

# BUDGET STATEMENT NUMBER 2

## DEPARTMENTAL ESTIMATES

### VOTE NUMBER 3

### PROVINCIAL TREASURY

To be appropriated by Vote in 2004/05  
Responsible MEC  
Administering Department  
Accounting Officer

**R113 686 000**  
Provincial Minister of Finance and Economic Development  
Provincial Treasury  
Head Official: Provincial Treasury

#### 1. OVERVIEW

##### **Core functions and responsibilities**

To achieve service excellence in the provisioning and maintenance of office support to the Minister and of sound financial and human resource management and administration.

To enhance performance oriented financial management.

To effectively manage the Province's fiscal resources.

To ensure efficient budgeting and accounting management.

To ensure the effective and efficient management of physical and financial assets.

To make provision for unforeseeable and unavoidable expenditure within the Province.

##### **Vision**

As change agent in resource allocation and utilisation practices to achieve the highest possible living standards in pursuing the systematic reduction in social and economic disparities.

##### **Mission**

To obtain financial and supportive means and utilise these optimally in pursuit of its vision and supporting strategic goals.

##### **Main services**

Change agent in achieving specific socio-economic objectives, inclusive of introducing new practices through fiscal policy.

Fostering the attainment of value for money spending.

Safeguarding and promoting the effective utilisation of provincial assets.

##### **Demands and changes in services**

In spite of all the initiatives regarding the new fiscal arrangements launched since 1994, a great deal remains to be done to improve per capita income levels, economic disparities, general fiscal management and a range of socio-economic circumstances. This challenge remains and new initiatives are to be developed to make incremental changes over the medium-term.

As key agent in resource allocations, ensuring efficacy of spending and general fiscal discipline, treasuries collectively and individually have to deal with tremendous challenges to improve the general welfare of the governed.

Most of the focus to date has been on nominal compliance with financial legislation with limited attention to normative and quantifiable service delivery aspects. These challenges therefore places more pressure on innovative measures that are to be instituted between government and the private sector to make the *iKapa elihlumayo* concept a reality.

Major challenges facing the Provincial Treasury in ensuring delivery of its stated objectives are in appointing suitably qualified and dynamically orientated personnel.

## **Acts, rules and regulations**

### **Annual Division of Revenue Act**

To provide for the equitable division of revenue raised nationally, inclusive of conditional grants, amongst the three spheres of government and matters incidental thereto.

### **Basic Conditions of Employment Act, 1997 (Act 75 of 1997)**

To provide regulatory prescripts, in addition to the Public Service Act, 1994 and the Public Service Regulations, 2001, regarding the conditions of employment of staff in the Treasury.

### **Borrowing Powers of Provincial Government Act, 1996 (Act 48 of 1996)**

To provide norms and conditions which the Treasury must adhere to in negotiating loans for the Provincial Government.

### **Employment Equity Act, 1998 (Act 55 of 1998)**

To regulate the processes and procedures of the Treasury in achieving a diverse and competent workforce broadly representative of the demographics of the Western Cape and eliminating unfair discrimination in employment towards implementing employment equity.

### **Intergovernmental Fiscal Relations Act, 1997 (Act 97 of 1997)**

To define the role of the Minister of Finance and Economic Development and that of the Treasury as representatives of the Provincial Government, in promoting co-operation between other spheres of government on fiscal, budgetary and financial matters; to provide insight into the prescribed processes for the determination of the equitable share and allocation of revenue raised nationally and for matters in connection therewith.

### **Labour Relations Act, 1995 (Act 66 of 1995)**

To regulate and guide the Treasury in recognising and fulfilling its role in effecting labour harmony and the democratisation of the workplace.

### **Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)**

To regulate financial management in the local sphere of government; to require that all revenue, expenditure, assets and liabilities of municipalities and municipal entities are managed economically, efficiently and effectively; to determine the responsibilities of persons entrusted municipal borrowing; to make provision for the handling of financial emergencies in municipalities; and to provide for matters connected therewith.

### **Occupational Health and Safety Act, 1993 (Act 85 of 1993)**

To provide for the health and safety of persons at work and for the health and safety of persons in connection with the use of plant and machinery; the protection of persons other than persons at work against hazards to health and safety arising out of or in connection with the activities of person at work; to establish an advisory council for occupational health and safety; and to provide for matters connected therewith.

### **Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000)**

To provide the Treasury with a regulatory framework enabling and assisting departments and potential historically disadvantaged individuals (HDI's) in the sustainable development and implementation of a preferential procurement system.

### **Promotion of Access to Information Act, 2000 (Act 2 of 2000)**

To give effect to the constitutional right of access to any information held by the state and any information that is held by another person and that is required for the exercise or protection of any rights; and to provide for matters connected therewith.

### **Promotion of Administrative Justice Act, 2000 (Act 3 of 2000)**

To give effect to the right to administrative action that is lawful, reasonable and procedurally fair and to the right to written reasons for administrative action as contemplated in section 33 of the Constitution of the Republic of South Africa, 1996; and to provide for matters incidental thereto.

### **Public Finance Management Act, 1999 (Act 1 of 1999)**

To regulate financial management in the Treasury to ensure that all revenue, expenditure, assets and liabilities of the Treasury are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in the Treasury and to provide for matters connected therewith. To fulfil all Treasury responsibilities with respect to other departments and public entities.

**Public Service Act, 1994 (Act 103 of 1994)**

To provide for the organisation and administration of the Treasury and for human resource management which includes the regulation of conditions of employment, terms of office, discipline, retirement and discharge of staff members of the Treasury and matters connected therewith.

**Skills Development Act, 1998 (Act 97 of 1998)**

To provide an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce; to integrate those strategies within the National Qualification Framework contemplated in the South African Qualification Authority Act, 1995; to provide for learnerships that lead to recognised occupational qualifications; to provide for the financing of skills development by means of a levy-grant scheme and a national skills fund; to provide for and regulate employment services; and to provide for matters connected therewith.

**Skills Development Levy Act, 1999 (Act 9 of 1999)**

To provide for the imposition of a skills development levy; and for matters connected therewith.

**Western Cape Direct Charges Act, 2000 (Act 6 of 2000)**

To provide for the withdrawal of State moneys from the Western Cape provincial revenue fund, as a direct charge, in accordance with the Constitution of the Republic of South Africa, 1999 (Act 108 of 1996), the Constitution of the Western Cape, 1997 (Act 1 of 1998) and the Public Finance Management Act, 1999 (Act 1 of 1999), and for matters incidental thereof.

**Western Cape Gambling and Racing Law, 1996 (Law 4 of 1996)**

To provide regulatory prescripts to support the responsible Minister in ensuring sound financial administration and matters incidental thereto by the Western Cape Gambling and Racing Board.

**Western Cape Law on the Powers and Privileges of the Provincial Legislature Amendment Act, 1998 (Law 3 of 1998)**

To provide the Treasury with regulatory prescripts in assisting the Legislature when necessary, in meeting their financial responsibilities as set out in legislation.

**Budget decisions**

Targeting and restructuring of the budget and its management to enable the Provincial Government to fulfil its policy ideals and to promote and assess economic growth and developmental initiatives.

**2. REVIEW 2003/04**

The restructuring of the Treasury was concluded and the new organisational structure and staff establishment implemented with effect from 1 May 2003. The current approved organisational structure should better cater for the Treasury's strategic goals and enable it to fulfil its Constitutional mandate to address the socio-economic challenges of the Province in tandem with departments, municipalities and other stakeholders.

To ensure efficiency and efficacy with the budget process, the preparation of the provincial budget is now sequentially split between the newly created components of Resource Management and Public Finance.

A Medium Term Budget Policy Statement and a Socio-economic Review were compiled for the Province for the first time to give real content to Budget 2004 relative to the Western Cape economy and within the macro-economic framework for the country as a whole.

Except for monetary and standard setting, the responsibility for supply chain management has now been fully shifted to departments, concomitant with the appropriate measures, with effect from 1 January 2004, which resulted in the abolishment of the provincial Tender Board with effect from the same date.

Logis (Logistical Information System) was rolled out to a further 24 health institutions to enhance efficacy over the control of moveable assets, such as reducing stock levels by 33% in general, resulting in a continuous financial benefit to the Province.

A programme was established under this Vote during 2003/04 specifically to provide funds to the amount of R77,654 million for the enhancement of the *iKapa elihlumayo* initiative (the growing Cape). During the course of the financial year, this was distributed respectively to Votes 5 (Education) and 13 (Economic Development and tourism) to ensure that the purpose of the *iKapa elihlumayo* initiative, that is the improvement of the economic well-being of the population, will be best served. Due to this measure, no further provision for the purpose of *iKapa elihlumayo* was made under this Vote for the 2004/05 financial year which results in the programme established for this purpose being omitted for the said financial year.

### 3. OUTLOOK FOR 2004/05

Ensure the existence of an appropriate and dynamic financial legislative framework through determining and implementing financial norms and standards.

Render a fully compliant internal audit service to all departments and thereby ensuring that governance, risk management and control processes are adequate in our effort to meet the *iKapa elihlumayo* goals.

Assessment of provincial departments' measurable information to ensure alignment of their objectives towards the outcomes of the Province. The emphasis is moving towards an outcomes based budget allocation and delivery process.

Design of analytical instruments to assess the qualitative impact of provincial service delivery on provincial socio-economic variables.

Concerted efforts in pursuit of other sources of revenue to further increase the Province's own revenue base.

Successfully fulfilling the envisaged role of the Provincial Treasury in terms of the Local Government: Municipal Finance Management Act, Act 56 of 2003.

Ensure that financial reporting is a full and true reflection of the financial position of the Province.

Identify and develop strategic sourcing methodologies in those industries where the bulk of provincial procurement budget is spent and develop standardised supply chain management processes to ensure satisfactory delivery of goods and services.

Build the necessary capacity in the Provincial Treasury to take over all public private partnerships (PPP) related responsibilities from the National Treasury by 1 April 2005.

Optimise liquidity in the Provincial Revenue Fund to ensure maximum return within acceptable levels of risk.

In support of sound financial management, fully implement and optimally manage all cross-cutting financial systems on behalf of provincial departments.

4. RECEIPTS AND FINANCING

4.1 Summary of receipts

Table 4.1 hereunder gives the sources of funding for the vote.

<b>Table 4.1 Summary of receipts Provincial Treasury</b>										
Receipts	Outcome			Main appropriation 2003/04 R'000	Adjusted appropriation 2003/04 R'000	Revised estimate 2003/04 R'000	Medium-term estimate			
	Audited 2000/01 R'000	Audited 2001/02 R'000	Audited 2002/03 R'000				2004/05 R'000	% Change from Revised estimate 2003/04	2005/06 R'000	2006/07 R'000
Equitable share	( 389 006)	( 472 813)	( 328 674)	( 97 022)	( 248 034)	( 278 237)	( 56 872)	(79.56)	( 33 445)	( 24 811)
Conditional grants	214 168	225 647								
Departmental receipts	214 794	298 442	389 207	225 001	351 471	354 886	170 558	(51.94)	148 453	142 253
Financing										
<b>Total receipts</b>	39 956	51 276	60 533	127 979	103 437	76 649	113 686	48.32	115 008	117 442

4.2 Departmental receipts collection

Table 4.2 below is a summary of the receipts the department is responsible for collecting.

<b>Table 4.2 Departmental receipts Provincial Treasury</b>										
Departmental receipts	Outcome			Main appropriation 2003/04 R'000	Adjusted appropriation 2003/04 R'000	Revised estimate 2003/04 R'000	Medium-term estimate			
	Audited 2000/01 R'000	Audited 2001/02 R'000	Audited 2002/03 R'000				2004/05 R'000	% Change from Revised estimate 2003/04	2005/06 R'000	2006/07 R'000
<b>Tax receipts</b>	49 868	110 906	133 093	116 909	138 379	139 802	108 970	(22.05)	118 037	131 037
<b>Non-tax receipts</b>	163 674	185 513	255 562	108 092	213 092	213 457	61 587 <sup>a</sup>	(71.15)	30 415	11 215
Sale of goods and services other than capital assets	10 663	341	5 197	15	15	24	15	(37.50)	15	15
Fines, penalties and forfeits	9	262	232			318		(100.00)		
Interest, dividends and rent on land	153 002	184 910	250 133	108 077	213 077	213 115	61 572	(71.11)	30 400	11 200
<b>Transfers received</b>	1 252	2 023	552			1 627	1	(99.94)	1	1
<b>Sale of capital assets</b>										
<b>Financial transactions</b>										
<b>Total departmental receipts</b>	214 794	298 442	389 207	225 001	351 471	354 886	170 558	(51.94)	148 453	142 253

<sup>a</sup> Includes abnormal load permits, special vehicle registration numbers, trading account: surpluses, letting of immovable property, administration fees and taxi permits.

5. **PAYMENT SUMMARY**

Table 5.1 below shows the budget or estimated expenditure per programme and Table 5.2 per economic classification (in summary). Details of the Government Financial Statistics (GFS) economic classifications are attached as an annexure to this vote.

