024/25, as well as the movement of the Democracy Support unit to this programme. There was also a once-off allocation in terms of His Majesty, the King's legal costs in 2023/24, further accounting to the negative growth in the 2024/25 Main Appropriation. In addition, this programme was cut over the 2024/25 MTEF by R5.969 million in 2024/25, with carry-through. In addition, the External Bursaries function was moved from this programme to Programme 2 in 2024/25, with the historical data unable to be restated, as mentioned. In the 2024/25 Adjusted Appropriation, the department received an additional allocation of R85 million in respect of the KZN Youth Empowerment Fund (R75 million), as well as the ZRHT (R10 million). This once-off additional funding accounts for the decrease in 2025/26. Over the 2025/26 MTEF the programme allocation mainly caters for critical funded posts, as well as the Premier's *Izimbizo*. The department reports that five SMS posts are still undergoing recruitment processes, with appointments expected before the end of 2024/25.

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
1. Provincial Policy Management	24 515	41 551	52 488	64 896	56 396	56 396	42 826	44 809	46 825
2. Premier's Priority Programmes	116 072	124 341	246 758	85 239	161 884	161 884	88 276	92 414	96 573
3. Royal Household	86 427	91 173	112 832	77 507	92 862	92 862	86 141	90 214	94 274
Total	227 014	257 065	412 078	227 642	311 142	311 142	217 243	227 437	237 672

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
Current payments	111 119	213 296	221 938	201 084	197 807	197 735	189 598	198 520	207 454
Compensation of employees	84 209	110 640	127 533	132 606	118 332	118 332	124 220	131 672	137 598
Goods and services	26 910	102 656	94 405	68 478	79 475	79 403	65 378	66 848	69 856
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	115 861	43 769	190 140	26 558	113 335	113 407	27 645	28 917	30 218
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	46 163	24 888	57 583	26 337	36 337	36 337	27 517	28 783	30 078
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	97 079	-	75 000	75 000	-	-	-
Non-profit institutions	50 000	-	-	-	-	-	-	-	-
Households	19 698	18 881	35 478	221	1 998	2 070	128	134	140
Payments for capital assets	34	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	34	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	227 014	257 065	412 078	227 642	311 142	311 142	217 243	227 437	237 672

The Provincial Policy Management sub-programme provides for strategic planning, research co-ordination, and monitoring and evaluation. The PPC resides in this sub-programme. The sub-programme was subjected to fiscal consolidation budget cuts in 2024/25, with carry-through, against *Goods and services*, which will result in events needing to be held on a reduced scale. The increase in 2024/25 is due to the relocation of the PPC commissioners from Programme 1 to this sub-programme, where all PPC activities are located, as well as high spending in respect of activities undertaken such as the Provincial Prayer Day and World TB Day. The decrease in the 2024/25 Adjusted Appropriation was due to exiting staff, as well as critical vacant posts that were still undergoing recruitment processes and will be filled later than originally anticipated. The decrease in 2025/26 is due to extensive personnel costs analysis and costing which lead to the reduction of posts in the sub-programme, as well as cost containment. The increase in 2026/27 and 2027/28 is inflationary.

The sub-programme: Premier's Priority Programmes promotes the culture of engagement by co-ordinating stakeholder participation, priority programmes incorporating Veterans' Support, HIV and AIDS, OSS, and also includes the Office of the Ombudsperson and Democracy Support Services. Democracy Support Services ensures that government translates its constitutional, political and global commitments into measurable and meaningful programmes on gender, disability, children, as well as senior citizens and other vulnerable groups. There were a number of once-off costs in 2023/24 and this accounts for the significant decrease in the 2024/25 Main Appropriation. In addition, the sub-programme was subjected to a fiscal consolidation cut in 2024/25, with carry-through, against *Goods and services*, which resulted in events needing to be held on a reduced scale. The increase in the 2024/25 Adjusted Appropriation relates to R75 million allocated for the KZN Youth Empowerment Fund, as mentioned. This once-off cost accounts for the decrease in 2025/26. Also contributing to the reduction is a reduction in the number of posts deemed critical within this sub-programme and subsequent reprioritisation was implemented. The growth in the outer years of the 2025/26 MTEF is inflationary.

