

BUDGET STATEMENT NUMBER 2

DEPARTMENTAL ESTIMATES

VOTE NUMBER 12

DEPARTMENT OF LOCAL GOVERNMENT

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

R 76 374 000
Provincial Minister of Local Government
Department of Local Government
Head of Department, Local Government

1. OVERVIEW

Core functions and responsibilities

Rendering administrative and financial support services to the department and the Provincial Minister.
Providing legislative clarity and support to municipalities.
Promoting the implementation of developmental local government.
Ensuring local government sustainability through monitoring and support programmes.
Facilitating co-operative governance.
Facilitating and co-ordinating disaster management in the Province.

Vision

Successful municipalities.

Mission

To ensure municipal success and sustainability.

Main services

Advisory service on the application of local government legislation.
Formulation of appropriate provincial legislation on local government.
Execution of legislation.
Technical support with the review of municipal Integrated development plans (IDP's).
Provincial disaster management.
Support with municipal valuations.
Co-ordination of presidential developmental initiatives (Integrated sustainable rural development programme (ISRDP) and Urban renewal programme (URP)).
Conduct research initiatives in respect of local government.
Support with the implementation of performance management.
Promotion and co-ordination of internal and external training initiatives.
Capacity building within local government.
Facilitating the transfer of powers and functions between the provincial and local government spheres.
The implementation and maintenance of inter-governmental fora for good governance and sound relations.
Implementation of management support programmes.
Promoting developmental local government.

Demands and challenges in services

Over the medium term a financial injection will be required to add additional value to the development of the department and the improvement of its services.

On the Human resource side there are two major challenges:

Building appropriate organisational skills and capabilities.

Creating effective human resource and financial management capacity for the new department.

The main strategic shift remains the transformation of the department from an entity acting mainly as agent for the executing of national programmes and a minimalist role in the national legislative agenda; to a dynamic organisation playing a leadership role in pro-actively ensuring successful and sustainable municipalities. This will be done through execution of the constitutional mandate and value will be added by the monitoring, supporting, co-ordinating and regulatory role.

The establishment of the Provincial Disaster Management Centre is a challenge because of the current need for adequate and sustainable funding for this purpose.

Acts, rules and regulations

Auditor General Act, 1995 (Act 12 of 1995)

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

Civil Protection Act, 1977 (Act 67 of 1977)

Civil Protection Ordinance, 1977 (Ordinance 8 of 1977)

Compensation for Occupational Injuries and Diseases Act, 1993 (Act 130 of 1993)

Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)

Constitution of the Western Cape, 1998 (Act 1 of 1998)

Disaster management Act, 2002 (Act 57 of 2002)

Division of Revenue Act

Employment Equity Act, 1998 (Act 55 of 1998)

Fire Brigade Services Act, 1987 (Act 99 of 1987)

Labour Relations Act, 1995 (Act 66 of 1995)

Local Authorities (Audit) Ordinance, 1938 (Ordinance 17 of 1938)

Local Authorities (Investment of funds) Ordinance, 1935 (Ordinance 23 of 1935)

Local Government Demarcation Act, 1998 (Act 27 of 1998)

Local Government Transition Act, 1993 (Act 209 of 1993)

Local Government: Municipal Structures Act, 1998 (Act 117 of 1998)

Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)

Municipal Ordinance, 1974 (Ordinance 20 of 1974)

National Archives of South Africa Act, 1996 (Act 43 of 1996)

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

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

Property Valuation Ordinance, 1993 (Ordinance 14 of 1993)

Protected Disclosures Act, 2000 (Act 26 of 2000)

Public Finance Management Act, 1999 (Act 1 of 1999) (as amended by Act 29 of 1999) and the National Treasury Regulations

Public Service Act, 1994 (Act 103 of 1994) and Public Service Regulations of 2000

Regional Services Councils Act, 1985 (Act 109 of 1985)

Rural Areas Act, 1987 (Act 9 of 1987)

Skills Development Act, 1998 (Act 97 of 1998)

Skills Levy Act, 1999 (Act 90 of 1999)

Tobacco Products Control Amendment Act, 1999 (Act 12 of 1999)

Transformation of Certain Rural Areas Act, 1998 (Act 9 of 1998)

Valuation Ordinance, 1944 (Ordinance 26 of 1944)

Budget decisions

The following anticipated legislation in progress and enacted, may impact on the budget and were not provided for in full:

Municipal Finance Management Bill

Property Rating Bill

The implementation of the Disaster Management Act

Possible further Presidential developmental initiatives and intergovernmental budget alignments to achieve the goal of *iKapa elihlumayo*.

2. REVIEW 2003/04

During 2003/04 the department continued playing an important facilitating and supporting role through interpretation, advice and the distribution of guiding documents and draft policies. Formal liaison structures such as the Provincial advisory forum (political) and the supporting technical structure were fully utilised for this purpose.

The department embarked on a restructuring process in order to align its line functions to its 2003/04 Strategic Plan and to arrive at a functional and efficient organisational structure that is able to give effect to the goals and objectives contained in the plan.

The strategic plan focused on 10 goals:

Building appropriate organisational skills and capabilities.

Providing sound administration.

Creating effective human resource and financial management capacity for the department.

Shaping provincial strategy in respect of local government.

Providing leadership in building developmental local government.

Ensuring local government sustainability.

Facilitating excellent intergovernmental relationships.

Enabling legislative clarity.

Facilitating a constructive management of the prevailing political dynamics.

Facilitate and support the creation of an effective disaster management system.

The department also started to address its key challenge for 2003/04, which was to effect the paradigm shift from being a delivery agent for national, to a pro-active leader in ensuring successful municipalities through partnerships and co-responsibility.

A decision was taken during the previous financial year to change the type of municipality in all the municipalities in the Province to that of the mayoral executive system combined with the ward-participatory system. This required amendment to the Local Government: Municipal Structures Act, 1998 which made it possible to execute mid-stream changes to the type of municipality. The mayoral executive system combined with the ward-participatory system was subsequently implemented at municipalities during June 2003.

In order to give proper effect to the implementation of the above systems, the Department in co-operation with organised local government in the Province held a workshop during September 2003 for key councillors and senior officials.