5.1 **Programme summary**

<b>Table 5.1 Summary of payments and estimates: Provincial Treasury</b>										
<b>Programme</b>	<b>Outcome</b>			<b>Main appropriation 2003/04 R'000</b>	<b>Adjusted appropriation 2003/04 R'000</b>	<b>Revised estimate 2003/04 R'000</b>	<b>Medium-term estimate</b>			
	<b>Audited 2000/01 R'000</b>	<b>Audited 2001/02 R'000</b>	<b>Audited 2002/03 R'000</b>				<b>2004/05 R'000</b>	<b>% Change from Revised estimate 2003/04</b>	<b>2005/06 R'000</b>	<b>2006/07 R'000</b>
1. Administration	14 477	17 685	20 806	18 368	22 672	20 276	<b>22 519</b> <sup>a</sup>	11.06	24 035	24 807
2. Financial governance	2 967	3 056	4 493	17 441	12 342	12 142	<b>23 471</b>	93.30	25 248	25 882
3. Resource management	7 679	8 972	8 171	27 436	14 130	11 709	<b>13 882</b>	18.56	14 399	14 862
4. Public finance and accounting	5 190	7 076	8 115	6 682	6 625	6 346	<b>8 537</b>	34.53	9 071	8 962
5. Asset management	9 643	14 487	18 948	31 413	26 479	26 176	<b>45 276</b>	72.97	42 254	42 928
6. Contingency provision				26 639	21 189		<b>1</b>		1	1
<b>Total payments and estimates</b>	<b>39 956</b>	<b>51 276</b>	<b>60 533</b>	<b>127 979</b>	<b>103 437</b>	<b>76 649</b>	<b>113 686</b>	<b>48.32</b>	<b>115 008</b>	<b>117 442</b>

<sup>a</sup> MEC remuneration payable. Salary: R485 412. Car allowance: R121 353.

5.2 Summary by economic classification

<b>Table 5.2 Summary of provincial payments and estimates by economic classification: Provincial Treasury</b>										
<b>Economic classification</b>	<b>Outcome</b>			<b>Main appropriation 2003/04 R'000</b>	<b>Adjusted appropriation 2003/04 R'000</b>	<b>Revised estimate 2003/04 R'000</b>	<b>Medium-term estimate</b>			
	<b>Audited 2000/01 R'000</b>	<b>Audited 2001/02 R'000</b>	<b>Audited 2002/03 R'000</b>				<b>2004/05 R'000</b>	<b>% Change from Revised estimate 2003/04</b>	<b>2005/06 R'000</b>	<b>2006/07 R'000</b>
<b>Current payments</b>	34 010	43 970	51 139	94 860	85 915	59 919	<b>104 942</b>	75.14	111 671	114 328
Compensation of employees	22 397	28 408	30 231	37 185	33 489	31 862	<b>48 341</b>	51.72	52 202	54 686
Goods and services	11 570	15 553	20 700	57 675	52 426	28 057	<b>56 601</b>	101.74	59 469	59 642
Interest and rent on land										
Financial transactions in assets and liabilities	43	9	208							
Unauthorised expenditure										
<b>Transfers and subsidies to</b>	5 349	6 069	4 122	18 036	5 440	5 229	<b>3 317</b>	(36.57)	2 769	2 903
Provinces and municipalities	49	69	70	88	66	74	<b>85</b>	14.86	91	97
Departmental agencies and accounts	5 300	6 000	4 000	6 855	4 700	4 700	<b>2 585</b>	(45.00)	2 000	2 100
Universities and technikons										
Public corporations and private enterprises										
Foreign governments and international organisations										
Non-profit institutions							<b>343</b>		368	386
Households			52	11 093	674	455	<b>304</b>	(33.19)	310	320
<b>Payments for capital assets</b>	597	1 237	5 272	15 083	12 082	11 501	<b>5 427</b>	(52.81)	568	211
Buildings and other fixed structures										
Machinery and equipment	597	1 237	5 272	15 083	12 082	11 501	<b>5 427</b>	(52.81)	568	211
Cultivated assets										
Software and other intangible assets										
Land and subsoil assets										
<b>Total economic classification</b>	39 956	51 276	60 533	127 979	103 437	76 649	<b>113 686</b>	48.32	115 008	117 442

5.3 Transfers to public entities

<b>Table 5.3 Summary of departmental transfers to public entities</b>										
<b>Provincial Treasury</b>										
<b>Public entities</b>	<b>Outcome</b>			<b>Main appropriation 2003/04 R'000</b>	<b>Adjusted appropriation 2003/04 R'000</b>	<b>Revised estimate 2003/04 R'000</b>	<b>Medium-term estimate</b>			
	<b>Audited 2000/01 R'000</b>	<b>Audited 2001/02 R'000</b>	<b>Audited 2002/03 R'000</b>				<b>2004/05 R'000</b>	<b>% Change from Revised estimate 2003/04</b>	<b>2005/06 R'000</b>	<b>2006/07 R'000</b>
Western Cape Gambling and Racing Board	5 300	6 000	4 000	6 855	4 700	4 700	2 585	(45.00)	2 000	2 100
<b>Total departmental transfers to public entities</b>	5 300	6 000	4 000	6 855	4 700	4 700	2 585	(45.00)	2 000	2 100

5.4 Transfers to local government

<b>Table 5.4 Summary of departmental transfers to local government by category</b>										
<b>Provincial Treasury</b>										
<b>Departmental transfers</b>	<b>Outcome</b>			<b>Main appropriation 2003/04 R'000</b>	<b>Adjusted appropriation 2003/04 R'000</b>	<b>Revised estimate 2003/04 R'000</b>	<b>Medium-term estimate</b>			
	<b>Audited 2000/01 R'000</b>	<b>Audited 2001/02 R'000</b>	<b>Audited 2002/03 R'000</b>				<b>2004/05 R'000</b>	<b>% Change from Revised estimate 2003/04</b>	<b>2005/06 R'000</b>	<b>2006/07 R'000</b>
Category A										
Category B										
Category C										
<b>Total departmental transfers to local government</b>										

Note: Excludes regional services council levy.

## 6. PROGRAMME DESCRIPTION

### 6.1 PROGRAMME 1: ADMINISTRATION

#### PURPOSE:

To achieve service excellence in the provisioning and maintenance of office support to the Minister and of sound financial administration, supply chain management and human resource management and administration.

#### ANALYSIS PER SUB-PROGRAMME:

##### **Sub-programme 1.1: Office of the Provincial Minister**

to render secretarial, administrative and office support services and acts as linkage with the Treasury, the department of Economic development and tourism, and the Provincial Parliament enabling the minister to realise both his direct Treasury and economic development responsibilities

##### **Sub-programme 1.2: Financial management and specialised support services**

to deliver financial management and specialised auxiliary services for the Treasury

##### **Sub-programme 1.3: Human resource management**

to organise the Treasury's human resource management, special programmes, development and training and sectoral education and training contribution to the Sectoral education and training authority (SETA)

to provide financial assistance for educational development

This Programme concerns the staff function of the Treasury ("internal services") and is considered not to be of public interest and is, therefore, not discussed in further detail. However, the budgetary figures of the Programme are reflected in the tables below.

Sub-programme	Outcome			Main appropriation 2003/04 R'000	Adjusted appropriation 2003/04 R'000	Revised estimate 2003/04 R'000	Medium-term estimate			
	Audited 2000/01 R'000	Audited 2001/02 R'000	Audited 2002/03 R'000				2004/05 R'000	% Change from Revised estimate 2003/04	2005/06 R'000	2006/07 R'000
1. Office of the Provincial Minister	1 255	2 433	2 834	2 938	3 138	3 022	3 434	13.63	3 627	3 815
2. Financial management and specialised support services	13 222	15 252	16 211	11 014	13 118	11 250	12 008	6.74	12 949	13 167
3. Human resource management			1 761	4 416	6 416	6 004	7 077	17.87	7 459	7 825
<b>Total payments and estimates</b>	14 477	17 685	20 806	18 368	22 672	20 276	22 519	11.06	24 035	24 807

**Table 6.1.1 Summary of provincial payments and estimates by economic classification -  
Programme 1: Administration  
Provincial Treasury**

Economic classification	Outcome			Main appropriation 2003/04 R'000	Adjusted appropriation 2003/04 R'000	Revised estimate 2003/04 R'000	Medium-term estimate			
	Audited 2000/01 R'000	Audited 2001/02 R'000	Audited 2002/03 R'000				2004/05 R'000	% Change from Revised estimate 2003/04	2005/06 R'000	2006/07 R'000
<b>Current payments</b>	14 277	17 248	19 437	16 605	19 842	18 501	<b>21 566</b>	16.57	22 764	23 864
Compensation of employees	9 830	12 775	13 890	10 929	12 640	11 635	<b>13 975</b>	20.11	14 740	15 467
Goods and services	4 422	4 464	5 544	5 676	7 202	6 866	<b>7 591</b>	10.56	8 024	8 397
Interest and rent on land										
Financial transactions in assets and liabilities	25	9	3							
Unauthorised expenditure										
<b>Transfers and subsidies to</b>	23	30	86	703	696	483	<b>671</b>	38.92	703	732
Provinces and municipalities	23	30	34	29	22	28	<b>24</b>	(14.29)	25	26
Departmental agencies and accounts										
Universities and technikons										
Public corporations and private enterprises										
Foreign governments and international organisations										
Non-profit institutions							<b>343</b>		368	386
Households			52	674	674	455	<b>304</b>	(33.19)	310	320
<b>Payments for capital assets</b>	177	407	1 283	1 060	2 134	1 292	<b>282</b>	(78.17)	568	211
Buildings and other fixed structures										
Machinery and equipment	177	407	1 283	1 060	2 134	1 292	<b>282</b>	(78.17)	568	211
Cultivated assets										
Software and other intangible assets										
Land and subsoil assets										
<b>Total economic classification</b>	14 477	17 685	20 806	18 368	22 672	20 276	<b>22 519</b>	11.06	24 035	24 807

## 6.2 PROGRAMME 2: FINANCIAL GOVERNANCE

### PURPOSE:

To enhance performance orientated financial management.

### ANALYSIS PER SUB-PROGRAMME:

#### Sub-programme 2.1: Normative financial management and communication

to ensure that norms and standards within the legislative framework are developed, implemented and complied with in provincial departments

to develop, consolidate and maintain effective internal and external communication

#### Sub-programme 2.2: Internal audit

to render an independent, objective assurance and consulting activity that adds value and contributes to the achievement and accomplishment of departmental strategic goals and objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes

### POLICY DEVELOPMENTS:

In ensuring a progressive and sustainable achievement of substantive compliance to the Public Finance Management Act, 1999 (PFMA). A new component, Financial governance, was established in August 2003 in the Provincial Treasury. The component's aim is to enhance performance oriented financial management through setting of norms and standards and to monitor achievement thereof, effective internal and external communication and instituting effective internal audit processes. During the year further effort would be made to enhance corporate governance and risk management in the Provincial Government Western Cape (PGWC) to contribute towards effective financial governance.

### CHANGES: POLICY, STRUCTURE, SERVICE ESTABLISHMENT, ETC. GEOGRAPHIC DISTRIBUTION OF SERVICES:

Due to limited internal capacity and the risks inherent in the PGWC which has a budget of R18 billion and a staff compliment of 68 000 officials, it was decided to co-source the internal audit service. A further benefit would also be that the compilation of inherent risk assessments and effective internal audit services would result in efficiency gains which would augment the limited financial resources of the PGWC.

### EXPENDITURE TRENDS ANALYSIS:

This new programme was created in 2003/04 during the transformation of the Provincial Treasury, with amongst others the shift of the sub-programme Internal audit from Provincial Administration to the Provincial Treasury. The co-sourced internal audit service and five Audit Committees will only become fully operational during the 2004/05 - 2006/07 MTEF period while expenditure will increase with just over 3% per annum over this period or 10.2% for the whole new MTEF period. The 50% lower base in 2003/04 reflects a sub-optimal functioning unit, which will significantly improve during 2004/05.

### SERVICE DELIVERY MEASURES:

PROGRAMME 2: FINANCIAL GOVERNANCE							
Sub-programme 2.1: Normative financial management and communication							
Measurable objective	Performance measure	Output	Year-1 2002/03 (actual)	Base year 2003/04 (estimate)	Year 1 2004/05 (target)	Year 2 2005/06 (target)	Year 3 2006/07 (target)
Determination and implementation of financial management norms and standards to facilitate excellence in service delivery.	% nominal and substantive compliance by accounting officers with predetermined norms and standards.	Assessment of financial management systems and practices and tailoring current practices to achieve fiscal policy objectives.	98% nominal compliance.	100% nominal compliance with the implementation of the PFMA.	100% nominal and 50% substantive compliance with the implementation of the PFMA.	100% nominal and 70% substantive compliance with the implementation of the PFMA.	100% nominal and 90% substantive compliance with the implementation of the PFMA.
		Assessment of nominal and substantive compliance and initiation of remedial steps.					
	Meeting of all prescribed due dates and timely corrective measures.	100% compliance.	100% compliance.	100% compliance.	100% compliance.	100% compliance.	100% compliance.