The sub-programme: Royal Household provides support services to His Majesty, the King and the Royal Household. The increase in 2023/24 is attributable to additional funds allocated for legal fees incurred by the Royal Household, as well as internal reprioritisation for the unbudgeted purchase of a vehicle for Her

Majesty, the Queen, with these once-off costs accounting for the decrease in the 2024/25 Main Appropriation. The increase in the 2024/25 Adjusted Appropriation relates to the once-off allocation to the ZRHT to cater for the Royal Family's higher than expected legal fees, travel costs, a vehicle and the new beneficiary list. Growth in 2025/26 is negative as a result of the once-off funding in 2024/25 and the growth in the outer years of the MTEF is inflationary.

Compensation of employees shows a decrease in the 2024/25 Adjusted Appropriation due to savings from exiting staff, as well as critical vacant posts that are still undergoing recruitment processes and will be filled later than originally anticipated. Growth in the 2025/26 MTEF reflects the planned increase in the staff establishment as a result of filling critical vacant funded posts within this programme. However, this growth is mitigated by the reduction of the number of unemployed graduates, as well as a review of personnel to only fill prioritised posts.

Goods and services includes funding for the PPC, OSS, Diakonia Council of Churches, as well as various events. The negative growth in the 2024/25 Main Appropriation was mainly related to planned cost-cutting on various items such as catering and transport: departmental activity, among others. The increase in the 2024/25 Adjusted Appropriation relates to pressures from the increased number of *Izimbizo* undertaken to address crime prevention, the increase in GBV, as well as identifying service delivery gaps. In addition, the *Izimbizo* were also intended to engage with communities to intensify the provision of services and developmental programmes that are aimed at creating economic opportunities for locals. Some of these costs were once-off, accounting for the decrease in 2025/26. The budget in the outer years of the MTEF is inflationary only.

The transfers to the ZRHT are reflected against *Transfers and subsidies to: Departmental agencies and accounts*, as detailed in Section 7.9.

Transfers and subsidies to: Non-profit institutions relates to the R50 million allocated to the KZN Youth Empowerment Fund in 2020/21 but was unspent and suspended to 2021/22. A further amount of R100 million was allocated for this purpose in 2023/24. These funds were moved in the 2023/24 Adjusted Appropriation to *Transfers and subsidies to: Public corporations and private enterprises*, as mentioned. In the 2024/25 Adjusted Appropriation, the department received an additional allocation of R75 million in respect of the KZN Youth Empowerment Fund, allocated to *Transfers and subsidies to: Public corporations and private enterprises*.

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

The amounts against *Machinery and equipment* mainly relate to the purchase of departmental vehicles, office furniture and computer equipment for newly appointed staff. No provision is made at this stage for this category over the MTEF and this will be reviewed in-year, once additional office accommodation is secured.

Payments for financial assets relates to losses written-off.

Service delivery measures: Policy and Governance

Table 1.19 provides information on the service delivery measures pertaining to Programme 3. It is noted that the OTP sector has not yet agreed on standardised service delivery measures. Note that only a few main measures are reflected, and the full set of measures is detailed in the department's APP. Note also that some measures have changed from the 2024/25 *EPRE* due to alignment with the 2025/26 APP.

Table 1.19 : Service delivery measures: Policy and Governance

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2024/25	2025/26	2026/27	2027/28
1. Provincial Policy Management					
1.1 Performance reports of departments	No. of departmental performance assessments	13	13	13	13

Table 1.19 : Service delivery measures: Policy and Governance

Outputs	Performance indicators	Estimated performance		Medium-term targets			
		2024/25	2025/26	2026/27	2027/28		
2. Premier's Priority Programmes							
2.1 Assessments on departmental planning alignment	• No. of provincial departmental strategic planning alignment assessments	13	13	13	13		
2.2 Provincial research agenda	• Provincial research agenda established	2 provincial research agenda established	1 updated provincial research agenda developed	1 updated provincial research agenda developed	1 updated provincial research agenda developed		
2.3 MTDP implementation assessments	• No. of MTDP implementation assessments completed	1	1	1	1		
2.4 Progress reports on implementation of GBVF plan	• No. of monitoring reports on the implementation of the Provincial Gender Based Violence and Femicide Strategic Implementation Plan	4	4	4	4		
3. King's Support and Royal Household							
3.1 Entity oversight: ZRHT APP assessment report	• No. of KZN ZRHT performance assessments completed	4	2	2	2		