The 2003/04 year has seen continued attempts to address the division of powers and functions between the provincial and local spheres of government. Municipalities were supported with the development of their performance management systems, as well as to improve and align the content of Integrated development plans with the budgets and strategic plans of provincial departments. A management development programme was designed and presented in four courses on management, with the previously disadvantaged groups as target. A document on public participation in the local government sphere was developed and is now being rolled-out to municipalities. The Urban renewal programme (URP) and Integrated sustainable rural development programme (ISRDP) were managed very successfully, with the Central Karoo ISRDP Node being recognised as the most successful rural node.

Business plans were also drafted for both programmes. The first Vuna Awards were awarded to Beaufort West Municipality (first), Matzikama Municipality (second) and Theewaterskloof Municipality (third). A study was also initiated to investigate the levying of sustainable taxes on agricultural land.

The viability of municipalities was monitored on an ongoing basis and four reports were submitted to the head of the Department and the Minister. Eight management support programmes were implemented at identified municipalities, including two comprehensive interventions at Witzenberg and Kannaland Municipalities. An investigation into various aspects with regard to the provision of free basic services was completed and as result of this a comprehensive presentation was made to the national Department of Provincial and Local Government (DPLG) to revise the equitable share formula. Support was also given to municipalities with the implementation of free basic electricity by means of technical guidance at three workshops where all stakeholders, including Eskom, DPLG and WECLOGO were present. District municipalities were supported with the Consolidated Municipal Infrastructure Programme (CMIP) and ± 250 projects to the value of ± R181 million were completed. CMIP capacity building workshops were held in all five districts and various courses relating to municipal infrastructure were presented.

The Western Cape has survived several major emergency and disastrous events namely the Muldersvlei train accident, Montagu Floods, Sealand shipping incident and multiple major fires in informal settlements. The newly promulgated Disaster Management Act has shown to be a challenge for all spheres of Government. The Provincial Government Western Cape has again shown to be the leader in the field of Disaster Management with the implementation of the Disaster Management Information Management Software programme, which has been provided to all 30 Municipalities, the Provincial Departments and Security Forces in the Province. The Premier successfully launched this system, which is a first for South Africa, on 29 July 2003.

3. OUTLOOK FOR 2004/05

The department aims to build on the strategic direction taken in 2003/04 and has reconfirmed the ten goals outlined above as the way forward for the foreseeable future.

Within this framework, the key priorities that the department aims to pursue relate to:

Developmental local government, which aims to promote economic and social development. Alignment of effort will be essential in delivery. In this regard, the department will have a critical effect on guiding and co-ordinating the implementation of the Integrated Sustainable Rural Development Programme (ISRDP) and the Urban Renewal Programme (URP) in the identified nodes by the respective implementing agents. The focus will be on sustainable projects supporting economic development and job creation. In addition the economic development initiative, i.e. *iKapa elihlumayo* of the Provincial Government Western Cape, will be supported by ensuring successful municipalities with a developmental mindset.

The coming year will see the implementation of the URP and ISRDP business plans in the province and for this purpose, additional capacity will be created in the Department. The Department will continue to play a leading role in addressing the division of powers and functions between the provincial and local spheres of government. The Department will build upon its successes in developing the management capacity of municipalities, through the training of municipal officials. Additional measures will also be taken to enhance the alignment between municipal IDP's and the various provincial departmental budgets and strategic plans. These objectives will all be aspired to in the spirit of developmental local government.

Good intergovernmental relations, which is about creating room for one another in a spirit of mutual respect and trust.

Sustainability, which entails realising the full revenue potential of municipalities; calling for a well designed indigent policy, credible tariff structures and efficient credit control. When combined with efficient financial management and fiscal discipline, sustainability will be ensured.

As a result of the investigation into the provision of free basic services a guideline document for the rendering of sustainable services, as well as a uniform indigent policy for municipalities in the Western Cape will be work-shopped with and distributed to municipalities for consideration. Support with the implementation of the next free basic service (sanitation) will be given. Municipalities will also be supported with the collection of debts owed to them by government departments. A minimum of eight management support programmes will also be implemented at identified municipalities.

Legislative clarity, which is about addressing shortcomings, clearing-up confusion and adding value through original provincial legislation and the purging of existing Ordinances. It is envisaged to give optimal effect to the constitutional role and obligations of Provincial Government vis-a-vis local government with reference to monitoring, support, regulation and capacity-building by means of the finalisation of a Provincial act on local government.

Improvement of Disaster management, will revolve around internal capacity building to give effect to the new Disaster Management Act and taking the initiative to ensure prevention and mitigation.

The most important aspects of the Disaster Management Act is the establishment of a Provincial Disaster Management Centre as well as the development of a Disaster Management Framework, which is a priority at this stage, and of crucial importance for the successful implementation of disaster management planning activities in the Western Cape. The University of Cape Town is in the process of compiling the required framework, but the establishment of the Provincial Disaster Management Centre is a challenge because of the current need for adequate and sustainable funding for this purpose. This is, however, only the beginning of a process involving many role-players.

Emphasis will also be placed on training and capacity building; both internally and externally. Some of the envisaged outputs that will be delivered are as follows:

- a municipal executive programme to promote representivity at municipalities
- training programme for women managers at municipalities
- training programme for municipal executives and senior and middle management
- training course in developmental local government
- capacity building for the provision, maintenance and management of infrastructure

Internally the strategy calls for a re-alignment of line functional capacity in order to deliver on the strategic objectives. This includes, *inter alia*, the strengthening of the municipal oversight function through the establishment of the necessary skills base within the department for which amounts of R5 million, R5,255 million and R5,523 million have been allocated for in 2004/05, 2005/06 and 2006/07, respectively. This process will be the internally focused priority of the department for 2004/05.