<b>Sub-programme 2.1: Normative financial management and communication (continued)</b>							
<b>Measurable objective</b>	<b>Performance measure</b>	<b>Output</b>	<b>Year-1 2002/03 (actual)</b>	<b>Base year 2003/04 (estimate)</b>	<b>Year 1 2004/05 (target)</b>	<b>Year 2 2005/06 (target)</b>	<b>Year 3 2006/07 (target)</b>
Ensuring the existence of an appropriate and dynamic financial legislative framework.	Number of unauthorised departures from financial prescripts.	Issuing and monitoring of Provincial Treasury Instructions, other financial legislation and prescripts that are aligned with best financial management practice.	Targets achieved.	Nil unauthorised departures from financial prescripts.			
	Number of pieces of legislation participated in.	Effective participation in financial or finance related legislative processes, both national and provincial.	Nil.	3 Acts.	6 Acts.	9 Acts.	12 Acts.
	Financial legislative database.	Database of financial legislation, regulations and associated instructions, directives and delegations.	Nil.	Information compilation.	Database updated.	Database updated.	Database updated.
Effective internal and external communication system.	% content loaded on site.	Website developed that is informative and instructive of the Provincial Treasury's activities.	10% of target achieved.	80% of content uploaded to website.	100% of content uploaded to website.	Website maintained.	Website maintained.
	% informed Provincial Treasury personnel.	Internal communiqués that offer timely and appropriate information to all employees in the Provincial Treasury.	60%	70% including issuing of monthly newsletter.	80% including issuing of monthly newsletter.	90% including issuing of monthly newsletter.	90% including issuing of monthly newsletter.
	% informed clients.	Communication framework supplementary to the website directed to all the external clients of the Provincial Treasury.	Not applicable.	60%	70%	80%	90%

<b>Sub-programme 2.2: Internal audit</b>							
<b>Measurable objective</b>	<b>Performance measure</b>	<b>Output</b>	<b>Year-1 2002/03 (actual)</b>	<b>Base year 2003/04 (Estimate)</b>	<b>Year 1 2004/05 (Target)</b>	<b>Year 2 2005/06 (Target)</b>	<b>Year 3 2006/07 (Target)</b>
Effective internal audit service within all provincial departments, inclusive of the Provincial Parliament.	Effectiveness opinion by the relevant accounting officer and the Audit Committee(s).	The rendering of co-sourced internal audit services.	Not applicable.	Finalisation of co-sourcing tender.	Internal audit service to the departments of Health, Social services and poverty alleviation and Education.	70% effectiveness rating of internal audit services to all provincial departments, inclusive of the Provincial Parliament.	90% effectiveness rating.

<b>Sub-programme 2.2: Internal audit (continued)</b>							
<b>Measurable objective</b>	<b>Performance measure</b>	<b>Output</b>	<b>Year-1 2002/03 (actual)</b>	<b>Base year 2003/04 (Estimate)</b>	<b>Year 1 2004/05 (Target)</b>	<b>Year 2 2005/06 (Target)</b>	<b>Year 3 2006/07 (Target)</b>
Five effective audit committees: Education, Health, Social services and poverty alleviation, Transport and public works and one shared for the remaining departments.	% effectiveness performance evaluation by accounting officers.	Fully functional audit committees.	Dysfunctional committee.	Shared Audit Committee, Education, Health, Social services and poverty alleviation Audit Committees established.	80% effectiveness rating plus Audit Committee for the department of Transport and public works.	90% effectiveness rating.	100% effectiveness rating.
Performance of inherent risk assessments for all departments.	Number of audit plans accepted by the relevant accounting officer and Audit Committee, per vote.	Annual and rolling three year strategic audit plans.	Nil.	Nil.	3 votes.	14 votes.	14 votes.
The promotion of the implementation of effective risk management and governance system within all departments.	Number of risk management units established per vote.	Implemented risk management systems within all departments.	Nil.	2 votes.	5 votes.	14 votes.	14 votes.

<b>Table 6.2 Summary of payments and estimates - Programme 2: Financial governance Provincial Treasury</b>										
<b>Sub-programme</b>	<b>Outcome</b>			<b>Main appropriation 2003/04 R'000</b>	<b>Adjusted appropriation 2003/04 R'000</b>	<b>Revised estimate 2003/04 R'000</b>	<b>Medium-term estimate</b>			
	<b>Audited 2000/01 R'000</b>	<b>Audited 2001/02 R'000</b>	<b>Audited 2002/03 R'000</b>				<b>2004/05 R'000</b>	<b>% Change from Revised estimate 2003/04</b>	<b>2005/06 R'000</b>	<b>2006/07 R'000</b>
1. Normative financial management and communication				2 202	2 002	1 448	3 947	172.58	4 167	4 380
2. Internal audit	2 967	3 056	4 493	15 239	10 340	10 694	19 524	82.57	21 081	21 502
<b>Total payments and estimates</b>	2 967	3 056	4 493	17 441	12 342	12 142	23 471	93.30	25 248	25 882

**Table 6.2.1 Summary of provincial payments and estimates by economic classification -  
Programme 2: Financial governance  
Provincial Treasury**

Economic classification	Outcome			Main appropriation 2003/04 R'000	Adjusted appropriation 2003/04 R'000	Revised estimate 2003/04 R'000	Medium-term estimate			
	Audited 2000/01 R'000	Audited 2001/02 R'000	Audited 2002/03 R'000				2004/05 R'000	% Change from Revised estimate 2003/04	2005/06 R'000	2006/07 R'000
<b>Current payments</b>	2 967	3 056	4 493	17 435	12 334	12 135	<b>23 458</b>	93.31	25 234	25 867
Compensation of employees				2 079	1 957	3 509	<b>7 954</b>	126.67	8 403	8 827
Goods and services	2 967	3 056	4 493	15 356	10 377	8 626	<b>15 504</b>	79.74	16 831	17 040
Interest and rent on land										
Financial transactions in assets and liabilities										
Unauthorised expenditure										
<b>Transfers and subsidies to</b>				6	8	5	<b>13</b>	160.00	14	15
Provinces and municipalities				6	8	5	<b>13</b>	160.00	14	15
Departmental agencies and accounts										
Universities and technikons										
Public corporations and private enterprises										
Foreign governments and international organisations										
Non-profit institutions										
Households										
<b>Payments for capital assets</b>						2		(100.00)		
Buildings and other fixed structures										
Machinery and equipment						2		(100.00)		
Cultivated assets										
Software and other intangible assets										
Land and subsoil assets										
<b>Total economic classification</b>	2 967	3 056	4 493	17 441	12 342	12 142	<b>23 471</b>	93.30	25 248	25 882

### 6.3 PROGRAMME 3: RESOURCE MANAGEMENT

#### PURPOSE:

To ensure the effective management of the Province's fiscal resources.

#### ANALYSIS PER SUB-PROGRAMME:

##### **Sub-programme 3.1: Budget office**

to promote effective financial resource allocation

to manage the annual fiscal policy process, i.e. consolidate, prepare and compile the annual Western Cape Medium Term Budget Policy Statement (WC-MTBPS) and provide advice, drive the MTEF and annual budget process and determine annual budget allocations per function including resource shifts between spheres of government and departments

to ensure integration and synergy of budget priorities between departments and governments, assess and ensure effective expenditure including the costing of new policy proposals and determining its relative priority

to introduce measures to close the gaps between macroeconomic variables and policy priorities, budget trends, spending trends, strategies, development plans and service delivery indicators

##### **Sub-programme 3.2: Macro economic analysis**

to conduct macroeconomic analysis and render policy advice, i.e. to determine and analyse key economic variables, their interrelation and relevance to the budget, the potential for growth and development and the interaction with governmental and revenue patterns, alternative budgeting and other revenue and expenditure scenarios on selected key economic growth and development indicators

to assess the impact of previous fiscal policy objectives on selected economic variables and the development of institutional co-ordination and sector integration

##### **Sub-programme 3.3: Resource acquisition**

to enable the provincial government to finance its service delivery obligations, determine the overall financing envelope for the MTEF including administering the medium term revenue planning process, assessing and optimising national revenue, ensure effective and efficient development of provincial revenue including the assessment of revenue trends and the compilation and submission of revenue reports

to ensure effective and efficient management of debtors, loans, guarantees and other financial commitments

to advise the responsible minister on gambling and racing related matters and provide and administer the required financial support functions inclusive of management of transfer payments to the Western Cape Gambling and Racing Board

##### **Sub-programme 3.4: Western Cape Gambling and Racing Board**

to make funds available to the public entity in terms of the legal provisions governing the financial relations between the Province and the Board

to meet statutory and financial obligations

to effectively and efficiently collect gambling and racing revenue due to the Provincial Revenue Fund (PRF)

#### POLICY DEVELOPMENTS:

Assessment of provincial departments' measurable information to ensure alignment of their objectives towards the desired outcomes for the Province. The emphasis will be on moving towards an outcomes based budget allocation process.

Design of analytical instruments to assess the qualitative impact of provincial service delivery on provincial socio-economic variables.

Concerted efforts in pursuit of other sources of revenue to further increase the Province's own contribution to the resource envelope.

#### CHANGES: POLICY, STRUCTURE, SERVICE ESTABLISHMENT, ETC. GEOGRAPHIC DISTRIBUTION OF SERVICES:

The organisational structure and human resource capacity relating to this programme was determined by the outcome of the 2003 transformation process within the Provincial Treasury. Vacant posts emanating from the transformation process should be filled by suitably qualified individuals during 2004/05. The outcome expected from Resource management over the MTEF period is to improve efficacy in service delivery and growth of the regional gross domestic product of the Province.

EXPENDITURE TRENDS ANALYSIS:

This new programme, an outcome of the transformation process of 2003, formerly consisted of the sub-programmes Fiscal services (now Budget office) and Revenue management (now Resource acquisition), although both of these have now been restructured. Transfers that were made to the Western Cape Gambling Board from 2000/01 to 2003/04 have now been substantially reduced over the new 2005/06 and 2006/07 MTEF period. Macro economic analysis was created during 2003 as a new sub-programme to this programme. The outcome period of 2000/01 to 2002/03 grew from a base of R7,679 million to R8,972 million in 2001/02 and reduced to R8,171 million in 2002/03 indicating a growth of just over 3% per annum for two years. From 2003/04 and over the new MTEF period the programme grew from an increased base of R14,130 million to R14,862 million in 2006/07 with 5.18% or an average annual increase of 1.7%. The higher level of funding for this programme as from 2003/04 is intended to ensure a higher level of economic involvement of the Provincial Government within the Western Cape economy and attain greater fiscal efficacy over the medium-term.

SERVICE DELIVERY MEASURES:

<b>PROGRAMME 3: RESOURCE MANAGEMENT</b>							
<b>Sub-programme 3.1: Budget office</b>							
<b>Measurable objective</b>	<b>Performance measure</b>	<b>Output</b>	<b>Year-1 2002/03 (actual)</b>	<b>Base year 2003/04 (estimate)</b>	<b>Year 1 2004/05 (target)</b>	<b>Year 2 2005/06 (target)</b>	<b>Year 3 2006/07 (target)</b>
Compile annual medium-term budget policy objectives targeted to reduce socio-economic disparities, achieve synergy, improve financial management of resources and promote integrated governance.	Submission of provincial medium-term budget policy statement to the Executive and Provincial Parliament.  Meeting of all due dates and timely corrective measures.	Costed policy proposals and integration of a variety of financial, economic and other considerations operative across all three spheres of government into a proposed consolidated priority framework resource allocation programme for the Province.	Western Cape Fiscal Policy (WCFP) 2003 - 2006.  100%	Western Cape Medium Term Budget Policy Statement (WC-MTBPS) 2004 - 2007.  100%	WC-MTBPS 2005 - 2008.  100%	WC-MTBPS 2006 - 2009.  100%	WC-MTBPS 2007 - 2010.  100%
Proposing of allocations per function to ensure realisation of policy priorities.	Acceptance of allocations by the Executive and Provincial Parliament.  Realisation of policy goals. Meeting of all due dates and timely corrective measures.	Drives and ensures successful realisation of the budget allocation process.  Proposed spending priorities, goals to be achieved and optimum mix to be realised.	Tabled budget 2003.  Allocations aligned with the WCFP 2003 -2006.	Piloting Outcome based allocations.  Allocations aligned with the WC-MTBPS 2004 - 2007.	Outcome based allocations (30% phased in).  Allocations aligned with the WC-MTBPS 2005 - 2008.	Outcome based allocations (70% phased in).  Allocations aligned with the WC-MTBPS 2006 - 2009.	Outcome based allocations (100% phased in).  Allocations aligned with the WC-MTBPS 2007 - 2010.
<b>Sub-programme 3.2: Macro economic analysis</b>							
<b>Measurable objective</b>	<b>Performance measure</b>	<b>Output</b>	<b>Year-1 2002/03 (actual)</b>	<b>Base year 2003/04 (estimate)</b>	<b>Year 1 2004/05 (target)</b>	<b>Year 2 2005/06 (target)</b>	<b>Year 3 2006/07 (target)</b>
Determine the potential and constraints for economic growth and development, and their interaction with current government spending and revenue patterns.	Full economic impact assessment of intended or past revenue initiatives and expenditures.  Meeting of all due dates and timely corrective measures.	Production of Socio-Economic Review (SER) and contribution to the WC-MTBPS.	Piloting of SER and WC-MTBPS for specific sectors.  100%	Comprehensive SER and WC-MTBPS.  100%	Maintenance and refinement of SER and WC-MTBPS.  100%	Maintenance and refinement of SER and WC-MTBPS.  100%	Maintenance and refinement of SER and WC-MTBPS.  100%

**Sub-programme 3.2: Macro economic analysis (continued)**

Measurable objective	Performance measure	Output	Year-1 2002/03 (actual)	Base year 2003/04 (estimate)	Year 1 2004/05 (target)	Year 2 2005/06 (target)	Year 3 2006/07 (target)
Determine alternative budget, expenditure and revenue impact scenarios on selected economic growth and development indicators.	Systematic reduction in socio-economic disparities and appropriate gain in efficiency.	Preparation of input into budget process, Adjustment Estimate process and selected impact assessments.	Prototype input into budget process and Adjustment Estimate process.	Refinement of input into budget process and Adjustment Estimate process as well as pilot impact assessments.	Refinement of input into budget process and Adjustment Estimate process as well as impact assessments on request.	Maintenance of input into budget and Adjustment Estimate process and impact assessments.	Prototype input into budget process and Adjustment Estimate process.

