

20 YEARS OF FREEDOM



BUDGET 2014 ESTIMATES OF NATIONAL EXPENDITURE

VOTE 7 PUBLIC WORKS



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



Estimates of National Expenditure 2014

National Treasury

Republic of South Africa

26 February 2014



ISBN: 978-0-621-42406-5

RP: 01/2014

The Estimates of National Expenditure 2014 e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za.

Compared to the abridged version of the Estimates of National Expenditure, which includes all national government budget votes, in respect of individual votes these e-publications contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are also included containing information on the main and adjusted appropriation, with revised spending estimates for the current financial year, on skills training, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of service delivery is also included, where appropriate.



"We know it well that none of us acting alone can achieve success. We must therefore act together as a united people, for national reconciliation, for nation building, for the birth of a new world. Let there be justice for all. Let there be peace for all. Let there be work, bread, water and salt for all. Let each know that for each the body, the mind and the soul have been freed to fulfil themselves."

UNION BUILDINGS, PRETORIA, 10 MAY 1994



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Foreword

The national development plan, Vision 2030 of the government of South Africa, states that ‘Alongside hard work and effort, capabilities and the opportunities that flow from development enable individuals to live the lives to which they aspire.’ The 2014 Budget has been prepared in the spirit of this statement.

While the medium term expenditure framework (MTEF) contained in the 2014 Budget ushers in the new administration after the May elections, the country faces a markedly different situation from that of 2009. In 2006/07 and 2007/08, South Africa achieved budget surpluses. In 2008, however, the worldwide economic crisis meant budget deficit forecasts were inevitable. It is now clear that the recovery in real economic growth has been less robust than initially anticipated. Despite this, the economy is growing and government revenue collection is broadly on target. The 2009 Budget announced a ‘haircut’ and reprioritisation within budget baselines. At that stage, the reassignment of R19 billion comprised 12 per cent of the total monetary value of amendments to budgets made, of R160.6 billion. By contrast, the reassignment of the R19.6 billion in the 2014 Budget comprises 51 per cent of the total of R38.8 billion in amendments to budgets. The quantum of amendments to the total budget that can be made has clearly decreased substantially over time.

Despite the fiscal environment becoming increasingly constrained, National Treasury has been able to sustain the intensity of the pursuit for budget efficiencies, with most of the fiscal space for improvements to service delivery being made through reprioritisation. This will be reinforced by procurement reform and expenditure review initiatives. While the current fiscal position no longer automatically creates room by making additional funding available, progress towards our country objectives of inclusive economic growth and employment creation must be made in the face of a tough fiscal environment. Therefore the main budget non-interest aggregate expenditure ceiling established in the 2013 Budget remains intact. New priorities and the expansion of existing programmes must be achieved through reprioritisation within the existing resource envelope.

The current fiscal context is necessitating hard trade-offs: difficult choices will need to be made in choosing between spending priorities and in deciding on the sequencing of programme implementation. Given the constraints brought to bear by the expenditure ceiling, all government institutions need to manage any cost pressures that may be related to changes in the inflation rate, exchange rate or any other factors affecting input prices with great efficiency. This means that not everything that we believe must be done, can be done at once. In the reprioritisation of existing funds, certain outputs will have to be delayed, or discontinued.

The issue is what goods and services tax-payers’ monies ‘buy’. In keeping with the ongoing endeavour to improve transparency and reinforce accountability, the focus of the sections on budget programme expenditure trends within each vote in the 2014 Estimates of National Expenditure (ENE) publications has shifted, to an explanation of the interrelationship between the significant changes in spending, performance outputs and outcomes, and in personnel.

National Treasury teams have worked closely with policy and budget teams of national and provincial departments, as well as with public entities and local government, ensuring the alignment of policy developments with the national development plan and scrutinising spending trends and cost drivers, ever mindful of service delivery. Without this cooperation and commitment across government, it would not be possible to submit the credible and comprehensive institutional budgets contained in this publication. The political guidance of the Minister of Finance, his Deputy and the members of the ministers’ committee on the budget, has been indispensable to the medium term expenditure committee of accounting officers of departments at the centre of government, in its task of providing the strategic direction in formulating the budget. I thank you all for your assistance.



Lungisa Fuzile
Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure (ENE) publications are important accountability documents, which set out the details of planned expenditure and planned performance at the time the Budget is tabled. The 2014 ENE publications largely retain the same layout of information as presented in previous years' publications. This allows information to be easily compared across publications and financial years. As in the past, information is presented for a seven-year period and contains details of all national departmental programmes and subprogrammes. Information is presented in a similar way for the national public entities related to each department. For the first time in the ENE publications, in 2014, information on changes in finances, personnel and performance is brought together with the focus on the significant interrelationships between these changes. This discussion, in the expenditure trends sections of the budget programmes in each chapter, allows the reader to assess the effectiveness of past, as well as of planned, spending.

When compared to the abridged version of the ENE, which includes all national government votes, the ENE e-publications provide more detailed expenditure information for individual votes on goods and services as well as transfers and subsidies. While the abridged version of the ENE contains one additional table at the end of each vote which has information on infrastructure spending, the ENE e-publications' additional tables also contain summaries of: the budgeted expenditure and revised estimate for 2013/14, and the audited outcome for 2012/13, by programme and economic classification; expenditure on training; conditional grants to provinces and municipalities; departmental public private partnerships; and donor funding. In selected cases more detailed information at the level of the site of service delivery is included. Budget information is also provided for the public entities that are simply listed in the abridged publication.

A separate ENE Overview e-publication is also available, which contains a description at the main budget non-interest level, summarising the Estimates of National Expenditure publication information across votes. The Overview contains this narrative explanation and summary tables; and also has a write-up on interpreting the information that is contained in each section of the publications.

Public Works

**National Treasury
Republic of South Africa**



Contents

Budget summary	1
Aim	1
Mandate.....	1
Strategic goals.....	1
Programme purposes	2
Selected performance indicators	2
The national development plan	3
Expenditure estimates	3
Personnel information	5
Programme 1: Administration	7
Programme 2: Immovable Asset Management.....	9
Programme 3: Expanded Public Works Programme	13
Programme 4: Property and Construction Industry Policy Regulations	17
Programme 5: Auxiliary and Associated Services.....	19
Public entities and other agencies	21
Additional tables	32

Vote 7

Public Works

Budget summary

R million	2014/15				2015/16	2016/17
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	1 175.3	1 148.9	1.2	25.3	1 133.3	1 191.5
Immovable Asset Management	2 861.4	1 434.5	859.2	567.7	3 308.1	3 450.0
Expanded Public Works Programme	1 951.3	269.4	1 679.1	2.8	2 006.8	2 395.2
Property and Construction Industry Policy Regulation	41.5	41.1	0.2	0.1	43.4	45.9
Auxiliary and Associated Services	91.8	68.2	23.7	–	53.7	56.6
Total expenditure estimates	6 121.3	2 962.0	2 563.4	595.9	6 545.3	7 139.2
Executive authority	Minister of Public Works					
Accounting officer	Director General of Public Works					
Website address	www.publicworks.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.

Aim

Provide for and manage the accommodation, housing, land and infrastructure needs of national departments. Lead and direct the implementation of the national expanded public works programme. Promote growth, job creation and transformation in the construction and property industries.

Mandate

As set out in the Government Immovable Asset Management Act (2007), the Department of Public Works is mandated to be the custodian and portfolio manager of national government's immovable assets. This includes the provision of office accommodation and expert built environment services to client departments at the national government level; as well as the planning, acquiring, managing and disposing of immovable assets under the custody of the department. The department is further mandated to coordinate and provide strategic leadership in job creation initiatives through the implementation of the expanded public works programme, and to regulate the construction and property industries. Public works is constitutionally designated as a concurrent function exercised by both the national and provincial spheres of government.

Strategic goals

The department aims to promote government's policy objectives by providing and managing the accommodation, housing, land and infrastructure related needs of national government; coordinating the national expanded public works programme; and driving the transformation of the construction and property industries.

The department's strategic goals over the medium term are to:

- manage the life cycle of immovable assets in the custody of the department effectively and efficiently, within a reasonable timeframe, and in a cost effective manner, without compromising quality
- lead and coordinate the creation of additional employment opportunities by introducing labour intensive delivery methods and additional employment, as well as skills programmes, for the participation of the unemployed in delivering the needed services
- contribute towards a comprehensive rural development programme through the disposal of state owned immovable assets

- provide competent leadership to the South African construction and property industries while ensuring the transformation and regulation of these industries
- provide strategic leadership in ensuring effective governance and the integrity of the operations of the department.

Programme purposes

Programme 1: Administration

Purpose: Provide strategic leadership and support services, including the accommodation and overall management of the department.

Programme 2: Immovable Asset Management

Purpose: Provide and manage government's immovable property portfolio in support of government's social, economic, functional and political objectives.

Programme 3: Expanded Public Works Programme

Purpose: Ensure the creation of work opportunities and the provision of training for unskilled, marginalised and unemployed people in South Africa by coordinating the implementation of the expanded public works programme.

Programme 4: Property and Construction Industry Policy Regulations

Purpose: Promote the growth and transformation of the construction and property industries. Promote uniformity and best practice in construction and immovable asset management in the public sector.

Programme 5: Auxiliary and Associated Services

Purpose: Provide for various services, including compensation for losses on the government assisted housing scheme and assistance to organisations for the preservation of national memorials. Meet the protocol responsibilities for state functions.

Selected performance indicators

Table 7.1 Public Works

Indicator	Programme	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of properties released for redistribution under the land reform programme per year	Immovable Asset Management	Outcome 7: Vibrant, equitable, sustainable rural communities with food security for all	34	0 ¹	0 ¹	9	40	38	9
Total number of properties for which information fields in the immovable asset register are compliant with generally recognised accounting practices	Immovable Asset Management	Outcome 6: An efficient, competitive and responsive economic infrastructure network	— ²	— ²	— ²	— ²	56 871	113 742	— ³
Number of expanded public works programme work opportunities created per year	Expanded Public Works Programme	Outcome 4: Decent employment through inclusive economic growth	607 612	843 459	941 593	1 210 000	1 075 189	1 147 026	1 198 087
Number of expanded public works programme work opportunities created by rural municipalities per year	Expanded Public Works Programme		449 313	626 161	707 973	700 000	700 000	730 000	750 000

Table 7.1 Public Works

Indicator	Programme	Outcome	Past			Current 2013/14	Projections		
			2010/11	2011/12	2012/13		2014/15	2015/16	2016/17
Number of planned projects completed	Immovable Asset Management	Outcome 12: An efficient, effective and development oriented public service	326	237	214	300	542	349	200
Number of signed outcomes based facilities management contracts for state owned buildings per year	Immovable Asset Management		— ²	— ²	— ²	— ²	12	20	20
Number of buildings retrofitted in line with green building principles per year	Immovable Asset Management	Outcome 12: An efficient, effective and development oriented public service	1 342	1 342	1 079	0 ¹	300	347	400

1. There were no properties released for redistribution in 2011/12 and 2011/13 as there was no approval and there were no buildings retrofitted as there was no plan to retrofit buildings in 2013/14.

2. No historical data as these are new indicators that the department will be implementing over the MTEF period.

3. The target will be achieved in 2015/16.

The national development plan

The department will contribute to the priorities of the national development plan through the implementation of initiatives that relate to job creation, the transition to a low cost carbon economy, the development of an inclusive and integrated rural economy, and the fight against corruption.

The national development plan acknowledges that unemployment is likely to remain high in the medium to long term, even in more favourable macroeconomic conditions. Through its coordination of the expanded public works programme, the department aims to create 6 million work opportunities by the end of 2018/19. The department's other job creation programmes include the young professionals programme, the internship programme and learnership programme for graduates from sectors that are relevant to the department's core business, and the resuscitation of regional workshops through the artisan training programme. In line with the national development plan's endorsement of a low cost carbon economy, the department will continue to implement energy and water efficiency programmes, as well as the green buildings framework, over the medium term. These are all linked to government's broader strategies to manage the effects of global warming. To contribute to the development of an inclusive and integrated rural economy as envisaged by the national development plan, the department's rural development programme will continue to focus on the disposal of state owned immovable assets in rural areas for developmental purposes, and facilitate the creation of remote area development precincts.

Expenditure estimates

Table 7.2 Public Works

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)		Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13			2010/11	2013/14		2014/15	2015/16	2016/17		
R million				2013/14		2010/11 - 2013/14						2013/14 - 2016/17	
Administration	679.5	837.1	856.2	1 158.2	1 158.2	19.5%	13.1%		1 175.3	1 133.3	1 191.5	0.9%	18.0%
Immovable Asset Management	4 968.5	5 001.7	4 563.5	2 981.8	2 831.8	-17.1%	64.5%		2 861.4	3 308.1	3 450.0	6.8%	48.2%
Expanded Public Works Programme	914.9	1 163.0	1 704.1	1 948.0	1 948.0	28.6%	21.3%		1 951.3	2 006.8	2 395.2	7.1%	32.1%
Property and Construction Industry Policy Regulation	28.0	34.4	26.9	36.7	36.7	9.4%	0.5%		41.5	43.4	45.9	7.7%	0.6%
Auxiliary and Associated Services	24.1	25.2	53.3	50.7	50.7	28.0%	0.6%		91.8	53.7	56.6	3.7%	1.0%
Total	6 615.1	7 061.4	7 203.9	6 175.3	6 025.3	-3.1%	100.0%		6 121.3	6 545.3	7 139.2	5.8%	100.0%