4. RECEIPTS AND FINANCING

4.1 Summary of receipts

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

Table 4.1										
Summary of receipts										
Department of Local Government										
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	16 038	13 679	23 403	41 705	56 614	45 370	47 903	5.58	50 509	51 808
Conditional grants	5 420	17 500	25 343	24 021	24 021	24 021	23 558	(1.93)	3 738	3 962
Departmental receipts			292	6	6	484	13	(97.31)		
Financing							4 900			
Total receipts	21 458	31 179	49 038	65 732	80 641	69 875	76 374	9.30	54 247	55 770

4.2 Departmental receipts collection

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

Table 4.2										
Departmental receipts										
Department of Local Government										
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
Tax receipts			11	6	6	10	13 ^a	30.00		
Non-tax receipts										
Sale of goods and services other than capital assets			5	6	6	6	8	33.33		
Fines, penalties and forfeits										
Interest, dividends and rent on land			6			4	5	25.00		
Transfers received										
Sale of capital assets										
Financial transactions			281			474		(100.00)		
Total departmental receipts			292	6	6	484	13	(97.31)		

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

5. PAYMENT SUMMARY

5.1 Programme 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.

Table 5.1 Summary of payments and estimates: Department of Local Government										
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. Administration	1 836	2 829	4 997	17 854	17 880	14 234	20 411 ^a	43.40	21 181	21 533
2. Local governance	13 075	21 039	37 385	42 099	56 982	50 523	48 689 ^{b,c}	(3.63)	25 073	25 928
3. Development and planning	6 547	7 311	6 656	5 779	5 779	5 118	7 274	42.13	7 993	8 309
Total payments and estimates	21 458	31 179	49 038	65 732	80 641	69 875	76 374	9.30	54 247	55 770

^a MEC remuneration payable. Salary: R463 356. Car allowance: R115 839.
^b National conditional grant: Local Government capacity building fund: R20 050 million.
^c National conditional grant: Provincial Project Management Capacity for Municipal Infrastructure grant (MIG): R3 508 million.

5.2 Summary by economic classification

Table 5.2 Summary of provincial payments and estimates by economic classification: Department of Local Government										
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
Current payments	13 786	14 430	26 143	45 162	42 838	38 311	52 849	37.95	49 753	51 766
Compensation of employees	8 726	11 199	13 461	23 958	22 473	19 925	29 099	46.04	33 703	35 627
Goods and services	5 060	3 231	12 682	21 204	20 365	18 386	23 750	29.17	16 050	16 139
Interest and rent on land										
Financial transactions in assets and liabilities										
Unauthorised expenditure										
Transfers and subsidies to	7 622	16 728	21 448	16 800	33 983	28 983	17 167	(40.77)	3 300	3 300
Provinces and municipalities	7 522	16 628	21 348	16 600	33 683	28 683	16 867	(41.20)	3 000	3 000
Departmental agencies and accounts										
Universities and technikons										
Public corporations and private enterprises										
Foreign governments and international organisations										
Non-profit institutions	100	100	100	200	200	200	200		200	200
Households					100	100	100		100	100
Payments for capital assets	50	21	1 447	3 770	3 820	2 581	6 358	146.34	1 194	704
Buildings and other fixed structures										
Machinery and equipment	50	21	1 447	3 770	3 820	2 581	6 358	146.34	1 194	704
Cultivated assets										
Software and other intangible assets										
Land and subsoil assets										
Total economic classification	21 458	31 179	49 038	65 732	80 641	69 875	76 374	9.30	54 247	55 770

5.3 Transfers to public entities

Public entities	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
None										
Total departmental transfers to public entities										

5.4 Transfers to local government

Departmental transfers	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
Category A	1 123	1 917	1 700	1 500	1 800	1 800	1 500	(16.67)	1 500	1 500
Category B	6 349	10 098	13 138	15 100	30 883	25 883	15 367 ^a	(40.63)	1 500	1 500
Category C	50	4 613	6 510		1 000	1 000		(100.00)		
Total departmental transfers to local government	7 522	16 628	21 348	16 600	33 683	28 683	16 867	(41.20)	3 000	3 000

^a See table B.4 (unallocated)

Note: Excludes regional services council levy.

6. PROGRAMME DESCRIPTION

6.1 PROGRAMME 1: ADMINISTRATION

PURPOSE:

To provide overall management and support services in the Department in accordance with all applicable acts and policies.

ANALYSIS PER SUB-PROGRAMME:

Sub-programme 1.1: Office of the MEC

to provide for the functioning of the office of the MEC

Sub-programme 1.2: Corporate services

to provide corporate support to the department

to provide for payments owing to redundancy of ex Development board members (Pensions)

POLICY DEVELOPMENTS:

None

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

Due to departmentalisation, the department inclusive of its support structure was newly established on 1 August 2002.

EXPENDITURE TRENDS ANALYSIS:

Between 2002/03 and 2003/04 this programme's funding increased by almost 200%. This is due to the department establishing its own support services, i.e. finance and human resource management. Near full funding of these components in 2004/05 results in a further rise of approximately 40%. Over the MTEF period funding remains reasonably flat.

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 MEC	1 292	2 106	2 360	2 975	3 125	3 481	3 469	(0.34)	4 001	3 741
2. Corporate services	544	723	2 637	14 879	14 755	10 753	16 942	57.56	17 180	17 792
Total payments and estimates	1 836	2 829	4 997	17 854	17 880	14 234	20 411	43.40	21 181	21 533

**Table 6.1.1 Summary of provincial payments and estimates by economic classification -
Programme 1: Administration
Department of Local Government**

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
Current payments	1 836	2 822	4 760	14 514	14 440	11 910	19 013	59.64	20 017	20 859
Compensation of employees	1 247	2 210	3 428	9 962	9 962	7 732	13 370	72.92	14 612	15 450
Goods and services	589	612	1 332	4 552	4 478	4 178	5 643	35.06	5 405	5 409
Interest and rent on land										
Financial transactions in assets and liabilities										
Unauthorised expenditure										
Transfers and subsidies to					100	100	100		100	100
Provinces and municipalities										
Departmental agencies and accounts										
Universities and technikons										
Public corporations and private enterprises										
Foreign governments and international organisations										
Non-profit institutions										
Households					100	100	100		100	100
Payments for capital assets		7	237	3 340	3 340	2 224	1 298	(41.64)	1 064	574
Buildings and other fixed structures										
Machinery and equipment		7	237	3 340	3 340	2 224	1 298	(41.64)	1 064	574
Cultivated assets										
Software and other intangible assets										
Land and subsoil assets										
Total economic classification	1 836	2 829	4 997	17 854	17 880	14 234	20 411	43.40	21 181	21 533

6.2 PROGRAMME 2: LOCAL GOVERNANCE

PURPOSE:

To promote and facilitate viable and sustainable local governance through the monitoring and support of municipalities, the facilitation of municipal infrastructure development, the provision of legislative clarity, institutional services and support with municipal valuations to municipalities and the creation of an effective disaster management system for the Province as well as the promotion of the development of an acceptable fire brigade service.