9. Other programme information

9.1 Personnel numbers and costs

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

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

R thousands	Audited Actual						Revised Estimate				Medium-term Expenditure Estimate						Average annual growth over MTEF		
	2021/22		2022/23		2023/24		2024/25				2025/26		2026/27		2027/28		2024/25 - 2027/28		
	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Filled posts	Add. posts	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Pers. Nos. ¹	Costs	Pers. growth rate	Costs growth rate	% Costs of Total
Salary level																			
1 – 7	231	83 636	232	82 802	213	98 507	214	-	214	105 729	236	123 431	236	128 732	236	134 523	3.3%	8.4%	28.9%
8 – 10	129	63 260	155	70 162	163	73 456	160	-	160	72 114	131	78 814	131	81 717	131	85 397	(6.4%)	5.8%	18.7%
11 – 12	76	73 629	72	74 414	74	70 996	68	-	68	79 070	90	88 412	90	96 271	90	100 605	9.8%	8.4%	21.6%
13 – 16	68	87 390	66	83 721	72	85 379	67	-	67	85 562	83	95 652	83	103 321	83	107 970	7.4%	8.1%	23.3%
Other	37	13 512	26	22 661	31	27 914	33	-	33	28 215	31	31 500	31	32 830	31	34 307	(2.1%)	6.7%	7.5%
Total	541	321 427	551	333 761	553	356 252	542	-	542	370 690	571	417 809	571	442 871	571	462 802	1.8%	7.7%	100.0%
Programme																			
1. Administration	92	99 324	82	97 443	109	93 951	110	-	110	98 524	129	115 141	129	122 050	129	127 542	5.5%	9.0%	27.3%
2. Institutional Development	270	137 894	253	125 678	227	134 768	229	-	229	153 834	258	178 448	258	189 149	258	197 662	4.1%	8.7%	42.4%
3. Policy and Governance	179	84 209	216	110 640	217	127 533	203	-	203	118 332	184	124 220	184	131 672	184	137 598	(3.2%)	5.2%	30.4%
Total	541	321 427	551	333 761	553	356 252	542	-	542	370 690	571	417 809	571	442 871	571	462 802	1.8%	7.7%	100.0%
Employee dispensation classification																			
P.S.A. appointees not covered by OSDs	498	295 343	520	305 721	517	314 032	505	-	505	327 525	533	370 689	533	393 702	533	411 421	1.8%	7.9%	88.7%
Legal Professionals	6	12 922	5	13 703	5	14 306	4	-	4	14 950	7	15 620	7	16 339	7	17 074	20.5%	4.5%	3.8%
Others such as interns, EPWP, learnerships, etc	37	13 162	26	14 337	31	27 914	33	-	33	28 215	31	31 500	31	32 830	31	34 307	(2.1%)	6.7%	7.5%
Total	541	321 427	551	333 761	553	356 252	542	-	542	370 690	571	417 809	571	442 871	571	462 802	1.8%	7.7%	100.0%

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

The department obtained approval to fill 57 posts at the end of the third quarter of 2024/25 and has only filled 28 of these posts, with the remainder at various stages in the recruitment process. It is anticipated that the balance of 29 posts will be filled in the latter part of 2024/25. However, past history indicates that this process may carry-over into 2025/26.

The department will not fully implement the entire organisational structure over the 2025/26 MTEF due to budget constraints. The strong growth in personnel numbers in 2022/23 is in line with filling posts, with further growth in 2023/24 and 2024/25 to cover some of the remaining appointments. Further posts will be filled in a staggered approach should funding become available. Growth in the 2024/25 Main Appropriation was 13 per cent, related to the planned filling of the remaining approved posts, but slow recruitment processes have resulted in the actual projected growth in the 2024/25 Revised Estimate being only 4.1 per cent, including the 2024 wage agreement. The slow recruitment processes have resulted in growth in 2025/26 being set at 12.7 per cent, which is sufficient for the filling of posts, the wage increase and pay progression. Growth in 2026/27 is 6 per cent, which is sufficient for anticipated inflation linked increases and pay progression, as well as the carry-through cost of the 2024 wage agreement. The growth

in 2027/28 is at 4.5 per cent, which is not sufficient for anticipated inflation linked increases and pay progression, and this will be reviewed in the next budget process.

9.2 Training

Table 1.21 reflects payments and estimates on training per programme, providing actual and estimated expenditure on training for the period 2021/22 to 2027/28. The department is required by the Skills Development Act to budget at least 1 per cent of its salary expense for staff training. The department is under this target over the MTEF, averaging 0.7 per cent, and this will be addressed in-year and in the next budget process. The type of training is determined by requests from staff on their annual personal development plans, and includes Excel and Word courses, as well as Financial Management for Non-financial Managers, among others.