Table 7.2 Public Works

Economic classification	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
R million	2010/11	2011/12	2012/13	2013/14	2013/14	2010/11 - 2013/14	2010/11 - 2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2013/14 - 2016/17
Current payments	1 917.1	2 304.1	2 351.6	2 853.0	2 853.0	14.2%	35.0%	2 962.0	2 956.4	3 139.6	3.2%	46.1%
Compensation of employees	1 089.7	1 269.6	1 374.6	1 473.5	1 473.5	10.6%	19.4%	1 659.9	1 753.5	1 870.5	8.3%	26.2%
Goods and services	818.6	1 032.9	977.0	1 379.6	1 379.6	19.0%	15.6%	1 302.1	1 202.9	1 269.0	-2.7%	20.0%
of which:												
Administration fees	0.4	0.4	0.6	0.8	0.8	25.5%	0.0%	0.9	1.1	1.1	12.2%	0.0%
Advertising	14.6	19.7	8.4	22.8	22.8	16.1%	0.2%	17.4	18.4	19.6	-4.9%	0.3%
Assets less than the capitalisation threshold	10.7	8.1	2.7	4.4	4.4	-25.5%	0.1%	11.5	12.0	12.6	42.0%	0.2%
Audit costs: External	18.5	41.0	48.4	40.3	40.3	29.6%	0.6%	42.6	44.6	47.0	5.3%	0.7%
Bursaries: Employees	1.3	0.0	0.0	2.4	2.4	23.8%	0.0%	2.6	2.7	2.9	6.1%	0.0%
Catering: Departmental activities	2.4	3.1	2.7	1.8	1.8	-9.5%	0.0%	1.9	2.0	2.1	5.3%	0.0%
Communication	27.3	29.2	31.6	37.3	37.3	10.9%	0.5%	33.7	35.7	37.6	0.3%	0.6%
Computer services	39.2	48.5	43.0	47.3	47.3	6.4%	0.7%	53.8	56.3	59.2	7.8%	0.8%
Consultants and professional services: Business and advisory services	128.8	38.3	52.9	12.3	12.3	-54.3%	0.9%	12.8	13.3	14.5	5.7%	0.2%
Consultants and professional services: Infrastructure and planning	6.5	9.9	11.1	67.1	67.1	117.8%	0.4%	56.1	54.4	61.6	-2.8%	0.9%
Consultants and professional services: Legal costs	6.5	6.1	13.8	8.2	8.2	8.1%	0.1%	8.8	9.2	9.7	5.5%	0.1%
Contractors	46.5	102.9	47.2	31.7	31.7	-11.9%	0.8%	72.4	33.3	35.1	3.4%	0.7%
Agency and support / outsourced services	41.9	76.6	137.3	391.9	391.9	110.7%	2.4%	284.5	183.0	188.6	-21.6%	4.1%
Entertainment	0.7	1.1	0.8	0.7	0.7	1.9%	0.0%	0.7	0.8	1.0	12.2%	0.0%
Fleet services (including government motor transport)	0.0	20.0	20.8	17.7	17.7	1540.2%	0.2%	16.4	17.2	18.3	1.1%	0.3%
Inventory: Fuel, oil and gas	24.2	7.6	9.1	9.0	9.0	-28.1%	0.2%	9.0	9.4	9.9	3.3%	0.1%
Inventory: Learner and teacher support material	0.0	0.0	-	0.4	0.4	154.5%	0.0%	0.4	0.5	0.0	-64.8%	0.0%
Inventory: Materials and supplies	1.2	1.3	1.1	1.1	1.1	-2.6%	0.0%	1.4	1.4	1.5	9.9%	0.0%
Inventory: Other supplies	14.3	12.8	14.6	17.6	17.6	7.1%	0.2%	15.5	16.0	17.0	-1.1%	0.3%
Consumable supplies	-	-	0.3	-	-	-	0.0%	-	-	-	-	-
Consumable: Stationery, printing and office supplies	11.1	14.0	15.6	12.0	12.0	2.5%	0.2%	12.2	12.7	21.2	21.0%	0.2%
Operating leases	209.1	213.9	139.8	253.7	253.7	6.7%	3.0%	252.2	262.7	269.7	2.1%	4.0%
Property payments	140.7	255.0	257.6	278.9	278.9	25.6%	3.5%	273.9	289.3	305.7	3.1%	4.4%
Transport provided: Departmental activity	0.2	-	-	0.2	0.2	3.9%	0.0%	0.1	0.1	0.1	-19.1%	0.0%
Travel and subsistence	51.0	86.6	86.4	89.8	89.8	20.7%	1.2%	87.0	90.7	95.7	2.2%	1.4%
Training and development	9.3	13.5	9.7	13.9	13.9	14.4%	0.2%	13.8	14.5	15.4	3.4%	0.2%
Operating payments	8.4	13.2	10.8	10.1	10.1	6.4%	0.2%	10.8	11.4	12.1	6.2%	0.2%
Venues and facilities	3.8	9.9	7.8	6.1	6.1	17.3%	0.1%	9.8	10.1	9.9	17.4%	0.1%
Rental and hiring	-	-	2.8	-	-	-	0.0%	-	-	-	-	-
Interest and rent on land	8.8	1.6	0.0	-	-	-100.0%	0.0%	-	-	-	-	-
Transfers and subsidies	3 302.5	3 656.2	4 092.4	2 543.9	2 543.9	-8.3%	50.5%	2 563.4	2 654.2	3 017.9	5.9%	41.7%
Provinces and municipalities	2 383.9	2 593.0	2 970.0	1 225.8	1 225.8	-19.9%	34.1%	1 201.5	1 243.1	1 492.5	6.8%	20.0%
Departmental agencies and accounts	710.3	732.5	751.6	803.7	803.7	4.2%	11.1%	802.8	843.4	890.8	3.5%	12.9%
Foreign governments and international organisations	13.9	13.0	15.4	20.5	20.5	13.9%	0.2%	21.7	22.7	23.9	5.3%	0.3%
Public corporations and private enterprises	0.1	150.0	50.8	50.0	50.0	781.6%	0.9%	50.0	50.0	-	-100.0%	0.6%
Non-profit institutions	188.8	163.8	292.6	438.3	438.3	32.4%	4.0%	477.5	484.8	600.3	11.1%	7.7%
Households	5.6	4.0	11.9	5.6	5.6	0.1%	0.1%	9.9	10.2	10.5	23.2%	0.1%
Payments for capital assets	1 340.6	1 099.1	756.8	778.4	628.4	-22.3%	14.2%	595.9	934.8	981.7	16.0%	12.2%
Buildings and other fixed structures	1 255.9	1 011.4	713.0	676.2	526.2	-25.2%	13.0%	510.4	844.0	885.2	18.9%	10.7%
Machinery and equipment	82.5	81.2	43.3	90.9	90.9	3.3%	1.1%	79.2	84.2	89.6	-0.5%	1.3%
Software and other intangible assets	2.2	6.6	0.5	11.2	11.2	71.8%	0.1%	6.3	6.6	7.0	-14.6%	0.1%
Payments for financial assets	54.8	2.0	3.2	-	-	-100.0%	0.2%	-	-	-	-	-
Total	6 615.1	7 061.4	7 203.9	6 175.3	6 025.3	-3.1%	100.0%	6 121.3	6 545.3	7 139.2	5.8%	100.0%

Personnel information

Table 7.3 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014			Number and cost ² of personnel posts filled / planned for on funded establishment													Number				
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
			2012/13			2013/14			2014/15			2015/16					2016/17			2013/14 - 2016/17
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			Number	Cost	Unit Cost	
Public Works			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	6 252	369	5 494	1 374.6	0.3	5 560	1 473.5	0.3	5 877	1 659.9	0.3	5 913	1 753.5	0.3	6 008	1 870.5	0.3	2.6%	100.0%	
1 – 6	3 283	153	2 909	402.6	0.1	3 006	444.5	0.1	3 056	475.1	0.2	3 061	494.1	0.2	3 112	520.9	0.2	1.2%	52.4%	
7 – 10	1 968	146	1 924	566.9	0.3	1 886	590.5	0.3	2 100	689.4	0.3	2 123	730.3	0.3	2 133	767.7	0.4	4.2%	35.3%	
11 – 12	811	47	488	257.7	0.5	489	276.1	0.6	542	322.5	0.6	544	341.1	0.6	574	380.0	0.7	5.5%	9.2%	
13 – 16	190	23	173	147.3	0.9	179	162.4	0.9	179	172.9	1.0	185	187.9	1.0	189	202.0	1.1	1.8%	3.1%	

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on providing and managing the accommodation, housing, land and infrastructure needs of national departments; rehabilitating 34 state owned buildings; and ensuring that at least 100 buildings are made accessible to people with disabilities in each year of the MTEF period.

The focus will also be on leading and improving the coordination of the expanded public works programme to achieve the department's target of creating 3.4 million work opportunities by the end of 2016/17. To achieve the target for work opportunities, Cabinet has approved an additional allocation of R159 million in 2016/17 for the expanded public works programme.

Cabinet approved baseline reductions of R1.3 billion over the MTEF period will be effected in the following areas: R650 million on infrastructure projects in the *Immovable Assets Management* programme, R150 million on non-core goods and services items in all programmes, R26.2 million on compensation of employees, R150 million on transfers to the property management trading entity, and R308.3 million on the expanded public works programme. These reductions are largely a result of continual underspending in the department's capital budget.

Spending on consultants increased between 2010/11 and 2013/14 as the department lacked the technical skills in finance and supply chain management, security, information service, property and project management, and for implementing the turnaround programme. The department has, in the past, received adverse audit reports which identified maladministration and a shortage of technical skills as weaknesses. As a result, over the medium term the department will be implementing the turnaround project, which will source staff with the required skills and technical expertise, and strengthen the skills and experience of existing staff. This is expected to decrease spending on consultants gradually over the medium term, while personnel numbers and the related expenditure on compensation of employees are set to increase. At the end of November 2013, the department had a funded establishment of 6 252, of which 5 560 were filled and 692 were vacant. These vacancies are the result of natural attrition and the length of time it takes to finalise recruitment processes. The department's filled establishment is expected to increase to 6 008 posts in 2016/17 and as a result, spending on compensation of employees is projected to increase by 8.3 per cent over the medium term.

Infrastructure spending

Spending on infrastructure decreased from R1.3 billion in 2010/11 to R676 million in 2013/14. The decrease was due to the reprioritisation of infrastructure funds to provide funding for the turnaround programme. The department's overall infrastructure budget has been reduced by R220 million in 2014/15, R180 million in 2015/16 and R250 million in 2016/17, mainly to provide for Cabinet approved reductions. Consequently, infrastructure spending is expected to increase slightly to R885 million over the medium term, mostly due to inflation related adjustments to existing infrastructure projects.

Small infrastructure projects

The department's capital works implementation programme, which is allocated R2.2 billion over the medium term, is organised into six project categories, which are at various stages of completion. The allocations are as follows:

- R448 million for departmental projects, which deal with the construction and major refurbishment of the department's own accommodation
- R306 million for dolomite projects, which deal with the management of risk in dolomitic areas
- R30 million for accessibility projects, which make public buildings more accessible to disabled people
- R795 million for land ports of entry, which provide for the construction, maintenance and upgrading of border control infrastructure projects
- R346 million for prestige management projects, which are for the management of government's prestige portfolio
- R314 million for inner-city regeneration projects, which facilitate inner city regeneration around the Tshwane area in addressing the accommodation needs of national government departments.

Departmental receipts

Table 7.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/total: Average (%)
	2010/11	2011/12	2012/13					2014/15	2015/16	2016/17		
R thousand												
Departmental receipts	40 042	75 195	53 795	12 388	12 388	-32.4%	100.0%	13 238	13 898	14 593	5.6%	100.0%
Sales of goods and services produced by department	33 743	36 353	32 013	4 594	4 594	-48.6%	58.8%	4 803	5 042	5 295	4.8%	36.5%
Sales by market establishments	414	411	445	414	414	—	0.9%	414	434	456	3.3%	3.2%
of which:												
Market establishment: Rental parking:	414	411	445	414	414	—	0.9%	414	434	456	3.3%	3.2%
Covered and open	—	2	215	172	172	—	0.2%	181	190	200	5.2%	1.4%
Administration fees	—	2	215	172	172	—	0.2%	181	190	200	5.2%	1.4%
of which:												
Servitude rights	—	2	215	172	172	—	0.2%	181	190	200	5.2%	1.4%
Other sales	33 329	35 940	31 353	4 008	4 008	-50.6%	57.7%	4 208	4 418	4 639	5.0%	31.9%
of which:												
Tender documents	33 329	35 940	31 353	2 288	2 288	-59.1%	56.7%	2 402	2 522	2 648	5.0%	18.2%
Rental of capital assets	—	—	—	864	864	—	0.5%	907	952	1 000	5.0%	6.9%
Services rendered: Commission on insurance and garnishees	—	—	—	856	856	—	0.5%	899	944	991	5.0%	6.8%
Sales of scrap, waste, arms and other used current goods	—	35	4	144	144	—	0.1%	402	422	443	45.4%	2.6%
of which:												
Sales: Scrap	—	—	—	126	126	—	0.1%	383	402	422	49.6%	2.5%
Sales: Waste paper	—	35	4	18	18	—	—	19	20	21	5.3%	0.1%
Fines, penalties and forfeits	19	12	3	—	—	-100.0%	—	—	—	—	—	—
Interest, dividends and rent on land	192	103	7 835	5 702	5 702	209.7%	7.6%	5 987	6 286	6 600	5.0%	45.4%
Interest	192	103	7 835	5 702	5 702	209.7%	7.6%	5 987	6 286	6 600	5.0%	45.4%
Sales of capital assets	1 071	3 154	—	—	—	-100.0%	2.3%	—	—	—	—	—
Transactions in financial assets and liabilities	5 017	35 538	13 940	1 948	1 948	-27.0%	31.1%	2 046	2 148	2 255	5.0%	15.5%
Total	40 042	75 195	53 795	12 388	12 388	-32.4%	100.0%	13 238	13 898	14 593	5.6%	100.0%

Programme 1: Administration

Expenditure estimates

Table 7.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
R thousand											
Ministry	29 360	25 274	22 279	29 628	0.3%	3.0%	31 278	32 625	34 544	5.3%	2.7%
Management	60 027	52 048	92 856	134 925	31.0%	9.6%	136 226	114 018	118 768	-4.2%	10.8%
Corporate Services	276 935	375 427	365 751	488 709	20.8%	42.7%	510 648	464 837	486 668	-0.1%	41.9%
Office Accommodation	313 133	384 370	375 299	504 900	17.3%	44.7%	497 194	521 813	551 483	3.0%	44.6%
Total	679 455	837 119	856 185	1 158 162	19.5%	100.0%	1 175 346	1 133 293	1 191 463	0.9%	100.0%
Change to 2013 Budget estimate				10 000			26 981	(17 380)	(23 897)		
Economic classification											
Current payments	653 238	787 564	832 925	1 116 931	19.6%	96.0%	1 148 866	1 105 619	1 162 322	1.3%	97.3%
Compensation of employees	169 058	199 405	218 980	227 403	10.4%	23.1%	279 938	306 752	326 711	12.8%	24.5%
Goods and services	483 800	587 949	613 924	889 528	22.5%	72.9%	868 928	798 867	835 611	-2.1%	72.8%
of which:											
Administration fees	294	433	433	281	-1.5%	-	266	278	292	1.3%	-
Advertising	1 956	7 689	1 210	8 754	64.8%	0.6%	8 218	8 596	9 052	1.1%	0.7%
Assets less than the capitalisation threshold	704	3 130	959	504	-10.5%	0.2%	535	559	589	5.3%	-
Audit costs: External	18 511	38 684	48 352	40 260	29.6%	4.1%	42 640	44 601	46 969	5.3%	3.7%
Bursaries: Employees	1 115	30	17	2 000	21.5%	0.1%	2 000	2 092	2 203	3.3%	0.2%
Catering: Departmental activities	328	1 116	1 220	859	37.8%	0.1%	911	953	1 004	5.3%	0.1%
Communication	8 274	8 273	9 638	5 593	-12.2%	0.9%	5 720	5 983	6 300	4.0%	0.5%
Computer services	38 165	47 779	42 044	46 055	6.5%	4.9%	52 379	54 791	57 695	7.8%	4.5%
Consultants and professional services: Business and advisory services	25 086	12 278	13 474	4 058	-45.5%	1.6%	4 103	4 292	4 442	3.1%	0.4%
Consultants and professional services: Legal costs	6 029	6 063	13 822	8 218	10.9%	1.0%	8 768	9 172	9 659	5.5%	0.8%
Contractors	1 049	6 866	2 955	960	-2.9%	0.3%	974	1 020	1 074	3.8%	0.1%
Agency and support / outsourced services	21 793	28 581	66 312	206 911	111.7%	9.2%	185 304	81 974	78 656	-27.6%	11.9%
Entertainment	350	472	373	481	11.2%	-	509	532	561	5.3%	-
Fleet services (including government motor transport)	-	1 633	1 365	1 715	-	0.1%	1 832	1 916	2 018	5.6%	0.2%
Inventory: Food and food supplies	4	3	-	3	-9.1%	-	3	3	-	-100.0%	-
Inventory: Fuel, oil and gas	1 925	-	2	-	-100.0%	0.1%	-	-	-	-	-
Inventory: Learner and teacher support material	10	32	-	3	-33.1%	-	8	8	5	18.6%	-
Inventory: Materials and supplies	162	123	92	124	-8.5%	-	131	137	145	5.4%	-
Inventory: Other supplies	254	296	88	310	6.9%	-	329	344	363	5.4%	-
Consumable: Stationery, printing and office supplies	4 050	5 996	5 296	4 790	5.8%	0.6%	4 976	5 204	5 480	4.6%	0.4%
Operating leases	187 109	193 014	124 103	243 072	9.1%	21.2%	241 015	251 006	265 204	2.9%	21.5%
Property payments	140 048	198 645	257 148	277 704	25.6%	24.7%	272 630	288 015	304 287	3.1%	24.5%
Travel and subsistence	18 591	17 491	16 236	17 993	-1.1%	2.0%	16 812	17 589	18 710	1.3%	1.5%
Training and development	1 311	2 917	3 727	8 518	86.6%	0.5%	8 029	8 444	8 945	1.6%	0.7%
Operating payments	5 240	2 975	2 185	7 455	12.5%	0.5%	7 705	8 083	8 510	4.5%	0.7%
Venues and facilities	1 442	3 430	2 850	2 907	26.3%	0.3%	3 131	3 275	3 448	5.9%	0.3%
Rental and hiring	-	-	23	-	-	-	-	-	-	-	-
Interest and rent on land	380	210	21	-	-100.0%	-	-	-	-	-	-
Transfers and subsidies	2 366	565	5 988	1 156	-21.2%	0.3%	1 195	1 226	1 291	3.8%	0.1%
Provinces and municipalities	2	1	3	11	76.5%	-	11	11	12	2.9%	-
Households	2 364	564	5 985	1 145	-21.5%	0.3%	1 184	1 215	1 279	3.8%	0.1%
Payments for capital assets	23 839	48 990	17 272	40 075	18.9%	3.7%	25 285	26 448	27 850	-11.4%	2.6%
Machinery and equipment	22 224	42 502	17 115	29 259	9.6%	3.1%	19 120	19 999	21 059	-10.4%	1.9%
Software and other intangible assets	1 615	6 488	157	10 816	88.5%	0.5%	6 165	6 449	6 791	-14.4%	0.6%
Payments for financial assets	12	-	-	-	-100.0%	-	-	-	-	-	-
Total	679 455	837 119	856 185	1 158 162	19.5%	100.0%	1 175 346	1 133 293	1 191 463	0.9%	100.0%
Proportion of total programme expenditure to vote expenditure	10.3%	11.9%	11.9%	18.8%			19.2%	17.3%	16.7%		