**Sub-programme 3.3: Resource acquisition**

Measurable objective	Performance measure	Output	Year-1 2002/03 (actual)	Base year 2003/04 (estimate)	Year 1 2004/05 (target)	Year 2 2005/06 (target)	Year 3 2006/07 (target)
Optimise division of national revenues.	Annual growth of at least 1% above CPI-X inflation.  Optimum division between equitable share and conditional grants given national and provincial policy objectives.  Meeting of all due dates and timely corrective measures.	Equitable share portion in line with constitutionally assigned obligations, real cost pressures and socio-economic disparities.  Conditional grants that are appropriate to the maintenance and safe guarding of national policy objectives.	Meet the set revenue target for the fiscal year.  Initial assessment as part of Fiscal Policy 2003-2006.  100%	Revenue that meets expenditure obligations.  Refinements of initial assessment as part of WC-MTBPS 2004-2007.  100%	Revenue that meets expenditure obligations.  Implement in line with assessment.  100%	Revenue that meets expenditure obligations.  Implement in line with assessment.  100%	Revenue that meets expenditure obligations.  Implement in line with assessment.  100%
Ensuring efficient and effective development of provincial revenue base.	Annual real growth in excess of 5%.	Systematic increase in current own revenue not inconsistent with economic policy.  Development of loan financing, fuel and bed levies.	Nominal growth 16.75% year-on-year. Fuel levy investigation underway and National Treasury framework awaited for loan financing.	Real growth in excess of 5%.  Development of loan financing, fuel and bed levies.	Real growth in excess of 5%.  Development of loan financing, fuel and bed levies.	Real growth in excess of 5%.  Development of loan financing and bed levies. Implement fuel levy.	Real growth in excess of 5%.  Implement loan financing and bed levy.

Sub-programme 3.3: Resource acquisition (continued)							
Measurable objective	Performance measure	Output	Year-1 2002/03 (actual)	Base year 2003/04 (estimate)	Year 1 2004/05 (target)	Year 2 2005/06 (target)	Year 3 2006/07 (target)
	Collection of outstanding debts.	Systematic reduction of debtors book.		50% reduction in debtors book.	60% reduction in debtors book.	70% reduction in debtors book.	80% reduction in debtors book.
	Meeting of all due dates and timely corrective measures.		100%	100%	100%	100%	100%

Sub-programme 3.4: Western Cape Gambling and Racing Board							
Measurable objective	Performance measure	Output	Year-1 2002/03 (actual)	Base year 2003/04 (estimate)	Year 1 2004/05 (target)	Year 2 2005/06 (target)	Year 3 2006/07 (target)
Protected gambling and betting resource base.	Full receipt of estimated gambling and betting revenue.	Efficient tax and revenue administration with a high level of gambling industry compliance.	Revenues from gambling and betting exceeded the respective budget estimates by 32% and 38%.	5% real growth in gambling and betting revenue. Receipt of all revenue due to Provincial Revenue Fund.	5% real growth in gambling and betting revenue. Receipt of all revenue due to Provincial Revenue Fund.	5% real growth in gambling and betting revenue. Receipt of all revenue due to Provincial Revenue Fund.	5% real growth in gambling and betting revenue. Receipt of all revenue due to Provincial Revenue Fund.
	Transfers payments in line with cash flow and budget projections.	Adequately resourced controlling body for gambling and betting.		Transfer payments in line with projections.			
	Meeting of all due dates and introduction of timely corrective measures.		100%	100%	100%	100%	100%

Table 6.3 Summary of payments and estimates - Programme 3: Resource management Provincial Treasury										
Sub-programme	Outcome			Main appropriation 2003/04 R'000	Adjusted appropriation 2003/04 R'000	Revised estimate 2003/04 R'000	Medium-term estimate			
	Audited 2000/01 R'000	Audited 2001/02 R'000	Audited 2002/03 R'000				2004/05 R'000	% Change from Revised estimate 2003/04	2005/06 R'000	2006/07 R'000
1. Budget office	1 473	1 547	2 198	2 833	2 544	1 923	3 858	100.62	4 038	4 121
2. Macro economic analysis				4 980	3 217	2 307	3 397	47.25	3 959	4 044
3. Resource acquisition	906	1 425	1 973	12 768	3 669	2 779	4 042	45.45	4 402	4 597
4. Western Cape Gambling and Racing Board	5 300	6 000	4 000	6 855	4 700	4 700	2 585	(45.00)	2 000	2 100
<b>Total payments and estimates</b>	<b>7 679</b>	<b>8 972</b>	<b>8 171</b>	<b>27 436</b>	<b>14 130</b>	<b>11 709</b>	<b>13 882</b>	<b>18.56</b>	<b>14 399</b>	<b>14 862</b>

**Table 6.3.1 Summary of provincial payments and estimates by economic classification -  
Programme 3: Resource management  
Provincial Treasury**

Economic classification	Outcome			Main appropriation 2003/04 R'000	Adjusted appropriation 2003/04 R'000	Revised estimate 2003/04 R'000	Medium-term estimate			
	Audited 2000/01 R'000	Audited 2001/02 R'000	Audited 2002/03 R'000				2004/05 R'000	% Change from Revised estimate 2003/04	2005/06 R'000	2006/07 R'000
<b>Current payments</b>	2 306	2 912	4 165	10 152	9 425	7 004	<b>11 287</b>	61.15	12 387	12 749
Compensation of employees	1 787	2 254	2 600	6 132	2 691	1 587	<b>5 243</b>	230.37	6 744	7 082
Goods and services	519	658	1 360	4 020	6 734	5 417	<b>6 044</b>	11.57	5 643	5 667
Interest and rent on land										
Financial transactions in assets and liabilities			205							
Unauthorised expenditure										
<b>Transfers and subsidies to</b>	5 304	6 006	4 006	17 284	4 705	4 705	<b>2 595</b>	(44.85)	2 012	2 113
Provinces and municipalities	4	6	6	10	5	5	<b>10</b>	100.00	12	13
Departmental agencies and accounts	5 300	6 000	4 000	6 855	4 700	4 700	<b>2 585</b>	(45.00)	2 000	2 100
Universities and technikons										
Public corporations and private enterprises										
Foreign governments and international organisations										
Non-profit institutions										
Households				10 419						
<b>Payments for capital assets</b>	69	54								
Buildings and other fixed structures										
Machinery and equipment	69	54								
Cultivated assets										
Software and other intangible assets										
Land and subsoil assets										
<b>Total economic classification</b>	<b>7 679</b>	<b>8 972</b>	<b>8 171</b>	<b>27 436</b>	<b>14 130</b>	<b>11 709</b>	<b>13 882</b>	18.56	14 399	14 862

#### 6.4 PROGRAMME 4: PUBLIC FINANCE AND ACCOUNTING

##### PURPOSE:

To ensure efficient budget management, delivery of any assigned responsibilities in terms of the Local Government: Municipal Finance Management Act, 2003 as well as accounting and reporting fully reflecting the financial position of the Province.

##### ANALYSIS PER SUB-PROGRAMME:

###### **Sub-programme 4.1: Provincial government finance**

to technically manage the budget, inclusive of budget formulation, formats, programme structure, processes and preparation for tabling

to administer the budget process, inclusive of trend analysis and interpretation, monitoring reporting and intervention, exercising of fiscal discipline, risk analysis and ensuring technical efficiency of resource use

###### **Sub-programme 4.2: Local government finance**

to fulfil the Provincial Treasury responsibilities in terms of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)

to promote the object of the Act within the framework of cooperative government

to assist the National Treasury in enforcing compliance with the measures established in terms of section 216(1) of the Constitution of the Republic of South Africa, 1996 including those of the Act

to monitor and assist with the preparation of municipal budgets and the monthly outcome thereof

to monitor compliance with the Act, the submissions of prescribed reports by municipalities and take appropriate steps in the case of a breach of the Act

to perform any powers and duties delegated by the National Treasury to the Provincial Treasury

###### **Sub-programme 4.3: Financial accounting and reporting**

to ensure financial transaction processing and reporting that fully reflects the financial position of the Province

to ensure integrity of financial data, accountability, financial reporting, interpretive accounting and transparency in government's financial transactions

##### POLICY DEVELOPMENTS:

The Local Government: Municipal Finance Management Act, 2003, enacted during the latter half of the 2003/04 financial year, lays a firm foundation for the fiscal and financial management reforms for the local sphere of government and gives provincial treasuries certain powers within a prescribed framework and on a delegated basis with regard to the management of the financial affairs of municipalities. Furthermore, provincial treasuries will play a significant role to implement the legislative requirements in the provincial and local spheres of government. The Act will take effect on the dates determined by the Minister of Finance (National) by notice in the *Gazette*.

##### CHANGES: POLICY, STRUCTURE, SERVICE ESTABLISHMENT, ETC. GEOGRAPHIC DISTRIBUTION OF SERVICES:

The organisational structure and human resource capacity related to this programme will be subjected to revision to appropriately deal with the additional requirements emanating from the new Local Government: Municipal Finance Management Act, 2003.

##### EXPENDITURE TRENDS ANALYSIS:

From 2004 the sub-programme Public Finance was divided into two sub-programmes, Provincial Government Finance and Local Government Finance. Over the first four years the budget of this programme grew with 27.6% in nominal terms or just under an average rate of 7% per annum. This growth rate has been increased to 35.3% over the 2004/05 - 2006/07 MTEF period or average annual growth rate of about 12% per annum for the latter period. The growth over the MTEF period is, however, only 6.3%, a decrease of 1.2% in the outer two years while the largest growth is reflected in the first MTEF year of 2004/05 of 28.8% to ensure that the three sub-programmes become fully operative and to cater for an initial investment for the implementation of the new Local Government: Municipal Finance Management Act, 2003 and the carry through costs thereof.

SERVICE DELIVERY MEASURES:

<b>PROGRAMME 4: PUBLIC FINANCE AND ACCOUNTING</b>							
<b>Sub-programme 4.1: Provincial government finance</b>							
<b>Measurable objective</b>	<b>Performance measure</b>	<b>Output</b>	<b>Year-1 2002/03 (actual)</b>	<b>Base year 2003/04 (estimate)</b>	<b>Year 1 2004/05 (target)</b>	<b>Year 2 2005/06 (target)</b>	<b>Year 3 2006/07 (target)</b>
Compilation of annual and adjustment budget estimates in line with determined policy goals.	Actual expenditure in support of overall policy goals and attainment of efficiency in expenditure.	Budget reform and resource allocations within votes in support of policy objectives and expenditure reviews.	Not applicable.	70%	80%	90%	100%
	Meeting of all statutory due dates and timely corrective measures.	100% compliance.	100%	100%	100%	100%	100%
Implementation, assessment and enforcement of approved budgets.	Number of interventions to ensure fiscal discipline.	Application of appropriate fiscal controls.	Not applicable.	> 36 contacts.	> 36 contacts.	> 36 contacts.	> 36 contacts.
	Number of interventions to ensure under expenditure of 2% or less.	Application of appropriate fiscal controls.		> 44 contacts.	> 44 contacts.	> 44 contacts.	> 44 contacts.
	% compliance with a 18 day turn around time for Provincial Treasury's interpretive narrative responses on departmental IYM reports.	Monitoring, reporting and expenditure trend analysis at vote or lower level as deemed appropriate.		80%	85%	90%	95%
	Produce Expenditure Review within deadline.	Expenditure review.	Publish by due date.	Publish November.	Publish November.	Publish November.	Publish November.
	Meeting of all statutory due dates and timely corrective measures.	100% compliance.	100%	100%	100%	100%	100%
<b>Sub-programme 4.2: Local government finance</b>							
<b>Measurable objective</b>	<b>Performance measure</b>	<b>Output</b>	<b>Year-1 2002/03 (actual)</b>	<b>Base year 2003/04 (estimate)</b>	<b>Year 1 2004/05 (target)</b>	<b>Year 2 2005/06 (target)</b>	<b>Year 3 2006/07 (target)</b>
Alignment between municipal integrated development plans and service delivery and provincial budgeting processes and service delivery.	% functioning financial framework.	An integrated financial and service delivery framework between the Province and municipalities.	In progress.	50%	70%	80%	100%
Establishment of managerial and coordinating intergovernmental structures related to financial matters.	% development to establish a fully functional structure.	Functional Provincial Municipal Budgeting Forum and its technical forum.	Not applicable.	20% functional.	50% functional.	70% functional.	100% functional.
Fulfilment of the Provincial Treasury responsibilities of the Local Government: Municipal Finance Management Act, 2003.	% nominal and substantive compliance by municipalities.	Assessment of compliance.	Not applicable.	Not applicable.	20% nominal compliance.	40% nominal compliance.	60% nominal compliance.
	% nominal and substantive compliance by provincial departments.	Assessment of compliance.	Not applicable.	Not applicable.	20% nominal compliance.	40% nominal compliance.	60% nominal compliance.
	Meeting of all statutory due dates.	100% compliance.	Not applicable.	Not applicable.	100% compliance.	100% compliance.	100% compliance.
	% development.	Establishment of a fully functioning organisational structure in the Provincial Treasury.	Not applicable.	Not applicable.	50% functional.	70% functional.	90% functional.