Table 1.21 : Information on training: Office of the Premier

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
Number of staff	541	551	553	542	542	542	571	571	571
Number of personnel trained	350	350	350	350	350	350	350	350	350
of which									
Male	85	85	85	85	85	85	85	85	85
Female	265	265	265	265	265	265	265	265	265
Number of training opportunities	484	489	489	489	489	489	489	489	489
of which									
Tertiary	415	420	420	420	420	420	420	420	420
Workshops	50	50	50	50	50	50	50	50	50
Seminars	19	19	19	19	19	19	19	19	19
Other	-	-	-	-	-	-	-	-	-
Number of bursaries offered	21	21	21	21	21	21	21	21	21
Number of interns appointed	56	56	56	56	56	56	56	56	56
Number of learnerships appointed	-	-	-	-	-	-	-	-	-
Number of days spent on training	-	-	-	-	-	-	-	-	-
Payments on training by programme									
1. Administration	-	1	7	56	56	5	67	70	73
2. Institutional Development	1 325	1 056	1 443	1 717	2 645	2 136	3 130	2 789	2 915
3. Policy and Governance	18	-	159	165	65	1	165	180	188
Total	1 343	1 057	1 609	1 938	2 766	2 142	3 362	3 039	3 176

ANNEXURE – VOTE 1: OFFICE OF THE PREMIER

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	165	165	167	190	190	180	213	223	233
Sale of goods and services produced by department (excluding capital assets)	165	165	167	190	190	180	213	223	233
Sales by market establishments	3	-	2	13	13	12	15	16	17
Administrative fees	-	-	-	-	-	-	-	-	-
Other sales	162	165	165	177	177	168	198	207	216
Of which									
Commission	160	165	303	191	191	191	200	209	218
Sale of scrap, waste, arms and other used current goods (excluding capital assets)	-	-	-	-	-	-	-	-	-
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	5	2	1	1	1	1	1	1	1
Interest	5	2	1	1	1	1	1	1	1
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	600	-	1 217	1 217	1 217	-	1 332	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	-	600	-	1 217	1 217	1 217	-	1 332	-
Transactions in financial assets and liabilities	974	536	773	64	64	30	67	70	73
Total	1 144	1 303	941	1 472	1 472	1 428	281	1 626	307