Table 7.5 Administration

Details of transfers and subsidies

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand											
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	2	1	3	11	76.5%	–	11	11	12	2.9%	–
Vehicle licences	2	1	3	11	76.5%	–	11	11	12	2.9%	–
Households											
Social benefits											
Current	2 364	563	5 985	1 145	-21.5%	0.3%	1 184	1 215	1 279	3.8%	0.1%
Employee social benefits	2 364	563	5 985	1 145	-21.5%	0.3%	1 184	1 215	1 279	3.8%	0.1%
Households											
Other transfers to households											
Current	–	1	–	–	–	–	–	–	–	–	–
Gifts and donations	–	1	–	–	–	–	–	–	–	–	–

Personnel information

Table 7.6 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014			Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
Administration	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Salary level	777	68	596	219.0	0.4	578	227.4	0.4	691	279.9	0.4	719	306.8	0.4	772	326.7	0.4	10.1%	100.0%
1 – 6	216	14	117	19.3	0.2	137	24.2	0.2	158	29.5	0.2	160	31.1	0.2	211	39.7	0.2	15.5%	24.1%
7 – 10	374	24	326	96.3	0.3	282	87.9	0.3	346	112.8	0.3	367	125.9	0.3	374	134.4	0.4	9.9%	49.6%
11 – 12	116	11	86	44.9	0.5	88	49.8	0.6	116	67.9	0.6	116	71.5	0.6	116	75.3	0.6	9.6%	15.8%
13 – 16	71	19	67	58.5	0.9	71	65.5	0.9	71	69.7	1.0	76	78.1	1.0	71	77.4	1.1	–	10.5%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on ensuring adequate office accommodation for departmental employees and on maintaining and improving corporate services functions such as legal, financial and supply chain management, as part of the turnaround strategy. Thus, the bulk of the programme's allocation over the medium term goes to the *Office Accommodation and Corporate Services* subprogrammes, in which spending on compensation of employees, operating leases, property payments and specific areas in the turnaround programme, are the largest spending items.

With the turnaround strategy requiring an overhaul of the department's structure, as well as personnel establishment and systems to be in line with the new business model, spending on agency support and outsourced services increased in 2013/14. However, this is expected to decrease over the medium term as the department appoints its own personnel to implement the turnaround project to completion. The increase in 2013/14 provided for the appointment of the core turnaround support team. The turnaround project is allocated R366 million over the medium term to fund the activities of the Special Investigating Unit, a technical support unit, a clean audit project, irregular expenditure management, internal audit support, and the appointment of additional personnel within the finance and supply chain management units. This programme had a funded establishment of 777, of which 578 were filled and 199 posts were vacant at the end of November 2013. These vacancies are the result of natural attrition and the length of time it takes to finalise recruitment processes. The number of filled posts is expected to increase to 772 in 2016/17 and this will lead to increased expenditure on compensation of employees, growing at an average annual rate of 12.8 per cent over the MTEF period.

To give effect to Cabinet approved budget reductions, R128 million over the medium term has been cut from the programme's budget. The reductions are to be implemented mainly in spending on non-core goods and

services items such as communication, computer services, agency and support services, stationery, operating leases, property payments, travel and subsistence, and venues and facilities.

Programme 2: Immovable Asset Management

Objectives

- Enhance the value of the state's immovable asset portfolio and improve the condition of state buildings by rehabilitating 34 buildings to ensure that service delivery to client departments is improved, over the medium term.
- Ensure that all state owned buildings are accessible to all people, including people with disabilities, by building basic requirements such as ramps, appropriate parking and ablution facilities, doorways, lifts and signage for 300 buildings over the medium term.
- Ensure complete, accurate and generally recognised accounting practices, compliant with the immovable asset register, through the enhancement of information fields in the asset register database and through desktop and physical verification of 113 742 properties (of which 39 812 are land parcels) by March 2016.

Subprogrammes

- *Infrastructure (Public Works)* is discussed in more detail below.
- *Strategic Asset Investment Analysis* provides for the strategic management of immovable assets owned or used for delivering various government services that are expected to yield functional, economic and social benefits to the state. A key activity is ensuring the efficient and effective management of immovable assets throughout their lifecycle. In 2013/14, 4 buildings were rehabilitated and 28 buildings were refurbished to ensure that they are accessible to people with disabilities. This subprogramme had a staff complement of 218 in 2013/14.
- *Operation Management* funds the human resources and related goods and services required for the acquisition and construction of infrastructure for the department and client departments. A key activity is ensuring that all projects and services, such as municipal services and leasing of properties are implemented to improve service delivery by client departments. This subprogramme had a staff complement of 4 864 in 2013/14.
- *Prestige Management* funds the allocations for activities relating to the residences of parliamentarians, ministers, deputy ministers, the deputy president and the president. A key activity is ensuring that all prestige projects and programmes are completed to the satisfaction of their clients. This subprogramme had a staff complement of 12 in 2013/14.
- *Special Projects* funds the implementation of non-recurring and technical projects in the department. This entails ensuring that the department delivers timeously and efficiently on all planned infrastructure projects. Specific services provided include project management in the design and construction of office accommodation. This subprogramme had a staff complement of 134 in 2013/14.
- *Construction Industry Development Board* transfers funds to the Construction Industry Development Board, which is an entity of the department.
- *Council for the Built Environment* transfers funds to the Council for the Built Environment, which is an entity of the department.
- *Parliamentary Village Management Board* provides for the transportation and related costs of parliamentarians and related officials. The purpose of this subprogramme is to ensure efficient and effective provision of transport to officials residing at the parliamentary village.
- *Augmentation of the Property Management Trading Entity* transfers funds to the Property Management Trading Entity.
- *Independent Development Trust* transfers funds to the Independent Development Trust, an entity of the department established in 1990 as a schedule 2 public entity with a once-off R2 billion government endowment. However, financial constraints necessitated additional funding of R150 million in 2011/12, R50.8 million in 2012/13, and R150 million in 2013/14 to ensure that it remains a going concern and that it is able to develop a business case that articulates its transformation.

Expenditure estimates

Table 7.7 Immovable Asset Management

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2016/17
Infrastructure (Public Works)	1 255 874	1 011 408	713 003	676 206	-18.6%	20.9%	510 369	844 005	885 153	9.4%	23.1%
Property Management	1 865 227	1 803 230	1 798 170	—	-100.0%	31.2%	—	—	—	—	—
Strategic Asset Investment Analysis	165 858	161 744	55 377	144 862	-4.4%	3.0%	167 865	176 705	187 376	9.0%	5.4%
Operation Management	883 578	1 000 335	1 077 846	1 128 370	8.5%	23.4%	1 190 128	1 245 271	1 342 568	6.0%	38.9%
Prestige Management	70 631	67 283	34 611	52 283	-9.5%	1.3%	40 133	41 724	31 345	-15.7%	1.3%
Special Projects	18 211	75 541	83 314	129 105	92.1%	1.7%	102 046	109 020	114 940	-3.8%	3.6%
Construction Industry Development Board	63 665	65 959	67 614	72 361	4.4%	1.5%	77 212	81 386	85 699	5.8%	2.5%
Council for the Built Environment	25 527	28 659	28 146	37 959	14.1%	0.7%	41 572	44 291	46 638	7.1%	1.4%
Parliamentary Village Management Board	6 982	7 401	7 771	8 198	5.5%	0.2%	8 690	9 090	9 572	5.3%	0.3%
Augmentation of the Property Management Trading Entity	612 967	630 189	646 849	682 426	3.6%	14.7%	673 372	706 647	746 749	3.0%	22.3%
Independent Development Trust	—	150 000	50 800	50 000	—	1.4%	50 000	50 000	—	-100.0%	1.2%
Total	4 968 520	5 001 749	4 563 501	2 981 770	-15.7%	100.0%	2 861 387	3 308 139	3 450 040	5.0%	100.0%
Change to 2013 Budget estimate				(2 275)			(399 181)	(267 220)	(331 103)		
Economic classification											
Current payments	1 023 345	1 265 520	1 220 823	1 391 176	10.8%	28.0%	1 434 462	1 502 811	1 601 878	4.8%	47.1%
Compensation of employees	850 120	970 320	1 046 755	1 124 251	9.8%	22.8%	1 232 604	1 290 063	1 377 372	7.0%	39.9%
Goods and services	169 256	293 939	174 068	266 925	16.4%	5.2%	201 858	212 748	224 506	-5.6%	7.2%
of which:											
Administration fees	110	—	202	222	26.4%	—	240	251	264	5.9%	—
Advertising	7 642	6 939	3 005	9 120	6.1%	0.2%	4 496	4 914	5 393	-16.1%	0.2%
Assets less than the capitalisation threshold	9 703	4 745	1 472	3 832	-26.6%	0.1%	10 879	11 380	11 926	46.0%	0.3%
Bursaries: Employees	151	—	—	400	38.4%	—	609	637	660	18.2%	—
Catering: Departmental activities	1 409	1 381	1 105	664	-22.2%	—	704	736	774	5.2%	—
Communication	18 569	19 724	20 675	30 573	18.1%	0.5%	26 788	28 478	29 988	-0.6%	0.9%
Computer services	378	378	469	904	33.7%	—	1 026	1 073	1 130	7.7%	—
Consultants and professional services: Business and advisory services	9	2 541	7 137	5 912	769.3%	0.1%	6 197	6 482	6 805	4.8%	0.2%
Consultants and professional services: Infrastructure and planning	85	809	178	153	21.6%	—	155	162	170	3.6%	—
Consultants and professional services: Legal costs	107	—	—	—	-100.0%	—	—	—	—	—	—
Contractors	36 133	83 640	7 382	3 503	-54.1%	0.7%	3 504	3 665	3 859	3.3%	0.1%
Agency and support / outsourced services	6 734	1 057	6 734	93 841	140.6%	0.6%	35 316	38 169	40 271	-24.6%	1.6%
Entertainment	173	273	259	191	3.4%	—	203	213	224	5.5%	—
Fleet services (including government motor transport)	4	18 198	18 951	15 936	1485.3%	0.3%	14 530	15 287	16 240	0.6%	0.5%
Inventory: Food and food supplies	7	4	—	9	8.7%	—	12	12	13	13.0%	—
Inventory: Fuel, oil and gas	22 226	7 620	9 103	9 000	-26.0%	0.3%	9 004	9 418	9 917	3.3%	0.3%
Inventory: Learner and teacher support material	15	12	—	11	-9.8%	—	11	12	13	5.7%	—
Inventory: Materials and supplies	1 037	891	941	904	-4.5%	—	958	1 002	1 054	5.3%	—
Inventory: Medical supplies	20	—	5	11	-18.1%	—	11	12	13	5.7%	—
Inventory: Other supplies	13 745	11 876	13 544	17 242	7.8%	0.3%	15 131	15 669	16 618	-1.2%	0.5%
Consumable supplies	—	—	297	—	—	—	—	—	—	—	—
Consumable: Stationery, printing and office supplies	6 017	5 852	7 731	6 528	2.8%	0.1%	6 531	6 831	14 977	31.9%	0.3%
Operating leases	20 536	19 890	15 385	9 926	-21.5%	0.4%	10 468	10 950	3 741	-27.8%	0.3%
Property payments	651	56 380	438	1 200	22.6%	0.3%	1 253	1 311	1 380	4.8%	—
Travel and subsistence	18 280	41 159	47 980	48 916	38.8%	0.9%	44 977	46 792	49 227	0.2%	1.5%
Training and development	3 463	2 800	3 142	5 228	14.7%	0.1%	5 542	5 797	6 153	5.6%	0.2%
Operating payments	1 977	6 488	4 424	2 356	6.0%	0.1%	2 650	2 801	2 958	7.9%	0.1%
Venues and facilities	75	1 282	696	343	66.0%	—	663	694	738	29.1%	—
Rental and hiring	—	—	2 813	—	—	—	—	—	—	—	—
Interest and rent on land	3 969	1 261	—	—	-100.0%	—	—	—	—	—	—
Transfers and subsidies	2 577 575	2 688 774	2 605 177	855 064	-30.8%	49.8%	859 177	900 017	897 500	1.6%	27.9%
Provinces and municipalities	1 865 231	1 803 232	1 798 173	15	-98.0%	31.2%	15	16	17	4.3%	—
Departmental agencies and accounts	709 141	732 208	750 380	800 944	4.1%	17.1%	800 846	841 414	888 658	3.5%	26.4%
Public corporations and private enterprises	—	150 000	50 800	50 000	—	1.4%	50 000	50 000	—	-100.0%	1.2%
Households	3 203	3 334	5 824	4 105	8.6%	0.1%	8 316	8 587	8 825	29.1%	0.2%

Table 7.7 Immovable Asset Management

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
Audited outcome											
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Payments for capital assets	1 313 041	1 047 455	737 501	735 530	-17.6%	21.9%	567 748	905 311	950 662	8.9%	25.1%
Buildings and other fixed structures	1 255 873	1 011 408	713 003	676 206	-18.6%	20.9%	510 369	844 005	885 153	9.4%	23.1%
Machinery and equipment	57 065	35 966	24 154	58 906	1.1%	1.0%	57 201	61 120	65 313	3.5%	1.9%
Software and other intangible assets	103	81	344	418	59.5%	—	178	186	196	-22.3%	—
Payments for financial assets	54 559	—	—	—	-100.0%	0.3%	—	—	—	—	—
Total	4 968 520	5 001 749	4 563 501	2 981 770	-15.7%	100.0%	2 861 387	3 308 139	3 450 040	5.0%	100.0%
Proportion of total programme expenditure to vote expenditure	75.1%	70.8%	63.3%	48.3%			46.7%	50.5%	48.3%		