ANALYSIS PER SUB-PROGRAMME:

Sub-programme 2.1: Municipal administration

- to provide management and support services to local government within a regulatory framework
- to promote excellent co-operative governance
- support with municipal valuations

Sub-programme 2.2: Municipal finance

- to monitor and support municipalities to ensure financially viable and sustainable municipalities in accordance with applicable acts

Sub-programme 2.3: Municipal infrastructure

- to facilitate and monitor infrastructure development within municipalities to ensure sustainable municipal infrastructure development
- to provide for Provincial Project Management Capacity for Municipal Infrastructure grant (MIG) capacity building initiatives
- to provide support to municipalities in respect of project preparation

Sub-programme 2.4: Disaster management

- to manage disaster management at provincial and local level to ensure the establishment of effective and efficient disaster management mechanisms
- to promote and support the development of an acceptable fire brigade service grant to Life-saving SA

POLICY DEVELOPMENTS:

The budget of this programme may be influenced by the Municipal Finance Management Bill, the Property Rating Bill and the implementation of the Disaster Management Act.

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

The service establishment of this programme is currently being restructured in order to improve its alignment with the departmental strategic plan.

Sub-programme 2.2: Municipal finance

Funds for the implementation of Management support programmes at municipalities experiencing financial and/or administrative problems, will only be available until 2004/05, whereafter it will be channeled directly from national government via the district municipalities as part of a consolidated capacity building allocation

EXPENDITURE TRENDS ANALYSIS:

Sub-programme 2.1: Municipal administration

More funds were provided in 2003/04 for inter alia the development of a Western Cape act on local government. The increase from 2003/04 to 2004/05 is resultant from the restructuring exercise. Over the MTEF period funding remains flat

Sub-programme 2.2: Municipal finance

The drop in funding as from 2005/06 is as a result of the Local Government Capacity Building Fund grant monies flowing directly from the national government to municipalities. The 2003/04 revised estimate includes approved 2002/03 roll-over amounts

Sub-programme 2.3: Municipal infrastructure

The increase from 2002/03 to 2004/05 is due to increased support to municipalities in respect of project preparation. The drop in funding as from 2005/06 is as a result of the Local Government Capacity Building Fund grant monies flowing directly from the national government to municipalities

Sub-programme 2.4: Disaster management

The spike in the subprogramme's funding level (2004/05) is due to a once-off provision of R4,9 million for the establishment of a disaster management centre.

SERVICE DELIVERY MEASURES:

PROGRAMME 2: LOCAL GOVERNANCE						
Sub-programme 2.1: Municipal administration						
Measurable objective	Performance measure	Year-1 2002/03 (actual) R'000	Base year 2003/04 (estimate) R'000	Year 1 2004/05 (target) R'000	Year 2 2005/06 (target) R'000	Year 3 2006/07 (target) R'000
To provide support and facilitate the implementation of a legislative and policy framework in respect of local government.	Number of policies, guidelines and legislation formulated.			1 act (Provincial mandate). 1 Provincial act (To review the Municipal Ordinance 20 of 1974; Divisional Councils Ordinance 18 Of 1976). 1 standard by-law.	1 framework for further development of the mandate of the Province. 1 ordinance/ act (To amend, repeal and re-enact Provincial ordinances in order to comply with new local government dispensation).	
	Number of capacity building programmes implemented.					
To facilitate the development of a coherent provincial strategy in respect of local government.	Number of provincial summits.		1	1	1	1
To establish and promote the Department as principal provincial liaison structure in relation to intergovernmental relations with local government.	Functioning structure for regular political and technical interaction with the City of Cape Town.			Structure implemented and maintained.	Structure maintained.	Structure maintained.
	Number of conferences with all three spheres of government.		1	1	1	1
Sub-programme 2.2: Municipal finance						
Measurable objective	Performance measure	Year-1 2002/03 (actual) R'000	Base year 2003/04 (estimate) R'000	Year 1 2004/05 (target) R'000	Year 2 2005/06 (target) R'000	Year 3 2006/07 (target) R'000
To monitor and support municipalities to achieve and maintain financial viability.	Number of policies, guidelines formulated.					
	Number of capacity building programmes implemented.					
	% progress made in respect of the development and maintenance of a flexible monitoring tool.		50%	100%	100%	100%
	Number of municipalities captured on monitoring system.	30	30	30	30	30
Maintained database.	1	1	1	1	1	
Number of reports to HOD, Minister and other directorates.	4	4	4	4	4	

Sub-programme 2.2: Municipal finance (continued)						
Measurable objective	Performance measure	Year-1 2002/03 (actual) R'000	Base year 2003/04 (estimate) R'000	Year 1 2004/05 (target) R'000	Year 2 2005/06 (target) R'000	Year 3 2006/07 (target) R'000
	Number of management support programmes (capacity building programmes) implemented.	11	9	9		
	Number of functioning municipal steering committees.	11	9	9		
	Number of provincial steering committee meetings.	4	4	4		
To do quarterly monitoring with regard to the implementation of free basic services and compile quarterly reports to HOD and Minister as part of monitoring report.	Number of quarterly reports. Number of maintained databases.	4 1	4 1	4 1	4 1	4 1
To support municipalities with the implementation of free basic services.	Number of provincial workshops.		3	3	3	3

Sub-programme 2.3: Municipal infrastructure						
Measurable objective	Performance measure	Year-1 2002/03 (actual) R'000	Base year 2003/04 (estimate) R'000	Year 1 2004/05 (target) R'000	Year 2 2005/06 (target) R'000	Year 3 2006/07 (target) R'000
To monitor and facilitate sustainable municipal infrastructural development.	Number of policies, guidelines formulated. No of Provincial Project Management Capacity for Municipal Infrastructure grant (MIG) capacity building programmes implemented.	9 provincial workshops. 131 training courses.	4 provincial workshops. 120 training courses.	4 provincial workshops. 120 training courses.		
	Number of capacitated provincial and municipal officials.	1 892	1 500	1 500		
	Number of municipal infrastructure assessments (business and master plans) facilitated.		15	15	15	15
	Number of district municipalities assisted with MIG.	5	5	5	5	5
	Number of MIG progress reports.	12	12	12	12	12
	Number of district business plans evaluated (MIG).	5	5	5	5	5
	Number of provincial MIG monitoring meetings.	12	12	12	12	12
	Number of provincial workshops on Municipal Service Partnerships to market the concept.			5	1	1