Estimates of Provincial Revenue and Expenditure

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
Current payments	586 929	652 995	714 305	703 451	708 318	707 359	752 550	785 769	821 130
Compensation of employees	321 427	333 761	356 252	402 417	370 690	370 690	417 809	442 871	462 802
Salaries and wages	283 877	296 435	315 892	361 151	328 204	329 606	377 268	401 603	419 675
Social contributions	37 550	37 326	40 360	41 266	42 486	41 084	40 541	41 268	43 127
Goods and services	265 502	319 234	358 053	301 034	337 628	336 669	334 741	342 898	358 328
Administrative fees	1 879	3 755	4 800	3 092	3 121	2 048	3 317	3 313	3 461
Advertising	32 381	32 887	15 753	46 909	6 847	9 545	50 069	52 290	54 642
Minor assets	3 050	2 900	435	8 777	5 301	1 551	6 207	5 695	5 952
Audit cost: External	6 740	5 526	6 436	5 705	7 705	9 690	6 810	7 097	7 416
Bursaries: Employees	246	278	477	930	930	582	1 140	860	900
Catering: Departmental activities	7 834	29 002	31 251	7 509	31 882	36 444	17 195	18 730	19 575
Communication (G&S)	14 617	15 065	38 664	13 051	30 333	28 756	14 503	15 124	15 805
Computer services	96 444	46 455	52 262	45 648	54 455	48 506	62 174	63 303	66 151
Cons. and prof. serv.: Business and advisory services	5 681	16 047	12 309	16 004	16 386	20 605	10 010	8 624	9 011
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Legal services	2 159	930	1 829	1 485	2 735	2 939	3 302	3 622	3 785
Scientific and technological services	-	-	-	-	-	-	-	-	-
Contractors	8 006	17 424	27 880	28 095	18 000	18 211	27 923	28 638	29 924
Agency and support / outsourced services	1 358	363	794	1 420	1 480	714	1 800	1 830	1 913
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	7 881	10 610	8 883	8 993	7 743	12 517	12 703	13 225	13 819
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	9	2 708	807	64	14	61	635	636	665
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	845	-	-	-	-	-	-
Inventory: Chemicals, fuel, oil, gas, wood and coal	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Meddas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	12 428	21 172	-	15 708	20 785	6 352	6 383	6 670
Consumable supplies	7 807	5 394	1 918	6 190	6 800	4 244	7 468	7 516	7 855
Consumable: Stationery, printing and office supplies	6 070	8 639	6 917	10 633	8 590	4 073	10 464	11 023	11 520
Operating leases	9 705	13 170	10 994	19 285	19 227	17 065	19 157	20 001	20 900
Rental and hiring	-	356	6 131	-	17 010	19 117	-	-	-
Property payments	18 705	23 706	23 092	25 268	24 968	26 096	22 313	23 590	24 652
Transport provided: Departmental activity	4 672	17 484	16 737	5 541	18 447	21 677	5 500	5 530	5 780
Travel and subsistence	21 622	40 583	55 193	36 358	30 082	26 442	33 818	35 909	37 525
Training and development	1 343	1 057	1 609	1 938	2 766	2 142	3 362	3 039	3 176
Operating payments	744	1 318	1 548	1 014	3 386	2 628	586	637	665
Venues and facilities	6 549	11 149	9 317	7 125	3 712	231	7 933	6 283	6 566
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	121 106	48 665	193 875	57 601	151 888	152 847	59 151	61 872	64 655
Provinces and municipalities	212	136	135	79	108	138	83	87	91
Provinces	212	136	135	79	108	138	83	87	91
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	212	136	135	79	108	138	83	87	91
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	46 163	24 888	57 583	26 337	36 337	36 337	27 517	28 783	30 078
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	46 163	24 888	57 583	26 337	36 337	36 337	27 517	28 783	30 078
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	97 079	-	75 000	75 000	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	97 079	-	75 000	75 000	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	97 079	-	75 000	75 000	-	-	-
Non-profit institutions	50 000	-	-	-	-	-	-	-	-
Households	24 731	23 641	39 078	31 185	40 443	41 372	31 551	33 002	34 486
Social benefits	6 855	6 260	4 677	3 248	12 506	12 578	2 331	2 438	2 547
Other transfers to households	17 876	17 381	34 401	27 937	27 937	28 794	29 220	30 564	31 939
Payments for capital assets	46 162	31 713	12 972	23 101	8 947	8 947	6 174	7 148	7 470
Buildings and other fixed structures	17 847	6 366	1 833	2 048	2 048	2 048	-	-	-
Buildings	17 847	6 366	1 833	2 048	2 048	2 048	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	28 315	25 347	11 139	21 053	6 899	6 899	6 174	7 148	7 470
Transport equipment	6 311	8 945	1 336	4 079	-	-	500	500	523
Other machinery and equipment	22 004	16 402	9 803	16 974	6 899	6 899	5 674	6 648	6 947
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	754 197	733 373	921 152	784 153	869 153	869 153	817 875	854 789	893 255