Details of transfers and subsidies

Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	4	2	3	15	55.4%	-	15	16	17	4.3%	-
Vehicle licences	4	2	3	15	55.4%	-	15	16	17	4.3%	-
Households											
Social benefits											
Current	3 203	3 314	5 804	4 105	8.6%	0.1%	4 316	4 487	4 725	4.8%	0.1%
Employee social benefits	3 203	3 314	5 804	4 105	8.6%	0.1%	4 316	4 487	4 725	4.8%	0.1%
Households											
Other transfers to households											
Current	-	20	20	-	-	-	4 000	4 100	4 100	-	0.1%
Gifts and donations	-	2	-	-	-	-	-	-	-	-	-
Households other transfers cash	-	18	20	-	-	-	-	-	-	-	-
Bursaries for non-employees	-	-	-	-	-	-	4 000	4 100	4 100	-	0.1%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	709 141	732 208	750 380	800 944	4.1%	17.1%	800 846	841 414	888 658	3.5%	26.4%
Construction Industry Development Board	63 665	65 959	67 614	72 361	4.4%	1.5%	77 212	81 386	85 699	5.8%	2.5%
Council for the Built Environment	25 527	28 659	28 146	37 959	14.1%	0.7%	41 572	44 291	46 638	7.1%	1.4%
Parliamentary Villages Management Board	6 982	7 401	7 771	8 198	5.5%	0.2%	8 690	9 090	9 572	5.3%	0.3%
Property Management Trading Entity	612 967	630 189	646 849	682 426	3.6%	14.7%	673 372	706 647	746 749	3.0%	22.3%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	-	150 000	50 800	50 000	-	1.4%	50 000	50 000	-	-100.0%	1.2%
Independent Development Trust	-	150 000	50 800	50 000	-	1.4%	50 000	50 000	-	-100.0%	1.2%
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Current	1 865 227	1 803 230	1 798 170	-	-100.0%	31.2%	-	-	-	-	-
Devolution of property rate funds grant	1 865 227	1 803 230	1 798 170	-	-100.0%	31.2%	-	-	-	-	-

Personnel information**Table 7.8 Details of approved establishment and personnel numbers according to salary level¹**

Number of posts estimated for 31 March 2014			Number and cost ² of personnel posts filled / planned for on funded establishment													Number				
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
			2012/13			2013/14			2014/15			2015/16					2016/17			2013/14 - 2016/17
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			Number	Cost	Unit Cost	
Immovable Asset Management			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	5 169	294	4 640	1 046.8	0.2	4 721	1 124.3	0.2	4 886	1 232.6	0.3	4 891	1 290.1	0.3	4 930	1 377.4	0.3	1.5%	100.0%	
1 – 6	3 036	134	2 761	379.7	0.1	2 839	415.4	0.1	2 866	440.1	0.2	2 870	457.5	0.2	2 870	474.8	0.2	0.4%	58.9%	
7 – 10	1 488	122	1 509	445.4	0.3	1 515	476.2	0.3	1 653	544.9	0.3	1 653	570.5	0.3	1 653	596.7	0.4	2.9%	33.3%	
11 – 12	565	35	295	158.2	0.5	298	169.9	0.6	298	180.8	0.6	298	190.6	0.6	328	221.6	0.7	3.2%	6.3%	
13 – 16	80	3	75	63.5	0.8	69	62.7	0.9	69	66.7	1.0	70	71.5	1.0	79	84.3	1.1	4.6%	1.5%	

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on funding the acquisition and construction of infrastructure for the department, the dolomite and prestige portfolios, and border control operations. This spending is reflected in the *Operation Management and Infrastructure (Public Works)* subprogrammes. The latter subprogramme is discussed in further detail in the section that follows.

The decrease in transfers and subsidies over the medium term is due to the discontinuation of the devolution of the property rates fund grant to provinces as the allocated funding for property rates was phased into the equitable share in 2013/14. Before this arrangement came into effect, spending on transfers and subsidies increased due to additional allocations to fund increased spending on property rates, particularly those paid by provinces. Spending in the *Operation Management* subprogramme over the medium will be mainly on compensation of employees for building and maintaining the capacity required to acquire and build infrastructure for the department and client departments. At the end of November 2013, the programme had a funded establishment of 5 169, of which 4 721 were filled and 448 posts were vacant. These vacancies are the result of natural attrition and the length of time it takes to finalise recruitment processes. The programme's establishment is expected to increase to 4 930 posts in 2016/17, as part of the drive to improve service delivery.

Subprogramme: Infrastructure (Public Works)

This subprogramme funds the acquisition of infrastructure for the department, the prestige portfolio and the infrastructure component of the mandate of the border control operational coordinating committee. In 2013/14, R476 million was spent on constructing, upgrading and refurbishing residential accommodation.

Expenditure estimates

Table 7.9 Infrastructure (Public Works)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand											
Current payments	1	-	-	-	-100.0%	-	-	-	-	-	-
Goods and services	1	-	-	-	-100.0%	-	-	-	-	-	-
of which:											
Inventory: Materials and supplies	1	-	-	-	-100.0%	-	-	-	-	-	-
Payments for capital assets	1 255 873	1 011 408	713 003	676 206	-18.6%	100.0%	510 369	844 005	885 153	9.4%	100.0%
Buildings and other fixed structures	1 255 873	1 011 408	713 003	676 206	-18.6%	100.0%	510 369	844 005	885 153	9.4%	100.0%
Total	1 255 874	1 011 408	713 003	676 206	-18.6%	100.0%	510 369	844 005	885 153	9.4%	100.0%
Proportion of total subprogramme expenditure to programme expenditure	25.3%	20.2%	15.6%	22.7%			17.8%	25.5%	25.7%		

Expenditure trends

The spending focus over the medium term is on the acquisition of infrastructure for the department, the prestige portfolio and the infrastructure component of the mandate of the border control operational coordinating committee. Over the medium term, the department will spend R306 million on dolomite projects; R30 million on accessibility projects; R795 million on land ports of entry for border control operational coordinating committee projects; R346 million on prestige management; R448 million on departmental projects and R314 million on projects facilitating inner city regeneration around the Tshwane area, as accommodation needs of national government departments are addressed. Over the medium term, these projects take up all the subprogramme's allocation, which is expected to increase at an average annual rate of 9.4 per cent over the MTEF period to provide for inflation related adjustments and project cost escalations.

The decrease in expenditure between 2011/12 and 2012/13 was due to the non-completion of various projects that were scheduled for completion in those years, due to delays in the appointment of contractors. Cabinet approved reductions are therefore to be effected as a result of the continual underspending and the rescheduling of projects in the past. To give effect to the reductions, the spending in the subprogramme has been reduced by R220 million in 2014/15, R180 million in 2015/16 and R250 million in 2016/17. However, concrete outputs in 2012/13 include the refurbishing of 11 buildings to make them more accessible to disabled people, and the rehabilitation of 6 buildings.

Programme 3: Expanded Public Works Programme

Objectives

- Create 1 075 189 work opportunities (434 649 full time equivalents) through the expanded public works programme by upscaling the programme and improving coordination and performance in all 4 participating sectors in 2014/15.
- Ensure that employees from designated groups are participating in the expanded public works programme by confirming that 55 per cent of the participants are women, of which 55 per cent are youth and 2 per cent are people with disabilities, in 2014/15.
- Advance the monitoring of the expanded public works programme in municipalities by increasing the number of public bodies reporting on the implementation of the expanded public works programme from 255 in 2013/14 to 260 in 2014/15.
- Increase participation in the expanded public works programme by ensuring that at least 3 500 youth are involved in the national youth service programme in 2014/15.

Subprogrammes

- *Expanded Public Works Programme* is discussed in more detail below.
- *Performance Based Incentive Allocations* disburses funds to provinces, municipalities and non-governmental organisations based on set job creation targets to ensure the creation of work opportunities in the infrastructure, environment and culture, social and non-state sectors. Projects include municipal and provincial expanded public works programme projects for collecting refuse, beach cleaning, clearing alien vegetation, pothole or road mending, and painting government buildings. Overall, the expanded public works programme created 3 054 027 work opportunities in phase 2 between 2009/10 and 2012/13. This is 68 per cent of the 5-year target of 4 500 000 work opportunities. 1 230 000 work opportunities were created in 2013/14.

Expenditure estimates

Table 7.10 Expanded Public Works Programme

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17		
Expanded Public Works Programme	205 954	209 733	236 761	273 767	10.0%	16.2%	261 541	267 680	290 639	2.0%	13.2%
Performance Based Incentive Allocations	708 986	953 282	1 467 290	1 674 202	33.2%	83.8%	1 689 754	1 739 160	2 104 598	7.9%	86.8%
Total	914 940	1 163 015	1 704 051	1 947 969	28.6%	100.0%	1 951 295	2 006 840	2 395 237	7.1%	100.0%
Change to 2013 Budget estimate				–			(125 150)	(148 900)	123 600		

Economic classification

Current payments	212 924	216 285	244 354	281 139	9.7%	16.7%	269 391	275 896	299 302	2.1%	13.6%
Compensation of employees	64 081	91 905	100 901	111 002	20.1%	6.4%	133 233	141 882	150 916	10.8%	6.5%
Goods and services	144 361	124 287	143 453	170 137	5.6%	10.2%	136 158	134 014	148 386	-4.5%	7.1%
of which:											
Administration fees	–	–	8	5	–	–	5	5	5	–	–
Advertising	4 940	4 471	4 232	4 636	-2.1%	0.3%	4 238	4 432	4 667	0.2%	0.2%
Assets less than the capitalisation threshold	207	223	268	50	-37.7%	–	54	57	60	6.3%	–
Audit costs: External	–	2 280	62	–	–	–	–	–	–	–	–
Catering: Departmental activities	687	626	329	130	-42.6%	–	138	144	152	5.3%	–
Communication	466	1 134	1 204	1 003	29.1%	0.1%	1 063	1 112	1 171	5.3%	0.1%
Computer services	683	374	473	323	-22.1%	–	342	358	377	5.3%	–
Consultants and professional services: Business and advisory services	99 627	19 338	28 191	–	-100.0%	2.6%	–	–	–	–	–
Consultants and professional services: Infrastructure and planning	–	3 066	7 614	59 975	–	1.2%	48 917	46 920	53 708	-3.6%	2.5%
Contractors	454	421	255	–	-100.0%	–	–	–	–	–	–
Agency and support / outsourced services	13 396	45 706	64 252	79 990	81.4%	3.5%	52 026	50 396	56 559	-10.9%	2.9%

Table 7.10 Expanded Public Works Programme

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
Audited outcome											
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Entertainment	123	300	137	—	-100.0%	—	—	—	—	—	—
Fleet services (including government motor transport)	—	135	527	—	—	—	—	—	—	—	—
Inventory: Food and food supplies	1	1	—	—	-100.0%	—	—	—	—	—	—
Inventory: Fuel, oil and gas	47	—	—	—	-100.0%	—	—	—	—	—	—
Inventory: Learner and teacher support material	—	—	—	398	—	—	422	442	—	-100.0%	—
Inventory: Materials and supplies	23	310	78	—	-100.0%	—	—	—	—	—	—
Inventory: Other supplies	288	603	1 012	—	-100.0%	—	—	—	—	—	—
Consumable: Stationery, printing and office supplies	864	2 036	2 493	409	-22.1%	0.1%	434	454	478	5.3%	—
Operating leases	1 250	874	267	539	-24.5%	0.1%	530	554	583	2.7%	—
Property payments	9	—	—	—	-100.0%	—	—	—	—	—	—
Travel and subsistence	14 107	26 805	21 895	20 945	14.1%	1.5%	23 083	24 145	25 525	6.8%	1.1%
Training and development	4 509	7 747	2 779	—	-100.0%	0.3%	—	—	—	—	—
Operating payments	491	2 964	3 209	10	-72.7%	0.1%	79	83	88	106.5%	—
Venues and facilities	2 189	4 873	4 168	1 724	-7.7%	0.2%	4 827	4 912	5 013	42.7%	0.2%
Interest and rent on land	4 482	93	—	—	-100.0%	0.1%	—	—	—	—	—
Transfers and subsidies	698 555	944 137	1 454 586	1 664 208	33.6%	83.1%	1 679 125	1 728 037	2 092 874	7.9%	86.3%
Provinces and municipalities	518 660	789 732	1 171 779	1 225 752	33.2%	64.7%	1 201 494	1 243 069	1 492 457	6.8%	62.2%
Public corporations and private enterprises	73	—	—	25	-30.0%	—	—	—	—	-100.0%	—
Non-profit institutions	179 811	154 370	282 724	438 281	34.6%	18.4%	477 481	484 816	600 257	11.1%	24.1%
Households	11	35	83	150	138.9%	—	150	152	160	2.2%	—
Payments for capital assets	3 461	2 593	1 913	2 622	-8.8%	0.2%	2 779	2 907	3 061	5.3%	0.1%
Machinery and equipment	2 962	2 593	1 913	2 622	-4.0%	0.2%	2 779	2 907	3 061	5.3%	0.1%
Software and other intangible assets	499	—	—	—	-100.0%	—	—	—	—	—	—
Payments for financial assets	—	—	3 198	—	—	0.1%	—	—	—	—	—
Total	914 940	1 163 015	1 704 051	1 947 969	28.6%	100.0%	1 951 295	2 006 840	2 395 237	7.1%	100.0%
Proportion of total programme expenditure to vote expenditure	13.8%	16.5%	23.7%	31.5%			31.9%	30.7%	33.6%		
Details of transfers and subsidies											
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	279 616	363 913	661 535	611 274	29.8%	33.4%	594 575	618 966	705 997	4.9%	30.5%
Expanded public works programme integrated grant for municipalities	279 616	363 913	661 535	611 274	29.8%	33.4%	594 575	618 966	705 997	4.9%	30.5%
Households											
Social benefits											
Current	11	35	83	150	138.9%	—	150	152	160	2.2%	—
Employee social benefits	11	35	83	150	138.9%	—	150	152	160	2.2%	—
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Current	239 044	425 819	510 244	614 478	37.0%	31.2%	606 919	624 103	786 460	8.6%	31.7%
Expanded public works programme integrated grant for provinces	182 407	225 461	292 843	356 914	25.1%	18.5%	348 947	356 574	411 798	4.9%	17.8%
Social sector expanded public works programme incentive grant for provinces.	56 637	200 358	217 401	257 564	65.7%	12.8%	257 972	267 529	374 662	13.3%	13.9%
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	73	—	—	25	-30.0%	—	—	—	—	-100.0%	—
Gifts and donations	73	—	—	25	-30.0%	—	—	—	—	-100.0%	—
Non-profit institutions											
Current	179 811	154 370	282 724	438 281	34.6%	18.4%	477 481	484 816	600 257	11.1%	24.1%
Non-state sector	179 811	154 370	282 724	438 281	34.6%	18.4%	477 481	484 816	600 257	11.1%	24.1%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.
2. Rand million.