Sub-programme 4.3: Financial accounting and reporting								
Measurable objective	Performance measure	Output	Year-1 2002/03 (actual)	Base year 2003/04 (estimate)	Year 1 2004/05 (target)	Year 2 2005/06 (target)	Year 3 2006/07 (target)	
Full recording of REAL transactions and the preparation of quality financial statements.	Number of unwarranted balances in suspense accounts at the end of the financial year.	Accounting practices and reporting that will ensure effective and efficient capturing of REAL movements and accountability.	Targets achieved.	Nil.	Nil.	Nil.	Nil.	
	% of qualified Auditor-General reports.			7% qualified.	<10% qualified.	<10% qualified.	Nil.	
	Full compliance with Generally Recognised Accounting Practice requirements.		100% compliance.	100% compliance.	100% compliance.	100% compliance.	100% compliance.	100% compliance.
	Compliance with statutory due dates and timely corrective measures.		100% compliance.	100% compliance.	100% compliance.	100% compliance.	100% compliance.	100% compliance.
Improved financial performance of departments through the application of interpretive accounting skills.	% compliance with and a 18 day turn around time for Provincial Treasury's interpretive narrative responses on departmental in-year monitoring reports.	Trends, opportunities and risks identified and addressed immediately through optimal use of financial reports.	Draft document prepared for evaluation.	70%	80%	85%	90%	
	Produce an Accounting Review within deadline.			Publish November.	Publish November.	Publish November.	Publish November.	
	Number of contacts with provincial departments to take remedial steps.			> 168	> 168	> 168	> 168	
	Compliance with statutory due dates and timely corrective measures.			100% compliance.	100%	100%	100%	
	% assessment of current cost accounting applications.			Not applicable.	40%	60%	80%	100%
Cost accounting principles implemented in provincial departments and entities.								

Table 6.4 Summary of payments and estimates - Programme 4: Public finance and accounting Provincial Treasury										
Sub-programme	Outcome			Main appropriation 2003/04 R'000	Adjusted appropriation 2003/04 R'000	Revised estimate 2003/04 R'000	Medium-term estimate			
	Audited 2000/01 R'000	Audited 2001/02 R'000	Audited 2002/03 R'000				2004/05 R'000	% Change from Revised estimate 2003/04	2005/06 R'000	2006/07 R'000
1. Provincial government finance	1 410	1 975	4 095	3 804	3 664	3 404	3 585	5.32	3 889	3 791
2. Local government finance			241	951	731	854	2 481	190.52	2 234	2 258
3. Financial accounting and reporting	3 780	5 101	3 779	1 927	2 230	2 088	2 471	18.34	2 948	2 913
<b>Total payments and estimates</b>	5 190	7 076	8 115	6 682	6 625	6 346	8 537	34.53	9 071	8 962

**Table 6.4.1 Summary of provincial payments and estimates by economic classification -  
Programme 4: Public finance and accounting  
Provincial Treasury**

Economic classification	Outcome			Main appropriation 2003/04 R'000	Adjusted appropriation 2003/04 R'000	Revised estimate 2003/04 R'000	Medium-term estimate			
	Audited 2000/01 R'000	Audited 2001/02 R'000	Audited 2002/03 R'000				2004/05 R'000	% Change from Revised estimate 2003/04	2005/06 R'000	2006/07 R'000
<b>Current payments</b>	5 029	6 995	7 416	6 666	6 613	6 334	<b>8 526</b>	34.61	9 059	8 949
Compensation of employees	4 874	6 103	5 148	6 051	5 894	5 552	<b>6 891</b>	24.12	7 262	7 499
Goods and services	137	892	2 268	615	719	782	<b>1 635</b>	109.08	1 797	1 450
Interest and rent on land										
Financial transactions in assets and liabilities	18									
Unauthorised expenditure										
<b>Transfers and subsidies to</b>	4	15	9	16	12	12	<b>11</b>	(8.33)	12	13
Provinces and municipalities	4	15	9	16	12	12	<b>11</b>	(8.33)	12	13
Departmental agencies and accounts										
Universities and technikons										
Public corporations and private enterprises										
Foreign governments and international organisations										
Non-profit institutions										
Households										
<b>Payments for capital assets</b>	157	66	690							
Buildings and other fixed structures										
Machinery and equipment	157	66	690							
Cultivated assets										
Software and other intangible assets										
Land and subsoil assets										
<b>Total economic classification</b>	<b>5 190</b>	<b>7 076</b>	<b>8 115</b>	<b>6 682</b>	<b>6 625</b>	<b>6 346</b>	<b>8 537</b>	<b>34.53</b>	<b>9 071</b>	<b>8 962</b>

## 6.5 PROGRAMME 5: ASSET MANAGEMENT

### PURPOSE:

To ensure the effective and efficient management of physical and financial assets.

### ANALYSIS PER SUB-PROGRAMME:

#### Sub-programme 5.1: Supply chain management

to develop and ensure supply chain management strategies that will contribute to economic development and effective and efficient utilisation of physical assets

#### Sub-programme 5.2: Public private partnership

to facilitate, promote and in liaison with accounting officers implement public private partnership initiatives

#### Sub-programme 5.3: Financial asset management

to optimise liquidity requirements in the Provincial Revenue Fund and ensure maximum return within acceptable levels of risk

#### Sub-programme 5.4: Financial systems

to implement and manage financial management systems in support of sound financial management

### POLICY DEVELOPMENTS:

Migration from procurement and provisioning to supply chain management and development of best practices.

To generate revenue from fixed assets to fund infrastructure developments.

### CHANGES: POLICY, STRUCTURE, SERVICE ESTABLISHMENT, ETC. GEOGRAPHIC DISTRIBUTION OF SERVICES:

Procurement and provisioning functions have now been integrated and is now called supply chain management (SCM). Subsequently the Western Cape Provincial Tender Board has been abolished and the supply chain management function became the responsibility of Accounting Officers of departments as from 1 January 2004.

As part of the restructuring of the Provincial Treasury a Supply chain management component for monitoring, setting standards and best practice policy has been created with regard to procurement, physical asset management, public private partnerships and related issues. Physical asset management and public private partnerships are new within the Provincial Treasury environment and most work performed to date was of a developmental nature to establish a basis from which to develop policies, standards and practices to bring about the effective and efficient utilisation of provincial assets.

### EXPENDITURE TRENDS ANALYSIS:

This programme formerly consisted mainly of two separate sub-programmes within two other programmes that were known as Procurement management and Financial systems. There are no specific growth patterns to observe within the programme although appropriation for the 2003/04 revised estimate amounting to R26,176 million increases to R42,928 million in the last year of the 2004/05 - 2006/07 MTEF period.

### SERVICE DELIVERY MEASURES:

PROGRAMME 5: ASSET MANAGEMENT							
Sub-programme 5.1: Supply chain management							
Measurable objective	Performance measure	Output	Year-1 2002/03 (actual)	Base year 2003/04 (estimate)	Year 1 2004/05 (target)	Year 2 2005/06 (target)	Year 3 2006/07 (target)
To ensure effective and efficient planning for acquisition, logistics management and disposal of goods and services, inclusive of immovable property.	Establishment of SCM units in departments and determination of efficiency criteria to be achieved.	Properly functional supply chain management components in departments and public entities performing to set criteria.	Not applicable.	30% of criteria (Health only) established.	70% of criteria (Health, Public Works and Education) established plus 30% supply chain management units efficient.	80% of criteria established and 70% supply chain management units efficient.	90% of criteria established and 80% supply chain management units efficient.

**Sub-programme 5.1: Supply chain management (continued)**

Measurable objective	Performance measure	Output	Year-1 2002/03 (actual)	Base year 2003/04 (estimate)	Year 1 2004/05 (target)	Year 2 2005/06 (target)	Year 3 2006/07 (target)
	Value for money SCM.	Assessments to determine the value for money results in selective departments.	Value for money assessment undertaken w.r.t. equipment in Department of Health.	Value for money assessment undertaken w.r.t. consumables in Department of Health.	Value for money assessment undertaken w.r.t. SCM in Transport and Public Works and Education.	Assessments as necessary.	Assessments as necessary.
	Annual goals to be benchmarked per sector.	Attainment of preferential procurement and other policy goals.	48% of contracts awarded to HDIs.	At least 40% of contracts awarded to HDIs.	At least 40% of contracts awarded to HDIs.	At least 40% of contracts awarded to HDIs.	At least 40% of contracts awarded to HDIs.
	Economies of scale by means of transversal contracts.	Reduction in procurement cost.	Not applicable.	Reducing of procurement costs by arranging two transversal contracts.	Reducing of procurement costs by arranging five transversal contracts.	Reducing of procurement costs by arranging eight transversal contracts.	Reducing of procurement costs by arranging eight transversal contracts.
	Comprehensive and up to date credible moveable asset register.	Movable asset register per department.	20% of departments.	30% of departments.	50% of departments.	70% of departments.	100% of departments.
	Fully trained strategic sourcing specialists within the Provincial Treasury.	Strategic sourcing methodology per industry.	Not applicable.	20% of supply chain practitioners trained.	50% of supply chain practitioners trained.	80% of supply chain practitioners trained.	100% of supply chain practitioners trained.

<b>Sub-programme 5.2: Public private partnership</b>							
<b>Measurable objective</b>	<b>Performance measure</b>	<b>Output</b>	<b>Year-1 2002/03 (actual)</b>	<b>Base year 2003/04 (estimate)</b>	<b>Year 1 2004/05 (target)</b>	<b>Year 2 2005/06 (target)</b>	<b>Year 3 2006/07 (target)</b>
Build the necessary capacity within the Provincial Treasury.	Fully functional PPP unit in the Provincial Treasury.	Provincial PPP unit capable of delivery on full set of regulatory requirements.	Not applicable.	Preparatory year.	50% National Treasury functions taken over.	80% functional.	100% functional.
Facilitate, promote and in liaison with accounting officers implement public private partnership initiatives.	Financial and legally viable PPP contracts.  Augmentation of overall provincial delivery envelope.	Affordable, value for money projects with appropriate risk-sharing relationships.  PPP projects that expand on departmental delivery whilst reducing cost for the Province.	Not applicable.  Not applicable.	Finalisation of Chapman's Peak, and Nature Conservation PPP's with appropriate risk transfer.  Chapman's Peak PPP.	As identified and appropriate. Hermanus and Swellendam Hospitals Co-location projects, Eerste River Hospital Facility Management project, Conradie Hospital Replacement  Still to be determined from Budget assessments.	As identified and appropriate.  Still to be determined from Budget assessments.	As identified and appropriate.  Still to be determined from Budget assessments.

<b>Sub-programme 5.3: Financial asset management</b>							
<b>Measurable objective</b>	<b>Performance measure</b>	<b>Output</b>	<b>Year-1 2002/03 (actual)</b>	<b>Base year 2003/04 (estimate)</b>	<b>Year 1 2004/05 (target)</b>	<b>Year 2 2005/06 (target)</b>	<b>Year 3 2006/07 (target)</b>
Optimisation in the management of financial assets.	Maximum yield on money management operations through rigorous management and control of in and out flows on the provincial revenue fund.  Meeting of all due dates and timely corrective measures.	To achieve the amount appropriated in the budget.	Target achieved.  Target achieved.	100% of target achieved.  100% of target achieved.			

**Sub-programme 5.4: Financial systems**

Measurable objective	Performance measure	Output	Year-1 2002/03 (actual)	Base year 2003/04 (estimate)	Year 1 2004/05 (target)	Year 2 2005/06 (target)	Year 3 2006/07 (target)
Implementation and management of appropriate financial systems.	Effective and efficient financial management systems.	Acceptance by the Executive and the National Treasury of a policy framework dealing with the evolution and deployment of financial systems.	Not applicable.	Acceptance of policy framework by 31 March 2005.	Implement and maintain policy.	Implement and maintain policy.	Implement and maintain policy.
	Logistical information system (Logis) fully rolled out to all health institutions (excepting academic hospitals) and integrated into the supply management system with fully capacitated personnel.	Utilisation of LOGIS at the department of Health (Academic Institutions excluded).	20 Sites successfully implemented .	7 Sites successfully completed and fully operational.	Dependent on the development of the New Integrated Financial Management System by National Treasury.	Dependent on the development of the New Integrated Financial Management System by National Treasury.	Dependent on the development of the New Integrated Financial Management System by National Treasury.
	BAS successfully implemented in all departments with fully capacitated personnel.	Operational use of BAS at all the departments and the Provincial Parliament.	BAS successfully implemented at 2 of the 14 votes as well as the Provincial Revenue Fund on 1 April 2003.	100% of target achieved.	Dependent on the development of the New Integrated Financial Management System by National Treasury.	Dependent on the development of the New Integrated Financial Management System by National Treasury.	Dependent on the development of the New Integrated Financial Management System by National Treasury.
	Meeting of all due dates and timely corrective measures.	100% compliance	Target achieved.	100% of target achieved.	100% of target achieved.	100% of target achieved.	100% of target achieved.
	All 3 central hospitals successfully implemented and fully operational by 1 April 2005.	Utilisation of BAS at the 3 central hospitals (academic hospitals).	All 14 votes successfully implemented by 1 April 2004 with fully capacitated personnel.	3 Central hospitals successfully implemented on 1 April 2005.	Dependant on the development of the New Integrated Financial Management System by National Treasury.	Dependant on the development of the New Integrated Financial Management System by National Treasury.	Dependant on the development of the New Integrated Financial Management System by National Treasury.
	2 370 Official appropriately trained on the various financial systems.	Provide functional financial training according to an approved training programme and in the case of BAS, PERSAL, Vulindlela and LOGIS according to the project plans.	2 000 Officials appropriately trained on the various financial systems.	2 370 Officials appropriately trained.	50% of the targeted market of 4000 officials.	50% of the targeted market of 4000 officials.	50% of the targeted market of 4000 officials.