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
Current payments	168 223	188 098	222 184	209 190	233 168	233 138	232 674	242 659	253 579
Compensation of employees	99 324	97 443	93 951	110 043	98 524	98 524	115 141	122 050	127 542
Salaries and wages	87 463	86 171	82 351	99 944	88 029	87 306	106 059	112 058	117 100
Social contributions	11 861	11 272	11 600	10 099	10 495	11 218	9 082	9 992	10 442
Goods and services	68 899	90 655	128 233	99 147	134 644	134 614	117 533	120 609	126 037
Administrative fees	890	1 481	2 172	1 252	1 279	860	1 308	1 334	1 394
Advertising	410	306	155	750	840	263	523	515	538
Minor assets	1 372	1 521	397	8 177	4 653	1 278	5 807	4 995	5 220
Audit cost: External	6 740	5 526	6 436	5 705	7 705	9 690	6 810	7 097	7 416
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	3 331	5 161	13 584	2 469	17 256	19 820	8 725	9 030	9 438
Communication (G&S)	4 504	3 984	2 340	4 129	4 130	2 032	3 033	3 436	3 591
Computer services	-	-	-	-	5 000	2 977	6 000	6 000	6 270
Cons. and prof. serv.: Business and advisory services	36	1 625	104	965	1 089	891	1 170	1 255	1 311
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	250	250	-	250	250	261
Scientific and technological services	-	-	-	-	-	-	-	-	-
Contractors	2 369	959	13 860	11 229	6 012	4 714	6 447	6 464	6 754
Agency and support / outsourced services	484	121	143	350	493	379	350	350	366
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	7 285	10 052	8 640	7 486	7 446	12 008	11 081	11 603	12 124
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	754	49	9	9	-	5	6	7
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	29	-	-	-	-	-	-
Inventory: Chemicals, fuel, oil, gas, wood and coal	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Meddas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	6 471	15 361	-	10 748	16 143	6 352	6 383	6 670
Consumable supplies	5 418	2 100	939	2 591	3 608	2 607	3 109	3 133	3 274
Consumable: Stationery, printing and office supplies	2 207	3 869	3 064	4 018	3 503	1 590	4 408	4 594	4 801
Operating leases	8 348	11 783	9 302	16 360	16 215	14 752	16 811	17 515	18 303
Rental and hiring	-	-	1 952	-	6 359	7 368	-	-	-
Property payments	13 183	16 313	16 118	17 688	17 088	18 424	17 599	18 766	19 611
Transport provided: Departmental activity	987	1 852	3 203	750	7 701	8 244	1 250	1 000	1 045
Travel and subsistence	9 171	14 844	27 000	13 861	12 532	10 491	14 711	15 012	15 688
Training and development	-	1	7	56	56	5	67	70	73
Operating payments	66	102	91	162	162	32	286	291	304
Venues and facilities	2 098	1 830	3 287	890	510	46	1 431	1 510	1 578
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 871	1 497	3 103	2 669	7 685	7 715	1 878	1 964	2 052
Provinces and municipalities	212	136	135	79	108	138	83	87	91
Provinces	212	136	135	79	108	138	83	87	91
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	212	136	135	79	108	138	83	87	91
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 659	1 361	2 968	2 590	7 577	7 577	1 795	1 877	1 961
Social benefits	1 630	1 361	2 968	2 590	7 577	7 577	1 795	1 877	1 961
Other transfers to households	29	-	-	-	-	-	-	-	-
Payments for capital assets	30 405	24 792	5 049	14 874	3 720	3 720	3 174	4 148	4 335
Buildings and other fixed structures	17 847	6 366	1 833	2 048	2 048	2 048	-	-	-
Buildings	17 847	6 366	1 833	2 048	2 048	2 048	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	12 558	18 426	3 216	12 826	1 672	1 672	3 174	4 148	4 335
Transport equipment	6 311	8 945	1 336	4 079	-	-	500	500	523
Other machinery and equipment	6 247	9 481	1 880	8 747	1 672	1 672	2 674	3 648	3 812
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	200 499	214 387	230 336	226 733	244 573	244 573	237 726	248 771	259 966

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
Current payments	307 587	251 601	270 183	293 177	277 343	276 486	330 278	344 590	360 097
Compensation of employees	137 894	125 678	134 768	159 768	153 834	153 834	178 448	189 149	197 662
Salaries and wages	121 675	110 416	117 969	143 448	137 644	134 824	160 686	171 163	178 866
Social contributions	16 219	15 262	16 799	16 320	16 190	19 010	17 762	17 986	18 796
Goods and services	169 693	125 923	135 415	133 409	123 509	122 652	151 830	155 441	162 435
Administrative fees	635	735	857	428	438	356	518	600	626
Advertising	31 755	32 228	14 174	45 432	5 672	9 072	49 173	51 381	53 693
Minor assets	832	610	37	600	648	273	400	700	732
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	246	263	477	850	850	582	960	680	711
Catering: Departmental activities	995	3 932	619	657	1 567	3 151	1 282	1 585	1 657
Communication (G&S)	10 107	11 060	36 317	8 072	25 950	26 409	11 270	11 330	11 840
Computer services	96 433	46 455	51 631	45 648	49 455	45 529	56 074	57 203	59 776
Cons. and prof. serv.: Business and advisory services	3 754	3 735	4 363	3 765	5 605	6 508	4 254	3 941	4 118
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Legal services	2 159	930	1 829	1 235	2 485	2 939	3 052	3 372	3 524
Scientific and technological services	-	-	-	-	-	-	-	-	-
Contractors	2 220	2 849	1 655	2 966	2 759	4 115	3 670	3 716	3 882
Agency and support / outsourced services	53	54	-	120	87	35	50	60	63
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	9	-	87	5	5	11	5	5	5
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Chemicals, fuel, oil, gas, wood and coal	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	679	106	-	-	-	-	-	-
Consumable supplies	1 115	317	856	523	1 559	349	211	224	234
Consumable: Stationery, printing and office supplies	2 521	2 863	1 764	3 077	2 322	1 528	2 865	3 010	3 146
Operating leases	988	932	1 037	1 857	1 929	1 610	1 554	1 673	1 748
Rental and hiring	-	356	20	-	543	1 277	-	-	-
Property payments	5 393	7 393	6 974	7 580	7 880	7 672	4 714	4 824	5 041
Transport provided: Departmental activity	1 222	978	-	200	590	1 169	170	230	241
Travel and subsistence	6 318	7 847	10 098	6 231	6 677	6 338	6 259	7 403	7 736
Training and development	1 325	1 056	1 443	1 717	2 645	2 136	3 130	2 789	2 915
Operating payments	67	2	962	-	1 580	1 423	50	50	52
Venues and facilities	1 546	649	109	2 446	2 263	170	2 169	665	695
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	3 374	3 399	632	28 374	30 868	31 725	29 628	30 991	32 385
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	3 374	3 399	632	28 374	30 868	31 725	29 628	30 991	32 385
Social benefits	3 374	3 399	632	437	2 931	2 931	408	427	446
Other transfers to households	-	-	-	27 937	27 937	28 794	29 220	30 564	31 939
Payments for capital assets	15 723	6 921	7 923	8 227	5 227	5 227	3 000	3 000	3 135
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	15 723	6 921	7 923	8 227	5 227	5 227	3 000	3 000	3 135
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	15 723	6 921	7 923	8 227	5 227	5 227	3 000	3 000	3 135
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	326 684	261 921	278 738	329 778	313 438	313 438	362 906	378 581	395 617