Expenditure estimates

Table 7.12 Expanded Public Works Programme

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
Audited outcome											
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Current payments	202 409	207 105	234 765	270 970	10.2%	98.8%	258 612	264 621	287 418	2.0%	37.1%
Compensation of employees	64 081	91 905	100 901	111 002	20.1%	39.7%	133 233	141 882	150 916	10.8%	18.4%
Goods and services	133 846	115 107	133 864	159 968	6.1%	58.6%	125 379	122 739	136 502	-5.2%	18.7%
of which:											
Administration fees	—	—	8	5	—	—	5	5	5	—	—
Advertising	4 940	4 471	4 232	4 636	-2.1%	2.0%	4 238	4 432	4 667	0.2%	0.6%
Assets less than the capitalisation threshold	207	223	268	50	-37.7%	0.1%	54	57	60	6.3%	—
Audit costs: External	—	2 280	62	—	—	0.3%	—	—	—	—	—
Catering: Departmental activities	687	626	329	130	-42.6%	0.2%	138	144	152	5.3%	—
Communication	466	1 134	1 204	1 003	29.1%	0.4%	1 063	1 112	1 171	5.3%	0.1%
Computer services	683	374	473	323	-22.1%	0.2%	342	358	377	5.3%	—
Consultants and professional services: Business and advisory services	99 627	10 158	28 191	—	-100.0%	14.9%	—	—	—	—	—
Consultants and professional services: Infrastructure and planning	—	3 066	7 614	59 975	—	7.6%	48 917	46 920	53 708	-3.6%	7.2%
Contractors	454	421	255	—	-100.0%	0.1%	—	—	—	—	—
Agency and support / outsourced services	2 881	45 706	54 663	69 821	189.4%	18.7%	41 247	39 121	44 675	-13.8%	6.7%
Entertainment	123	300	137	—	-100.0%	0.1%	—	—	—	—	—
Fleet services (including government motor transport)	—	135	527	—	—	0.1%	—	—	—	—	—
Inventory: Food and food supplies	1	1	—	—	-100.0%	—	—	—	—	—	—
Inventory: Fuel, oil and gas	47	—	—	—	-100.0%	—	—	—	—	—	—
Inventory: Learner and teacher support material	—	—	—	398	—	—	422	442	—	-100.0%	—
Inventory: Materials and supplies	23	310	78	—	-100.0%	—	—	—	—	—	—
Inventory: Other supplies	288	603	1 012	—	-100.0%	0.2%	—	—	—	—	—
Consumable: Stationery, printing and office supplies	864	2 036	2 493	409	-22.1%	0.6%	434	454	478	5.3%	0.1%
Operating leases	1 250	874	267	539	-24.5%	0.3%	530	554	583	2.7%	0.1%
Property payments	9	—	—	—	-100.0%	—	—	—	—	—	—
Travel and subsistence	14 107	26 805	21 895	20 945	14.1%	9.0%	23 083	24 145	25 525	6.8%	3.2%
Training and development	4 509	7 747	2 779	—	-100.0%	1.6%	—	—	—	—	—
Operating payments	491	2 964	3 209	10	-72.7%	0.7%	79	83	88	106.5%	—
Venues and facilities	2 189	4 873	4 168	1 724	-7.7%	1.4%	4 827	4 912	5 013	42.7%	0.6%
Interest and rent on land	4 482	93	—	—	-100.0%	0.5%	—	—	—	—	—
Transfers and subsidies	84	35	83	175	27.7%	—	150	152	160	-2.9%	—
Public corporations and private enterprises	73	—	—	25	-30.0%	—	—	—	—	-100.0%	—
Households	11	35	83	150	138.9%	—	150	152	160	2.2%	—
Payments for capital assets	3 461	2 593	1 913	2 622	-8.8%	1.1%	2 779	2 907	3 061	5.3%	0.4%
Machinery and equipment	2 962	2 593	1 913	2 622	-4.0%	1.1%	2 779	2 907	3 061	5.3%	0.4%
Software and other intangible assets	499	—	—	—	-100.0%	0.1%	—	—	—	—	—
Total	205 954	209 733	236 761	273 767	10.0%	100.0%	261 541	267 680	290 639	2.0%	37.5%
Proportion of total subprogramme expenditure to programme expenditure	22.5%	18.0%	13.9%	14.1%			13.4%	13.3%	12.1%		

Personnel information

Table 7.13 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014			Number and cost ² of personnel posts filled / planned for on funded establishment															Number				
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)						
			2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17					
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost	Unit Cost		
Expanded Public Works Programme			282		7	241	100.9	0.4	242	111.0	0.5	276	133.2	0.5	279	141.9	0.5	282	150.92	0.54		
Salary level	282	7	241	100.9	0.4	242	111.0	0.5	276	133.2	0.5	279	141.9	0.5	282	150.92	0.54	5.2%	100.0%			
1 – 6	31	5	31	3.6	0.1	30	4.9	0.2	32	5.4	0.2	31	5.5	0.2	31	6.4	0.2	1.1%	11.5%			
7 – 10	97	–	82	23.1	0.3	81	23.9	0.3	92	28.7	0.3	94	30.7	0.3	97	33.4	0.3	6.2%	33.7%			
11 – 12	121	1	99	50.5	0.5	98	53.7	0.6	119	68.8	0.6	121	73.7	0.6	121	77.6	0.6	7.3%	42.5%			
13 – 16	33	1	29	23.7	0.8	33	28.5	0.9	33	30.3	0.9	33	32.0	1.0	33	33.7	1.0	–	12.2%			

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on coordinating, monitoring and evaluating the creation of work opportunities and income support through the expanded public works programme. Expenditure will be specifically on administrative costs related to the expanded public works programme, such as compensation of employees and related goods and services, particularly consultants and agency and outsourced services.

The subprogramme has a funded establishment of 282, of which 242 were filled and 40 posts were vacant at the end of November 2013. These vacancies are the result of natural attrition and the length of time it takes to finalise recruitment processes. The programme's establishment is expected to increase to 282 posts in 2016/17 as the department progressively uses more of its own personnel than consultants. Expenditure on compensation of employees is therefore projected to increase by 10.8 per cent over the medium term.

Spending on consultants, agency and outsourced services increased between 2010/11 and 2013/14 due to the appointment of service providers to provide technical support to provinces and municipalities for the design of infrastructure projects and reporting on them. This was done to allow the implementation of the expanded public works programme projects by participating provinces and municipalities. Over the MTEF period, expenditure on consultancy, agency and outsourced services is expected to decrease as capacity is built in provinces and municipalities to enable them to improve on their job creation initiatives.

Programme 4: Property and Construction Industry Policy Regulations

Objectives

- Regulate the construction and property industries by developing, reviewing and tabling the Agrément South Africa Bill, amendments to the Built Environment Professions Bill and the draft bill on the future of the Independent Development Trust in Parliament for approval by February 2015.
- Promote uniformity and best practice in construction and immovable asset management in the public sector through the development of policies, legislation and best practice standards, such as the guidelines for immovable asset performance assessments, the guidelines for immovable asset condition assessment guideline for specialised buildings, and the Expropriation Act, by March 2015.

Subprogrammes

- *Construction Industry Development Programme* creates an enabling environment for transforming the construction and development industry by developing appropriate legislation and implementing monitoring mechanisms for the sector. The subprogramme aims to ensure the transformation and regulation of the construction and property industries to ensure economic growth and development. In 2013/14, the Agrément South Africa Bill was gazetted for public comment. Over the medium term, the Agrément South Africa Bill and amendments to the Built Environment Professions Bill will be tabled in Parliament. This subprogramme had a staff complement of 13 in 2013/14.
- *Property Industry Development Programme* provides leadership and guidance on the transformation of the property industry, and promotes uniformity and best practice on immovable asset management in the public sector through policy development; sets best practice standards for compiling and maintaining immovable asset registers; and administers rights over state and private land through its guidelines. This subprogramme aims to ensure effective and efficient strategic leadership in immovable asset management and in the delivery of infrastructure programmes through the development of guidelines on immovable asset performance assessments and immovable asset condition assessments. This subprogramme had a staff complement of 10 in 2013/14.

Expenditure estimates

Table 7.14 Property and Construction Industry Policy Regulation

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Construction Industry Development Programme	15 989	21 488	17 953	19 948	7.7%	59.9%	23 521	24 602	26 014	9.3%	56.2%
Property Industry Development Programme	12 040	12 865	8 905	16 734	11.6%	40.1%	17 952	18 779	19 858	5.9%	43.8%
Total	28 029	34 353	26 858	36 682	9.4%	100.0%	41 473	43 381	45 872	7.7%	100.0%
Change to 2013 Budget estimate				(2 500)			-	-	-		

Economic classification

Current payments	18 819	22 715	16 851	36 357	24.5%	75.2%	41 141	43 042	45 525	7.8%	99.2%
Compensation of employees	6 434	7 949	7 916	10 811	18.9%	26.3%	14 110	14 760	15 542	12.9%	33.0%
Goods and services	12 368	14 763	8 935	25 546	27.4%	48.9%	27 031	28 282	29 983	5.5%	66.2%
of which:											
Administration fees	-	7	-	6	-	-	6	6	7	5.3%	-
Advertising	24	646	-	269	123.8%	0.7%	419	456	481	21.4%	1.0%
Assets less than the capitalisation threshold	50	6	-	15	-33.1%	0.1%	17	32	34	31.4%	0.1%
Catering: Departmental activities	-	-	-	142	-	0.1%	148	157	166	5.3%	0.4%
Communication	22	105	111	158	92.9%	0.3%	167	175	185	5.4%	0.4%
Computer services	-	-	-	27	-	-	28	29	31	4.7%	0.1%
Consultants and professional services:	4 099	4 191	4 131	2 301	-17.5%	11.7%	2 476	2 557	3 262	12.3%	6.3%
Business and advisory services											
Consultants and professional services:	6 416	6 058	3 267	7 000	2.9%	18.1%	7 000	7 322	7 710	3.3%	17.3%
Infrastructure and planning											
Consultants and professional services:	375	-	-	-	-100.0%	0.3%	-	-	-	-	-
Legal costs											
Contractors	9	28	9	134	146.0%	0.1%	137	143	150	3.8%	0.3%
Agency and support / outsourced services	-	1 209	-	11 198	-	9.9%	11 869	12 417	13 109	5.4%	29.0%
Entertainment	11	39	27	23	27.9%	0.1%	25	26	197	104.6%	0.2%
Fleet services (including government motor transport)	-	3	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	100	-	0.1%	272	285	300	44.2%	0.6%
Inventory: Other supplies	-	2	-	3	-	-	3	5	6	26.0%	-
Consumable: Stationery, printing and office supplies	176	132	34	225	8.5%	0.5%	237	252	255	4.3%	0.6%
Operating leases	162	80	35	187	4.9%	0.4%	172	178	172	-2.7%	0.4%
Transport provided: Departmental activity	187	-	-	210	3.9%	0.3%	119	120	111	-19.1%	0.3%
Travel and subsistence	51	1 130	264	1 942	236.4%	2.7%	2 115	2 166	2 284	5.6%	5.1%
Training and development	21	28	4	180	104.7%	0.2%	216	278	293	17.6%	0.6%
Operating payments	686	747	1 004	295	-24.5%	2.2%	395	413	554	23.4%	1.0%
Venues and facilities	79	352	49	1 131	142.8%	1.3%	1 210	1 265	676	-15.8%	2.6%
Interest and rent on land	17	3	-	-	-100.0%	-	-	-	-	-	-
Transfers and subsidies	8 982	9 512	9 906	200	-71.9%	22.7%	200	200	200	-	0.5%
Non-profit institutions	8 982	9 431	9 903	-	-100.0%	22.5%	-	-	-	-	-
Households	-	81	3	200	-	0.2%	200	200	200	-	0.5%
Payments for capital assets	228	101	101	125	-18.2%	0.4%	132	139	147	5.6%	0.3%
Machinery and equipment	228	101	101	125	-18.2%	0.4%	132	139	147	5.6%	0.3%
Payments for financial assets	-	2 025	-	-	-	1.6%	-	-	-	-	-
Total	28 029	34 353	26 858	36 682	9.4%	100.0%	41 473	43 381	45 872	7.7%	100.0%
Proportion of total programme expenditure to vote expenditure	0.4%	0.5%	0.4%	0.6%			0.7%	0.7%	0.6%		

Details of transfers and subsidies

Households											
Social benefits											
Current	-	81	3	200	-	0.2%	200	200	200	-	0.5%
Employee social benefits	-	81	3	200	-	0.2%	200	200	200	-	0.5%
Non-profit institutions											
Current	8 982	9 431	9 903	-	-100.0%	22.5%	-	-	-	-	-
Agrément Board	8 982	9 431	9 903	-	-100.0%	22.5%	-	-	-	-	-

Personnel information

Table 7.15 Details of approved establishment and personnel numbers according to salary level¹

Number of posts estimated for 31 March 2014			Number and cost ² of personnel posts filled / planned for on funded establishment														Number		
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number			Cost	Unit Cost
Property and Construction Industry																			
Policy Regulation																			
Salary level	24	–	17	7.9	0.5	19	10.8	0.6	24	14.1	0.6	24	14.8	0.6	24	15.5	0.6	8.1%	100.0%
7 – 10	9	–	7	2.1	0.3	8	2.5	0.3	9	3.0	0.3	9	3.1	0.3	9	3.2	0.4	4.0%	38.5%
11 – 12	9	–	8	4.1	0.5	5	2.7	0.5	9	5.1	0.6	9	5.3	0.6	9	5.6	0.6	21.6%	35.2%
13 – 16	6	–	2	1.7	0.9	6	5.6	0.9	6	6.1	1.0	6	6.4	1.1	6	6.7	1.1	–	26.4%

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. Rand million.

Expenditure trends

The spending focus over the medium term will be on tabling the Expropriation Bill, which provides for the expropriation of property for a public purpose or in the public interest, subject to just and equitable compensation; and the Agrément South Africa Bill, which confers the appropriate legal status on Agrément South Africa. The focus will also be on promoting growth and transformation in the construction and property industries through the implementation of the construction and property charters.

Between 2010/11 and 2013/14, additional staff were appointed to oversee the development of lifecycle asset management policies and legal expertise was engaged to assist with the development of the Expropriation Bill and the Agrément South Africa Bill. This explains the significant growth over this period in expenditure on compensation of employees and goods and services, specifically travel and subsistence, agency support and outsourced services, professional services, and advertising. Over the medium term, the department will continue to use the services of consultants, specifically those with legal expertise, to finalise the two bills. This is expected to increase spending on consultants, agency support and outsourced services over the period. Personnel numbers over the medium term are projected to increase from 19 in 2013/14 to 24 in 2016/17 as more staff are employed to oversee these processes.

Programme 5: Auxiliary and Associated Services

Subprogrammes

- *Compensation for Losses* provides compensation for losses in the state housing guarantee scheme when public servants fail to fulfil their obligations.
- *Assistance to Organisations for Preservation of National Memorials* provides funding to the Commonwealth War Graves Commission and to the United Nations for maintaining national memorials.
- *State Functions* provides for the acquisition of logistical facilities for state functions, with the aim of ensuring effective and efficient delivery of infrastructure for all state function activities.
- *Sector Education and Training Authority* aims to influence training and skills development throughout the construction industry. In 2013/14, this subprogramme's total budget was transferred to the Construction Education and Training Authority.