Sub-programme 2.4: Disaster management						
Measurable objective	Performance measure	Year-1 2002/03 (actual) R'000	Base year 2003/04 (estimate) R'000	Year 1 2004/05 (target) R'000	Year 2 2005/06 (target) R'000	Year 3 2006/07 (target) R'000
To facilitate effective and efficient disaster management mechanisms at provincial and local level.	The development of a provincial disaster management framework and institutional structures. Number of district disaster management plans and operational institutional structures established. Number of capacity building programmes.	Risk and vulnerability assessment. IT System.	Commence work on framework.	Finalised framework. Establish Advisory Forum. Commence work on Provincial Disaster Centre. Appoint Head of Centre.	Operational Advisory Forum. Finalise Provincial Disaster Centre.	Operational Provincial Disaster Centre.
				5	5	5
To advise municipalities on the establishment of effective fire fighting services.	Number of municipal fire brigade development plans.			6	30	30

Table 6.2 Summary of payments and estimates - Programme 2: Local governance Department of Local Government										
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. Municipal administration	2 212	2 384	3 013	5 719	5 419	4 427	5 972	34.90	5 877	6 096
2. Municipal finance	9 363	14 322	18 406	20 315	34 548	30 338	19 216	(36.66)	5 646	5 792
3. Municipal infrastructure	1 500	1 600	10 422	11 150	11 800	10 545	13 624	29.20	7 870	8 232
4. Disaster management		2 733	5 544	4 915	5 215	5 213	9 877	89.47	5 680	5 808
Total payments and estimates	13 075	21 039	37 385	42 099	56 982	50 523	48 689 ^{a,b}	(3.63)	25 073	25 928

^a National conditional grant: Local Government capacity building fund: R20 050 million.
^b National conditional grant: Provincial Project Management Capacity for Municipal Infrastructure grant (MIG): R3 508 million.

**Table 6.2.1 Summary of provincial payments and estimates by economic classification -
Programme 2: Local governance
Department of Local Government**

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
Current payments	6 626	8 313	18 999	24 899	22 649	21 313	26 592	24.77	21 773	22 628
Compensation of employees	5 912	7 493	8 272	11 349	9 864	9 579	11 728	22.43	13 812	14 591
Goods and services	714	820	10 727	13 550	12 785	11 734	14 864	26.67	7 961	8 037
Interest and rent on land										
Financial transactions in assets and liabilities										
Unauthorised expenditure										
Transfers and subsidies to	6 399	12 712	17 176	16 800	33 883	28 883	17 067	(40.91)	3 200	3 200
Provinces and municipalities	6 299	12 612	17 076	16 600	33 683	28 683	16 867	(41.20)	3 000	3 000
Departmental agencies and accounts										
Universities and technikons										
Public corporations and private enterprises										
Foreign governments and international organisations										
Non-profit institutions	100	100	100	200	200	200	200		200	200
Households										
Payments for capital assets	50	14	1 210	400	450	327	5 030	1438.23	100	100
Buildings and other fixed structures										
Machinery and equipment	50	14	1 210	400	450	327	5 030	1438.23	100	100
Cultivated assets										
Software and other intangible assets										
Land and subsoil assets										
Total economic classification	13 075	21 039	37 385	42 099	56 982	50 523	48 689	(3.63)	25 073	25 928

6.3 PROGRAMME 3: DEVELOPMENT AND PLANNING

PURPOSE:

To promote integrated development and planning through the promotion of developmental local government.

ANALYSIS PER SUB-PROGRAMME:

Sub-programme 3.1: Integrated development and planning

- to promote effective and efficient integrated development planning
- to co-ordinate presidential developmental initiatives (Integrated sustainable rural development programme (ISRDP) and Urban renewal programme (URP))
- to facilitate the transfer of powers and functions between the provincial and local spheres
- to develop, co-ordinate and support training and capacity building initiatives within local government
- support with the implementation of performance management systems
- technical support with the review of municipal Integrated development plans (IDP's)
- to research matters emanating from the departmental strategic plan
- to co-ordinate and drive specific community focused matters

POLICY DEVELOPMENTS:

None

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

The service establishment of this programme is currently being restructured in order to improve its alignment with the departmental strategic plan.

EXPENDITURE TRENDS ANALYSIS

Aggregate funding remains fairly constant between 2000/01 and 2002/03. From 2003/04 onwards, transfer payments to municipalities in respect of IDP's and performance management systems effected in 2002/03 made way for a greater focus on training courses at municipal level as well as the process around the division of functions and powers between provincial and local government. The increase from 2003/04 to 2004/05 is resultant from the restructuring exercise.

SERVICE DELIVERY MEASURES:

PROGRAMME 3: DEVELOPMENT AND PLANNING						
Sub-programme 3.1: Integrated development and planning						
Measurable objective	Performance measure	Year-1 2002/03 (actual) R'000	Base year 2003/04 (estimate) R'000	Year 1 2004/05 (target) R'000	Year 2 2005/06 (target) R'000	Year 3 2006/07 (target) R'000
To promote effective and efficient integrated development planning.	Number of policies, and guidelines formulated.		Policy on public participation.	Powers and Functions framework.		
	Number of capacity building programmes implemented.	2	Develop 3 programmes.	Developmental Local Government Framework.		
	Number of reviewed municipal IDP'S assessed annually.		30	Present 5 programmes.	30	30
	Number of aligned provincial budgets.			Protocol developed and implemented.		