Sub-programme	Outcome			Main appropriation 2003/04 R'000	Adjusted appropriation 2003/04 R'000	Revised estimate 2003/04 R'000	Medium-term estimate			
	Audited 2000/01 R'000	Audited 2001/02 R'000	Audited 2002/03 R'000				2004/05 R'000	% Change from Revised estimate 2003/04	2005/06 R'000	2006/07 R'000
1. Supply chain management	2 604	3 683	3 518	4 204	4 024	4 687	4 876	4.03	5 146	5 416
2. Public private partnership			112	661	440	252	1 320	423.81	1 393	1 462
3. Financial asset management			851	1 569	1 118	1 033	1 183	14.52	1 241	1 303
4. Financial systems	7 039	10 804	14 467	24 979	20 897	20 204	37 897	87.57	34 474	34 747
<b>Total payments and estimates</b>	9 643	14 487	18 948	31 413	26 479	26 176	45 276	72.97	42 254	42 928

Economic classification	Outcome			Main appropriation 2003/04 R'000	Adjusted appropriation 2003/04 R'000	Revised estimate 2003/04 R'000	Medium-term estimate			
	Audited 2000/01 R'000	Audited 2001/02 R'000	Audited 2002/03 R'000				2004/05 R'000	% Change from Revised estimate 2003/04	2005/06 R'000	2006/07 R'000
<b>Current payments</b>	9 431	13 759	15 628	17 363	16 512	15 945	40 104	151.51	42 226	42 898
Compensation of employees	5 906	7 276	8 593	11 994	10 307	9 579	14 278	49.06	15 053	15 811
Goods and services	3 525	6 483	7 035	5 369	6 205	6 366	25 826	305.69	27 173	27 087
Interest and rent on land										
Financial transactions in assets and liabilities										
Unauthorised expenditure										
<b>Transfers and subsidies to</b>	18	18	21	27	19	24	27	12.50	28	30
Provinces and municipalities	18	18	21	27	19	24	27	12.50	28	30
Departmental agencies and accounts										
Universities and technikons										
Public corporations and private enterprises										
Foreign governments and international organisations										
Non-profit institutions										
Households										
<b>Payments for capital assets</b>	194	710	3 299	14 023	9 948	10 207	5 145	(49.59)		
Buildings and other fixed structures										
Machinery and equipment	194	710	3 299	14 023	9 948	10 207	5 145	(49.59)		
Cultivated assets										
Software and other intangible assets										
Land and subsoil assets										
<b>Total economic classification</b>	9 643	14 487	18 948	31 413	26 479	26 176	45 276	72.97	42 254	42 928

## 6.6 PROGRAMME 6: CONTINGENCY PROVISION

### PURPOSE:

To respond to adverse natural or economic occurrences having the potential to threaten the budget framework of the Western Cape Government.

### POLICY DEVELOPMENTS:

As in previous years a contingency reserve, increasing annually by inflation, is determined for each year of the Medium Term Expenditure Framework period. Depending on circumstances, the amount(s) in question will be voted during the adjustments estimates.

### SERVICE DELIVERY MEASURES:

PROGRAMME 6: CONTINGENCY PROVISION							
Sub-programme 6.1: Contingency provision							
Measurable objective	Performance measure	Output	Year-1 2002/03 (actual)	Base year 2003/04 (estimate)	Year 1 2004/05 (target)	Year 2 2005/06 (target)	Year 3 2006/07 (target)
To adequately provide for unforeseeable and unavoidable expenditure variation in policy objectives on the margin.	% possible to accommodate unforeseeable and unavoidable expenditures and policy variations.	Rigorous assessment of bids for additional funding and prioritisation given all spending pressures.	80%	20%			

**Table 6.6** Summary of payments and estimates -  
Programme 6: Contingency provision  
Provincial Treasury

Sub-programme	Outcome			Main appropriation 2003/04 R'000	Adjusted appropriation 2003/04 R'000	Revised estimate 2003/04 R'000	Medium-term estimate			
	Audited 2000/01 R'000	Audited 2001/02 R'000	Audited 2002/03 R'000				2004/05 R'000	% Change from Revised estimate 2003/04	2005/06 R'000	2006/07 R'000
1. Contingency provision				26 639	21 189		1		1	1
<b>Total payments and estimates</b>				26 639	21 189		1		1	1

**Table 6.6.1 Summary of provincial payments and estimates by economic classification -  
Programme 6: Contingency provision  
Provincial Treasury**

Economic classification	Outcome			Main appropriation 2003/04 R'000	Adjusted appropriation 2003/04 R'000	Revised estimate 2003/04 R'000	Medium-term estimate			
	Audited 2000/01 R'000	Audited 2001/02 R'000	Audited 2002/03 R'000				2004/05 R'000	% Change from Revised estimate 2003/04	2005/06 R'000	2006/07 R'000
<b>Current payments</b>				26 639	21 189		1		1	1
Compensation of employees										
Goods and services				26 639	21 189		1		1	1
Interest and rent on land										
Financial transactions in assets and liabilities										
Unauthorised expenditure										
<b>Transfers and subsidies to</b>										
Provinces and municipalities										
Departmental agencies and accounts										
Universities and technikons										
Public corporations and private enterprises										
Foreign governments and international organisations										
Non-profit institutions										
Households										
<b>Payments for capital assets</b>										
Buildings and other fixed structures										
Machinery and equipment										
Cultivated assets										
Software and other intangible assets										
Land and subsoil assets										
<b>Total economic classification</b>				26 639	21 189		1		1	1

## 7. OTHER PROGRAMME INFORMATION

### 7.1 Personnel numbers and costs

Programme	As at 31 March 2000 <sup>a</sup>	As at 31 March 2001	As at 31 March 2002	As at 31 March 2003	As at 31 March 2004	As at 31 March 2005
1. Administration		114	103	66	73	75
2. Financial governance			6	7	33	33
3. Resource management		14	14	14	15	22
4. Public finance and accounting		23	21	22	30	30
5. Asset management		60	58	61	51	58
6. Contingency provision						
<b>Total personnel numbers</b>		211	202	170	202	218
Total personnel cost (R'000)		22 397	28 408	30 231	31 862	48 341
Unit cost (R'000)		106	141	178	158	222

### 7.2 Training

Programme	Outcome			Main appro-riation 2003/04 R'000	Adjusted appro- piation 2003/04 R'000	Revised estimate 2003/04 R'000	Medium-term estimate			
	Audited 2000/01 R'000 <sup>a</sup>	Audited 2001/02 R'000	Audited 2002/03 R'000				2004/05 R'000	% Change from Revised estimate 2003/04	2005/06 R'000	2006/07 R'000
1. Administration		11	599	500	370	392	360	(8.16)	380	400
2. Financial governance										
3. Resource management										
4. Public finance and accounting										
5. Asset management										
6. Contingency provision										
<b>Total expenditure on training</b>		11	599	500	370	392	360	(8.16)	380	400

<sup>a</sup> Information is unavailable for this period.

NOTE: Human resource development is centralised in programme 1.

7.3 Reconciliation of structural changes

Table 7.3 Reconciliation of structural changes: Provincial Treasury					
Programme for 2003/04			Programme for 2004/05		
Programme	2004/05 Equivalent		Programme	Pro-gramme	Sub-pro-gramme
	Pro-gramme	Sub-pro-gramme			
	R'000	R'000		R'000	R'000
1. Administration	22 672		1. Administration	22 519	
1.1 Office of the provincial minister		3 138	1.1 Office of the provincial minister		3 434
1.2 Financial management and specialised support services		13 118	1.2 Financial management		12 008
1.3 Human resource management		6 416	1.3 Human resource management		7 077
2. Normative financial management and communication	11 337		2. Financial governance	23 471	
2.1 Financial management and communication		2 002	2.1 Financial management and communication		3 947
2.2 Internal audit development		9 335	2.2 Internal audit		19 524
3. Budget office	2 544		3. Resource management	13 882	
4. Macro economic analysis	3 217		3.1 Budget office		2 743
5. Resource acquisition and management	8 369		3.2 Macro economic analysis		2 397
5.1 Resource acquisition		3 669	3.3 Resource acquisition		3 742
5.2 Western Cape Gambling and Racing Board		4 700	3.4 Western Cape Gambling and Racing Board		5 000
6. Public finance	3 664		4. Public Finance and accounting	8 537	
6.1 Departments		2 933	4.1 Provincial government finance		3 585
6.2 Municipalities		731	4.2 Local government finance		2 481
			4.3 Financial accounting and reporting		2 471
7. Asset management	26 698		5. Asset management	45 276	
7.1 Supply chain management		4 024	5.1 Supply chain management		4 876
7.2 Public private partnerships		440	5.2 Public private partnership		1 320
7.3 Financial assets		1 118	5.3 Financial asset management		1 183
7.4 Financial systems		20 897	5.4 Financial systems		37 897
7.5 Western Cape Provincial Tender Board		219			
8. Financial accounting and reporting	2 230				
9. <i>iKapa elihlumayo</i>					
10. Contingency provision	21 189		6. Contingency provision	1	
<b>Total</b>	101 920			113 686	

Table B.1 Specification of receipts: Provincial Treasury										
Receipts	Outcome			Main appropriation 2003/04 R'000	Adjusted appropriation 2003/04 R'000	Revised estimate 2003/04 R'000	Medium-term estimate			
	Audited 2000/01 R'000	Audited 2001/02 R'000	Audited 2002/03 R'000				2004/05 R'000	% Change from Revised estimate 2003/04	2005/06 R'000	2006/07 R'000
<b>Tax receipts</b>										
Casino taxes	21 654	85 630	111 079	106 000	125 070	128 693	98 000	(23.85)	107 000	120 000
Motor vehicle licences										
Horseracing	27 733	24 795	21 345	10 300	12 700	10 447	10 300	(1.41)	10 300	10 300
Other taxes	481	481	669	609	609	662	670	1.21	737	737
<b>Total tax receipts</b>	49 868	110 906	133 093	116 909	138 379	139 802	108 970	(22.05)	118 037	131 037
<b>Non-tax receipts</b>										
Sale of goods and services other than capital assets	10 663	341	5 197	15	15	24	15	(37.50)	15	15
Sales of goods and services produced by department	10 663	341	5 197	15	15	24	15	(37.50)	15	15
Sales by market establishments										
Administrative fees	10 663	341	5 197	15	15	12	15	25.00	15	15
Other sales						12		(100.00)		
Of which										
Health patient fees										
Other										
Sales of scrap, waste, arms and other used current goods (excluding capital assets)										
Fines, penalties and forfeits	9	262	232			318		(100.00)		
Interests, dividends and rent on land	153 002	184 910	250 133	108 077	213 077	213 115	61 572	(71.11)	30 400	11 200
Interest	153 002	184 910	250 133	108 077	213 077	213 115	61 572	(71.11)	30 400	11 200
Dividends										
Rent on land										
<b>Total non-tax receipts</b>	163 674	185 513	255 562	108 092	213 092	213 457	61 587	(71.15)	30 415	11 215
<b>Transfers received from</b>										
Other governmental units	1 135	1 992	551			1 627		(100.00)		
Universities and technikons										
Foreign governments										
International organisations										
Public corporations and private enterprises										
Households and non-profit institutions	117	31	1				1		1	1
<b>Total transfers received</b>	1 252	2 023	552			1 627	1	(99.94)	1	1
<b>Sales of capital assets</b>										
Land and subsoil assets										
Other capital assets										
<b>Total sales of capital assets</b>										
Financial transactions										
<b>Total specification of receipts</b>	214 794	298 442	389 207	225 001	351 471	354 886	170 558	(51.94)	148 453	142 253