Expenditure estimates

Table 7.16 Auxiliary and Associated Services

Subprogramme				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
Audited outcome											
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	
Compensation for Losses	265	–	–	284	2.3%	0.4%	421	532	560	25.4%	0.7%
Distress Relief	–	–	–	1	–	–	1	1	1	–	–
Loskop Settlement	–	–	–	1	–	–	–	–	–	-100.0%	–
Assistance to Organisations for Preservation of National Memorials	13 863	12 956	15 436	20 510	13.9%	40.9%	21 741	22 741	23 946	5.3%	35.2%
State Functions	8 810	11 967	36 634	27 132	45.5%	55.1%	67 741	28 466	29 975	3.4%	60.7%
Sector Education and Training Authority	1 201	278	1 260	2 750	31.8%	3.6%	1 915	1 949	2 111	-8.4%	3.5%
Total	24 139	25 201	53 330	50 678	28.0%	100.0%	91 819	53 689	56 593	3.7%	100.0%
Change to 2013 Budget estimate				–			39 000	(1 100)	(1 100)		
Economic classification											
Current payments	8 810	11 967	36 634	27 417	46.0%	55.3%	68 163	28 999	30 536	3.7%	61.4%
Goods and services	8 810	11 967	36 634	27 417	46.0%	55.3%	68 163	28 999	30 536	3.7%	61.4%
of which:											
Administration fees	–	–	–	284	–	0.2%	421	532	560	25.4%	0.7%
Contractors	8 810	11 967	36 634	27 133	45.5%	55.1%	67 742	28 467	29 976	3.4%	60.7%
Transfers and subsidies	15 064	13 234	16 696	23 261	15.6%	44.5%	23 656	24 690	26 057	3.9%	38.6%
Departmental agencies and accounts	1 201	278	1 260	2 750	31.8%	3.6%	1 915	1 949	2 111	-8.4%	3.5%
Foreign governments and international organisations	13 863	12 956	15 436	20 510	13.9%	40.9%	21 741	22 741	23 946	5.3%	35.2%
Households	–	–	–	1	–	–	–	–	–	-100.0%	–
Payments for financial assets	265	–	–	–	-100.0%	0.2%	–	–	–	–	–
Total	24 139	25 201	53 330	50 678	28.0%	100.0%	91 819	53 689	56 593	3.7%	100.0%
Proportion of total programme expenditure to vote expenditure	0.4%	0.4%	0.7%	0.8%			1.5%	0.8%	0.8%		
Details of transfers and subsidies											
Households											
Social benefits											
Current	–	–	–	1	–	–	–	–	–	-100.0%	–
Loskop Settlement	–	–	–	1	–	–	–	–	–	-100.0%	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	1 201	278	1 260	2 750	31.8%	3.6%	1 915	1 949	2 111	-8.4%	3.5%
Construction Education and Training Authority	1 201	278	1 260	2 750	31.8%	3.6%	1 915	1 949	2 111	-8.4%	3.5%
Foreign governments and international organisations											
Current	13 863	12 956	15 436	20 510	13.9%	40.9%	21 741	22 741	23 946	5.3%	35.2%
Distress relief	–	–	–	–	–	–	–	–	–	–	–
Commonwealth War Graves Commission	13 863	12 956	15 436	20 510	13.9%	40.9%	21 741	22 741	23 946	5.3%	35.2%

Expenditure trends

The spending focus over the medium term will be on providing assistance to the Commonwealth War Graves Commission and the United Nations for the preservation of national memorials, and on the preparation of facilities for state functions. The bulk of spending in this programme goes towards goods and services for state functions, and transfers and subsidies for the *Assistance to Organisations for Preservation of National Memorials* subprogramme. Between 2010/11 and 2013/14, expenditure on contractors increased significantly due to additional allocations for state functions, including state funerals. In 2014/15, expenditure for state functions is expected to increase by 149.8 per cent, mainly to provide for the presidential inauguration ceremony in 2014. This will also lead to increased spending on contractors, who will be responsible for erecting marquees; organising the stage, podium and seating arrangements; and providing cleaning services. Spending on contractors will thus account for 60.7 per cent of the programme's expenditure over the medium term.

Public entities and other agencies

Property management trading entity

Mandate and goals

The property management trading entity was established following the decision in 2006 that accommodation related costs be devolved from the Department of Public Works to client departments. The budget devolution was aimed at ensuring the long term sustainability of the department and its immovable assets, and ensuring compliance with the Public Finance Management Act (1999), specifically the requirement that the full cost of a service be reflected on each of the departments' budgets. On a cost recovery basis, the entity finances the purchase, construction, refurbishment and maintenance of nationally owned government properties. The entity also pays for municipal services on behalf of national departments on a commission basis.

The entity's strategic goals over the medium term are to improve internal financial management practices by re-evaluating its current policies and procedures, and to implement an adequate IT system to support operations.

Selected performance indicators

Table 7.17 Property Management Trading Entity

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Revenue collected per year	All	Entity mandate	R4.9bn	R8.8bn	R8.3bn	R10.3bn	R11.3bn	R12.2bn	R13.3bn
Average number of days to collect revenue	All		60	60	60	60	60	60	60
Amount invoiced outstanding at the end of the year	All		R100m	R1.2bn	R1.4bn	R900m	R600m	R650m	R700m

Programmes/activities/objectives

Table 7.18 Property management trading entity

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Administration	17 779	15 331	22 742	12 265	-11.6%	0.2%	4 166	4 167	3 168	-36.3%	0.1%
Maintenance and repair of buildings	878 087	3 614 992	3 218 568	2 394 914	39.7%	29.9%	2 579 787	2 624 047	3 101 930	9.0%	34.7%
Operating leases	3 212 848	3 318 534	3 345 719	3 271 085	0.6%	44.6%	3 532 771	3 815 393	4 120 624	8.0%	47.8%
Property rates	584 823	696 818	484 106	1 046 665	21.4%	9.6%	975 009	1 072 510	1 179 761	4.1%	13.9%
Cleaning and gardening services	169 520	141 038	170 181	245 000	13.1%	2.5%	258 475	272 433	287 144	5.4%	3.5%
Construction	-	3 018 443	2 351 326	-	-	13.1%	-	-	-	-	-
Total expense	4 863 057	10 805 156	9 592 642	6 969 929	12.7%	100.0%	7 350 208	7 788 550	8 692 627	7.6%	100.0%

Expenditure estimates

Table 7.19 Property management trading entity

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Revenue											
Non-tax revenue	4 438 696	9 437 057	9 099 243	10 505 998	33.3%	92.2%	11 209 728	12 139 142	13 310 337	8.2%	94.4%
Sale of goods and services other than capital assets of which:	4 427 245	9 374 573	9 017 181	10 484 413	33.3%	91.7%	11 187 388	12 115 906	13 286 084	8.2%	94.2%
Sales by market establishment	3 419 554	6 106 132	5 599 182	6 736 562	25.4%	61.5%	7 180 821	7 656 061	8 164 549	6.6%	59.6%
Other sales	1 007 691	3 268 441	3 417 999	3 747 851	54.9%	30.2%	4 006 567	4 459 845	5 121 535	11.0%	34.6%
Other non-tax revenue	11 451	62 484	82 062	21 585	23.5%	0.5%	22 340	23 236	24 253	4.0%	0.2%
Transfers received	612 967	630 189	646 849	682 426	3.6%	7.8%	673 372	706 647	746 749	3.0%	5.6%
Total revenue	5 051 663	10 067 246	9 746 092	11 188 424	30.4%	100.0%	11 883 100	12 845 789	14 057 086	7.9%	100.0%

Table 7.19 Property management trading entity

Statement of financial performance	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand												
Expenses												
Current expenses	4 279 974	10 108 879	9 108 844	5 923 264		11.4%	90.4%	6 375 199	6 716 040	7 512 866	8.2%	86.1%
Compensation of employees	–	12 893	17 869	–	–	–	0.1%	–	–	–	–	–
Goods and services	4 267 465	10 081 130	9 074 694	5 907 764	11.5%	90.1%	90.1%	6 358 619	6 698 294	7 493 860	8.2%	85.9%
Interest, dividends and rent on land	12 509	14 856	16 281	15 500	7.4%	0.2%	0.2%	16 580	17 746	19 006	7.0%	0.2%
Transfers and subsidies	583 083	696 277	483 798	1 046 665		21.5%	9.6%	975 009	1 072 510	1 179 761	4.1%	13.9%
Total expenses	4 863 057	10 805 156	9 592 642	6 969 929		12.7%	100.0%	7 350 208	7 788 550	8 692 627	7.6%	100.0%
Surplus/(Deficit)	188 606	(737 910)	153 450	4 218 495		181.8%		4 532 892	5 057 239	5 364 459	8.3%	
Statement of financial position												
Carrying value of assets	–	–	–	5 235 112	–	–	15.0%	6 050 005	7 060 005	8 070 005	15.5%	68.4%
of which:												
Acquisition of assets	–	–	–	4 218 495	–	–	12.1%	4 532 892	5 057 239	5 364 459	8.3%	49.9%
Investments	–	890 196	926 047	999 602	–	–	17.8%	1 096 240	1 207 865	1 328 851	10.0%	12.0%
Receivables and prepayments	3 935 395	1 925 469	2 357 031	2 472 772	-14.3%	67.1%	67.1%	1 978 600	1 583 700	1 268 800	-19.9%	19.5%
Cash and cash equivalents	2 158	1 399	829	12 520	79.7%	0.1%	0.1%	1 000	1 000	1 000	-56.9%	0.0%
Total assets	3 937 553	2 817 064	3 283 907	8 720 006		30.3%	100.0%	9 125 845	9 852 570	10 668 656	7.0%	100.0%
Accumulated surplus/(deficit)	128 134	(1 122 253)	(968 803)	4 408 601	225.2%	-3.9%	-3.9%	5 788 216	6 492 326	7 284 492	18.2%	62.0%
Borrowings	1 339 273	1 254 988	1 402 323	1 546 190	4.9%	34.7%	34.7%	1 000 000	1 000 000	1 000 000	-13.5%	12.1%
Finance lease	–	890 196	926 047	919 478	–	17.6%	17.6%	936 240	939 865	943 851	0.9%	9.8%
Trade and other payables	2 434 857	1 422 356	1 548 024	1 495 991	-15.0%	44.2%	44.2%	1 000 000	1 000 000	1 000 000	-12.6%	11.9%
Provisions	35 289	35 474	35 759	23 500	-12.7%	0.9%	0.9%	23 600	23 700	23 800	0.4%	0.2%
Derivatives financial instruments	–	336 303	340 557	326 246	–	6.5%	6.5%	377 789	396 679	416 513	8.5%	4.0%
Total equity and liabilities	3 937 553	2 817 064	3 283 907	8 720 006		30.3%	100.0%	9 125 845	9 852 570	10 668 656	7.0%	100.0%

Expenditure trends

The property management trading entity's revenue is generated mainly from management fees earned through administrative services provided on behalf of client departments. These include the payment of municipal charges on behalf of client departments at a management fee of 5 per cent, and the collection of rental income on both government owned buildings rented to client departments, and privately owned buildings rented on behalf of government departments from private landlords. Between 2010/11 and 2013/14, revenue increased significantly due to increases in accommodation charges and cost escalations from leases. Over the MTEF period, revenue is expected to increase to R14.1 billion in 2016/17 due to annual escalations in lease contracts, which range between 8 per cent and 10 per cent, and an inflationary increase in estimates for day-to-day maintenance. The entity's revenue between 2010/11 and 2013/14 and over the MTEF period grows at a rate higher than that of expenditure, which results in a surplus. The surplus will be used for the acquisition and maintenance of assets.

The spending focus over the medium term will be on the acquisition and maintenance of assets as well as the implementation of an improved invoicing system. This should lead to better revenue collection and therefore more funds being available for the implementation of capital projects. Other projects that are under way to improve revenue collection include a review of the entire lease portfolio and the physical verification of the immovable asset register to support the invoicing system. In support of these imperatives, spending grows by an average annual rate of 9 per cent in the maintenance and repair of buildings programme, mainly on goods and services, which grows by 8.2 per cent over the MTEF period.

As part of its acquisition and maintenance of assets function, the entity has, over the years, financed the refurbishment of the Civitas building, which is currently occupied by the Department of Health; acquired the Salvokop precinct in Tshwane for the construction of a number of buildings to be used as headquarters for a number of departments; and managed the repair and maintenance of infrastructure at various ports of entry across the country. The entity has managed the completion of several repair and renovation projects across the country, including major renovations at the Graaff Reinet police college. Over the medium term, the entity will upgrade and complete the rehabilitation of the Agrivaal and 38 Church Square buildings in Pretoria. With the improved invoicing system and the upgrades, the accommodation charges on these buildings will generate more revenue for the entity.

Construction Industry Development Board

Mandate and goals

The Construction Industry Development Board is a schedule 3A public entity established in terms of the Construction Industry Development Board Act (2000). The board is mandated to: provide strategic leadership to construction industry stakeholders to stimulate sustainable growth; oversee the transformation of the construction sector by encouraging and facilitating the participation of the emerging sector in the industry; establish and promote best practice among public and private sector role players in the construction delivery process; ensure the uniform application of policy throughout all spheres of government; set and uphold ethical standards across the industry; ensure improved procurement and delivery management and more equitable procurement practices; and develop systematic methods for monitoring and regulating the performance of the industry and its stakeholders, including the registration of projects and contractors.

The board's strategic goals over the medium term are to:

- provide leadership and support in relation to contractor development at the board's provincial offices
- improve the construction register service
- improve compliance with all legislation and regulations that are relevant to the board's work
- combat fraud and corruption in the construction industry
- ensure that construction procurement systems in all organs of state are uniformly applied
- monitor the performance of the construction industry
- improve infrastructure delivery skills and management practices in the construction industry
- build, strengthen and maintain relationships with stakeholders.

Selected performance indicators

Table 7.20 Construction Industry Development Board

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of annual analysis reports on supply chain management training to municipalities	Provide contractor and client support through provincial offices	Entity mandate	— ¹	— ¹	— ¹	— ¹	2	2	2
Percentage of contractor development programmes registered on the construction register service system to use the electronic monitoring and evaluation system	Provide contractor and client support through provincial offices		— ¹	— ¹	— ¹	— ¹	90%	95%	— ²
Number of regulation amendments to documents scoping best practice for project assessments on schemes submitted to the Department of Public Works per year	Improve the performance of sector and value to clients		— ¹	— ¹	— ¹	— ¹	1	2	2
Number of quarterly monitoring reports on the state of the development of the industry, including black ownership and black contractors' grade upgrades published per year	Improve the performance of sector, and value to clients		— ¹	— ¹	— ¹	4	4	4	4
Number of quarterly reports published on the small, medium and micro enterprises business condition surveys per year	Improve the performance of sector, and value to clients		— ¹	— ¹	— ¹	4	4	4	4

1. No historical data, as these are new indicators.

2. The target/objective will be achieved in 2015/16.

Programmes/activities/objectives

Table 7.21 Construction Industry Development Board

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Administration	31 155	34 129	40 554	40 000	8.7%	31.6%	41 840	43 765	46 259	5.0%	32.6%
Improve the construction registers service through business process excellence	18 900	18 437	21 776	21 687	4.7%	17.5%	22 685	23 727	25 081	5.0%	17.6%
Provide contractor and client support through provincial offices	21 352	24 859	27 441	29 736	11.7%	22.4%	31 104	32 535	34 389	5.0%	24.2%
Build, strengthen and maintain relationships with stakeholders	10 607	11 525	11 966	11 227	1.9%	9.9%	11 743	12 284	12 984	5.0%	9.1%
Improve the performance of sector, and value to clients	11 132	12 137	8 841	9 468	-5.3%	9.1%	9 904	10 359	10 949	5.0%	7.7%
Improve compliance with and maintenance of the prescripts and combat fraud and corruption in the construction industry and monitor the performance of the industry	10 073	11 306	11 605	10 769	2.3%	9.5%	11 264	11 783	12 455	5.0%	8.8%
Total expense	103 219	112 393	122 183	122 887	6.0%	100.0%	128 540	134 453	142 117	5.0%	100.0%