Sub-programme 3.1: Integrated development and planning						
Measurable objective	Performance measure	Year-1 2002/03 (actual) R'000	Base year 2003/04 (estimate) R'000	Year 1 2004/05 (target) R'000	Year 2 2005/06 (target) R'000	Year 3 2006/07 (target) R'000
	Number of municipal performance management system facilitated.		30	30	30	30
	Annual report on municipal performance (S47 of Municipal Systems Act) submitted by the MEC timeously.	None.	Timeously.	Timeously.	Timeously.	Timeously.
	Number of co-ordinated programmes.			Establish institutional capacity.		
	Successful Provincial Funding Conferences on the Urban renewal programme (URP) & Integrated sustainable rural development programme (ISRDP) respectively.			2	2	2
	Number of research projects identified or completed.	5	5	5	5	5

Table 6.3 Summary of payments and estimates - Programme 3: Development and planning Department of Local Government										
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. Integrated development and planning	6 547	7 311	6 656	5 779	5 779	5 118	7 274	42.13	7 993	8 309
Total payments and estimates	6 547	7 311	6 656	5 779	5 779	5 118	7 274	42.13	7 993	8 309

**Table 6.3.1 Summary of provincial payments and estimates by economic classification -
Programme 3: Development and planning
Department of Local Government**

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
Current payments	5 324	3 295	2 384	5 749	5 749	5 088	7 244	42.37	7 963	8 279
Compensation of employees	1 567	1 496	1 761	2 647	2 647	2 614	4 001	53.06	5 279	5 586
Goods and services	3 757	1 799	623	3 102	3 102	2 474	3 243	31.08	2 684	2 693
Interest and rent on land										
Financial transactions in assets and liabilities										
Unauthorised expenditure										
Transfers and subsidies to	1 223	4 016	4 272							
Provinces and municipalities	1 223	4 016	4 272							
Departmental agencies and accounts										
Universities and technikons										
Public corporations and private enterprises										
Foreign governments and international organisations										
Non-profit institutions										
Households										
Payments for capital assets				30	30	30	30		30	30
Buildings and other fixed structures										
Machinery and equipment				30	30	30	30		30	30
Cultivated assets										
Software and other intangible assets										
Land and subsoil assets										
Total economic classification	6 547	7 311	6 656	5 779	5 779	5 118	7 274	42.13	7 993	8 309

7. OTHER PROGRAMME INFORMATION

7.1 Personnel numbers and costs

Programme	As at 31 March 2000	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	8	8	10	13	68	69
2. Local governance	40	43	48	51	51	64
3. Development and planning	7	8	10	11	11	22
Total personnel numbers	55	59	68	75	130	155
Total personnel cost (R'000)	7 252	8 726	11 199	13 461	19 925	29 099
Unit cost (R'000)	132	148	165	179	153	188

Note: Personnel numbers as at 31 March 2000 and 2001 are estimated.

7.2 Training

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. Administration	20	67	78	108	108	87	275	216.09	305	275
2. Local governance	15	39	46	120	120	120	350	191.67	150	150
3. Development and planning	47	35	41	60	60	60	160	166.67	60	60
Total expenditure on training	82	141	165	288	288	267	785	194.01	515	485

7.3 Reconciliation of structural changes

Table 7.3 Reconciliation of structural changes: Department of Local Government					
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	20 411		1. Administration	20 411	
1.1 Office of the Provincial Minister of Local Government		3 469	1.1 Office of the MEC		3 469
1.2 Corporate affairs		16 942	1.2 Corporate services		16 942
1.3 Restructuring					
2. Local government institutional services	4 637		2. Local Governance	48 689	
2.1 Legislation and administration		4 637	2.1 Municipal administration		4 637
3. Developmental local government	575		2.1 Municipal administration		575
3.2 Valuations		575	2.1 Municipal administration		760
5. Co-operative governance	760		2.2 Municipal finance		19 216
5.1 Facilitation services		760	2.3 Municipal infrastructure		13 624
4. Local government monitoring and support	32 840		2.4 Disaster management		9 877
4.1 Evaluation and assistance		19 216	3. Development and planning	7 274	
4.2 Infrastructure capacitation		13 624	3.1 Integrated development and planning		6 410
6. Disaster management	9 877		3.1 Integrated development and planning		864
6.1 Prevention, mitigation and reconstruction		9 877			
3. Developmental local government	7 274				
3.1 Development and co-ordination		6 410			
3.3 Community focused matters		864			
Total	76 374	76 374		76 374	76 374

Table B.1 Specification of receipts: Department of Local Government										
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
Tax receipts										
Casino taxes										
Motor vehicle licences										
Horseracing										
Other taxes										
Total tax receipts										
Non-tax receipts										
Sale of goods and services other than capital assets			5	6	6	6	8	33.33		
Sales of goods and services produced by department			5	6	6	6	8	33.33		
Sales by market establishments										
Administrative fees										
Other sales			5	6	6	6	8	33.33		
Of which										
Health patient fees										
Other			5	6	6	6	8	33.33		
Sales of scrap, waste, arms and other used current goods (excluding capital assets)										
Fines, penalties and forfeits										
Interests, dividends and rent on land			6			4	5	25.00		
Interest			6			4	5	25.00		
Dividends										
Rent on land										
Total non-tax receipts			11	6	6	10	13	30.00		
Transfers received from										
Other governmental units										
Universities and technikons										
Foreign governments										
International organisations										
Public corporations and private enterprises										
Households and non-profit institutions										
Total transfers received										
Sales of capital assets										
Land and subsoil assets										
Other capital assets										
Total sales of capital assets										
Financial transactions			281			474				
Total specification of receipts			292	6	6	484	13	(97.31)		

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
Current payments										
Compensation of employees	8 726	11 199	13 461	23 958	22 473	19 925	29 099	46.04	33 703	35 627
Salaries and wages	7 343	9 508	11 505	20 422	19 148	16 961	24 814	46.30	28 803	30 454
Social contributions	1 383	1 691	1 956	3 536	3 325	2 964	4 285	44.57	4 900	5 173
Goods and services	5 060	3 231	12 682	21 204	20 365	18 386	23 750	29.17	16 050	16 139
<i>Of which</i>										
Consultants fees	2 998	1 878	9 795	13 888	13 123	13 123	13 713	4.50	6 968	7 242
Audit fees			180	500	500	500	500		500	500
Interest and rent on land										
Interest										
Rent on land										
Financial transactions in assets and liabilities										
Unauthorised expenditure										
Total current payments	13 786	14 430	26 143	45 162	42 838	38 311	52 849	37.95	49 753	51 766
Transfers and subsidies to										
Provinces and municipalities	7 522	16 628	21 348	16 600	33 683	28 683	16 867	(41.20)	3 000	3 000
Provinces										
Provincial Revenue Funds										
Provincial agencies and funds										
Municipalities	7 522	16 628	21 348	16 600	33 683	28 683	16 867	(41.20)	3 000	3 000
Municipalities	7 522	16 628	21 348	16 600	33 683	28 683	16 867	(41.20)	3 000	3 000
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	100	100	100	200	200	200	200		200	200
Households					100	100	100		100	100
Social benefits					100	100	100		100	100
Other transfers to households										
Total transfers and subsidies	7 622	16 728	21 448	16 800	33 983	28 983	17 167	(40.77)	3 300	3 300
Payments for capital assets										
Buildings and other fixed structures										
Buildings										
Other fixed structures										
Machinery and equipment	50	21	1 447	3 770	3 820	2 581	6 358	146.34	1 194	704
Transport equipment				250	400	400		(100.00)	400	
Other machinery and equipment	50	21	1 447	3 520	3 420	2 181	6 358	191.52	794	704
Cultivated assets										
Software and other intangible assets										
Land and subsoil assets										
Total payments for capital assets	50	21	1 447	3 770	3 820	2 581	6 358	146.34	1 194	704
Total economic classification	21 458	31 179	49 038	65 732	80 641	69 875	76 374	9.30	54 247	55 770