Economic classification	Outcome			Main appropriation 2003/04 R'000	Adjusted appropriation 2003/04 R'000	Revised estimate 2003/04 R'000	Medium-term estimate			
	Audited 2000/01 R'000	Audited 2001/02 R'000	Audited 2002/03 R'000				2004/05 R'000	% Change from Revised estimate 2003/04	2005/06 R'000	2006/07 R'000
<b>Current payments</b>										
Compensation of employees	22 397	28 408	30 231	37 185	33 489	31 862	48 341	51.72	52 202	54 686
Salaries and wages	15 864	20 771	25 510	32 205	29 034	27 655	41 318	49.41	44 599	46 689
Social contributions	6 533	7 637	4 721	4 980	4 455	4 207	7 023	66.94	7 603	7 997
Goods and services	11 570	15 553	20 700	57 675	52 426	28 057	56 601	101.74	59 469	59 642
<i>Of which</i>										
Consultants and special services	9 509	6 241	7 615	45 132	36 998	15 307	23 877	55.99	25 135	24 939
Printing and publishing	303	515	518	120	539	528	628	18.94	604	664
External audit fees	1 328	1 533	2 675	1 400	1 501	1 837	2 218	20.74	2 421	2 662
Interest and rent on land										
Interest										
Rent on land										
Financial transactions in assets and liabilities	43	9	208							
Unauthorised expenditure										
<b>Total current payments</b>	<b>34 010</b>	<b>43 970</b>	<b>51 139</b>	<b>94 860</b>	<b>85 915</b>	<b>59 919</b>	<b>104 942</b>	<b>75.14</b>	<b>111 671</b>	<b>114 328</b>
<b>Transfers and subsidies to</b>										
Provinces and municipalities	49	69	70	88	66	74	85	14.86	91	97
Provinces										
Provincial Revenue Funds										
Provincial agencies and funds										
Municipalities	49	69	70	88	66	74	85	14.86	91	97
Municipalities	49	69	70	88	66	74	85	14.86	91	97
Municipal agencies and funds										
Departmental agencies and accounts	5 300	6 000	4 000	6 855	4 700	4 700	2 585	(45.00)	2 000	2 100
Social security funds										
Provide list of entities receiving transfers	5 300	6 000	4 000	6 855	4 700	4 700	2 585	(45.00)	2 000	2 100
Universities and technikons										
Public corporations and private enterprises										
Public corporations										
Subsidies on production										
Other transfers										
Private enterprises										
Subsidies on production										
Other transfers										
Foreign governments and international organisations										
Non-profit institutions							343		368	386
Households			52	11 093	674	455	304	(33.19)	310	320
Social benefits										
Other transfers to households			52	11 093	674	455	304	(33.19)	310	320
<b>Total transfers and subsidies</b>	<b>5 349</b>	<b>6 069</b>	<b>4 122</b>	<b>18 036</b>	<b>5 440</b>	<b>5 229</b>	<b>3 317</b>	<b>(36.57)</b>	<b>2 769</b>	<b>2 903</b>
<b>Payments for capital assets</b>										
Buildings and other fixed structures										
Buildings										
Other fixed structures										
Machinery and equipment	597	1 237	5 272	15 083	12 082	11 501	5 427	(52.81)	568	211
Transport equipment										
Other machinery and equipment	597	1 237	5 272	15 083	12 082	11 501	5 427	(52.81)	568	211
Cultivated assets										
Software and other intangible assets										
Land and subsoil assets										
<b>Total payments for capital assets</b>	<b>597</b>	<b>1 237</b>	<b>5 272</b>	<b>15 083</b>	<b>12 082</b>	<b>11 501</b>	<b>5 427</b>	<b>(52.81)</b>	<b>568</b>	<b>211</b>
<b>Total economic classification</b>	<b>39 956</b>	<b>51 276</b>	<b>60 533</b>	<b>127 979</b>	<b>103 437</b>	<b>76 649</b>	<b>113 686</b>	<b>48.32</b>	<b>115 008</b>	<b>117 442</b>

Table B.2.1 Payments and estimates by economic classification Programme 1: Administration Provincial Treasury										
Economic classification	Outcome			Main appropriation 2003/04 R'000	Adjusted appropriation 2003/04 R'000	Revised estimate 2003/04 R'000	Medium-term estimate			
	Audited 2000/01 R'000	Audited 2001/02 R'000	Audited 2002/03 R'000				2004/05 R'000	% Change from Revised estimate 2003/04	2005/06 R'000	2006/07 R'000
<b>Current payments</b>										
Compensation of employees	9 830	12 775	13 890	10 929	12 640	11 635	13 975	20.11	14 740	15 467
Salaries and wages	6 804	9 107	11 986	9 432	10 908	10 061	11 761	16.90	12 401	13 016
Social contributions	3 026	3 668	1 904	1 497	1 732	1 574	2 214	40.66	2 339	2 451
Goods and services	4 422	4 464	5 544	5 676	7 202	6 866	7 591	10.56	8 024	8 397
Interest and rent on land										
Interest										
Rent on land										
Financial transactions in assets and liabilities	25	9	3							
Unauthorised expenditure										
<b>Total current payments</b>	14 277	17 248	19 437	16 605	19 842	18 501	21 566	16.57	22 764	23 864
<b>Transfers and subsidies to</b>										
Provinces and municipalities	23	30	34	29	22	28	24	(14.29)	25	26
Provinces										
Provincial Revenue Funds										
Provincial agencies and funds										
Municipalities	23	30	34	29	22	28	24	(14.29)	25	26
Municipalities	23	30	34	29	22	28	24	(14.29)	25	26
Municipal agencies and funds										
Departmental agencies and accounts										
Social security funds										
Provide list of entities receiving transfers										
Universities and technikons										
Public corporations and private enterprises										
Public corporations										
Subsidies on production										
Other transfers										
Private enterprises										
Subsidies on production										
Other transfers										
Foreign governments and international organisations										
Non-profit institutions							343		368	386
Households			52	674	674	455	304	(33.19)	310	320
Social benefits										
Other transfers to households			52	674	674	455	304	(33.19)	310	320
<b>Total transfers and subsidies</b>	23	30	86	703	696	483	671	38.92	703	732
<b>Payments for capital assets</b>										
Buildings and other fixed structures										
Buildings										
Other fixed structures										
Machinery and equipment	177	407	1 283	1 060	2 134	1 292	282	(78.17)	568	211
Transport equipment										
Other machinery and equipment	177	407	1 283	1 060	2 134	1 292	282	(78.17)	568	211
Cultivated assets										
Software and other intangible assets										
Land and subsoil assets										
<b>Total payments for capital assets</b>	177	407	1 283	1 060	2 134	1 292	282	(78.17)	568	211
<b>Total economic classification</b>	14 477	17 685	20 806	18 368	22 672	20 276	22 519	11.06	24 035	24 807

Table B.2.2 Payments and estimates by economic classification										
Programme 2: Financial governance										
Provincial Treasury										
Economic classification	Outcome			Main appropriation 2003/04 R'000	Adjusted appropriation 2003/04 R'000	Revised estimate 2003/04 R'000	Medium-term estimate			
	Audited 2000/01 R'000	Audited 2001/02 R'000	Audited 2002/03 R'000				2004/05 R'000	% Change from Revised estimate 2003/04	2005/06 R'000	2006/07 R'000
<b>Current payments</b>										
Compensation of employees				2 079	1 957	3 509	7 954	126.67	8 403	8 827
Salaries and wages				1 795	1 732	3 027	6 635	119.19	7 012	7 366
Social contributions				284	225	482	1 319	173.65	1 391	1 461
Goods and services	2 967	3 056	4 493	15 356	10 377	8 626	15 504	79.74	16 831	17 040
Interest and rent on land										
Interest										
Rent on land										
Financial transactions in assets and liabilities										
Unauthorised expenditure										
<b>Total current payments</b>	2 967	3 056	4 493	17 435	12 334	12 135	23 458	93.31	25 234	25 867
<b>Transfers and subsidies to</b>										
Provinces and municipalities				6	8	5	13	160.00	14	15
Provinces										
Provincial Revenue Funds										
Provincial agencies and funds										
Municipalities				6	8	5	13	160.00	14	15
Municipalities				6	8	5	13	160.00	14	15
Municipal agencies and funds										
Departmental agencies and accounts										
Social security funds										
Provide list of entities receiving transfers										
Universities and technikons										
Public corporations and private enterprises										
Public corporations										
Subsidies on production										
Other transfers										
Private enterprises										
Subsidies on production										
Other transfers										
Foreign governments and international organisations										
Non-profit institutions										
Households										
Social benefits										
Other transfers to households										
<b>Total transfers and subsidies</b>				6	8	5	13	160.00	14	15
<b>Payments for capital assets</b>										
Buildings and other fixed structures										
Buildings										
Other fixed structures										
Machinery and equipment						2		(100.00)		
Transport equipment										
Other machinery and equipment						2		(100.00)		
Cultivated assets										
Software and other intangible assets										
Land and subsoil assets										
<b>Total payments for capital assets</b>						2		(100.00)		
<b>Total economic classification</b>	2 967	3 056	4 493	17 441	12 342	12 142	23 471	93.30	25 248	25 882

Table B.2.3 Payments and estimates by economic classification Programme 3: Resource management Provincial Treasury										
Economic classification	Outcome			Main appropriation 2003/04 R'000	Adjusted appropriation 2003/04 R'000	Revised estimate 2003/04 R'000	Medium-term estimate			
	Audited 2000/01 R'000	Audited 2001/02 R'000	Audited 2002/03 R'000				2004/05 R'000	% Change from Revised estimate 2003/04	2005/06 R'000	2006/07 R'000
<b>Current payments</b>										
Compensation of employees	1 787	2 254	2 600	6 132	2 691	1 587	5 243	230.37	6 744	7 082
Salaries and wages	1 209	1 587	2 244	5 284	2 322	1 409	4 595	226.12	5 912	6 208
Social contributions	578	667	356	848	369	178	648	264.04	832	874
Goods and services	519	658	1 360	4 020	6 734	5 417	6 044	11.57	5 643	5 667
Interest and rent on land										
Interest										
Rent on land										
Financial transactions in assets and liabilities			205							
Unauthorised expenditure										
<b>Total current payments</b>	2 306	2 912	4 165	10 152	9 425	7 004	11 287	61.15	12 387	12 749
<b>Transfers and subsidies to</b>										
Provinces and municipalities	4	6	6	10	5	5	10	100.00	12	13
Provinces										
Provincial Revenue Funds										
Provincial agencies and funds										
Municipalities	4	6	6	10	5	5	10	100.00	12	13
Municipalities	4	6	6	10	5	5	10	100.00	12	13
Municipal agencies and funds										
Departmental agencies and accounts	5 300	6 000	4 000	6 855	4 700	4 700	2 585	(45.00)	2 000	2 100
Social security funds										
Western Cape Gambling and Racing Board	5 300	6 000	4 000	6 855	4 700	4 700	2 585	(45.00)	2 000	2 100
Universities and technikons										
Public corporations and private enterprises										
Public corporations										
Subsidies on production										
Other transfers										
Private enterprises										
Subsidies on production										
Other transfers										
Foreign governments and international organisations										
Non-profit institutions										
Households				10 419						
Social benefits										
Other transfers to households				10 419						
<b>Total transfers and subsidies</b>	5 304	6 006	4 006	17 284	4 705	4 705	2 595	(44.85)	2 012	2 113
<b>Payments for capital assets</b>										
Buildings and other fixed structures										
Buildings										
Other fixed structures										
Machinery and equipment	69	54								
Transport equipment										
Other machinery and equipment	69	54								
Cultivated assets										
Software and other intangible assets										
Land and subsoil assets										
<b>Total payments for capital assets</b>	69	54								
<b>Total economic classification</b>	7 679	8 972	8 171	27 436	14 130	11 709	13 882	18.56	14 399	14 862

<b>Table B.2.4 Payments and estimates by economic classification</b>										
<b>Programme 4: Public finance and accounting</b>										
<b>Provincial Treasury</b>										
<b>Economic classification</b>	<b>Outcome</b>			<b>Main appropriation 2003/04 R'000</b>	<b>Adjusted appropriation 2003/04 R'000</b>	<b>Revised estimate 2003/04 R'000</b>	<b>Medium-term estimate</b>			
	<b>Audited 2000/01 R'000</b>	<b>Audited 2001/02 R'000</b>	<b>Audited 2002/03 R'000</b>				<b>2004/05 R'000</b>	<b>% Change from Revised estimate 2003/04</b>	<b>2005/06 R'000</b>	<b>2006/07 R'000</b>
<b>Current payments</b>										
Compensation of employees	4 874	6 103	5 148	6 051	5 894	5 552	6 891	24.12	7 262	7 499
Salaries and wages	3 527	4 606	3 861	5 241	5 105	4 801	5 936	23.64	6 212	6 381
Social contributions	1 347	1 497	1 287	810	789	751	955	27.16	1 050	1 118
Goods and services	137	892	2 268	615	719	782	1 635	109.08	1 797	1 450
Interest and rent on land										
Interest										
Rent on land										
Financial transactions in assets and liabilities	18									
Unauthorised expenditure										
<b>Total current payments</b>	<b>5 029</b>	<b>6 995</b>	<b>7 416</b>	<b>6 666</b>	<b>6 613</b>	<b>6 334</b>	<b>8 526</b>	<b>34.61</b>	<b>9 059</b>	<b>8 949</b>
<b>Transfers and subsidies to</b>										
Provinces and municipalities	4	15	9	16	12	12	11	(8.33)	12	13
Provinces										
Provincial Revenue Funds										
Provincial agencies and funds										
Municipalities	4	15	9	16	12	12	11	(8.33)	12	13
Municipalities	4	15	9	16	12	12	11	(8.33)	12	13
Municipal agencies and funds										
Departmental agencies and accounts										
Social security funds										
Provide list of entities receiving transfers										
Universities and technikons										
Public corporations and private enterprises										
Public corporations										
Subsidies on production										
Other transfers										
Private enterprises										
Subsidies on production										
Other transfers										
Foreign governments and international organisations										
Non-profit institutions										
Households										
Social benefits										
Other transfers to households										
<b>Total transfers and subsidies</b>	<b>4</b>	<b>15</b>	<b>9</b>	<b>16</b>	<b>12</b>	<b>12</b>	<b>11</b>	<b>(8.33)</b>	<b>12</b>	<b>13</b>
<b>Payments for capital assets</b>										
Buildings and other fixed structures										
Buildings										
Other fixed structures										
Machinery and equipment	157	66	690							
Transport equipment										
Other machinery and equipment	157	66	690							
Cultivated assets										
Software and other intangible assets										
Land and subsoil assets										
<b>Total payments for capital assets</b>	<b>157</b>	<b>66</b>	<b>690</b>							
<b>Total economic classification</b>	<b>5 190</b>	<b>7 076</b>	<b>8 115</b>	<b>6 682</b>	<b>6 625</b>	<b>6 346</b>	<b>8 537</b>	<b>34.53</b>	<b>9 071</b>	<b>8 962</b>