Expenditure estimates

Table 7.22 Construction Industry Development Board

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Revenue											
Non-tax revenue	49 590	52 502	47 550	50 526	0.6%	42.6%	51 328	53 067	56 418	3.7%	40.1%
Sale of goods and services other than capital assets	45 073	47 737	42 568	47 448	1.7%	38.9%	48 065	49 804	52 657	3.5%	37.5%
of which:											
Sales by market establishment	45 073	47 737	42 568	47 448	1.7%	38.9%	48 065	49 804	52 657	3.5%	37.5%
Other non-tax revenue	4 517	4 765	4 982	3 078	-12.0%	3.7%	3 263	3 263	3 761	6.9%	2.5%
Transfers received	63 665	65 959	67 614	72 361	4.4%	57.4%	77 212	81 386	85 699	5.8%	59.9%
Total revenue	113 255	118 461	115 164	122 887	2.8%	100.0%	128 540	134 453	142 117	5.0%	100.0%
Expenses											
Current expenses	103 219	112 393	122 183	122 887	6.0%	100.0%	128 540	134 453	142 117	5.0%	100.0%
Compensation of employees	52 871	61 065	73 045	81 903	15.7%	58.0%	88 493	94 213	99 865	6.8%	69.0%
Goods and services	47 772	48 350	45 801	37 181	-8.0%	39.3%	36 330	36 607	38 646	1.3%	28.2%
Depreciation	2 502	2 943	3 335	3 803	15.0%	2.7%	3 717	3 633	3 606	-1.7%	2.8%
Interest, dividends and rent on land	74	35	2	-	-100.0%	0.0%	-	-	-	-	-
Total expenses	103 219	112 393	122 183	122 887	6.0%	100.0%	128 540	134 453	142 117	5.0%	100.0%
Surplus/(Deficit)	10 036	6 068	(7 019)	-	-100.0%		-	-	-	-	
Statement of financial position											
Carrying value of assets	14 765	22 519	22 659	21 964	14.2%	20.1%	21 500	20 265	20 832	-1.7%	22.4%
of which:											
Acquisition of assets	2 740	10 997	3 910	3 803	11.6%	5.2%	3 717	3 633	3 607	-1.7%	3.9%
Investments	1 193	-	-	-	-100.0%	0.3%	-	-	-	-	-
Receivables and prepayments	1 682	1 506	1 919	1 444	-5.0%	1.6%	1 300	1 170	1 053	-10.0%	1.3%
Cash and cash equivalents	80 812	80 163	77 527	78 924	-0.8%	78.0%	74 302	70 283	64 848	-6.3%	76.3%
Total assets	98 452	104 188	102 106	102 332	1.3%	100.0%	97 102	91 718	86 733	-5.4%	100.0%
Accumulated surplus/(deficit)	52 617	58 685	51 666	51 666	-0.6%	52.7%	51 666	51 666	51 666	-	54.9%
Trade and other payables	45 513	45 413	46 505	41 700	-2.9%	44.0%	39 837	35 853	32 268	-8.2%	39.5%
Derivatives financial instruments	322	90	-	-	-100.0%	0.1%	-	-	-	-	-
Total equity and liabilities	98 452	104 188	102 106	102 332	1.3%	100.0%	97 102	91 718	86 733	-5.4%	100.0%

Personnel information

Table 7.23 Construction Industry Development Board

Number of posts estimated for 31 March 2014			Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Salary level	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
			2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
	195	223	171	73.0	0.4	223	81.9	0.4	223	88.5	0.4	223	94.2	0.4	223	99.9	0.4	6.8%	100.0%	
1 – 6	12	12	12	1.4	0.1	12	1.5	0.1	12	1.7	0.1	12	1.8	0.1	12	1.9	0.2	7.1%	5.4%	
7 – 10	153	181	129	43.0	0.3	181	49.5	0.3	181	54.2	0.3	181	57.6	0.3	181	61.1	0.3	7.3%	81.2%	
11 – 12	19	19	19	16.6	0.9	19	17.9	0.9	19	19.0	1.0	19	20.3	1.1	19	21.5	1.1	6.3%	8.5%	
13 – 16	11	11	11	12.0	1.1	11	12.9	1.2	11	13.7	1.2	11	14.5	1.3	11	15.4	1.4	5.9%	4.9%	

1. Rand million.

Expenditure trends

The spending focus of the Construction Industry Development Board over the medium term will be on: compliance monitoring and improvements aimed at strengthening the board's regulatory mandate; improving the electronic document management system aimed at enhancing efficiency in the board's control environment; initiatives for contractor development; and an expanded and improved provincial service offering.

Expenditure on compensation of employees increased significantly between 2010/11 and 2013/14, mainly because the board appointed additional staff to fill posts that were vacant due to natural attrition. Over the medium term, spending on compensation of employees will normalise to provide for improved conditions of service, the strengthening of the board's regulatory mandate and the enhancement of its service offering in all provinces. The ratio of costs of compensation of employees to total costs is expected to increase from 58 per cent in 2013/14 to 69 per cent in 2016/17. This follows the board's transformation from a small organisation in which most of its activities were performed by consultants to one where its own staff are able to perform most functions. The entity has an approved establishment of 223 posts, all of which were filled at the end of November 2013. Personnel numbers are expected to remain at this level over the medium term.

As part of its spending focus on different initiatives on contractor development, between 2010/11 and 2012/13, the board continued to achieve its legislative mandate of ensuring a registration turnaround of 21 working days for contractors in grades 2 to 9. It has published various best practices in the construction industry and also ensured the relaxation of the registration requirements as part of the objective to transform the industry. Over the medium term, the board expects to build, strengthen and maintain relationships with stakeholders through various forums such as its national stakeholders forum and the provincial contractors development forum; publish more guidelines on best practice in the construction industry; and continue to review and amend its contractor registration criteria as part of the initiative for contractor development.

Council for the Built Environment

Mandate and goals

The Council for the Built Environment is a statutory entity established by the Council for the Built Environment Act (2000), which mandates the council to: promote and protect the interests of the public in the built environment; promote and maintain a sustainable built and natural environment; promote ongoing human resources development in the built environment; promote sound governance of the built environment professions; facilitate participation by the built environment professions, such as architecture, engineering, landscape architecture, project and construction, property valuation, and quantity surveying; ensure the uniform application of norms and guidelines set by councils for professions throughout the built environment; promote appropriate standards of health, safety and environmental protection within the built environment; promote high training standards; and serve as a forum where issues relating to the built environment can be discussed.

The council's strategic goals over the medium term are to:

- support government priorities that relate to the built environment
- facilitate and monitor the transformation and optimal development of the built environment professions and professionals
- establish and maintain a centre of excellence, which will be the first point of call on all built environment related issues
- strengthen public protection through the appeals process and educate the public in relation to the built environment.

Selected performance indicators

Table 7.24 Council for the Built Environment

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projected		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of students receiving bursary support per year	Skills development in the built environment	Outcome 5: A skilled and capable workforce to support an inclusive growth path	45	56	3	0 ¹	— ¹	— ¹	— ¹
Number of students reached through the rollout of mathematics and science			— ²	— ²	— ²	150	150	800	1 200
Number of interns placed at work per year			— ³	— ³	— ³	— ³	100	100	100
Number of advisory reports submitted to the minister per year	Research and information in the built environment		1	1	2	0 ⁴	— ⁴	— ⁴	— ⁴
Number of research reports on priority issues relating to the six built environment professional councils per year			— ⁵	— ⁵	— ⁵	2	3	4	5
Number of policies of professional councils aligned with the Council for the Built Environment's policy frameworks per year	Public interest	Outcome 12: An efficient, effective and development oriented public service and an empowered and fair, inclusive citizenship	2	2	9	1	— ⁶	— ⁶	— ⁶

1. This indicator is being discontinued because of lack of funding from the private sector stakeholders.

2. This is a new project that the entity started implementing in 2013/14.

3. This is a new project that the entity will start implementing over the MTEF period.

4. The indicator is discontinued to be re-focused through research outputs that highlight the priorities of the built environment professional councils.

5. This is a refocused indicator which includes all research outputs that highlight the priorities of the built environment professional councils.

6. All key frameworks are envisaged to be completed by the end of 2013/14.

Programmes/activities/objectives

Table 7.25 Council for the Built Environment

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand											
Administration	15 209	15 278	15 539	16 433	2.6%	49.0%	18 715	17 306	20 248	7.2%	41.1%
Skills development in the built environment	7 068	4 139	3 492	8 472	6.2%	17.5%	8 604	10 632	7 539	-3.8%	20.0%
Research and information in the built environment	5 942	7 913	6 548	10 360	20.4%	23.7%	10 985	13 196	15 439	14.2%	28.0%
Public interest	3 146	2 737	2 600	4 222	10.3%	9.8%	4 880	4 717	5 519	9.3%	10.9%
Total expense	31 365	30 067	28 179	39 487	8.0%	100.0%	43 184	45 851	48 745	7.3%	100.0%

Expenditure estimates

Table 7.26 Council for the Built Environment

Statement of financial performance				Revised estimate	Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ total: Average (%)
Audited outcome											
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Revenue											
Non-tax revenue	1 710	2 035	2 106	1 857	2.8%	6.2%	1 953	1 953	2 040	3.2%	4.4%
Sale of goods and services other than capital assets	1 617	1 657	1 784	1 717	2.0%	5.4%	1 803	1 803	1 870	2.9%	4.0%
<i>of which:</i>											
<i>Sales by market establishment</i>	<i>1 617</i>	<i>1 657</i>	<i>1 784</i>	<i>1 717</i>	<i>2.0%</i>	<i>5.4%</i>	<i>1 803</i>	<i>1 803</i>	<i>1 870</i>	<i>2.9%</i>	<i>4.0%</i>
Other non-tax revenue	93	378	322	140	14.6%	0.8%	150	150	170	6.7%	0.3%
Transfers received	25 527	27 433	28 146	37 959	14.1%	93.8%	41 572	44 291	46 638	7.1%	95.6%
Total revenue	27 237	29 468	30 252	39 816	13.5%	100.0%	43 525	46 244	48 678	6.9%	100.0%
Expenses											
Current expenses	31 365	30 067	28 179	39 487	8.0%	100.0%	43 184	45 851	48 745	7.3%	100.0%
Compensation of employees	14 407	14 140	13 707	17 583	6.9%	46.5%	19 138	19 778	23 140	9.6%	44.9%
Goods and services	16 348	15 643	14 141	21 904	10.2%	52.5%	24 046	26 073	25 605	5.3%	55.1%
Depreciation	610	284	331	–	-100.0%	1.0%	–	–	–	–	–
Total expenses	31 365	30 067	28 179	39 487	8.0%	100.0%	43 184	45 851	48 745	7.3%	100.0%
Surplus/(Deficit)	(4 128)	(599)	2 073	329	-143.0%		341	393	(67)	-158.8%	
Statement of financial position											
Carrying value of assets	1 398	1 571	2 027	1 609	4.8%	22.5%	1 583	1 594	2 134	9.9%	31.7%
<i>of which:</i>											
<i>Acquisition of assets</i>	<i>275</i>	<i>625</i>	<i>891</i>	<i>330</i>	<i>6.3%</i>	<i>6.9%</i>	<i>360</i>	<i>392</i>	<i>459</i>	<i>11.6%</i>	<i>7.1%</i>
Receivables and prepayments	323	168	199	438	10.7%	4.1%	301	289	230	-19.3%	5.6%
Cash and cash equivalents	4 712	6 439	6 474	4 186	-3.9%	73.4%	3 703	3 439	2 613	-14.5%	62.6%
Total assets	6 433	8 178	8 700	6 233	-1.0%	100.0%	5 587	5 322	4 977	-7.2%	100.0%
Accumulated surplus/(deficit)	3 855	3 256	5 329	5 000	9.1%	60.3%	4 659	4 266	3 797	-8.8%	80.0%
Trade and other payables	2 180	4 688	3 137	980	-23.4%	35.7%	650	751	820	-5.8%	14.5%
Provisions	398	234	234	253	-14.0%	3.9%	278	305	360	12.5%	5.5%
Total equity and liabilities	6 433	8 178	8 700	6 233	-1.0%	100.0%	5 587	5 322	4 977	-7.2%	100.0%

Personnel information

Table 7.27 Council for the Built Environment

Number of posts estimated for 31 March 2014			Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Salary level	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
			2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
28	31	27	13.7	0.5	27	17.6	0.7	32	19.1	0.6	32	19.8	0.6	32	23.1	0.7	9.6%	100.0%		
1 – 6	1	1	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	6.4%	3.3%	
7 – 10	7	8	7	2.2	0.3	7	2.3	0.3	9	3.0	0.3	9	3.2	0.4	9	3.4	0.4	13.8%	27.6%	
11 – 12	11	13	10	4.8	0.5	10	5.1	0.5	11	6.2	0.6	11	6.5	0.6	11	6.9	0.6	10.4%	35.0%	
13 – 16	9	9	9	6.6	0.7	9	10.0	1.1	11	9.8	0.9	11	9.9	0.9	11	12.6	1.1	8.2%	34.1%	

¹ Rand million.

Expenditure trends

The Council for the Built Environment receives the bulk of its revenue from transfers from government, which represented an average of 93.8 per cent of the council's total revenue between 2010/11 and 2013/14. Other sources of revenue include levies collected from registered professionals through the professional councils and interest earned on bank deposits. Over the MTEF period, revenue is expected to grow at an average annual rate of 7.1 per cent and will comprise 95.6 per cent of the council's total revenue over the period.

The council's spending focus over the medium term will be to assist the research department to become an efficient knowledge hub for the built environment professions, through the upgrading of internal infrastructure

technology. This project is located within the research and information in the built environment programme, which is one of the programmes that is expected to see significant expenditure growth over the MTEF period, at an average annual rate of 14.2 per cent. This is because of the efforts to strengthen research and infrastructure upgrading projects. Over the MTEF period, R39.6 million has been allocated to the research and information in the built environment programme. As a knowledge hub, the entity will be required to engage extensively with its stakeholders. The key cost drivers within this project will therefore be research, publications, stakeholder forums, as well as the annual built environment indaba. The council will publish 12 research reports on priority issues relating to the six built environment professional councils over the medium term.

The council's expenditure is expected to increase at an average rate of 7.3 per cent, from R39.5 million in 2013/14 to R48.7 million in 2016/17, to provide for annual inflation and the costs of meeting the council's incrementally increasing targets.

The council has 28 funded posts on its establishment, of which 1 was vacant at the end of November 2013. The vacancy is the result of natural attrition and the length of time it takes to finalise recruitment processes. Over the MTEF period, the council aims to conduct a thorough human capital assessment to ensure that there are sufficient resources for the delivery of planned projects. Funded posts, including posts additional to the establishment, will remain at 32 in 2016/17. Over the medium term, the council expects to fill all vacant posts and this will see expenditure on compensation of employees growing at an average annual rate of 9.6 per cent.

Independent Development Trust

Mandate and goals

The Independent Development Trust is listed as a schedule 2 public entity in terms of the Public Finance Management Act (1999). It was established in 1990 as a grant-making institution for the development of disadvantaged communities in South Africa, particularly in rural areas. In 1998, the revision of the entity's mandate turned it into a programme implementation agency, which incorporated development planning as well as implementing and coordinating government's development programmes. The trust is currently implementing a transformation programme that focuses on community empowerment using social infrastructure programmes as a basis for accessing communities and building on assets within communities. With a renewed focus on community development, the entity's value continues to be the developmental impact of its service delivery model.

The trust's strategic goals over the medium term are to:

- implement transformation that focuses on the empowerment of communities, using its social infrastructure programmes as the basis for this
- operate effectively as a government development agency that will implement projects commissioned by government departments.