Table B.2.1 Payments and estimates by economic classification										
Programme 1: Administration										
Department of Local Government										
Economic classification	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimate			
	Audited 2000/01	Audited 2001/02	Audited 2002/03				2003/04	2003/04	2003/04	2004/05
	R'000	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current payments										
Compensation of employees	1 247	2 210	3 428	9 962	9 962	7 732	13 370	72.92	14 612	15 450
Salaries and wages	1 060	1 928	3 028	8 388	8 388	6 510	11 493	76.54	12 544	13 262
Social contributions	187	282	400	1 574	1 574	1 222	1 877	53.60	2 068	2 188
Goods and services	589	612	1 332	4 552	4 478	4 178	5 643	35.06	5 405	5 409
Interest and rent on land										
Interest										
Rent on land										
Financial transactions in assets and liabilities										
Unauthorised expenditure										
Total current payments	1 836	2 822	4 760	14 514	14 440	11 910	19 013	59.64	20 017	20 859
Transfers and subsidies to										
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						100	100		100	100
Social benefits						100	100		100	100
Other transfers to households										
Total transfers and subsidies					100	100	100		100	100
Payments for capital assets										
Buildings and other fixed structures										
Buildings										
Other fixed structures										
Machinery and equipment		7	237	3 340	3 340	2 224	1 298	(41.64)	1 064	574
Transport equipment				250	400	400		(100.00)	400	
Other machinery and equipment		7	237	3 090	2 940	1 824	1 298	(28.84)	664	574
Cultivated assets										
Software and other intangible assets										
Land and subsoil assets										
Total payments for capital assets		7	237	3 340	3 340	2 224	1 298	(41.64)	1 064	574
Total economic classification	1 836	2 829	4 997	17 854	17 880	14 234	20 411	43.40	21 181	21 533

Table B.2.2 Payments and estimates by economic classification										
Programme 2: Local governance										
Department of Local Government										
Economic classification	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimate			
	Audited 2000/01	Audited 2001/02	Audited 2002/03				2003/04	2003/04	2003/04	2004/05
	R'000	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current payments										
Compensation of employees	5 912	7 493	8 272	11 349	9 864	9 579	11 728	22.43	13 812	14 591
Salaries and wages	4 944	6 302	6 972	9 689	8 415	8 135	9 879	21.44	11 698	12 361
Social contributions	968	1 191	1 300	1 660	1 449	1 444	1 849	28.05	2 114	2 230
Goods and services	714	820	10 727	13 550	12 785	11 734	14 864	26.67	7 961	8 037
Interest and rent on land										
Interest										
Rent on land										
Financial transactions in assets and liabilities										
Unauthorised expenditure										
Total current payments	6 626	8 313	18 999	24 899	22 649	21 313	26 592	24.77	21 773	22 628
Transfers and subsidies to										
Provinces and municipalities	6 299	12 612	17 076	16 600	33 683	28 683	16 867	(41.20)	3 000	3 000
Provinces										
Provincial Revenue Funds										
Provincial agencies and funds										
Municipalities	6 299	12 612	17 076	16 600	33 683	28 683	16 867	(41.20)	3 000	3 000
Municipalities	6 299	12 612	17 076	16 600	33 683	28 683	16 867	(41.20)	3 000	3 000
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	100	100	100	200	200	200	200		200	200
Households										
Social benefits										
Other transfers to households										
Total transfers and subsidies	6 399	12 712	17 176	16 800	33 883	28 883	17 067	(40.91)	3 200	3 200
Payments for capital assets										
Buildings and other fixed structures										
Buildings										
Other fixed structures										
Machinery and equipment	50	14	1 210	400	450	327	5 030	1438.23	100	100
Transport equipment										
Other machinery and equipment	50	14	1 210	400	450	327	5 030	1438.23	100	100
Cultivated assets										
Software and other intangible assets										
Land and subsoil assets										
Total payments for capital assets	50	14	1 210	400	450	327	5 030	1438.23	100	100
Total economic classification	13 075	21 039	37 385	42 099	56 982	50 523	48 689	(3.63)	25 073	25 928

Table B.2.3 Payments and estimates by economic classification										
Programme 3: Development and planning										
Department of Local Government										
Economic classification	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimate			
	Audited 2000/01	Audited 2001/02	Audited 2002/03				2003/04	2003/04	2003/04	2004/05
	R'000	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current payments										
Compensation of employees	1 567	1 496	1 761	2 647	2 647	2 614	4 001	53.06	5 279	5 586
Salaries and wages	1 339	1 278	1 505	2 345	2 345	2 316	3 442	48.62	4 561	4 831
Social contributions	228	218	256	302	302	298	559	87.58	718	755
Goods and services	3 757	1 799	623	3 102	3 102	2 474	3 243	31.08	2 684	2 693
Interest and rent on land										
Interest										
Rent on land										
Financial transactions in assets and liabilities										
Unauthorised expenditure										
Total current payments	5 324	3 295	2 384	5 749	5 749	5 088	7 244	42.37	7 963	8 279
Transfers and subsidies to										
Provinces and municipalities	1 223	4 016	4 272							
Provinces										
Provincial Revenue Funds										
Provincial agencies and funds										
Municipalities	1 223	4 016	4 272							
Municipalities	1 223	4 016	4 272							
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										
Total transfers and subsidies	1 223	4 016	4 272							
Payments for capital assets										
Buildings and other fixed structures										
Buildings										
Other fixed structures										
Machinery and equipment				30	30	30	30		30	30
Transport equipment										
Other machinery and equipment				30	30	30	30		30	30
Cultivated assets										
Software and other intangible assets										
Land and subsoil assets										
Total payments for capital assets				30	30	30	30		30	30
Total economic classification	6 547	7 311	6 656	5 779	5 779	5 118	7 274	42.13	7 993	8 309