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
Current payments	111 119	213 296	221 938	201 084	197 807	197 735	189 598	198 520	207 454
Compensation of employees	84 209	110 640	127 533	132 606	118 332	118 332	124 220	131 672	137 598
Salaries and wages	74 739	99 848	115 572	117 759	102 531	107 476	110 523	118 382	123 709
Social contributions	9 470	10 792	11 961	14 847	15 801	10 856	13 697	13 290	13 889
Goods and services	26 910	102 656	94 405	68 478	79 475	79 403	65 378	66 848	69 856
Administrative fees	354	1 539	1 771	1 412	1 404	832	1 491	1 379	1 441
Advertising	216	353	1 424	727	335	210	373	394	411
Minor assets	846	769	1	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	15	-	80	80	-	180	180	189
Catering: Departmental activities	3 508	19 909	17 048	4 383	13 059	13 473	7 188	8 115	8 480
Communication (G&S)	6	21	7	850	253	315	200	358	374
Computer services	11	-	631	-	-	-	100	100	105
Cons. and prof. serv.: Business and advisory services	1 891	10 687	7 842	11 274	9 692	13 206	4 586	3 428	3 582
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Contractors	3 417	13 616	12 365	13 900	9 229	9 382	17 806	18 458	19 288
Agency and support / outsourced services	821	188	651	950	900	300	1 400	1 420	1 484
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	596	558	243	1 507	297	509	1 622	1 622	1 695
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	1 954	671	50	-	50	625	625	653
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	816	-	-	-	-	-	-
Inventory: Chemicals, fuel, oil, gas, wood and coal	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Meddas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	5 278	5 705	-	4 960	4 642	-	-	-
Consumable supplies	1 274	2 977	123	3 076	1 633	1 288	4 148	4 159	4 347
Consumable: Stationery, printing and office supplies	1 342	1 907	2 089	3 538	2 765	955	3 191	3 419	3 573
Operating leases	369	455	655	1 068	1 083	703	792	813	849
Rental and hiring	-	-	4 159	-	10 108	10 472	-	-	-
Property payments	129	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	2 463	14 654	13 534	4 591	10 156	12 264	4 080	4 300	4 494
Travel and subsistence	6 133	17 892	18 095	16 266	10 873	9 613	12 848	13 494	14 101
Training and development	18	-	159	165	65	1	165	180	188
Operating payments	611	1 214	495	852	1 644	1 173	250	296	309
Venues and facilities	2 905	8 670	5 921	3 789	939	15	4 333	4 108	4 293
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	115 861	43 769	190 140	26 558	113 335	113 407	27 645	28 917	30 218
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	46 163	24 888	57 583	26 337	36 337	36 337	27 517	28 783	30 078
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	46 163	24 888	57 583	26 337	36 337	36 337	27 517	28 783	30 078
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	97 079	-	75 000	75 000	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	97 079	-	75 000	75 000	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	97 079	-	75 000	75 000	-	-	-
Non-profit institutions	50 000	-	-	-	-	-	-	-	-
Households	19 698	18 881	35 478	221	1 998	2 070	128	134	140
Social benefits	1 851	1 500	1 077	221	1 998	2 070	128	134	140
Other transfers to households	17 847	17 381	34 401	-	-	-	-	-	-
Payments for capital assets	34	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	34	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	34	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	227 014	257 065	412 078	227 642	311 142	311 142	217 243	227 437	237 672