<b>Table B.2.5 Payments and estimates by economic classification</b>										
<b>Programme 5: Asset management</b>										
<b>Provincial Treasury</b>										
<b>Economic classification</b>	<b>Outcome</b>			<b>Main appropriation 2003/04 R'000</b>	<b>Adjusted appropriation 2003/04 R'000</b>	<b>Revised estimate 2003/04 R'000</b>	<b>Medium-term estimate</b>			
	<b>Audited 2000/01 R'000</b>	<b>Audited 2001/02 R'000</b>	<b>Audited 2002/03 R'000</b>				<b>2004/05 R'000</b>	<b>% Change from Revised estimate 2003/04</b>	<b>2005/06 R'000</b>	<b>2006/07 R'000</b>
<b>Current payments</b>										
Compensation of employees	5 906	7 276	8 593	11 994	10 307	9 579	14 278	49.06	15 053	15 811
Salaries and wages	4 324	5 471	7 419	10 453	8 967	8 357	12 391	48.27	13 062	13 718
Social contributions	1 582	1 805	1 174	1 541	1 340	1 222	1 887	54.42	1 991	2 093
Goods and services	3 525	6 483	7 035	5 369	6 205	6 366	25 826	305.69	27 173	27 087
Interest and rent on land										
Interest										
Rent on land										
Financial transactions in assets and liabilities										
Unauthorised expenditure										
<b>Total current payments</b>	9 431	13 759	15 628	17 363	16 512	15 945	40 104	151.51	42 226	42 898
<b>Transfers and subsidies to</b>										
Provinces and municipalities	18	18	21	27	19	24	27	12.50	28	30
Provinces										
Provincial Revenue Funds										
Provincial agencies and funds										
Municipalities	18	18	21	27	19	24	27	12.50	28	30
Municipalities	18	18	21	27	19	24	27	12.50	28	30
Municipal agencies and funds										
Departmental agencies and accounts										
Social security funds										
Provide list of entities receiving transfers										
Universities and technikons										
Public corporations and private enterprises										
Public corporations										
Subsidies on production										
Other transfers										
Private enterprises										
Subsidies on production										
Other transfers										
Foreign governments and international organisations										
Non-profit institutions										
Households										
Social benefits										
Other transfers to households										
<b>Total transfers and subsidies</b>	18	18	21	27	19	24	27	12.50	28	30
<b>Payments for capital assets</b>										
Buildings and other fixed structures										
Buildings										
Other fixed structures										
Machinery and equipment	194	710	3 299	14 023	9 948	10 207	5 145	(49.59)		
Transport equipment										
Other machinery and equipment	194	710	3 299	14 023	9 948	10 207	5 145	(49.59)		
Cultivated assets										
Software and other intangible assets										
Land and subsoil assets										
<b>Total payments for capital assets</b>	194	710	3 299	14 023	9 948	10 207	5 145	(49.59)		
<b>Total economic classification</b>	9 643	14 487	18 948	31 413	26 479	26 176	45 276	72.97	42 254	42 928

<b>Table B.2.6 Payments and estimates by economic classification</b>										
<b>Programme 6: Contingency provision</b>										
<b>Provincial Treasury</b>										
<b>Economic classification</b>	<b>Outcome</b>			<b>Main appropriation 2003/04 R'000</b>	<b>Adjusted appropriation 2003/04 R'000</b>	<b>Revised estimate 2003/04 R'000</b>	<b>Medium-term estimate</b>			
	<b>Audited 2000/01 R'000</b>	<b>Audited 2001/02 R'000</b>	<b>Audited 2002/03 R'000</b>				<b>2004/05 R'000</b>	<b>% Change from Revised estimate 2003/04</b>	<b>2005/06 R'000</b>	<b>2006/07 R'000</b>
<b>Current payments</b>										
Compensation of employees										
Salaries and wages										
Social contributions										
Goods and services				26 639	21 189		1		1	1
Interest and rent on land										
Interest										
Rent on land										
Financial transactions in assets and liabilities										
Unauthorised expenditure										
<b>Total current payments</b>				26 639	21 189		1		1	1
<b>Transfers and subsidies to</b>										
Provinces and municipalities										
Provinces										
Provincial Revenue Funds										
Provincial agencies and funds										
Municipalities										
Municipalities										
Municipal agencies and funds										
Departmental agencies and accounts										
Social security funds										
Provide list of entities receiving transfers										
Universities and technikons										
Public corporations and private enterprises										
Public corporations										
Subsidies on production										
Other transfers										
Private enterprises										
Subsidies on production										
Other transfers										
Foreign governments and international organisations										
Non-profit institutions										
Households										
Social benefits										
Other transfers to households										
<b>Total transfers and subsidies</b>										
<b>Payments for capital assets</b>										
Buildings and other fixed structures										
Buildings										
Other fixed structures										
Machinery and equipment										
Transport equipment										
Other machinery and equipment										
Cultivated assets										
Software and other intangible assets										
Land and subsoil assets										
<b>Total payments for capital assets</b>										
<b>Total economic classification</b>				26 639	21 189		1		1	1

Table B.3 Details on public entities										
Name of Public Entity: Western Cape Gambling and Racing Board										
Payments and receipts	Outcome			Main appropriation 2003/04 R'000	Adjusted appropriation 2003/04 R'000	Revised estimate 2003/04 R'000	Medium-term estimate			
	Audited 2000/01 R'000	Audited 2001/02 R'000	Audited 2002/03 R'000				2004/05 R'000	% Change from Revised estimate 2003/04	2005/06 R'000	2006/07 R'000
<b>Receipts</b>										
<b>Tax receipts</b>										
<b>Non-tax receipts</b>	10 256	10 291	13 415	12 739	13 439	17 190	17 334	0.83	20 115	20 446
Sale of goods and services other than capital assets	7 831	7 961	10 601	10 948	10 948	14 646	15 192	3.72	18 415	18 646
<i>Of which</i>										
Application fees	295	143	189	151	151	1 887	850	(54.96)	699	99
Exclusivity fees	2 148	2 440	3 320	3 803	3 803	5 697	5 922	3.95	6 923	7 754
Investigation fees	5 389	5 378	7 091	6 994	6 994	7 063	8 420	19.22	10 793	10 793
Other non-tax revenue	2 425	2 329	2 815	1 791	2 491	2 544	2 142	(15.80)	1 700	1 800
<b>Transfers received</b>	5 300	6 000	4 000	6 855	6 855	4 700	2 585	(45.00)	2 000	2 100
<b>Sale of capital assets</b>							2 415			
<b>Total receipts</b>	15 556	16 291	17 415	19 594	20 294	21 890	22 334	2.03	22 115	22 546
<b>Payments</b>										
<b>Current payments</b>	13 532	14 340	15 789	19 594	20 294	18 504	22 334	20.70	21 583	22 546
Compensation of employees	8 536	8 886	9 460	12 175	12 175	11 178	13 073	16.96	13 924	14 342
Use of goods and services	2 857	3 226	4 157	5 806	5 806	5 238	7 568	44.47	6 678	7 205
Depreciation	812	733	706		700	700	700		700	700
Interest, dividends and rent on land	1 327	1 495	1 466	1 612	1 612	1 388	993	(28.45)	281	299
<b>Transfers and subsidies</b>										
<b>Total payments</b>	13 532	14 340	15 789	19 594	20 294	18 504	22 334	20.70	21 583	22 546
<b>Surplus (deficit)</b>	2 024	1 951	1 626			3 386		(100.00)	532	
<b>Cash flow summary</b>										
<b>Operating surplus (deficit)</b>	2 024	1 951	1 626			3 386		(100.00)	532	
Adjustments for:										
Depreciation	812	733	706		700	700	700		700	700
Interest	( 303)	( 455)	( 619)		( 600)	( 600)	( 600)		( 600)	( 600)
Net (profit)/loss on disposal of fixed assets		1	( 11)							
Other										
<b>Operating surplus (deficit) before changes in working capital</b>	2 533	2 230	1 702		100	3 486	100	(97.13)	632	100
Decrease/(increase) in accounts payable	( 218)	289	66		50	50	50		50	50
(Decrease)/increase in accounts receivable	285	( 131)	172		100	100	100		100	100
(Decrease)/increase in provisions	327	211	80		60	60	60		60	60
Interest received										
<b>Cash flow from operating activities</b>	2 927	2 599	2 019		310	3 696	310	(91.61)	842	310
Cash receipts										
<i>Of which</i>										
Transfers from government	5 300	6 000	4 000		6 855	4 700	2 585	(45.00)	2 000	2 100
Interest income	303	455	619		600	600	600		600	60
<b>Cash flow from investing activities</b>	( 424)	( 267)	( 516)		( 500)	( 500)	( 300)	(40.00)		
<b>Cash flow financing activities</b>	( 2 413)	( 2 480)	( 2 170)				( 200)		( 912)	( 370)
<b>Net increase/(decrease) in cash and cash equivalents</b>	393	307	( 48)		410	3 796	410	(89.20)	530	

Table B.4 Transfers to local government by transfers/grant type, category and municipality: None Provincial Treasury										
Municipalities	Outcome			Main appropriation 2003/04 R'000	Adjusted appropriation 2003/04 R'000	Revised estimate 2003/04 R'000	Medium-term estimate			
	Audited 2000/01 R'000	Audited 2001/02 R'000	Audited 2002/03 R'000				2004/05 R'000	% Change from Revised estimate 2003/04	2005/06 R'000	2006/07 R'000
<b>Category A</b>										
City of Cape Town										
<b>Category B</b>										
Beaufort West										
Bergrivier										
Bitou										
Breede River/Winelands										
Breede Valley										
Cape Agulhas										
Cederberg										
Drakenstein										
George										
Kannaland										
Knysna										
Laingsburg										
Langeberg										
Matzikama										
Mossel Bay										
Oudtshoorn										
Overstrand										
Paarl										
Prince Albert										
Robertson										
Saldanha Bay										
Stellenbosch										
Swartland										
Swellendam										
Theewaterskloof										
Witzenberg										
Unallocated										
<b>Category C</b>										
Boland										
Central Karoo										
Eden										
Overberg										
West Coast										
Unallocated										
<b>Total transfers to local government</b>										

<b>Provincial Treasury</b>										
<b>Municipalities</b>	<b>Outcome</b>			<b>Main appropriation 2003/04 R'000</b>	<b>Adjusted appropriation 2003/04 R'000</b>	<b>Revised estimate 2003/04 R'000</b>	<b>Medium-term estimate</b>			
	<b>Audited 2000/01 R'000</b>	<b>Audited 2001/02 R'000</b>	<b>Audited 2002/03 R'000</b>				<b>2004/05 R'000</b>	<b>% Change from Revised estimate 2003/04</b>	<b>2005/06 R'000</b>	<b>2006/07 R'000</b>
<b>Cape Town Metro</b>	39 956	51 276	60 533	127 979	103 437	76 649	<b>113 686</b>	17.43	115 008	117 442
<b>West Coast Municipalities</b>										
Matzikama										
Cederberg										
Bergrivier										
Saldanha Bay										
Swartland										
West Coast DMA										
West Coast District Municipality										
<b>Boland Municipalities</b>										
Witzenberg										
Drakenstein										
Stellenbosch										
Breede Valley										
Breede River/Winelands										
Breede River DMA										
Boland District Municipality										
<b>Overberg Municipalities</b>										
Theewaterskloof										
Overstrand										
Cape Agulhas										
Swellendam										
Overberg DMA										
Overberg District Municipality										
<b>Eden Municipalities</b>										
Kannaland										
Langeberg										
Mossel Bay										
George										
Oudtshoorn										
Bitou										
Knysna										
South Cape DMA										
Eden District Municipality										
<b>Central Karoo Municipalities</b>										
Laingsburg										
Prince Albert										
Beaufort West										
Central Karoo DMA										
Central Karoo District Municipality										
<b>Total provincial expenditure by district and local municipality</b>	39 956	51 276	60 533	127 979	103 437	76 649	<b>113 686</b>	48.32	115 008	117 442