Table B.3 Details on public entities Name of Public Entity: None										
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
Receipts										
Tax receipts										
Non-tax receipts										
Sale of goods and services other than capital assets										
<i>Of which</i>										
Specify item										
Specify item										
Other non-tax revenue										
Transfers received										
Sale of capital assets										
Total receipts										
Payments										
Current payments										
Compensation of employees										
Use of goods and services										
Depreciation										
Interest, dividends and rent on land										
Transfers and subsidies										
Total payments										
Surplus (deficit)										
Cash flow summary										
Operating surplus (deficit)										
Adjustments for:										
Depreciation										
Interest										
Net (profit)/loss on disposal of fixed assets										
Other										
Operating surplus (deficit) before changes in working capital										
Decrease/(increase) in accounts payable										
(Decrease)/increase in accounts receivable										
(Decrease)/increase in provisions										
Cash flow from operating activities										
Cash receipts										
<i>Of which</i>										
Transfers from government										
Cash payments										
Cash flow from investing activities										
Cash flow financing activities										
Net increase/(decrease) in cash and cash equivalents										

Table B.4 Transfers to local government by transfers/grant type, category and municipality: Department of Local Government										
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
Stand-by helicopter										
Category A	1 123	1 917	1 700	1 500	1 800	1 800	1 500	(16.67)	1 500	1 500
City of Cape Town	1 123	1 917	1 700	1 500	1 800	1 800	1 500	(16.67)	1 500	1 500
Various transfers										
Category B	6 349	10 098	13 138	15 100	30 883	25 883	15 367	(40.63)	1 500	1 500
Beaufort West	138	194	638							
Berg River	50	52	296	1 100	1 100	1 100		(100.00)		
Bitou	312	177	241							
Breedee Valley	1 517	1 297	4 348	1 000	1 000	1 000		(100.00)		
Bree River/Winelands	365	587	151	1 000	1 000	1 000		(100.00)		
Cape Agulhas		61	174							
Cederberg	90	343	749	1 000	1 000	1 000		(100.00)		
Drakenstein	27	631	297	2 500	2 500	2 500		(100.00)		
George		194	187							
Kannaland	316	810	1 038	2 000	2 000	2 000		(100.00)		
Knysna	341	441	316							
Laingsburg		53	308							
Langeberg	117	227	421	1 500	1 500	1 500		(100.00)		
Matzikama	194	470	280							
Mossel Bay	531	362	116							
Oudtshoorn	330	539	835							
Overstrand		353	254							
Paarl										
Prince Albert		109	42							
Robertson										
Saldanha Bay	23	154	81							
Stellenbosch		273	167							
Swartland	100	584	92							
Swellendam		404	205							
Theewaterskloof	901	27	722							
Witzenberg	997	1 756	1 180	5 000	5 000	5 000		(100.00)		
Unallocated					15 783	10 783	15 367	42.51	1 500	1 500
Category C	50	4 613	6 510		1 000	1 000		(100.00)		
Boland		698	438							
Central Karoo		1 646	1 961							
Eden	50	1 104	2 289		500	500		(100.00)		
Overberg		289	1 621		500	500		(100.00)		
West Coast		876	201							
Unallocated										
Total transfers to local government	7 522	16 628	21 348	16 600	33 683	28 683	16 867	(41.20)	3 000	3 000

Unallocated 2004/05 amount includes management support grant funding of R13,867 million which is dependant on criteria provided by national department of Provincial and local government and subsequent approval of provincial business plans.

Department of Local Government										
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
Cape Town Metro	15 059	16 468	29 390	50 632	48 758	42 992	61 007	41.90	52 747	54 270
West Coast Municipalities	457	2 479	1 699	2 100	2 100	2 100		(100.00)		
Matzikama	194	470	280							
Cederberg	90	343	749	1 000	1 000	1 000		(100.00)		
Bergrivier	50	52	296	1 100	1 100	1 100		(100.00)		
Saldanha Bay	23	154	81							
Swartland	100	584	92							
West Coast DMA										
West Coast District Municipality		876	201							
Boland Municipalities	2 906	5 242	6 581	9 500	9 500	9 500		(100.00)		
Witzenberg	997	1 756	1 180	5 000	5 000	5 000		(100.00)		
Drakenstein	27	631	297	2 500	2 500	2 500		(100.00)		
Stellenbosch		273	167							
Breede Valley	1 517	1 297	4 348	1 000	1 000	1 000		(100.00)		
Breede River/Winelands	365	587	151	1 000	1 000	1 000		(100.00)		
Breede River DMA										
Boland District Municipality		698	438							
Overberg Municipalities	901	1 134	2 976		500	500		(100.00)		
Theewaterskloof	901	27	722							
Overstrand		353	254							
Cape Agulhas		61	174							
Swellendam		404	205							
Overberg DMA										
Overberg District Municipality		289	1 621		500	500		(100.00)		
Eden Municipalities	1 997	3 854	5 443	3 500	4 000	4 000		(100.00)		
Kannaland	316	810	1 038	2 000	2 000	2 000		(100.00)		
Langeberg	117	227	421	1 500	1 500	1 500		(100.00)		
Mossel Bay	531	362	116							
George		194	187							
Oudtshoorn	330	539	835							
Bitou	312	177	241							
Knysna	341	441	316							
South Cape DMA										
Eden District Municipality	50	1 104	2 289		500	500		(100.00)		
Central Karoo Municipalities	138	2 002	2 949							
Laingsburg		53	308							
Prince Albert		109	42							
Beaufort West	138	194	638							
Central Karoo DMA										
Central Karoo District Municipality		1 646	1 961							
Unallocated					15 783	10 783	15 367	42.51	1 500	1 500
Total provincial expenditure by district and local municipality	21 458	31 179	49 038	65 732	80 641	69 875	76 374	9.30	54 247	55 770

Unallocated 2004/05 amount includes management support grant funding of R13,867 million which is dependant on criteria provided by national department of Provincial and local government and subsequent approval of provincial business plans.