Estimates of Provincial Revenue and Expenditure

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

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22*	2022/23*	2023/24	2024/25			2025/26	2026/27	2027/28
Revenue									
Tax revenue	-	-	-	-	-	-	-	-	-
Non-tax revenue	51 457	27 151	59 444	26 574	53 392	53 392	27 758	29 035	30 341
Sale of goods and services other than capital assets*	-	-	-	-	-	-	-	-	-
Entity revenue other than sales	126	1 053	227	237	237	237	241	252	263
Transfers received**	51 331	26 098	59 217	26 337	53 155	53 155	27 517	28 783	30 078
Of which:									
Departmental transfer: OTP	26 708	22 263	54 843	23 474	33 474	33 474	24 526	25 654	26 809
Capital projects	19 455	2 625	2 740	2 863	2 863	2 863	2 991	3 129	3 269
Roll-over: OTP	5 168	1 210	1 634	-	16 818	16 818	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Other non-tax revenue	-	-	-	-	-	-	-	-	-
Total	51 457	27 151	59 444	26 574	53 392	53 392	27 758	29 035	30 341
Expenses									
Programmes									
1. Administration	5 206	6 099	7 339	7 691	7 691	7 691	8 035	8 404	8 779
2. Operations Management	44 382	18 882	51 922	15 384	42 202	42 202	16 123	16 931	17 695
3. Fund Raising	-	366	183	3 500	3 500	3 500	3 600	3 700	3 867
Total	49 588	25 347	59 444	26 574	53 392	53 392	27 758	29 035	30 341
Economic classification									
Current payments	24 449	22 695	56 676	23 683	48 001	48 001	24 737	25 875	27 040
Compensation of employees	3 087	3 087	3 611	4 115	3 906	3 906	4 089	4 266	4 467
Goods and services	21 362	19 608	53 065	19 568	44 095	44 095	20 648	21 609	22 573
Interest on rent and land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	25 139	2 652	2 768	2 891	5 391	5 391	3 021	3 160	3 301
Buildings and other fixed structures	19 287	2 625	2 741	2 863	2 863	2 863	2 991	3 129	3 269
Machinery and equipment	5 826	-	-	-	2 500	2 500	-	-	-
Software and other intangible assets	26	27	27	28	28	28	30	31	32
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	49 588	25 347	59 444	26 574	53 392	53 392	27 758	29 035	30 341
Surplus / (Deficit)	1 869	1 804	-	-	-	-	-	-	-
Adjustments for Surplus / (Deficit)	(1 869)	(1 804)	-	-	-	-	-	-	-
(Outstanding creditors)/Deficit	(1 869)	(1 804)	-	-	-	-	-	-	-
Surplus / (Deficit) after adjustments	-	-	-	-	-	-	-	-	-
Personnel numbers and costs									
Personnel numbers (head count)	8	8	6	9	9	9	9	9	9
Personnel costs	3 087	3 087	3 611	4 115	3 906	3 906	4 089	4 266	4 467
Cash flow from investing activities	-	(512)	(96)	-	-	-	-	-	-
Acquisition of assets	-	(512)	(96)	-	-	-	-	-	-
Other flows from Investing activities	-	-	-	-	-	-	-	-	-
Cash flow from financing activities	-	-	-	-	-	-	-	-	-
Net increase / (decrease) in cash and cash equivalents	-	(2 069)	14 834	-	-	-	-	-	-
Balance Sheet Data									
Carrying value of assets	2 188	2 656	2 427	1 963	1 963	1 963	1 704	1 588	1 704
Investments	-	-	-	-	-	-	-	-	-
Cash and cash equivalents	4 166	2 097	16 931	-	-	-	-	-	-
Receivables and prepayments	17 036	417	272	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Total assets	23 390	5 170	19 630	1 963	1 963	1 963	1 704	1 588	1 704
Capital and reserves	5 645	3 919	9 473	1 963	1 963	1 963	1 704	1 588	1 704
Borrowings	-	-	-	-	-	-	-	-	-
Post retirement benefits	-	-	-	-	-	-	-	-	-
Trade and other payables	19 444	1 251	10 157	-	-	-	-	-	-
Deferred income	-	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-
Funds managed (e.g. Poverty Alleviation Fund)	-	-	-	-	-	-	-	-	-
Total equity and liabilities	25 089	5 170	19 630	1 963	1 963	1 963	1 704	1 588	1 704
Contingent liabilities	-	-	-	-	-	-	-	-	-

*Note: Prior year figures have been restated in line with the AFS.

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