Selected Performance Indicators

Table 7.28 Independent Development Trust

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projected		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Value of programme spend per year	Programme management	Outcome 8: Sustainable human settlements and improved quality of household life	R3bn	R4.2bn	R5.65bn	R7bn	R 7.7bn	R 8.5bn	R9.0bn
Number of job opportunities created per year	Programme management	Outcome 4: Decent employment through inclusive growth	58 580	76 420	76 981	78 000	90 000	100 000	106 000

Table 7.28 Independent Development Trust

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projected		
			2010/11	2011/12	2012/13		2014/15	2015/16	2016/17
Number of women contractors developed per year	Programme management	Outcome 5: A skilled and capable workforce to support an inclusive growth path	68	73	78	84	94	100	110
Percentage value of programme spent on BBBEE per year	Programme management		68% (R1.53bn)	50% (R2.12bn)	63% (R3.56bn)	60%	60%	60%	60%
Percentage value of programme spent on youth per year	Programme management	Outcome 12: An efficient, effective and development oriented public service	13% (R292 000)	15% (R636 000)	12% (R677 000)	12%	12%	12%	12%
Operational efficiency ratio	Administration		15%	10%	6.6%	8%	10%	10%	10%
Average management fees as a percentage of the programme expenditure	Administration		— ¹	— ¹	3.3%	5%	4.82%	5.12%	5.5%

1. Entity began measuring indicator in 2012/13.

Programmes/activities/objectives

Table 7.29 Independent Development Trust

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Administration	110 113	129 044	113 484	142 671	9.0%	30.0%	164 961	151 285	162 123	4.4%	30.8%
Programme management	256 929	301 103	264 796	332 026	8.9%	70.0%	330 934	354 020	379 369	4.5%	69.2%
Total expense	367 042	430 147	378 280	474 697	9.0%	100.0%	495 895	505 305	541 492	4.5%	100.0%

Expenditure estimates

Table 7.30 Independent Development Trust

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Revenue											
Non-tax revenue	123 497	171 395	210 596	257 000	27.7%	79.4%	320 000	410 000	473 000	22.5%	89.8%
Sale of goods and services other than capital assets	81 205	139 486	186 599	252 000	45.9%	65.7%	315 000	405 000	468 000	22.9%	88.6%
of which:											
Administrative fees	81 205	139 486	186 599	252 000	45.9%	65.7%	315 000	405 000	468 000	22.9%	88.6%
Other non-tax revenue	42 292	31 909	23 997	5 000	-50.9%	13.7%	5 000	5 000	5 000	—	1.3%
Transfers received	—	150 000	50 800	50 000	—	20.6%	50 000	50 000	—	-100.0%	10.2%
Total revenue	123 497	321 395	261 396	307 000	35.5%	100.0%	370 000	460 000	473 000	15.5%	100.0%
Expenses											
Current expenses	367 042	430 147	378 280	474 697	9.0%	100.0%	495 895	505 305	541 492	4.5%	100.0%
Compensation of employees	218 653	236 896	220 755	270 183	7.3%	57.5%	313 034	339 676	368 058	10.9%	63.8%
Goods and services	141 918	187 006	149 530	197 260	11.6%	40.8%	175 607	158 375	165 745	-5.6%	34.7%
Depreciation	6 296	5 896	7 253	7 254	4.8%	1.6%	7 254	7 254	7 689	2.0%	1.5%
Interest, dividends and rent on land	175	349	742	—	-100.0%	0.1%	—	—	—	—	—
Total expenses	367 042	430 147	378 280	474 697	9.0%	100.0%	495 895	505 305	541 492	4.5%	100.0%
Surplus/(Deficit)	(243 545)	(108 752)	(116 884)	(167 697)	-11.7%		(125 895)	(45 305)	(68 492)	-25.8%	

Statement of financial position					Average growth rate (%)	Expenditure/total: Average (%)				Average growth rate (%)	Expenditure/total: Average (%)
	Audited outcome			Revised estimate			Medium-term estimate				
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Carrying value of assets	37 019	35 484	31 769	31 457	-5.3%	12.9%	31 203	30 949	30 260	-1.3%	17.4%
of which:											
Acquisition of assets	4 272	4 750	3 576	7 000	17.9%	2.2%	7 000	7 500	–	-100.0%	3.2%
Investments	415 549	277 519	169 727	–	-100.0%	51.5%	–	–	–	–	–
Inventory	–	–	13 880	–	–	1.2%	–	–	–	–	–
Receivables and prepayments	26 540	52 078	82 540	42 000	16.5%	19.7%	61 875	84 000	102 000	34.4%	38.0%
Cash and cash equivalents	28 062	44 840	3 472	52 285	23.1%	14.8%	96 644	101 594	83 791	17.0%	44.6%
Total assets	507 170	409 921	301 388	125 742	-37.2%	100.0%	189 722	216 543	216 051	19.8%	100.0%
Accumulated surplus/(deficit)	437 718	328 802	213 899	50 956	-51.2%	69.5%	59 578	130 990	97 679	24.2%	44.4%
Borrowings	–	–	–	–	–	–	50 643	–	–	–	6.7%
Finance lease	–	531	1 091	–	–	0.1%	–	–	–	–	–
Trade and other payables	28 429	33 929	42 190	39 558	11.6%	14.8%	42 459	45 473	48 654	7.1%	24.3%
Provisions	36 298	42 208	44 208	35 228	-1.0%	15.0%	37 042	40 080	69 718	25.6%	24.6%
Managed funds (e.g. poverty alleviation fund)	4 725	4 451	–	–	-100.0%	0.5%	–	–	–	–	–
Total equity and liabilities	507 170	409 921	301 388	125 742	-37.2%	100.0%	189 722	216 543	216 051	19.8%	100.0%

Table 7.31 Independent Development Trust

Number of posts estimated for 31 March 2014			Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts		Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
			2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	430	475	374	220.8	0.6	430	270.2	0.6	440	313.0	0.7	450	339.7	0.8	460	368.1	0.8	10.9%	100.0%	
1 – 6	25	25	25	3.2	0.1	25	3.7	0.1	25	3.9	0.2	25	4.1	0.2	25	4.4	0.2	6.0%	5.6%	
7 – 10	150	150	150	41.6	0.3	150	44.4	0.3	150	71.4	0.5	150	83.7	0.6	160	97.0	0.6	29.7%	34.3%	
11 – 12	134	179	98	70.7	0.7	134	91.1	0.7	144	104.6	0.7	134	110.8	0.8	134	117.3	0.9	8.8%	30.7%	
13 – 16	116	116	96	95.4	1.0	116	120.2	1.0	116	121.7	1.0	136	128.9	0.9	136	136.5	1.0	4.3%	28.3%	
17 – 22	5	5	5	9.9	2.0	5	10.9	2.2	5	11.5	2.3	5	12.2	2.4	5	12.9	2.6	6.0%	1.1%	

The Independent Development Trust receives the bulk of its revenue through the collection of management fees from client departments for which it implements programmes. Infrastructure programmes constitute the largest proportion of these by volume and value, with a small percentage relating to social development programmes. The increase in revenue between 2010/11 and 2013/14 was mainly because of increases in management fees collected from client departments as a result of the substantial growth in the trust's programme portfolio, from R3 billion in 2010/11 to R7 billion in 2013/14. Revenue is expected to increase over the medium term to R473 million because of an increase in the management fee rate levied by the trust, from 2.2 per cent of the total programme value to 6.5 per cent in 2016/17.

Generation of revenue in the form of management fees has not kept pace with increases in expenditure, which is determined by the level of activity in the delivery of the programme portfolio. This is evident in the consistent deficits between 2010/11 and 2013/14, which have been funded through the trust's investment fund. This caused the fund to shrink and the trust to find itself in a situation of severe financial distress.

implemented on behalf of client departments increased from approximately R3 billion to approximately R7 billion, due to the increase in the volume of infrastructure projects from client departments. This growth has made it necessary for the trust to transform and restructure so that it is able to continue providing an effective service. The growth in programme value also explains the increased expenditure on goods and services over the period.

In 2012/13, the trust implemented a cost containment strategy aimed at ensuring that the organisation improves its levels of efficiency and effectiveness. As a result, operating costs were reduced in 2012/13 compared to 2011/12, while management fees between 2011/12 and 2012/13 increased from R139 million to R187 million. Over the medium term, the trust will review its management fee structure to align it with market rates. This is expected to lead to the reduction of its deficit, from R168 million in 2013/14 to R126 million in 2014/15. The trust is also in the process of transforming and restructuring its business operations so that the projected deficits beyond 2014/15 are addressed.

The trust has played a key role in government's programme to eradicate mud schools, having contributed over R150 million to the programme between 2007/08 and 2010/11. This was to kick start the programme and maintain the momentum for its duration. Significant outputs in 2012/13 include building and renovating over 259 structures across the country, including schools, courts and health care centres, and providing 76 981 work opportunities.

As part of the transformation of the trust, it is anticipated that the number of personnel will increase from 430 in 2013/14 to 460 over the MTEF period. This will account for the 10.9 per cent average annual growth in expenditure on compensation of employees over the period. The 5.6 per cent decrease in spending on goods and services is mainly as a result of the expected decrease in the use of consultants. Consultants are used only in instances where there is not sufficient internal capacity for particular functions or programmes.

Additional tables

Table 7.A Summary of expenditure trends and estimates per programme and economic classification

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Adjustments	Adjusted	
R thousand	2012/13		2012/13	2013/14			2013/14
Administration	893 978	1 004 964	856 185	1 148 162	10 000	1 158 162	1 158 162
Immovable Asset Management	5 364 043	5 052 937	4 563 501	2 984 045	(2 275)	2 981 770	2 831 770
Expanded Public Works Programme	1 659 000	1 729 072	1 704 051	1 947 969	–	1 947 969	1 947 969
Property and Construction Industry Policy Regulation	37 436	37 436	26 858	39 182	(2 500)	36 682	36 682
Auxiliary and Associated Services	39 339	66 839	53 330	50 678	–	50 678	50 678
Total	7 993 796	7 891 248	7 203 925	6 170 036	5 225	6 175 261	6 025 261
Economic classification							
Current payments	2 325 786	2 582 173	2 351 587	2 849 420	3 600	2 853 020	2 853 020
Compensation of employees	1 260 154	1 329 951	1 374 552	1 468 242	5 225	1 473 467	1 473 467
Goods and services	1 055 880	1 242 470	977 014	1 371 545	8 008	1 379 553	1 379 553
Interest and rent on land	9 752	9 752	21	9 633	(9 633)	–	–
Transfers and subsidies	4 085 826	4 201 111	4 092 353	2 542 264	1 625	2 543 889	2 543 889
Provinces and municipalities	3 028 087	3 090 982	2 969 955	1 224 178	1 600	1 225 778	1 225 778
Departmental agencies and accounts	751 546	752 986	751 640	803 694	–	803 694	803 694
Foreign governments and international organisations	19 441	18 941	15 436	20 510	–	20 510	20 510
Public corporations and private enterprises	–	50 800	50 800	50 000	25	50 025	50 025
Non-profit institutions	282 724	282 724	292 627	438 281	–	438 281	438 281
Households	4 028	4 678	11 895	5 601	–	5 601	5 601
Payments for capital assets	1 582 184	1 107 964	756 787	778 352	–	778 352	628 352
Buildings and other fixed structures	1 484 742	999 254	713 003	676 206	–	676 206	526 206
Machinery and equipment	91 770	83 038	43 283	91 162	(250)	90 912	90 912
Software and other intangible assets	5 672	25 672	501	10 984	250	11 234	11 234
Payments for financial assets	–	–	3 198	–	–	–	–
Total	7 993 796	7 891 248	7 203 925	6 170 036	5 225	6 175 261	6 025 261

Table 7.B Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2010/11	2011/12	2012/13		2014/15	2015/16	2016/17
Compensation of employees (R thousand)	1 089 693	1 269 579	1 374 552	1 473 467	1 659 885	1 753 457	1 870 541
Training expenditure (R thousand)	10 226	13 492	13 327	14 682	15 849	16 790	18 705
Training spend as percentage of compensation	0.9%	1.1%	1.0%	1.0%	1.0%	1.0%	1.0%
Total number trained (headcount)	725	2 127	2 127	1 289			
of which:							
Employees receiving bursaries (headcount)	–	–	–	258			
Learnerships (headcount)	–	714	–	–			
Households receiving bursaries (R thousand)	–	–	–	1 100	–	–	–
Households receiving bursaries (headcount)	–	–	–	60			

Table 7.C Summary of conditional grants to provinces and municipalities¹

				Adjusted appropriation	Medium-term expenditure estimate		
R thousand	Audited outcome						
	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Conditional grants to provinces							
Immovable Asset Management							
Devolution of property rate funds grant		1 803 230	1 798 170	–	–	–	–
Expanded Public Works Programme							
Expanded public works programme integrated grant for provinces		225 461	292 843	356 914	348 947	356 574	411 798
Social sector expanded public works programme incentive grant for provinces		200 358	217 401	257 564	257 972	267 529	374 662
Total		2 229 049	2 308 414	614 478	606 919	624 103	786 460
Conditional grants to municipalities							
Expanded Public Works Programme							
Expanded public works programme integrated grant for municipalities		363 913	661 535	611 274	594 575	618 966	705 997
Total		363 913	661 535	611 274	594 575	618 966	705 997

1. Detail provided in the Division of Revenue Act (2014).

Table 7.D Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2010/11	2011/12	2012/13		2013/14	2014/15	2015/16
R thousand										
Departmental infrastructure										
Inner city regeneration: Pretoria, Agrivaal building	Rehabilitation	Construction	615 717	18 354	8 788	69 441	–	–	–	–
Departmental: Various centres	Upgrading and construction of an estimated 95 departmental accommodation sites	Various	2 515 926	261 201	285 294	228 106	227 000	86 000	158 000	204 066
Dolomite: Various centres	Management of an estimated 37 dolomite risk areas	Various	1 050 269	11 861	32 167	32 355	54 000	17 000	141 000	148 473
Accessibility: Various centres	Upgrading of an estimated 119 disabled facilities	Various	71 708	18 978	11 386	4 992	25 000	11 369	9 005	9 482
Border control operational coordination committee: Various centres	Redevelopment of an estimated 110 border post centres	Various	3 650 851	372 000	274 626	233 892	202 206	233 000	285 000	277 239
Prestige: Various centres	Upgrading and construction of an estimated 60 prestige accommodation sites	Various	1 671 958	446 445	365 876	118 820	113 000	56 000	150 000	139 540
Inner city regeneration: Various centres	Development of an estimated 17 national government precincts	Various	716 279	127 035	33 271	25 397	55 000	107 000	101 000	106 353
Total			10 292 708	1 255 874	1 011 408	713 003	676 206	510 369	844 005	885 153

Table 7.E Expenditure per Regional Office

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Programme: Immovable Asset Management							
Subprogramme: Operation Management							
Bloemfontein	79 522	90 030	90 845	96 296	102 074	108 198	113 608
Cape Town	176 715	204 066	211 200	223 872	237 304	251 542	264 119
Durban	116 865	131 044	137 419	145 664	154 404	163 668	171 851
Johannesburg	70 686	81 027	87 030	92 252	97 787	103 654	108 837
Kimberley	44 178	50 017	52 434	55 580	58 915	62 450	65 573
Mmabatho	46 100	53 017	57 900	61 374	65 056	68 959	72 407
Nelspruit	43 078	49 017	51 876	54 989	58 288	61 785	64 874
Polokwane	53 014	61 020	66 700	70 702	74 944	79 441	83 413
Port Elizabeth	74 685	81 026	89 750	95 135	100 843	106 894	112 239
Pretoria	142 372	160 054	174 950	185 447	196 574	208 368	218 786
Mthatha	36 363	40 017	46 850	49 661	52 641	55 799	58 589



BUDGET 2014

ESTIMATES OF NATIONAL EXPENDITURE

Private Bag X115, Pretoria, 0001, **Tel:** +27 12 395 6697, **Fax:** +27 12 315 5126



national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA