

2016 BUDGET

ESTIMATES OF NATIONAL EXPENDITURE

PUBLIC WORKS

VOTE 11



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Estimates of National Expenditure

2016

National Treasury

Republic of South Africa

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The 2016 Estimates of National Expenditure 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 2016 ENE, the 2016 ENE e-publications contain more comprehensive coverage of goods and services, transfers and subsidies, and programme specific personnel expenditure. Budget information is also provided for the public entities that are not shown in detail in the abridged publication. The abridged version of the ENE contains one additional table at the end of a chapter that shows expenditure on infrastructure, whereas the vote ENE e-publications' additional tables also contain information on conditional grants to provinces and municipalities, public private partnerships and donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

Foreword

The 2016 Budget is tabled at a time when both global and domestic economic conditions continue to be difficult. Government is unwavering in its commitment to stay the course of sound fiscal management in the face of this challenging environment. The approach of using the expenditure ceiling as a fiscal anchor, which was adopted in 2012, serves us well. To achieve the fiscal adjustment necessary, the expenditure level has been reduced and further revenue enhancement measures are introduced in the 2016 MTEF period.

Over the 2016 MTEF period expenditure is R3.73 trillion and will grow at an average annual rate of 7.5 per cent. Spending growth is slower than prior to 2008, but it still remains above the projected inflation rate. During consultations in the budget preparation process trade-offs in financing different policy objectives were carefully examined and culminated in recommendations on how institutional policies, practices and organisational arrangements would be adjusted in line with the national development plan and the 2014-2019 medium term strategic framework on the one hand, and in a manner consistent with fiscal consolidation, on the other hand.

For the 2016 MTEF period, budget amendments were effected through the reprioritisation of existing funding within the lowered expenditure ceiling, with movements away from areas of lower priority to key priorities. Labour-intensive departments received substantial funding for compensation of employees, owing to spending pressures related to the 2015 public sector wage agreement. In the case of departments which historically underspend on their wage bill, the budgets for compensation of employees have been reduced accordingly. A ceiling is put on compensation of employees budgets of national departments through the 2016 Appropriation Act. Resources cannot be diverted from frontline services for the wage bill.

Further reductions have been effected on goods and services budgets. In some cases departments have been asked to provide evidence of service delivery performance before funding can be appropriated to programmes under their specific votes. These provisional allocations, pending programme viability and verifiable record of good performance, total R17.8 billion in 2018/19. Given these measures, government service delivery will not be negatively affected even as spending growth is curtailed.

The financial information and key performance indicators in the institutional budget plans set out in the Estimates of National Expenditure, provide Parliament and the public with the information to hold government accountable against its 14 outcomes, set out in its medium term strategic framework.

The budget process is ably directed by the Ministers' Committee on the Budget, supported by a devoted Medium Term Expenditure Committee of Directors-General in central government departments. As the National Treasury team we are eternally grateful for their guidance and hard work. We are also indebted to the Budget Council, the Budget Forum and our national and provincial counterparts for making what is otherwise an impossible task, seem easier. The presentation of this budget is the product of all their collective efforts.



Lungisa Fuzile
Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure (ENE) publications provide comprehensive information on how institutions have spent their budgets in previous years, and how institutions plan to spend the resources allocated to them over the upcoming three-year medium term expenditure framework (MTEF) period. Key performance indicators are included for each national government vote and entity reporting to the same executive authority, showing what institutions aim to achieve by spending their budget allocations in a particular manner. This information is based on government's 2014-2019 medium term strategic framework (MTSF), particularly as it is expressed in institutional strategic and annual performance plans, and in annual reports. Coupled with financial information, performance information provides Parliament and the public with the necessary facts to hold government accountable against the 14 outcomes set out in the 2014-2019 medium term strategic framework.

Each chapter in the abridged 2016 ENE publication relates to a specific budget vote. A separate, more detailed, e-publication is also available for each vote. These e-publications provide more detailed information than the relevant chapter in the abridged ENE, including on goods and services, transfers and subsidies, as well as on programme specific personnel expenditure. Budget information is also provided for the public entities that are not shown in detail in the abridged publication. Each chapter in the abridged ENE publication has a summary table showing expenditure on infrastructure, whereas the vote ENE e-publications' additional tables also contain summaries of expenditure on conditional grants to provinces and municipalities, departmental public private partnerships and information on donor funding. In some e-publications more detailed information at the level of site service delivery is also included.

In addition, a separate 2016 ENE Overview e-publication is also available summarising the ENE information across votes. The 2016 ENE Overview contains a narrative explanation and summary tables; a description of the budgeting approach; and it also has a write-up on how to interpret the information that is contained in each section of the publications.

Public Works

**National Treasury
Republic of South Africa**



Contents

Budget summary	1
Vote purpose.....	1
Mandate	1
Selected performance indicators	1
Expenditure analysis.....	2
Expenditure trends	4
Expenditure estimates	5
Personnel information	6
Departmental receipts	7
Programme 1: Administration	7
Programme 2: Intergovernmental Coordination.....	9
Programme 3: Expanded Public Works Programme.....	10
Programme 4: Property and Construction Industry Policy and Research.....	12
Programme 5: Prestige Policy.....	15
Entities.....	17
Additional tables.....	31

Vote 11

Public Works

Budget summary

R million	2016/17				2017/18	2018/19
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	516.6	484.7	9.6	22.3	544.3	582.7
Intergovernmental Coordination	31.4	28.1	0.3	3.0	33.9	35.7
Expanded Public Works Programme	2 319.5	290.9	2 026.1	2.5	2 475.9	2 627.9
Property and Construction Industry	3 565.1	38.4	3 526.6	0.1	4 064.2	4 307.2
Policy and Research						
Prestige Policy	96.1	75.7	9.8	10.6	102.9	108.3
Total expenditure estimates	6 528.8	917.9	5 572.3	38.5	7 221.2	7 661.8
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, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Provide policy formulation for, as well as coordination, regulation and oversight of, the public works sector in relation to the accommodation, housing, land and infrastructure needs of national departments. Enhance intergovernmental relations by coordinating concurrent public works functions. 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. Following the operationalisation of the Property Management Trading Entity in 2015/16, the department's role will now be policy formulation, coordination, regulation and oversight relating to the provision of accommodation and expert built environment services to client departments at the national government level; as well as, through the Property Management Trading Entity, the planning, acquiring, managing and disposing of immovable assets in the department's custody. The department is further mandated to coordinate and provide strategic leadership in job creation initiatives through the implementation of the expanded public works programme. Public works is constitutionally designated as a concurrent function exercised by both the national and provincial spheres of government.

Selected performance indicators

Table 11.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of work opportunities reported on the expanded public works programme reporting system per year	Expanded Public Works Programme	Outcome 4: Decent employment through inclusive economic growth	941 593	1 012 664	1 103 983	1 127 186	1 343 154	1 406 736	1 455 840
Number of work opportunities per year created in rural municipalities through the expanded public works programme aligned with the phase 3 business plan	Expanded Public Works Programme		707 973	763 567	780 033	700 000	730 000	750 000	800 000
Number of municipalities, reporting on expanded public works programme targets, provided with technical support per year ¹	Expanded Public Works Programme		247	271	274	278	250 ²	250	250
Number of intergovernmental relations forums convened for the oversight of the public works sector per year	Intergovernmental Coordination	Outcome 12: An efficient, effective and development oriented public service	12	12	12	12	12	12	12

Table 11.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of cooperation and protocol agreements for joint service delivery signed with provinces and municipalities per year	Intergovernmental Coordination	Outcome 12: An efficient, effective and development oriented public service	- ³	- ³	- ³	2	10	15	20
Public Works Bill developed	Property and Construction Industry Policy and Research		- ³	- ³	First draft of a Public Works Bill	First draft of a Public Works Bill	Public Works Bill gazetted for public comments	Public works Bill submitted to Cabinet for approval	Public Works Bill submitted to Parliament
Norms and standards developed for the prestige accommodation portfolio	Prestige Policy		- ³	- ³	Norms and Standards for the provision of accommodation for the President, Deputy President and members of the Executive Council	1 Policy developed on the allocation and occupation of state owned houses. 1 Policy developed on the implementation of security measures	8 Prestige policies approved (new and reviewed)	8 Prestige policies approved (new and reviewed)	Prestige policies approved (new and reviewed)

1. This indicator is included based on a joint decision by National Treasury and the Department of Public Works as the department leads and directs the implementation of the public works programme. Providing technical support to municipalities is one of the department's key roles.

2. The number of municipalities was reduced in line with the redetermination of municipalities by the Municipal Demarcation Board.

3. No historical data is available as these are new indicators.

Expenditure analysis

Following the operationalisation of the Property Management Trading Entity in 2015/16, the mandated role of the Department of Public Works is policy formulation, coordination, regulation and oversight. The Property Management Trading Entity's role is planning, acquiring, managing and disposing of immovable assets in the department's custody. The department is also mandated to coordinate and provide strategic leadership in job creation initiatives through the implementation of the expanded public works programme.

The sharp decline from 5 379 personnel in 2014/15 to 881 at the end of October 2015, as well as the sharp decline in compensation of employees expenditure from R1.6 billion in 2014/15 to R465 million in 2015/16, are because the property and infrastructure functions moved to the Property Management Trading Entity.

Over the medium term, the Department of Public Works will continue to focus on creating jobs, combating fraud and corruption, and strengthening oversight of the public works sector. These priorities support several outcomes of government's 2014-2019 medium term strategic framework: outcome 4 (decent employment through inclusive economic growth), outcome 6 (an efficient, competitive and responsive economic infrastructure network), and outcome 12 (an efficient and development orientated public service). The department will also be enhancing its capacity to respond to its newly defined mandate.

Creating jobs

As articulated in government's 2014-2019 medium term strategic framework and the national development plan, slow economic growth and the associated unemployment are expected to characterise South Africa's economic performance over the medium term. Against this background, the Department of Public Works will contribute to providing labour intensive work opportunities and income support to low skilled or unskilled unemployed people by coordinating the expanded public works programme. The department enables participating government and non-government bodies to identify and bring into the programme labour intensive projects with a significant capacity to absorb low skilled work seekers. Since 2012/13, the expanded public works programme has created 4 185 426 work opportunities, and targets creating an additional 4 205 730 work opportunities by the end of 2018/19. As the coordinator of the programme, the Department of Public Works will monitor the quality of the programme's delivery of infrastructure and services to the poor (including training), and it will encourage greater participation in the programme and community ownership of it.

Spending on transfers and subsidies for the expanded public works programme is set to increase from R1.7 billion in 2015/16 to R2.3 billion in 2018/19, at an average annual rate of 11 per cent. For coordinating the programme, the department projects spending R1 billion over the medium term, specifically on compensation of employees and goods and services; including R622 million for personnel providing support at the provincial level for administering the programme grants. Under agency and support, the department has budgeted R310 million for additional specialised skills to provide much needed technical support to 250 municipalities.

Combating fraud and corruption

The department's governance, risk and compliance branch drives the department's 2012 7-year turnaround strategy, which aims to improve the way that the department does business, and combat fraud and corruption. Over the medium term, the branch will implement its own anti-fraud and anti-corruption strategy, aligned to the 2002 public service anti-corruption strategy, including putting in place minimum anti-corruption capacity requirements. The branch's work is funded in the Administration programme, which has an allocation of R1.6 billion over the medium term: R797.2 million for compensation of employees, R74.2 million for audit costs and R80.5 million for legal services.

Strengthening oversight of the public works sector

To ensure that all spheres of government are working to achieve common service delivery objectives, the department has expanded its intergovernmental relations function. R101 million over the medium term is budgeted in the Intergovernmental Coordination programme for overseeing national policy and service delivery implementation, which is also integral to ensuring that concurrent functions are coordinated and aligned.

Over the medium term, the department aims to host 36 intergovernmental relations forums for overseeing the public works sector. The department also aims to improve its intergovernmental relations by signing 20 cooperation and protocol agreements with provinces and municipalities for joint service delivery.

The department will evaluate its 1997 and 1999 white papers and undertake broad consultation in the public works sector to inform the Public Works Bill, which the department plans to introduce in Parliament in 2018/19. The department is working to develop the legislation and policy that will provide for a common national framework for consultation, programme alignment and coordinated implementation between the national and provincial levels. The Public Works Act that will develop out of the bill will allow the department to further improve its oversight of provincial departments' delivery capabilities. Addressing the department's own concurrent functions across the national and provincial spheres is a large part of its current policy review work. These activities are budgeted for in the Construction Policy Development subprogramme of the Property and Construction Industry Policy and Research programme. Over the medium term, spending is expected to be R82.9 million, mainly on compensation of employees.

Enhancing the department's capacity

The department is currently reviewing its human resource requirements to enable it to respond to its newly defined mandate. A change management strategy has been developed, which details a comprehensive human resource plan for addressing the current and future capacity requirements of the department, including a clear recruitment and training plan. The department's mandated role is oversight of service delivery, specifically infrastructural development, across all spheres of government, as well as providing support for the provincial departments of public works. Enhancing the department's human resource capacity includes the continuous training of personnel and awarding bursaries. Spending is expected to increase from R275 million in 2016/17 to R298 million in 2018/19, budgeted for in the Corporate Services subprogramme of the Administration programme.

Expenditure trends

Table 11.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Intergovernmental Coordination														
3. Expanded Public Works Programme														
4. Property and Construction Industry Policy and Research														
5. Prestige Policy														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Programme 1	894.0	1 047.8	462.4	1 148.2	1 158.2	626.7	1 175.3	1 190.6	615.9	476.0	477.3	471.3	58.9%	56.2%
Programme 2	-	-	18.5	-	-	18.9	-	-	26.7	47.2	45.7	45.7	232.6%	240.2%
Programme 3	1 659.0	1 728.8	1 704.1	1 948.0	1 948.0	1 931.7	1 951.3	1 951.3	1 925.6	1 992.2	1 953.4	1 953.4	99.5%	99.1%
Programme 4	5 357.5	5 031.3	4 940.0	3 021.6	3 016.8	3 323.7	2 954.5	2 939.3	3 268.3	3 803.0	3 743.0	3 693.0	100.6%	103.4%
Programme 5	83.3	83.3	79.0	52.3	52.3	121.7	40.1	40.1	185.5	92.7	92.8	88.8	177.0%	176.9%
Total	7 993.8	7 891.2	7 203.9	6 170.0	6 175.3	6 022.7	6 121.3	6 121.3	6 022.0	6 411.1	6 312.2	6 252.2	95.5%	96.2%
Change to 2015											(98.9)			
Budget estimate														
Economic classification														
Current payments	2 325.8	2 582.3	2 351.6	2 849.4	2 853.0	2 787.3	2 962.0	3 027.8	3 020.1	882.8	883.8	873.8	100.1%	96.6%
Compensation of employees	1 260.2	1 330.0	1 374.6	1 468.2	1 473.5	1 471.5	1 659.9	1 667.8	1 591.8	475.0	475.0	465.0	100.8%	99.1%
Goods and services	1 055.9	1 242.6	977.0	1 371.5	1 379.6	1 315.8	1 302.1	1 360.0	1 428.3	407.8	408.8	408.8	99.8%	94.1%
of which:														
Administrative fees	2.9	2.9	0.6	0.8	0.8	0.7	0.9	0.5	0.5	1.3	1.3	1.3	52.6%	56.7%
Advertising	22.3	21.8	8.4	22.8	22.8	11.9	17.4	17.4	12.2	13.7	13.7	13.7	60.7%	61.2%
Minor assets	4.8	4.9	2.7	4.4	4.4	4.8	11.5	11.5	11.8	4.2	4.2	4.2	94.2%	94.0%
Audit costs: External	35.8	35.8	48.4	40.3	40.3	58.6	42.6	42.6	58.9	22.3	22.3	22.3	133.5%	133.5%
Bursaries: Employees	2.6	2.6	0.0	2.4	2.4	1.6	2.6	2.6	0.3	2.1	2.1	2.1	41.0%	41.0%
Catering: Departmental activities	1.8	1.9	2.7	1.8	1.8	3.5	1.9	1.9	2.2	1.7	1.7	1.7	141.5%	139.6%
Communication	22.7	22.8	31.6	37.3	37.3	25.6	33.7	33.7	24.0	15.4	15.4	15.4	88.6%	88.5%
Computer services	46.5	46.5	43.0	47.3	47.3	24.8	53.8	53.8	35.9	29.2	29.2	29.2	75.1%	75.1%
Consultants: Business and advisory services	40.5	40.6	52.9	12.3	12.3	171.3	12.8	12.8	48.2	75.3	76.3	76.3	247.5%	245.7%
Infrastructure and planning services	62.6	62.6	11.1	68.7	67.1	18.2	56.1	56.1	22.9	9.1	9.1	9.1	31.2%	31.4%
Legal services	-	-	-	-	-	-	-	-	22.5	9.2	9.2	9.2	344.9%	344.9%
Science and technological services	8.9	8.9	13.8	8.2	8.2	18.4	8.8	8.8	-	-	-	-	124.5%	124.5%
Contractors	19.2	19.2	47.2	31.7	31.7	100.7	72.4	72.4	118.6	35.1	35.1	35.1	190.4%	190.4%
Agency and support/outourced services	140.3	312.7	137.3	391.9	391.9	199.2	284.5	279.9	254.7	78.4	78.4	78.4	74.8%	63.0%
Entertainment	0.7	0.8	0.8	0.7	0.7	0.7	0.7	0.7	0.3	0.9	0.9	0.9	90.8%	87.8%
Fleet services (including government motor transport)	15.8	16.0	20.8	17.7	17.7	17.6	16.4	16.4	18.1	2.0	2.0	2.0	112.9%	112.6%
Inventory: Clothing material and accessories	-	-	-	-	-	4.2	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	9.7	9.7	9.1	9.0	9.0	7.6	9.0	9.0	-	0.4	-	-	59.3%	60.2%
Inventory: Learner and teacher support material	0.4	0.4	-	0.4	0.4	-	0.4	0.4	-	0.0	-	-	-	-
Inventory: Materials and supplies	1.0	1.0	1.1	1.1	1.1	0.9	1.4	1.4	-	0.5	-	-	50.3%	57.6%
Inventory: Other supplies	-	-	14.6	17.6	17.6	0.1	15.5	15.5	-	1.6	-	-	42.5%	44.6%
Consumable supplies	15.6	15.6	0.3	-	-	12.0	-	-	17.1	0.2	0.9	0.9	191.0%	183.4%
Consumables: Stationery, printing and office supplies	11.1	11.2	15.6	12.0	12.0	10.9	12.2	12.2	11.5	8.1	10.0	10.0	111.0%	106.0%
Operating leases	244.6	253.6	139.8	244.1	253.7	247.6	252.2	252.2	228.2	8.9	8.9	8.9	83.3%	81.3%
Rental and hiring	-	-	2.8	-	-	0.6	-	-	0.8	0.3	0.3	0.3	1 561.4%	1 561.4%
Property payments	243.1	243.1	257.6	278.9	278.9	254.3	273.9	336.8	419.3	11.1	11.1	11.1	116.8%	108.3%
Transport provided: Departmental activity	0.1	0.1	-	0.2	0.2	-	0.1	0.1	5.3	0.1	0.1	0.1	988.0%	988.0%

Table 11.2 Vote expenditure trends by programme and economic classification

Economic classification	Annual budget			Outcome/Annual budget Average (%)	Outcome/Adjusted appropriation Average (%)									
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate		
R million	2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16	
Travel and subsistence	73.0	76.2	86.4	89.8	89.8	95.0	87.0	87.0	85.9	48.9	48.9	48.9	105.9%	104.7%
Training and development	13.3	13.3	9.7	13.9	13.9	7.1	13.8	13.8	14.7	10.1	10.1	10.1	81.4%	81.4%
Operating payments	10.7	12.8	10.8	10.1	10.1	9.1	10.8	10.8	10.3	11.1	11.1	11.1	96.6%	92.2%
Venues and facilities	5.7	5.7	7.8	6.1	6.1	8.7	9.8	9.8	4.2	6.8	6.8	6.8	96.4%	96.4%
Interest and rent on land	9.8	9.8	0.0	9.6	-	-	-	-	0.0	-	-	-	0.2%	0.3%
Transfers and subsidies	4 085.8	4 201.0	4 092.4	2 542.3	2 543.9	2 596.6	2 563.4	2 563.9	2 577.8	5 500.2	5 400.4	5 350.4	99.5%	99.4%
Provinces and municipalities	3 028.1	3 091.0	2 970.0	1 224.2	1 225.8	1 221.4	1 201.5	1 201.5	1 200.3	1 178.9	1 140.0	1 140.0	98.5%	98.1%
Departmental agencies and accounts	751.5	753.0	751.6	803.7	803.7	802.4	802.8	802.5	802.5	3 703.1	3 641.8	3 591.8	98.1%	99.1%
Foreign governments and international organisations	19.4	18.9	15.4	20.5	20.5	17.6	21.7	22.5	22.5	23.3	23.3	23.3	92.8%	92.4%
Public corporations and private enterprises	-	50.8	50.8	50.0	50.0	100.0	50.0	50.0	50.0	50.0	50.0	50.0	167.2%	124.9%
Non-profit institutions	282.7	282.7	292.6	438.3	438.3	448.7	477.5	477.5	488.5	534.8	535.1	535.1	101.8%	101.8%
Households	4.0	4.6	11.9	5.6	5.6	6.5	9.9	9.9	14.0	10.2	10.2	10.2	143.4%	140.7%
Payments for capital assets	1 582.2	1 108.0	756.8	778.4	778.4	631.1	595.9	529.6	420.7	28.1	28.1	28.1	61.5%	75.1%
Buildings and other fixed structures	1 484.7	999.3	713.0	676.2	676.2	567.4	510.4	416.1	315.9	-	-	-	59.8%	76.3%
Machinery and equipment	91.8	83.0	43.3	91.2	90.9	47.5	79.2	107.2	103.6	28.1	28.1	28.1	76.6%	71.9%
Software and other intangible assets	5.7	25.7	0.5	11.0	11.2	16.2	6.3	6.3	1.2	-	-	-	77.9%	41.4%
Payments for financial assets	-	-	3.2	-	-	7.8	-	-	3.4	-	-	-	-	-
Total	7 993.8	7 891.2	7 203.9	6 170.0	6 175.3	6 022.7	6 121.3	6 121.3	6 022.0	6 411.1	6 312.2	6 252.2	95.5%	96.2%

Expenditure estimates

Table 11.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Intergovernmental Coordination									
3. Expanded Public Works Programme									
4. Property and Construction Industry Policy and Research									
5. Prestige Policy									
Programme	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)	
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19		
Programme 1	471.3	-23.4%	8.5%	516.6	544.3	582.7	7.3%	7.6%	
Programme 2	45.7	-	0.4%	31.4	33.9	35.7	-7.9%	0.5%	
Programme 3	1 953.4	4.2%	29.5%	2 319.5	2 475.9	2 627.9	10.4%	33.9%	
Programme 4	3 693.0	-9.8%	59.7%	3 565.1	4 064.2	4 307.2	5.3%	56.5%	
Programme 5	88.8	2.2%	1.9%	96.1	102.9	108.3	6.8%	1.4%	
Total	6 252.2	-7.5%	100.0%	6 528.8	7 221.2	7 661.8	7.0%	100.0%	
Change to 2015 Budget estimate				(406.4)	(146.5)	(133.2)			
Economic classification									
Current payments	873.8	-30.3%	35.4%	917.9	974.9	1 046.1	6.2%	13.8%	
Compensation of employees	465.0	-29.6%	19.2%	470.8	488.4	520.6	3.8%	7.0%	
Goods and services	408.8	-31.0%	16.2%	447.1	486.5	525.6	8.7%	6.8%	
of which:									
Administrative fees	1.3	-23.3%	0.0%	0.4	0.4	0.5	-28.7%	0.0%	
Advertising	13.7	-14.4%	0.2%	7.8	8.2	8.7	-14.0%	0.1%	
Minor assets	4.2	-4.9%	0.1%	12.1	14.5	15.4	54.3%	0.2%	
Audit costs: External	22.3	-14.6%	0.7%	23.5	24.7	26.1	5.4%	0.3%	
Bursaries: Employees	2.1	-7.0%	0.0%	2.2	2.3	2.4	5.4%	0.0%	
Catering: Departmental activities	1.7	-2.3%	0.0%	1.6	1.7	1.8	1.5%	0.0%	
Communication	15.4	-12.3%	0.4%	7.9	8.0	8.5	-18.0%	0.1%	
Computer services	29.2	-14.4%	0.5%	39.6	42.1	42.5	13.4%	0.6%	
Consultants: Business and advisory services	76.3	23.3%	1.4%	25.2	24.2	25.0	-31.1%	0.5%	
Infrastructure and planning services	9.1	-47.5%	0.2%	13.0	14.2	15.1	18.6%	0.2%	
Legal services	9.2	-	0.1%	25.5	26.8	28.2	45.3%	0.3%	
Contractors	35.1	22.2%	1.2%	34.2	44.8	47.3	10.4%	0.6%	

Table 11.3 Vote expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
				2016/17	2017/18	2018/19		
R million	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Agency and support/outsourced services	78.4	-37.0%	2.6%	117.0	127.0	146.7	23.3%	1.7%
Entertainment	0.9	5.1%	0.0%	0.4	0.5	0.4	-23.2%	0.0%
Fleet services (including government motor transport)	2.0	-50.2%	0.2%	2.3	2.4	2.5	8.8%	0.0%
Consumable supplies	0.9	-61.7%	0.1%	3.7	2.6	2.8	46.8%	0.0%
Consumables: Stationery, printing and office supplies	10.0	-3.6%	0.2%	6.5	6.8	7.2	-10.5%	0.1%
Operating leases	8.9	-67.3%	2.4%	21.0	23.0	25.1	41.6%	0.3%
Rental and hiring	0.3	-	0.0%	1.3	1.4	1.4	69.4%	0.0%
Property payments	11.1	-64.3%	3.7%	36.0	39.4	46.5	61.2%	0.5%
Transport provided: Departmental activity	0.1	5.9%	0.0%	-	-	-	-100.0%	0.0%
Travel and subsistence	48.9	-13.7%	1.2%	49.2	50.5	49.4	0.4%	0.7%
Training and development	10.1	-8.9%	0.2%	6.0	9.5	10.0	-0.2%	0.1%
Operating payments	11.1	-4.7%	0.2%	5.2	5.7	6.0	-18.4%	0.1%
Venues and facilities	6.8	5.9%	0.1%	5.5	5.7	6.0	-4.1%	0.1%
Transfers and subsidies	5 350.4	8.4%	57.3%	5 572.3	6 200.0	6 566.5	7.1%	85.6%
Provinces and municipalities	1 140.0	-28.3%	25.6%	1 425.7	1 525.8	1 614.3	12.3%	20.6%
Departmental agencies and accounts	3 591.8	68.3%	23.3%	3 511.0	4 006.8	4 246.2	5.7%	55.5%
Foreign governments and international organisations	23.3	7.1%	0.3%	24.8	26.0	27.5	5.8%	0.4%
Public corporations and private enterprises	50.0	-0.5%	1.0%	-	-	-	-100.0%	0.2%
Non-profit institutions	535.1	23.7%	6.9%	600.4	630.4	666.8	7.6%	8.8%
Households	10.2	30.4%	0.2%	10.5	11.0	11.6	4.6%	0.2%
Payments for capital assets	28.1	-70.6%	7.2%	38.5	46.3	49.1	20.5%	0.6%
Machinery and equipment	28.1	-30.3%	0.9%	38.5	46.3	49.1	20.5%	0.6%
Total	6 252.2	-7.5%	100.0%	6 528.8	7 221.2	7 661.8	7.0%	100.0%

Personnel information

Table 11.4 Vote personnel numbers and cost by salary level and programme¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

Number of posts estimated for 31 March 2016		Number and cost ³ 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 (%)				
		2014/15		2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Public Works	998	-	5 379	1 591.8	0.3	881	465.0	0.5	859	470.8	0.5	874	518.1	0.6	902	569.9	0.6	0.8%	100.0%
Salary level	998	-	5 379	1 591.8	0.3	881	465.0	0.5	859	470.8	0.5	874	518.1	0.6	902	569.9	0.6	0.8%	100.0%
1 - 6	246	-	2 879	418.6	0.1	198	39.8	0.2	201	43.1	0.2	202	46.5	0.2	211	51.9	0.2	2.1%	23.1%
7 - 10	370	-	1 850	656.7	0.4	327	128.5	0.4	339	140.3	0.4	346	154.1	0.4	359	170.7	0.5	3.2%	39.0%
11 - 12	245	-	495	355.9	0.7	232	167.7	0.7	206	159.5	0.8	209	174.6	0.8	215	193.9	0.9	-2.5%	24.5%
13 - 16	137	-	155	160.6	1.0	124	128.9	1.0	113	127.9	1.1	117	142.9	1.2	117	153.4	1.3	-1.9%	13.4%
Programme	998	-	5 379	1 591.8	0.3	881	465.0	0.5	859	470.8	0.5	874	518.1	0.6	902	569.9	0.6	0.8%	100.0%
Programme 1	586	-	487	204.3	0.4	519	257.1	0.5	486	251.4	0.5	495	274.1	0.6	521	303.4	0.6	0.1%	57.5%
Programme 2	49	-	36	21.7	0.6	49	31.5	0.6	36	22.1	0.6	36	24.2	0.7	36	25.6	0.7	-9.8%	4.5%
Programme 3	285	-	212	112.4	0.5	258	144.1	0.6	259	154.7	0.6	265	173.1	0.7	267	190.1	0.7	1.1%	29.8%
Programme 4	23	-	4 613	1 230.2	0.3	20	14.2	0.7	23	16.3	0.7	23	17.4	0.8	23	18.6	0.8	4.8%	2.5%
Programme 5	55	-	31	23.2	0.7	35	18.1	0.5	55	26.3	0.5	55	29.3	0.5	55	32.1	0.6	16.3%	5.7%
Reduction	-	-	-	-	-	-	-	-	-	-	-	-	(29.7)	-	-	(49.4)	-	-	-
Total	998	-	5 379	1 591.8	0.3	881	465.0	0.5	859	470.8	0.5	874	518.1	0.6	902	569.9	0.6	-	-

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

2. The department's compensation of employees budget has been reduced by R79 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Departmental receipts

Table 11.5 Departmental receipts by economic classification

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt item/ Total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt item/ Total: Average (%)
	2012/13	2013/14	2014/15					2015/16	2016/17	2017/18		
R thousand												
Departmental receipts	53 795	55 470	16 132	1 878	1 878	-67.3%	100.0%	1 474	1 384	1 384	-9.7%	100.0%
Sales of goods and services produced by department	32 013	3 855	6 605	570	570	-73.9%	33.8%	-	-	-	-100.0%	9.3%
Sales by market establishments	445	490	496	16	16	-67.0%	1.1%	-	-	-	-100.0%	0.3%
of which:												
Market establishment:	445	490	496	16	16	-67.0%	1.1%	-	-	-	-100.0%	0.3%
Rental parking:												
Covered and open												
Administrative fees	215	-	-	-	-	-100.0%	0.2%	-	-	-	-	-
of which:												
Servitude rights	215	-	-	-	-	-100.0%	0.2%	-	-	-	-	-
Other sales	31 353	3 365	6 109	554	554	-74.0%	32.5%	-	-	-	-100.0%	9.1%
of which:												
Tender documents	31 353	3 365	6 109	-	-	-100.0%	32.1%	-	-	-	-	-
Services rendered:	-	-	-	554	554	-	0.4%	-	-	-	-100.0%	9.1%
Commission on insurance and garnishees												
Sales of scrap, waste, arms and other used current goods	4	4	62	8	8	26.0%	0.1%	-	-	-	-100.0%	0.1%
of which:												
Sales: Waste	4	4	62	8	8	26.0%	0.1%	-	-	-	-100.0%	0.1%
Fines, penalties and forfeits	3	4	7	-	-	-100.0%	-	-	-	-	-	-
Interest, dividends and rent on land	7 835	1 326	5 019	100	100	-76.6%	11.2%	-	-	-	-100.0%	1.6%
Interest	7 835	1 326	5 019	100	100	-76.6%	11.2%	-	-	-	-100.0%	1.6%
Sales of capital assets	-	77	-	-	-	-	0.1%	-	-	-	-	-
Transactions in financial assets and liabilities	13 940	50 204	4 439	1 200	1 200	-55.8%	54.8%	1 474	1 384	1 384	4.9%	88.9%
Total	53 795	55 470	16 132	1 878	1 878	-67.3%	100.0%	1 474	1 384	1 384	-9.7%	100.0%

Programme 1: Administration

Programme purpose

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates

Table 11.6 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand											
Ministry	22 279	19 512	23 435	34 443	15.6%	4.6%	31 155	34 079	36 712	2.1%	6.4%
Management	74 359	88 812	103 752	109 003	13.6%	17.2%	89 472	95 533	105 928	-0.9%	18.9%
Corporate Services	263 828	248 355	281 617	247 364	-2.1%	47.7%	274 875	283 613	297 765	6.4%	52.0%
Finance and Supply Chain Management	101 923	270 004	207 135	86 536	-5.3%	30.5%	71 732	76 720	82 498	-1.6%	15.0%
Office Accommodation	-	-	-	-	-	-	49 400	54 345	59 776	-	7.7%
Total	462 389	626 683	615 939	477 346	1.1%	100.0%	516 634	544 290	582 679	6.9%	100.0%
Change to 2015				1 350			14 451	24 465	32 704		
Budget estimate											
Economic classification	439 174	596 009	545 965	456 761	1.3%	93.4%	484 697	506 629	542 649	5.9%	93.9%
Current payments	203 740	217 673	204 312	263 084	8.9%	40.7%	251 447	262 098	283 705	2.5%	50.0%
Compensation of employees	203 740	217 673	204 312	263 084	8.9%	40.7%	251 447	262 098	283 705	2.5%	50.0%
Goods and services	235 418	378 336	341 653	193 677	-6.3%	52.7%	233 250	244 531	258 944	10.2%	43.9%
of which:											
Administrative fees	635	632	461	1 228	24.6%	0.1%	410	444	470	-27.4%	0.1%
Advertising	1 479	2 218	2 103	9 160	83.6%	0.7%	2 308	2 455	2 584	-34.4%	0.8%
Minor assets	1 326	272	525	484	-28.5%	0.1%	655	707	748	15.6%	0.1%
Audit costs: External	19 121	20 127	58 887	22 301	5.3%	5.5%	23 485	24 659	26 089	5.4%	4.6%
Bursaries: Employees	17	1 570	292	2 092	397.4%	0.2%	2 203	2 313	2 447	5.4%	0.4%

Table 11.6 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2012/13 - 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
	R thousand										
Catering: Departmental activities	1 315	1 317	1 036	1 119	-5.2%	0.2%	1 200	1 279	1 346	6.4%	0.2%
Communication	16 607	8 695	5 223	13 485	-6.7%	2.0%	5 609	5 612	5 922	-24.0%	1.4%
Computer services	42 341	23 875	35 266	28 559	-12.3%	6.0%	39 069	41 609	41 979	13.7%	7.1%
Consultants: Business and advisory services	10 262	48 484	24 049	12 074	5.6%	4.3%	8 051	5 933	5 526	-22.9%	1.5%
Legal services	13 822	18 297	22 466	9 172	-12.8%	2.9%	25 538	26 814	28 160	45.3%	4.2%
Contractors	3 841	20 238	4 770	2 280	-16.0%	1.4%	3 681	12 750	13 381	80.4%	1.5%
Agency and support/outourced services	72 705	165 775	142 882	24 961	-30.0%	18.6%	19 139	8 479	9 477	-27.6%	2.9%
Entertainment	438	397	125	600	11.1%	0.1%	209	234	133	-39.5%	0.1%
Fleet services (including government motor transport)	1 583	1 758	1 576	1 221	-8.3%	0.3%	1 852	1 967	2 078	19.4%	0.3%
Inventory: Fuel, oil and gas	2	3	-	-	-100.0%	-	-	-	-	-	-
Inventory: Materials and supplies	103	5	-	-	-100.0%	-	-	-	-	-	-
Inventory: Other supplies	1 410	-	-	-	-100.0%	0.1%	-	-	-	-	-
Consumable supplies	-	45	1 013	50	-	0.1%	1 196	1 261	1 326	198.2%	0.2%
Consumables: Stationery, printing and office supplies	7 256	4 365	3 271	6 196	-5.1%	1.0%	3 677	3 889	4 156	-12.5%	0.8%
Operating leases	3 094	30 692	2 887	8 303	39.0%	2.1%	20 536	22 477	24 593	43.6%	3.6%
Rental and hiring	23	59	465	-	-100.0%	-	512	537	563	-	0.1%
Property payments	3 280	2 370	3 096	11 105	50.2%	0.9%	35 619	38 998	46 107	60.7%	6.2%
Travel and subsistence	25 306	16 642	18 079	19 545	-8.3%	3.6%	27 397	27 174	26 081	10.1%	4.7%
Training and development	3 915	3 948	9 440	8 444	29.2%	1.2%	5 835	9 248	9 783	5.0%	1.6%
Operating payments	2 662	3 518	2 300	8 223	45.6%	0.8%	2 630	3 007	3 169	-27.2%	0.8%
Venues and facilities	2 875	3 034	1 441	3 075	2.3%	0.5%	2 439	2 685	2 826	-2.8%	0.5%
Interest and rent on land	16	-	-	-	-100.0%	-	-	-	-	-	-
Transfers and subsidies	5 988	856	5 196	9 358	16.0%	1.0%	9 610	10 115	10 713	4.6%	1.9%
Provinces and municipalities	3	2	3	6	26.0%	-	6	6	6	-	-
Households	5 985	854	5 193	9 352	16.0%	1.0%	9 604	10 109	10 707	4.6%	1.9%
Payments for capital assets	17 227	22 030	64 657	11 227	-13.3%	5.3%	22 327	27 546	29 317	37.7%	4.3%
Machinery and equipment	17 070	5 978	63 469	11 227	-13.0%	4.5%	22 327	27 546	29 317	37.7%	4.3%
Software and other intangible assets	157	16 052	1 188	-	-100.0%	0.8%	-	-	-	-	-
Payments for financial assets	-	7 788	121	-	-	0.4%	-	-	-	-	-
Total	462 389	626 683	615 939	477 346	1.1%	100.0%	516 634	544 290	582 679	6.9%	100.0%
Proportion of total programme expenditure to vote expenditure	6.4%	10.4%	10.2%	7.6%	-	-	7.9%	7.5%	7.6%	-	-
Details of transfers and subsidies											
Households											
Other transfers to households											
Current	-	-	4 585	5 000	-	0.4%	5 000	5 000	5 000	-	0.9%
Bursaries for non-employees	-	-	4 585	5 000	-	0.4%	5 000	5 000	5 000	-	0.9%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	3	2	3	6	26.0%	-	6	6	6	-	-
Vehicle licences	3	2	3	6	26.0%	-	6	6	6	-	-
Households											
Social benefits											
Current	5 985	854	608	4 352	-10.1%	0.5%	4 604	5 109	5 707	9.5%	0.9%
Employee social benefits	5 985	854	608	4 352	-10.1%	0.5%	4 604	5 109	5 707	9.5%	0.9%

Personnel information**Table 11.7 Administration personnel numbers and cost by salary level¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total**

Administration	Salary level	Number of posts estimated for 31 March 2016	Number of funded posts	Number of posts additional to the establishment	Number and cost ³ of personnel posts filled / planned for on funded establishment												Number		
					Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Total: Average (%)	
					2014/15		Unit Cost	2015/16		Unit Cost	2016/17		2017/18		2018/19				2015/16 - 2018/19
					Number	Cost		Number	Cost		Number	Cost	Number	Cost	Number	Cost	Number	Cost	
			487	204.3	0.4	519	257.1	0.5	486	251.4	0.5	495	274.1	0.6	521	303.4	0.6	0.1%	100.0%
1 - 6	166	-	109	18.7	0.2	143	28.6	0.2	142	30.1	0.2	142	32.1	0.2	151	36.1	0.2	1.8%	28.6%
7 - 10	228	-	246	80.0	0.3	205	82.1	0.4	198	83.8	0.4	205	92.1	0.4	217	102.9	0.5	1.9%	40.8%
11 - 12	110	-	84	57.6	0.7	101	71.7	0.7	82	62.9	0.8	82	67.0	0.8	87	76.2	0.9	-4.9%	17.4%
13 - 16	82	-	48	48.0	1.0	70	74.6	1.1	64	74.7	1.2	66	82.9	1.3	66	88.2	1.3	-1.9%	13.2%
Reduction			-	-	-	-	-	-	-	-	-	-	(12.0)	-	-	(19.7)	-	-	-
Total	586	-	487	204.3	0.4	519	257.1	0.5	486	251.4	0.5	495	262.1	0.6	521	283.7	0.6	-	-

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

2. This programme's compensation of employees budget has been reduced by R31.7 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Programme 2: Intergovernmental Coordination

Programme purpose

Promote sound sectoral intergovernmental relations and strategic partnerships. Coordinate with provinces on: immovable asset registers; construction and property management; the implementation of the Government Immovable Asset Management Act (2007); and the reporting on performance information within the public works sector.

Objectives

- Ensure integrated reporting on the identified priorities of public works over the medium term by:
 - signing 20 cooperation and protocol agreements for joint service delivery with provinces and municipalities
 - coordinating 12 intergovernmental forums per year between provinces and the department.
- Ensure a sector wide approach to the planning and implementation of services through the coordination of 12 intergovernmental forums per year over the medium term.

Subprogrammes

- *Monitoring, Evaluation and Reporting* promotes good governance by supporting provinces in strengthening their governance and coordination capabilities.
- *Intergovernmental Relations and Coordination* improves the coordination and alignment of public works sector policies and programmes by providing oversight, intervention and support programme services to provinces.

Expenditure trends and estimates

Table 11.8 Intergovernmental Coordination expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2012/13	2013/14	2014/15		2012/13 - 2015/16	Average (%)	2016/17	2017/18	2018/19	2015/16 - 2018/19	Average (%)
R thousand											
Monitoring, Evaluation and Reporting	11 326	11 274	17 928	31 395	40.5%	65.5%	16 803	18 042	18 503	-16.2%	57.7%
Intergovernmental Relations and Coordination	7 171	7 606	8 791	14 328	26.0%	34.5%	14 636	15 853	17 227	6.3%	42.3%
Total	18 497	18 880	26 719	45 723	35.2%	100.0%	31 439	33 895	35 730	-7.9%	100.0%
Change to 2015 Budget estimate				(1 500)			(18 652)	(18 932)	(20 161)		
Economic classification											
Current payments	18 452	18 787	26 293	43 923	33.5%	97.8%	28 139	30 595	32 238	-9.8%	91.9%
Compensation of employees	15 240	14 836	21 663	31 531	27.4%	75.8%	22 081	24 235	25 641	-6.7%	70.5%
Goods and services	3 207	3 951	4 630	12 392	56.9%	22.0%	6 058	6 360	6 597	-19.0%	21.4%
of which:											
Advertising	2	36	234	85	249.0%	0.3%	295	313	329	57.0%	0.7%
Minor assets	2	1	166	35	159.6%	0.2%	70	78	82	32.8%	0.2%
Catering: Departmental activities	56	49	116	135	34.1%	0.3%	155	164	173	8.6%	0.4%
Communication	220	200	204	450	26.9%	1.0%	500	505	535	5.9%	1.4%
Computer services	100	240	50	250	35.7%	0.6%	350	370	391	16.1%	0.9%
Consultants: Business and advisory services	–	141	617	550	–	1.2%	365	470	497	-3.3%	1.3%
Contractors	194	–	96	3 526	162.9%	3.5%	–	–	–	-100.0%	2.4%
Agency and support/outsourced services	–	–	–	1 910	–	1.7%	1 050	1 050	1 114	-16.4%	3.5%
Entertainment	31	28	12	60	24.6%	0.1%	60	60	64	2.2%	0.2%
Fleet services (including government motor transport)	–	4	10	–	–	–	10	11	12	–	–
Consumable supplies	–	–	15	151	–	0.2%	125	125	132	-4.4%	0.4%
Consumables: Stationery, printing and office supplies	525	296	785	600	4.6%	2.0%	437	367	336	-17.6%	1.2%
Operating leases	11	2	–	300	201.0%	0.3%	200	205	216	-10.4%	0.6%
Rental and hiring	23	15	–	–	-100.0%	–	–	–	–	–	–
Property payments	–	–	2	–	–	–	–	–	–	–	–
Travel and subsistence	933	1 071	1 365	3 025	48.0%	5.8%	1 202	1 460	1 452	-21.7%	4.9%
Training and development	13	–	–	15	4.9%	–	20	25	26	20.1%	0.1%
Operating payments	697	1 212	754	740	2.0%	3.1%	750	760	803	2.8%	2.1%
Venues and facilities	400	656	204	560	11.9%	1.7%	469	397	435	-8.1%	1.3%
Interest and rent on land	5	–	–	–	-100.0%	–	–	–	–	–	–
Transfers and subsidies	–	–	29	300	–	0.3%	300	300	318	2.0%	0.8%
Households	–	–	29	300	–	0.3%	300	300	318	2.0%	0.8%

Table 11.8 Intergovernmental Coordination expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/ Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/ Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R thousand											
Payments for capital assets	45	93	397	1 500	221.8%	1.9%	3 000	3 000	3 174	28.4%	7.3%
Machinery and equipment	45	93	397	1 500	221.8%	1.9%	3 000	3 000	3 174	28.4%	7.3%
Total	18 497	18 880	26 719	45 723	35.2%	100.0%	31 439	33 895	35 730	-7.9%	100.0%
Proportion of total programme expenditure to vote expenditure	0.3%	0.3%	0.4%	0.7%	-	-	0.5%	0.5%	0.5%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	-	-	29	300	-	0.3%	300	300	318	2.0%	0.8%
Employee social benefits	-	-	29	300	-	0.3%	300	300	318	2.0%	0.8%

Personnel information

Table 11.9 Intergovernmental Coordination personnel numbers and cost by salary level¹

Number of funded posts	Number of posts additional to the establishment	Number and cost ² of personnel posts filled / planned for on funded establishment										Number						
		Actual			Revised estimate			Medium-term expenditure estimate				Average growth rate (%)	Salary level/total: Average (%)					
		2014/15	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19											
Intergovernmental Coordination		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Salary level	49	36	21.7	0.6	49	31.5	0.6	36	22.1	0.6	36	24.2	0.7	36	25.6	0.7	-9.8%	100.0%
1 - 6	9	2	0.4	0.2	9	2.2	0.2	9	2.3	0.3	9	2.5	0.3	9	2.7	0.3	-	22.9%
7 - 10	14	14	5.1	0.4	14	6.1	0.4	14	6.6	0.5	13	6.3	0.5	13	6.7	0.5	-2.4%	34.4%
11 - 12	14	14	9.9	0.7	14	10.4	0.7	6	4.7	0.8	6	5.1	0.8	6	5.3	0.9	-24.6%	20.4%
13 - 16	12	6	6.3	1.0	12	12.8	1.1	7	8.5	1.2	8	10.4	1.3	8	10.9	1.4	-12.6%	22.3%
Total	49	36	21.7	0.6	49	31.5	0.6	36	22.1	0.6	-	24.2	-	-	25.6	-	-	-

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

2. Rand million.

Programme 3: Expanded Public Works Programme

Programme purpose

Coordinate the implementation of the expanded public works programme, which aims to create work opportunities and provide training for unskilled, marginalised and unemployed people in South Africa.

Objectives

- Monitor and evaluate the implementation of the expanded public works programme through the expanded public works programme reporting system to ensure the creation of 4 205 730 work opportunities by public bodies over the medium term.
- Improve the number of work opportunities created by providing technical support to 250 public bodies implementing the expanded public works programme over the medium term.

Subprogrammes

- *Expanded Public Works Programme: Monitoring and Evaluation* reports and monitors the outputs of the expanded public works programme, and evaluates the impact the work opportunities created and training provided have on unskilled, marginalised and unemployed people.
- *Expanded Public Works Programme: Infrastructure* aims to ensure that publicly funded construction and maintenance infrastructure projects are implemented using labour intensive methods in order to create work opportunities.
- *Expanded Public Works Programme: Operations* facilitates the creation of work opportunities in the environmental, culture, non-state and social sectors.
- *Expanded Public Works Programme: Partnership Support* coordinates and supports national, provincial and municipal programmes of the expanded public works programme; and provides an enabling environment for

training, enterprise development and communication across the four sectors of the expanded public works programme.

- *Expanded Public Works Programme: Public Employment Coordinating Commission* consolidates progress reports on the implementation of public employment programmes, such as the expanded public works programme, and produces strategic reports for the interministerial committee on public employment programmes.

Expenditure trends and estimates

Table 11.10 Expanded Public Works Programme expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R thousand											
Expanded Public Works Programme:											
Monitoring and Evaluation	21 463	63 808	66 581	53 738	35.8%	2.7%	55 368	57 664	60 578	4.1%	2.4%
Expanded Public Works Programme:											
Infrastructure	1 028 024	1 039 386	1 034 985	988 344	-1.3%	54.4%	1 143 132	1 220 730	1 291 028	9.3%	49.5%
Expanded Public Works Programme:											
Operations	529 191	727 657	781 107	795 700	14.6%	37.7%	995 950	1 069 757	1 143 518	12.8%	42.7%
Expanded Public Works Programme:											
Partnership Support	125 373	100 839	42 907	108 542	-4.7%	5.0%	117 740	120 245	124 951	4.8%	5.0%
Expanded Public Works Programme:											
Public Employment Coordinating Commission	-	-	-	7 045	-	0.1%	7 310	7 496	7 825	3.6%	0.3%
Total	1 704 051	1 931 690	1 925 580	1 953 369	4.7%	100.0%	2 319 500	2 475 892	2 627 900	10.4%	100.0%
Change to 2015 Budget estimate				(38 865)			(5 273)	5 842	14 588		
Economic classification											
Current payments	244 354	270 257	245 781	276 046	4.1%	13.8%	290 933	317 030	343 822	7.6%	13.1%
Compensation of employees	100 901	108 310	112 425	144 077	12.6%	6.2%	154 748	158 119	165 059	4.6%	6.6%
Goods and services	143 453	161 947	133 356	131 969	-2.7%	7.6%	136 185	158 911	178 763	10.6%	6.5%
of which:											
Administrative fees	8	60	-	57	92.4%	-	-	-	-	-100.0%	-
Advertising	4 232	7 090	4 526	3 961	-2.2%	0.3%	4 803	5 038	5 333	10.4%	0.2%
Minor assets	268	271	197	150	-17.6%	-	201	212	224	14.3%	-
Audit costs: External	62	-	-	-	-100.0%	-	-	-	-	-	-
Catering: Departmental activities	329	515	250	311	-1.9%	-	247	259	272	-4.4%	-
Communication	1 204	1 261	1 291	1 059	-4.2%	0.1%	1 415	1 484	1 572	14.1%	0.1%
Computer services	473	499	208	344	-10.1%	-	154	158	167	-21.4%	-
Consultants: Business and advisory services	28 191	75 709	7 754	60 272	28.8%	2.3%	12 146	12 733	13 472	-39.3%	1.1%
Infrastructure and planning services	7 614	9 427	15 958	8 886	5.3%	0.6%	9 442	9 899	10 473	5.6%	0.4%
Contractors	255	1 248	656	707	40.5%	-	554	578	611	-4.7%	-
Agency and support/outsourced services	64 252	32 998	76 963	31 172	-21.4%	2.7%	83 812	104 060	121 983	57.6%	3.6%
Entertainment	137	118	38	143	1.4%	-	75	79	83	-16.6%	-
Fleet services (including government motor transport)	527	1 147	302	708	10.3%	-	311	321	341	-21.6%	-
Consumable supplies	297	791	661	675	31.5%	-	677	715	758	3.9%	-
Consumables: Stationery, printing and office supplies	3 286	1 313	1 618	1 172	-29.1%	0.1%	1 929	2 046	2 162	22.6%	0.1%
Operating leases	267	100	236	27	-53.4%	-	221	234	247	109.1%	-
Rental and hiring	-	524	60	293	-	-	421	440	466	16.7%	-
Transport provided: Departmental activity	-	-	5 314	-	-	0.1%	-	-	-	-	-
Travel and subsistence	21 895	24 887	13 607	18 849	-4.9%	1.1%	16 992	17 551	17 314	-2.8%	0.8%
Training and development	2 779	355	464	328	-50.9%	0.1%	181	191	202	-14.9%	-
Operating payments	3 209	853	1 612	1 030	-31.5%	0.1%	1 085	1 147	1 213	5.6%	-
Venues and facilities	4 168	2 781	1 641	1 825	-24.1%	0.1%	1 519	1 766	1 870	0.8%	0.1%
Transfers and subsidies	1 454 586	1 659 895	1 677 903	1 674 963	4.8%	86.1%	2 026 079	2 156 250	2 281 314	10.8%	86.8%
Provinces and municipalities	1 171 779	1 221 441	1 200 251	1 139 995	-0.9%	63.0%	1 425 662	1 525 812	1 614 310	12.3%	60.9%
Non-profit institutions	282 724	438 281	477 481	534 816	23.7%	23.1%	600 257	630 270	666 826	7.6%	25.9%
Households	83	173	171	152	22.3%	-	160	168	178	5.4%	-
Payments for capital assets	1 913	1 538	1 803	2 360	7.3%	0.1%	2 488	2 612	2 764	5.4%	0.1%
Machinery and equipment	1 913	1 538	1 803	2 360	7.3%	0.1%	2 488	2 612	2 764	5.4%	0.1%
Payments for financial assets	3 198	-	93	-	-100.0%	-	-	-	-	-	-
Total	1 704 051	1 931 690	1 925 580	1 953 369	4.7%	100.0%	2 319 500	2 475 892	2 627 900	10.4%	100.0%
Proportion of total programme expenditure to vote expenditure	23.7%	32.1%	32.0%	30.9%	-	-	35.5%	34.3%	34.3%	-	-
Details of transfers and subsidies											
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	661 535	611 274	594 575	587 685	-3.9%	32.7%	663 991	716 427	757 979	8.9%	29.1%
Expanded public works programme integrated grant for municipalities	661 535	611 274	594 575	587 685	-3.9%	32.7%	663 991	716 427	757 979	8.9%	29.1%

public sector through policy development, the setting of best practice standards for compiling and maintaining immovable asset registers, and the administration of rights over state and private land through 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.

- *Construction Industry Development Board* transfers funds annually to the Construction Industry Development Board.
- *Council for the Built Environment* transfers funds annually to the Council for the Built Environment.
- *Independent Development Trust* transfers funds annually to the Independent Development Trust. The last transfer of funds was in 2015/16.
- *Construction Education and Training Authority* aims to influence training and skills development across the construction industry.
- *Property Management Trading Entity* transfers funds annually to the Property Management Trading Entity.
- *Assistance to Organisations for the Preservation of National Memorials* provides funding to the Commonwealth War Graves Commission, and to the United Nations for maintaining national memorials.

Expenditure trends and estimates

Table 11.12 Property and Construction Industry Policy and Research expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18		
R thousand					2012/13 -	2015/16				2015/16 -	2018/19
Construction Policy Development Programme	17 953	19 083	18 738	25 592	12.5%	0.5%	26 243	27 491	29 192	4.5%	0.7%
Property Policy Development Programme	8 905	13 675	12 625	11 350	8.4%	0.3%	12 665	13 970	14 879	9.4%	0.3%
Construction Industry Development Board	67 614	72 361	77 212	65 626	-1.0%	1.9%	52 059	74 984	75 203	4.6%	1.7%
Council for the Built Environment	28 146	37 959	41 572	41 994	14.3%	1.0%	43 413	48 568	51 385	7.0%	1.2%
Independent Development Trust	50 800	100 000	50 000	50 000	-0.5%	1.6%	-	-	-	-100.0%	0.3%
Construction Education and Training Authority	1 260	1 468	1 630	475	-27.8%	-	500	516	546	4.8%	-
Property Management Trading Entity	4 749 858	3 061 643	3 043 967	3 524 652	-9.5%	94.1%	3 405 414	3 872 648	4 108 457	5.2%	95.1%
Assistance to Organisations for the Preservation of National Memorials	15 436	17 555	22 548	23 273	14.7%	0.5%	24 806	26 031	27 523	5.8%	0.6%
Total	4 939 972	3 323 744	3 268 292	3 742 962	-8.8%	100.0%	3 565 100	4 064 208	4 307 185	4.8%	100.0%
Change to 2015 Budget estimate				(60 000)			(395 562)	(156 019)	(157 815)		
Economic classification											
Current payments	1 580 475	1 798 397	2 049 037	36 299	-71.6%	35.8%	38 419	41 007	43 718	6.4%	1.0%
Compensation of employees	1 031 562	1 109 856	1 230 172	14 248	-76.0%	22.2%	16 284	17 393	18 598	9.3%	0.4%
Goods and services	548 913	688 541	818 856	22 051	-65.8%	13.6%	22 135	23 614	25 120	4.4%	0.6%
of which:											
Administrative fees	-	-	13	6	-	-	-	-	-	-100.0%	-
Advertising	2 734	2 502	5 306	456	-45.0%	0.1%	363	381	400	-4.3%	-
Minor assets	550	3 039	1 056	32	-61.3%	-	-	-	-	-100.0%	-
Audit costs: External	29 231	38 467	-	-	-100.0%	0.4%	-	-	-	-	-
Bursaries: Employees	-	2	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	942	1 647	834	157	-45.0%	-	4	5	6	-66.3%	-
Communication	13 282	15 287	17 102	201	-75.3%	0.3%	180	190	200	-0.2%	-
Computer services	72	150	382	29	-26.1%	-	-	-	-	-100.0%	-
Consultants: Business and advisory services	14 480	46 955	15 749	3 306	-38.9%	0.5%	4 590	5 048	5 485	18.4%	0.1%
Infrastructure and planning services	3 445	8 797	6 908	170	-63.3%	0.1%	3 602	4 349	4 618	200.6%	0.1%
Legal services	-	81	-	-	-	-	-	-	-	-	-
Contractors	9	-	1 117	143	151.4%	-	-	-	-	-100.0%	-
Agency and support/outsourced services	-	-	34 313	12 569	-	0.3%	12 383	12 784	13 525	2.5%	0.3%
Entertainment	163	151	114	26	-45.8%	-	5	6	7	-35.4%	-
Fleet services (including government motor transport)	18 733	14 696	16 160	-	-100.0%	0.3%	4	5	6	-	-
Inventory: Clothing material and accessories	-	4 236	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	9 103	7 568	-	-	-100.0%	0.1%	-	-	-	-	-
Inventory: Materials and supplies	1 008	840	-	-	-100.0%	-	-	-	-	-	-
Inventory: Medical supplies	5	-	-	-	-100.0%	-	-	-	-	-	-

Table 11.12 Property and Construction Industry Policy and Research expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
R thousand											
<i>Inventory: Other supplies</i>	13 228	94	–	–	-100.0%	0.1%	–	–	–	–	–
<i>Consumable supplies</i>	–	11 164	13 827	–	–	0.2%	–	–	–	–	–
<i>Consumables: Stationery, printing and office supplies</i>	4 245	4 780	5 525	542	-49.6%	0.1%	61	65	69	-49.7%	–
<i>Operating leases</i>	136 306	216 766	225 031	178	-89.1%	3.8%	20	22	23	-49.4%	–
<i>Rental and hiring</i>	2 790	11	1	–	-100.0%	–	–	–	–	–	–
<i>Property payments</i>	254 305	251 890	415 835	–	-100.0%	6.0%	–	–	–	–	–
<i>Transport provided: Departmental activity</i>	–	–	–	120	–	–	–	–	–	-100.0%	–
<i>Travel and subsistence</i>	37 536	51 339	49 347	2 166	-61.4%	0.9%	432	455	478	-39.6%	–
<i>Training and development</i>	2 945	2 827	4 843	278	-54.5%	0.1%	–	–	–	-100.0%	–
<i>Operating payments</i>	3 481	3 039	4 992	413	-50.9%	0.1%	40	42	45	-52.2%	–
<i>Venues and facilities</i>	320	2 213	401	1 259	57.9%	–	451	262	258	-41.0%	–
<i>Interest and rent on land</i>	–	–	9	–	–	–	–	–	–	–	–
Transfers and subsidies	2 623 998	927 550	885 926	3 706 551	12.2%	53.3%	3 526 562	4 023 077	4 263 336	4.8%	99.0%
Provinces and municipalities	1 798 173	2	2	–	-100.0%	11.8%	–	–	–	–	–
Departmental agencies and accounts	743 869	794 214	793 786	3 632 747	69.7%	39.0%	3 501 386	3 996 716	4 235 591	5.3%	98.0%
Foreign governments and international organisations	15 436	17 555	22 548	23 273	14.7%	0.5%	24 806	26 031	27 523	5.8%	0.6%
Public corporations and private enterprises	50 800	100 000	50 000	50 000	-0.5%	1.6%	–	–	–	-100.0%	0.3%
Non-profit institutions	9 903	10 398	11 021	331	-67.8%	0.2%	170	120	–	-100.0%	–
Households	5 817	5 381	8 569	200	-67.5%	0.1%	200	210	222	3.5%	–
Payments for capital assets	735 499	597 797	330 104	112	-94.7%	10.9%	119	124	131	5.4%	–
Buildings and other fixed structures	713 003	567 365	315 914	–	-100.0%	10.5%	–	–	–	–	–
Machinery and equipment	22 152	30 300	14 155	112	-82.8%	0.4%	119	124	131	5.4%	–
Software and other intangible assets	344	132	35	–	-100.0%	–	–	–	–	–	–
Payments for financial assets	–	–	3 225	–	–	–	–	–	–	–	–
Total	4 939 972	3 323 744	3 268 292	3 742 962	-8.8%	100.0%	3 565 100	4 064 208	4 307 185	4.8%	100.0%
Proportion of total programme expenditure to vote expenditure	68.6%	55.2%	54.3%	59.3%	–	–	54.6%	56.3%	56.2%	–	–
Details of transfers and subsidies											
Households											
Other transfers to households											
Current	20	–	–	–	-100.0%	–	–	–	–	–	–
Bursaries for non-employees	20	–	–	–	-100.0%	–	–	–	–	–	–
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	743 869	794 214	793 786	3 632 747	69.7%	39.0%	3 501 386	3 996 716	4 235 591	5.3%	98.0%
Construction Industry Development Board	67 614	72 361	77 212	65 626	-1.0%	1.9%	52 059	74 984	75 203	4.6%	1.7%
Council for the Built Environment	28 146	37 959	41 572	41 994	14.3%	1.0%	43 413	48 568	51 385	7.0%	1.2%
Construction Education and Training Authority	1 260	1 468	1 630	475	-27.8%	–	500	516	546	4.8%	–
Property Management Trading Entity	646 849	682 426	673 372	3 524 652	76.0%	36.2%	3 405 414	3 872 648	4 108 457	5.2%	95.1%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	3	2	2	–	-100.0%	–	–	–	–	–	–
Municipal bank account	3	2	2	–	-100.0%	–	–	–	–	–	–
Households											
Social benefits											
Current	5 797	5 381	8 569	200	-67.4%	0.1%	200	210	222	3.5%	–
Employee social benefits	5 797	5 381	8 569	200	-67.4%	0.1%	200	210	222	3.5%	–
Non-profit institutions											
Current	9 903	10 398	11 021	331	-67.8%	0.2%	170	120	–	-100.0%	–
Agrément Board	9 903	10 398	11 021	–	-100.0%	0.2%	–	–	–	–	–
South African Council for the Landscape Architectural Profession	–	–	–	331	–	–	170	120	–	-100.0%	–
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	50 800	100 000	50 000	50 000	-0.5%	1.6%	–	–	–	-100.0%	0.3%
Independent Development Trust	50 800	100 000	50 000	50 000	-0.5%	1.6%	–	–	–	-100.0%	0.3%
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Current	1 798 170	–	–	–	-100.0%	11.8%	–	–	–	–	–
Devolution of property rates funds grant	1 798 170	–	–	–	-100.0%	11.8%	–	–	–	–	–
Foreign governments and international organisations											
Current	15 436	17 555	22 548	23 273	14.7%	0.5%	24 806	26 031	27 523	5.8%	0.6%
Commonwealth War Graves Commission	15 436	17 555	22 548	23 273	14.7%	0.5%	24 806	26 031	27 523	5.8%	0.6%

Personnel information

Table 11.13 Property and Construction Industry Policy and Research personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		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 (%)				
		2014/15			2015/16			2016/17		2017/18		2018/19				2015/16 - 2018/19			
Property and Construction Industry Policy and Research		Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost			
Salary level	23	–	4 613	1 230.2	0.3	20	14.2	0.7	23	16.3	0.7	23	17.4	0.8	23	18.6	0.8	4.8%	100.0%
1 – 6	2	–	2 732	393.3	0.1	2	0.5	0.2	2	0.5	0.2	2	0.5	0.2	2	0.5	0.3	–	9.0%
7 – 10	7	–	1 505	539.0	0.4	4	1.6	0.4	7	3.1	0.4	7	3.3	0.5	7	3.6	0.5	20.5%	28.1%
11 – 12	8	–	305	221.6	0.7	8	5.7	0.7	8	5.8	0.7	8	6.2	0.8	8	6.6	0.8	–	36.0%
13 – 16	6	–	71	76.3	1.1	6	6.5	1.1	6	6.9	1.2	6	7.4	1.2	6	7.9	1.3	–	27.0%
Total	23	–	4 613	1 230.2	0.3	20	14.2	0.7	23	16.3	0.7	–	17.4	–	–	18.6	–	–	–

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

2. Rand million.

Programme 5: Prestige Policy

Programme purpose

Provide norms and standards for the prestige accommodation portfolio and meet the protocol responsibilities for state functions.

Objectives

- Develop and review policies, such as the policy on the allocation of housing to members of the executive council, guidelines on security measures for members of the executive council, and the policy for the utilisation of movable structures, for prestige clients in line with the ministerial handbook so as to ensure the effective and efficient management of the prestige portfolio over the medium term.
- Ensure the effective and efficient management of the prestige portfolio by setting monitoring and review policies, as well as norms and standards for the provision of prestige accommodation, over the medium term.
- Meet the protocol responsibilities of the state by providing logistical services for 45 state functions over the medium term.

Subprogrammes

- *Prestige Accommodation and State Functions* funds allocations for activities relating to the residences of parliamentarians, ministers, deputy ministers, the deputy president and the president.
- *Parliamentary Villages Management Board* provides for the transportation and related costs of parliamentarians and related officials. The purpose of this subprogramme is to ensure the efficient and effective provision of transport to officials residing in parliamentary villages.

Expenditure trends and estimates

Table 11.14 Prestige Policy expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)		Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15		2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19		
R thousand													
Prestige Accommodation and State Functions	71 245	113 459	176 818	83 732	5.5%	93.0%	86 520	92 823	97 677	5.3%	90.2%		
Parliamentary Villages Management Board	7 771	8 198	8 690	9 090	5.4%	7.0%	9 572	10 051	10 634	5.4%	9.8%		
Total	79 016	121 657	185 508	92 822	5.5%	100.0%	96 092	102 874	108 311	5.3%	100.0%		
Change to 2015 Budget estimate				150			(1 377)	(1 893)	(2 533)				

Table 11.14 Prestige Policy expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2012/13 - 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
	R thousand										
Current payments	69 132	103 802	153 035	70 721	0.8%	82.8%	75 746	79 620	83 720	5.8%	77.4%
Compensation of employees	23 109	20 822	23 203	22 055	-1.5%	18.6%	26 265	26 556	27 561	7.7%	25.6%
Goods and services	46 023	82 980	129 832	48 666	1.9%	64.2%	49 481	53 064	56 159	4.9%	51.8%
of which:											
Administrative fees	-	-	-	5	-	-	-	-	-	-100.0%	-
Advertising	-	57	39	10	-	-	43	46	48	68.7%	-
Minor assets	553	1 185	9 859	3 500	85.0%	3.2%	11 125	13 521	14 376	60.1%	10.6%
Catering: Departmental activities	12	8	10	10	-5.9%	-	12	15	16	17.0%	-
Communication	315	150	210	180	-17.0%	0.2%	212	223	234	9.1%	0.2%
Consultants: Business and advisory services	-	36	-	50	-	-	-	-	-	-100.0%	-
Contractors	42 936	79 251	111 941	28 466	-12.8%	54.8%	29 975	31 474	33 299	5.4%	30.8%
Agency and support/outourced services	341	419	518	7 750	183.3%	1.9%	571	600	630	-56.7%	2.4%
Entertainment	27	26	12	50	22.8%	-	100	105	111	30.5%	0.1%
Fleet services (including government motor transport)	-	25	11	50	-	-	100	105	111	30.5%	0.1%
Inventory: Materials and supplies	-	56	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	6	-	-	-	-100.0%	-	-	-	-	-	-
Consumable supplies	-	1	1 557	-	-	0.3%	1 717	528	554	-	0.7%
Consumables: Stationery, printing and office supplies	242	190	303	1 494	83.4%	0.5%	400	420	441	-33.4%	0.7%
Operating leases	112	25	36	45	-26.2%	-	50	52	55	6.9%	0.1%
Rental and hiring	-	-	311	-	-	0.1%	359	377	396	-	0.3%
Property payments	1	-	323	-	-100.0%	-	355	375	394	-	0.3%
Travel and subsistence	705	1 082	3 511	5 306	96.0%	2.2%	3 186	3 884	4 088	-8.3%	4.1%
Training and development	-	-	-	1 000	-	0.2%	-	-	-	-100.0%	0.2%
Operating payments	773	469	668	650	-5.6%	0.5%	700	735	772	5.9%	0.7%
Venues and facilities	-	-	523	100	-	0.1%	576	604	634	85.1%	0.5%
Transfers and subsidies	7 781	8 253	8 720	9 240	5.9%	7.1%	9 772	10 251	10 834	5.4%	10.0%
Departmental agencies and accounts	7 771	8 198	8 690	9 090	5.4%	7.0%	9 572	10 051	10 634	5.4%	9.8%
Households	10	55	30	150	146.6%	0.1%	200	200	200	10.1%	0.2%
Payments for capital assets	2 103	9 602	23 753	12 861	82.9%	10.1%	10 574	13 003	13 757	2.3%	12.5%
Machinery and equipment	2 103	9 602	23 753	12 861	82.9%	10.1%	10 574	13 003	13 757	2.3%	12.5%
Total	79 016	121 657	185 508	92 822	5.5%	100.0%	96 092	102 874	108 311	5.3%	100.0%
Proportion of total programme expenditure to vote expenditure	1.1%	2.0%	3.1%	1.5%	-	-	1.5%	1.4%	1.4%	-	-
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	7 771	8 198	8 690	9 090	5.4%	7.0%	9 572	10 051	10 634	5.4%	9.8%
Parliamentary Villages Management Board	7 771	8 198	8 690	9 090	5.4%	7.0%	9 572	10 051	10 634	5.4%	9.8%
Households											
Social benefits											
Current	10	55	30	150	146.6%	0.1%	200	200	200	10.1%	0.2%
Employee social benefits	10	55	30	150	146.6%	0.1%	200	200	200	10.1%	0.2%

Personnel information

Table 11.15 Prestige Policy personnel numbers and cost by salary level¹ prior to Cabinet approved reduction, effective from 2017/18²; budget reductions and aggregate baseline total

	Number of posts estimated for 31 March 2016			Number and cost ³ 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 (%) 2015/16 - 2018/19	Salary level/total: Average (%)			
				2014/15		2015/16		2016/17		2017/18		2018/19								
				Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Prestige Policy																				
Salary level	55	-		31	23.2	0.7	35	18.1	0.5	55	26.3	0.5	55	29.3	0.5	55	32.1	0.6	16.3%	100.0%
1 - 6	6	-		2	0.6	0.3	2	0.5	0.3	6	1.6	0.3	6	1.8	0.3	6	2.0	0.3	44.2%	10.0%
7 - 10	40	-		21	12.4	0.6	24	10.0	0.4	40	16.5	0.4	40	18.3	0.5	40	20.2	0.5	18.6%	72.0%
11 - 12	6	-		6	6.8	1.1	6	4.5	0.7	6	4.8	0.8	6	5.4	0.9	6	5.9	1.0	-	12.0%
13 - 16	3	-		2	3.3	1.7	3	3.1	1.0	3	3.4	1.1	3	3.8	1.3	3	4.1	1.4	-	6.0%
Reduction	-	-		-	-	-	-	-	-	-	-	-	-	(2.7)	-	-	(4.6)	-	-	-
Total	55	-	-	31	23.2	0.7	35	18.1	0.5	55	26.3	0.5	-	26.6	-	-	27.6	-	-	-

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

2. This programme's compensation of employees budget has been reduced by R7.3 million for 2017/18 and 2018/19. After consultation with the Department of Public Service and Administration and National Treasury, the department will finalise, develop and implement a plan to manage its personnel expenditure within this reduced expenditure ceiling.

3. Rand million.

Entities

Property Management Trading Entity

Mandate

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 Property Management Trading Entity performs immovable asset management functions on behalf of the Department of Public Works. These functions include the provision of residential and office accommodation for client departments at the national government level; as well as the acquisition, management, operation, maintenance and disposal of immovable assets in the department's custody. On a cost recovery basis, the entity finances the purchase, construction, refurbishment and maintenance of nationally owned government properties; and manages the leases of privately owned properties accommodating national departments. The entity also pays for municipal services on behalf of national departments on a management fee basis.

Selected performance indicators

Table 11.16 Property Management Trading Entity performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of sites established for development per year	Real estate investment services	Outcome 12: An efficient, effective and development oriented public service	1	1	1	1	3	3	3
Percentage of valuations completed within scheduled timeframes per year	Real estate investment services		-1	-1	-1	-1	70%	80%	85%
Percentage of requests received and approved for immovable asset disposal for socioeconomic purposes per year	Real estate investment services		-1	-1	-1	80%	50%	60%	80%
Number of property performance reports completed against scheduled areas per year	Real estate investment services		-1	-1	-1	300	402	600	800
Percentage of infrastructure projects completed within the approved budget per year	Construction management services	Outcome 6: An efficient, competitive and responsive economic infrastructure network	-1	-1	-1	75% (103)	90% (44)	90% (113)	90% (117)
Percentage of infrastructure projects completed within agreed construction period per year	Construction management services		-1	-1	-1	64% (103)	90% (44)	90% (113)	90% (117)
Number of approved infrastructure designs ready for tender per year	Construction management services		-1	7	20	36	113	117	53
Number of work opportunities created per year	Construction management services		-1	5 309	1 482	15 000	16 500	18 150	19 965
Percentage of accommodation procured that adheres to prescribed criteria per year	Real estate management services	Outcome 12: An efficient, effective and development oriented public service	-1	-1	40%	50%	55%	60%	70%
Percentage of approved immovable assets let out for economic and social development per year	Real estate management services	Outcome 12: An efficient, effective and development oriented public service	-1	-1	-1	-1	80%	80%	100%
Percentage of correct property payments made per year	Real estate management services		-1	-1	-1	-1	100%	100%	100%
Percentage of contracts renewed or terminated within the prescribed timeframes per year	Real estate management services		-1	-1	27% (86)	75% (1 068)	80% ²	90% ²	95% ²
Percentage of immovable assets verified in compliance with generally recognised accounting practice per year	Real estate registry services	Outcome 9: Responsive, accountable, effective and efficient developmental local government system	-1	-1	-1	-1	20%	20%	20%
Number of provincial immovable asset registers analysed for completeness/compliance per year	Real estate registry services		-1	-1	-1	-1	10	10	10
Number of sites with integrated waste management facilities per year	Facilities management services	Outcome 10: Protect and enhance our environmental assets and natural resources	-1	-1	-1	91	110	120	150

Table 11.16 Property Management Trading Entity performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Percentage of maintenance contracts in place for priority buildings per year	Facilities management services	Outcome 10: Protect and enhance our environmental assets and natural resources	- ¹	- ¹	- ¹	- ¹	50%	60%	80%
Percentage of breakage/repair reported incidents resolved within prescribed timeframes per year	Facilities management services		- ¹	56% (26 800)	60% (29 845)	65% (34 995)	75% ³	85% ³	90% ³

1. Due to the entity having undergone organisational restructuring, it has aligned its performance with its 2015/16 annual performance plan as well as its strategic plan, which became effective on

1 April 2015. The entire asset management function was moved from the Department of Public Works to the entity, hence the new indicators that will clearly reflect the entity's functions.

2. Absolute values cannot be provided as the entity cannot pre-empt the number of contracts that will be brought forward in a given year.

3. Absolute values cannot be provided as the entity cannot pre-empt the number of breakages/repairs that will be reported in a given year.

Expenditure analysis

Over the medium term the Property Management Trading Entity will continue to focus on the implementation of key priorities in the areas of infrastructure development; the integrated rural economy; the fight against corruption; and an efficient, effective and development oriented public service. The entity will be better equipped to do this once it has completed its organisational restructuring, which is expected to be completed by April 2016, and will positively influence its role in contributing towards outcome 12 (an efficient, effective and development oriented public service) of government's 2014-2019 medium term strategic framework. The entity's focus areas are also aligned with the national development plan, which aims to develop the skills and infrastructure the economy will require by 2030.

As part of the turnaround strategy of the Department of Public Works, the entity is responsible for implementing the department's accommodation and infrastructure mandate, which includes planning, acquiring, managing and disposing of immovable assets under the custody of the department. As the entity is now solely responsible for implementing these imperatives, it is anticipated that it is well placed to achieve value for money for government's infrastructure programme, as well as to deliver on expected outputs with greater effectiveness and efficiency. To implement the strategy effectively, R47.2 million over the medium term is allocated to goods and services, particularly consultants and outsourced services.

The entity will continue to focus on enhancing its technical and professional capacity to support greater efficiency in national infrastructure investment; reducing costs in managing the state's assets; and promoting self-sustainability through implementing accommodation charges and management fees for municipal services and infrastructure projects. In line with its turnaround strategy, the entity is developing plans through which specialist contractors will be appointed to work with internal staff on identified projects to enhance performance. These specialists are expected to transfer critical financial management and built environment skills to the entity's personnel. The turnaround strategy also includes activities such as appointing a panel of service providers to provide forensic investigation services and conduct high profile and complex investigations as they arise over the medium term.

The entity will also integrate the planning of infrastructure and urban efficiencies by aligning and consolidating government services to reduce the costs associated with accessing public services, particularly for those who live in remote areas. This will ensure that property development is designed to support economic growth and investment within a framework that benefits the poor and underprivileged. Government's urban and rural renewal programme will further guide the location, development and rehabilitation of government buildings to ensure easy access to government services and improved working conditions for state departments. In addition, the department will release well located land and properties to the Department of Human Settlements for development purposes. R37.6 million over the MTEF period is allocated to the entity to oversee this programme. R165.1 million over the medium term is allocated specifically for infrastructure development at Salvokop, Pretoria, which will entail the appointment of consultants and the provision of civil and electrical bulk services.

The entity expects to deliver 393 client capital infrastructure projects and 436 repair and refurbishment projects over the MTEF period. Key capital infrastructure projects include refurbishment or rehabilitation work at: the Bryntirion heritage site in Pretoria; the Sanae IV research base in Antarctica; the naval base on Salisbury Island in the Durban harbour; the South African Air Force's College in Pretoria; the Eben Donges building in Port Elizabeth; the upgrading of the labour centres Ndabeni and Epping in Cape Town; the Old Magistrate's Court in Pretoria; the Masimanyane Police Complex in George; and the Graaff-Reinet Police College.

The real estate management services programme procures accommodation, manages and administers contractual accommodation obligations, and generates revenue through the rental of state owned property. Major goods and services items linked to this programme include operating leases and expenditure on municipal services. The programme accounts for 57.1 per cent of the entity's total spending. Repairs and maintenance are the main cost drivers of spending on goods and services over the medium term, accounting for 27 per cent (R6.5 billion) of total goods and services expenditure, and operating leases, which account for 58 per cent. Expenditure on goods and services is expected to increase from R7.5 billion in 2015/16 to R8.5 billion in 2018/19, at an average annual rate of 4.5 per cent. 73.9 per cent of total expenditure over the medium term is expected to be on goods and services.

The Department of Public Service and Administration's approval of the entity's new organisational structure will enable 238 vacant posts to be filled over the MTEF period. This will assist the organisation in becoming a fully functioning trading entity, and facilitate the transfer of skills from specialist contractors to the entity's personnel, who will be given the necessary capabilities to carry out key functions. Accordingly, with the filling of some of the vacancies, compensation of employees is expected to increase from R1.3 billion in 2015/16 to R1.7 billion in 2018/19 at an average annual rate of 9.1 per cent. This growth is in line with the inflation adjustment agreed upon between government and labour unions.

The entity generates revenue mainly through management fees earned through administrative services provided to client departments, as well as through transfers from the Department of Public Works. Revenue over the medium term is expected to increase from R14.1 billion in 2015/16 to R17.1 billion in 2018/19, at an average annual rate of 6.6 per cent, with accommodation and lease charges accounting for most of the revenue collected. Administrative services provided include the payment of municipal charges on behalf of client departments, and the collection of rental income from both government and privately owned buildings rented by government departments and other state institutions.

Programmes/objectives/activities

Table 11.17 Property Management Trading Entity expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Administration	4 357	1 016 723	1 702 587	847 287	479.4%	9.7%	904 936	876 970	811 708	-1.4%	7.9%
Real Estate Investment Services	-	-	-	105 850	-	0.3%	116 521	129 274	132 502	7.8%	1.1%
Construction Management Services	2 405 423	-	-	477 422	-41.7%	7.3%	538 565	579 610	514 728	2.5%	4.8%
Real Estate Management Services	4 128 294	4 431 449	5 047 922	5 567 961	10.5%	51.2%	5 992 578	6 494 346	7 022 820	8.0%	57.2%
Real Estate Registry Services	-	56 264	82 470	207 745	-	0.9%	326 836	326 389	273 860	9.6%	2.6%
Facilities Management Services	3 287 163	2 780 424	2 709 923	2 676 995	-6.6%	30.6%	2 842 612	3 034 890	3 023 918	4.1%	26.4%
Total	9 825 237	8 284 860	9 542 902	9 883 260	0.2%	100.0%	10 722 048	11 441 479	11 779 536	6.0%	100.0%

Statements of historical financial performance and position

Table 11.18 Property Management Trading Entity statements of historical financial performance and position

Statement of financial performance									
R thousand	Audited outcome		Audited outcome		Audited outcome		Revised estimate		Outcome/ Budget Average (%)
	Budget	2012/13	Budget	2013/14	Budget	2014/15	Budget estimate	2015/16	2012/13 - 2015/16
Revenue									
Non-tax revenue	4 389 833	9 131 688	6 582 335	8 984 092	11 209 728	9 724 254	11 129 021	10 576 458	115.3%
Sale of goods and services other than capital assets	4 384 833	9 079 707	6 563 634	8 199 281	11 187 388	7 668 334	11 079 191	10 529 415	106.8%
<i>of which:</i>									
<i>Sales by market establishment</i>	3 295 430	5 661 708	3 548 847	3 570 036	7 180 821	4 049 658	7 138 968	6 644 074	94.1%
<i>Other sales</i>	1 089 403	3 417 999	3 014 787	4 629 245	4 006 567	3 618 676	3 940 223	3 885 341	129.0%
Other non-tax revenue	5 000	51 981	18 701	784 811	22 340	2 055 920	49 830	47 043	3 066.4%
Transfers received	646 849	646 849	682 426	682 426	673 372	673 482	706 647	3 524 652	204.0%
Total revenue	5 036 682	9 778 537	7 264 761	9 666 518	11 883 100	10 397 736	11 835 668	14 101 110	122.0%

Table 11.18 Property Management Trading Entity statements of historical financial performance and position

Statement of financial performance									
	Budget		Audited outcome		Budget		Audited outcome		Outcome/ Budget Average (%)
R thousand	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
Expenses									
Current expenses	4 219 806	9 330 912	6 476 197	6 791 550	6 375 199	7 393 731	10 712 419	8 902 082	116.7%
Compensation of employees	–	17 869	–	–	–	–	1 288 773	1 288 773	101.4%
Goods and services	4 200 701	9 298 942	6 456 275	6 733 828	6 358 619	7 310 623	7 786 717	7 474 545	124.3%
Depreciation	–	–	–	56 264	–	82 470	1 620 000	120 000	16.0%
Interest, dividends and rent on land	19 105	14 101	19 922	1 458	16 580	638	16 929	18 764	48.2%
Transfers and subsidies	–	494 324	788 564	1 493 310	975 009	2 149 171	1 056 178	981 178	181.5%
Total expenses	4 936 682	9 825 236	7 264 761	8 284 860	7 350 208	9 542 902	11 768 597	9 883 260	119.8%
Surplus/(Deficit)	100 000	(46 699)	–	1 381 658	4 532 892	854 834	67 071	4 217 850	–
Statement of financial position									
Carrying value of assets	–	–	–	74 956 547	6 050 005	78 424 077	87 658 168	87 674 163	257.2%
Acquisition of assets	–	–	(4 218 495)	(2 600 751)	(4 532 892)	(3 447 196)	(4 932 916)	(4 507 741)	77.1%
Investments	–	820 553	–	928 233	1 096 240	973 011	864 000	1 214 000	200.8%
Receivables and prepayments	1 200 000	2 791 801	–	1 806 485	1 978 600	2 344 119	1 500 000	2 700 000	206.1%
Cash and cash equivalents	350 092	829	–	353	1 000	6 197	984 596	7 000	1.1%
Total assets	1 550 092	3 613 183	–	77 691 618	9 125 845	81 747 404	91 006 764	91 595 163	250.4%
Accumulated surplus/(deficit)	(204 671)	(1 920 633)	–	72 660 347	5 788 216	73 597 546	87 427 764	83 256 163	244.7%
Borrowings	1 254 763	1 402 323	–	433 108	1 000 000	667 586	–	650 000	139.8%
Finance lease	–	822 359	–	–	936 240	3 868	864 000	4 000	46.1%
Trade and other payables	500 000	1 285 476	–	3 370 421	1 000 000	6 110 126	400 000	6 000 000	882.4%
Provisions	–	1 743 354	–	37 615	23 600	23 803	2 000 000	150 000	96.6%
Derivatives financial instruments	–	280 304	–	1 190 127	377 789	1 344 475	315 000	1 535 000	627.9%
Total equity and liabilities	1 550 092	3 613 183	–	77 691 618	9 125 845	81 747 404	91 006 764	91 595 163	250.4%

Statements of estimates of financial performance and position**Table 11.19 Property Management Trading Entity statements of estimates of financial performance and position**

Statement of financial performance									
	Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/Total: Average (%)	
R thousand	2015/16	2012/13 - 2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19		
Revenue									
Non-tax revenue	10 576 458	5.0%	88.7%	11 341 568	12 118 289	12 983 844	7.1%	75.9%	
Sale of goods and services other than capital assets	10 529 415	5.1%	81.5%	11 297 532	12 072 150	12 935 445	7.1%	75.6%	
<i>of which:</i>									
Sales by market establishment	6 644 074	5.5%	45.2%	7 147 219	7 663 941	8 218 983	7.3%	47.9%	
Other sales	3 885 341	4.4%	36.3%	4 150 313	4 408 209	4 716 462	6.7%	27.7%	
Other non-tax revenue	47 043	-3.3%	7.2%	44 036	46 139	48 399	1.0%	0.3%	
Transfers received	3 524 652	76.0%	11.3%	3 405 414	3 872 648	4 108 457	5.2%	24.1%	
Total revenue	14 101 110	13.0%	100.0%	14 746 982	15 990 937	17 092 301	6.6%	100.0%	
Expenses									
Current expenses	8 902 082	-1.6%	86.1%	9 560 252	10 163 503	10 373 763	5.2%	135.7%	
Compensation of employees	1 288 773	316.3%	3.3%	1 469 782	1 580 886	1 672 741	9.1%	13.7%	
Goods and services	7 474 545	-7.0%	82.0%	7 830 245	8 320 814	8 437 515	4.1%	73.3%	
Depreciation	120 000	–	0.7%	240 000	240 000	240 000	26.0%	1.9%	
Interest, dividends and rent on land	18 764	10.0%	0.1%	20 225	21 803	23 507	7.8%	0.2%	
Transfers and subsidies	981 178	25.7%	13.9%	1 161 796	1 277 976	1 405 773	12.7%	11.0%	
Total expenses	9 883 260	0.2%	100.0%	10 722 048	11 441 479	11 779 536	6.0%	100.0%	
Surplus/(Deficit)	4 217 850	(5)	–	4 024 934	4 549 458	5 312 765	8.0%	–	
Statement of financial position									
Carrying value of assets	87 674 163	–	72.0%	95 016 000	95 016 000	95 016 000	2.7%	96.0%	
<i>of which:</i>									
Acquisition of assets	(4 507 741)	–	-3.1%	(4 424 234)	(4 957 996)	(5 644 696)	7.8%	-5.0%	
Investments	1 214 000	13.9%	6.6%	1 214 500	1 215 000	1 215 000	0.0%	1.3%	
Receivables and prepayments	2 700 000	-1.1%	21.4%	2 700 000	2 700 000	2 700 000	–	2.8%	
Cash and cash equivalents	7 000	103.6%	0.0%	7 000	7 000	7 000	–	0.0%	
Total assets	91 595 163	193.8%	100.0%	98 937 500	98 938 000	98 938 000	2.6%	100.0%	
Accumulated surplus/(deficit)	83 256 163	-451.3%	55.3%	90 598 500	90 599 000	90 599 000	2.9%	91.4%	
Borrowings	650 000	-22.6%	10.2%	650 000	650 000	650 000	–	0.7%	
Finance lease	4 000	-83.1%	5.7%	4 000	4 000	4 000	–	0.0%	
Trade and other payables	6 000 000	67.1%	13.5%	6 000 000	6 000 000	6 000 000	–	6.2%	
Provisions	150 000	-55.9%	12.1%	150 000	150 000	150 000	–	0.2%	
Derivatives financial instruments	1 535 000	76.3%	3.2%	1 535 000	1 535 000	1 535 000	–	1.6%	
Total equity and liabilities	91 595 163	193.8%	100.0%	98 937 500	98 938 000	98 938 000	2.9%	100.0%	

Personnel information

Table 11.20 Property Management Trading Entity personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		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 (%)			
		2014/15		Unit Cost	2015/16		Unit Cost	2016/17			Unit Cost	2017/18			Unit Cost	2018/19			Unit Cost		
Property Management Trading Entity	Salary level	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2015/16 - 2018/19	
	4 027	4 027	4 066	-	-	3 971	1 288.8	0.3	4 265	1 469.8	0.3	4 265	1 580.9	0.4	4 265	1 672.7	0.4			9.1%	100.0%
1 – 6	1 767	1 767	1 814	-	-	1 742	304.5	0.2	1 796	329.0	0.2	1 796	350.4	0.2	1 796	367.4	0.2			6.5%	42.5%
7 – 10	1 792	1 792	1 794	-	-	1 767	620.9	0.4	1 995	740.2	0.4	1 995	795.3	0.4	1 995	841.3	0.4			10.7%	46.2%
11 – 12	400	400	390	-	-	394	293.9	0.7	406	324.7	0.8	406	352.8	0.9	406	376.1	0.9			8.6%	9.6%
13 – 16	69	69	68	-	-	68	69.5	1.0	69	75.8	1.1	69	82.4	1.2	69	87.9	1.3			8.1%	1.6%

1. Rand million.

Construction Industry Development Board

Mandate

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.

Selected performance indicators

Table 11.21 Construction Industry Development Board performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Percentage of compliance to turnaround time of two working days for contractor administration per year	Improve the construction registers service through business process excellence	Outcome 12: An efficient, effective and development oriented public service	- ¹	- ¹	- ¹	97%	97%	97%	98%
Percentage of contractor development programmes registered on the construction register system to use the electronic monitoring and evaluation system per year	Provide contractor and client support through provincial offices	Outcome 6: An efficient, competitive and responsive infrastructure network	- ¹	- ¹	90% (21)	100%	- ²	- ²	- ²
Number of annual analysis reports published on supply chain management training to municipalities conducted per year	Build, strengthen and maintain relationships with stakeholders	Outcome 5: A skilled and capable workforce to support an inclusive growth path	- ¹	- ¹	2	2	2	2	2
Number of regulation amendments to documents scoping best practice project assessments schemes submitted to the Department of Public Works per year	Improve the performance of the sector and value to clients	Outcome 6: An efficient, competitive and responsive infrastructure network	- ¹	- ¹	- ¹	1	1	1	1

Table 11.21 Construction Industry Development Board performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of quarterly monitoring reports published per year on the state of the industry's development, including black ownership, and the upgrading of black contractors	Improve the performance of sector, and value to clients	Entity mandate	-1	-1	4	4	4	4	4
Number of quarterly reports published on the small, medium and micro enterprises business condition surveys	Improve the performance of sector, and value to clients		-1	-1	4	4	4	4	4

1. No historical data is available as these are new indicators.

2. The project will be completed by 2015/16.

Expenditure analysis

The Construction Industry Development Board contributes to the priorities of the national development plan through initiatives that relate to infrastructure development and the fight against corruption. Over the medium term, the board will continue to strengthen its regulatory mandate and further enhance its services in all provinces through meaningful provincial and regional representation, an objective linked to outcome 4 (decent employment through inclusive economic growth) and outcome 5 (a skilled and capable workforce to support an inclusive growth path) of government's 2014-2019 medium term strategic framework.

Over the medium term, the board's focus will be on tightening its regulatory mandate to reduce construction risk; combating all forms of fraud and corruption; enlarging its knowledge hub of the construction sector; providing support to contractors; and enhancing compliance with its prescripts, including matters of collusion, through enforcing its prescripts and dealing with any transgression of the board's regulations.

Fighting corruption remains a key priority for the board, and over the medium term, the board will deal with forms of both external and internal corruption. Corruption typically involves transgressions of the board's regulations by contractors, such as fraudulent tax clearance certificates, falsified track records, and fraudulent financial statements submitted to the board. R39.6 million is allocated over the MTEF period for this purpose. R20 million of this is earmarked for expenditure on compensation of employees, and R11 million for consultants who have the expertise to help the board to eradicate corruption, specifically with regard to investigations into reported cases of different kinds of transgressions and fraud. The board aims to use its rolled over operational surplus of R34 million to conclude 37 investigations into construction companies that have contravened its regulations.

Another area of focus over the medium term will be entrenching the board's position as a knowledge hub in the construction industry. It plans to do this by rolling out best practices in responding to the knowledge gap identified within the industry, with a particular focus on best practices within the contractor recognition and project assessment schemes, and the finalisation of the development of its register of professional service providers, including the enhancement of the engagement model for stakeholders. The board will continue to enhance and enforce compliance with its register of projects by enforcing and imposing fines on non-compliant entities, national departments, local departments, and local government clients.

The board plans to improve the performance of the construction sector and offer clients additional value through providing support and in-depth knowledge to contractors, which will benefit clients in terms of the services provided by the contractors registered with the board. It expects to spend R33 million over the MTEF period on this. For the board's personnel to assist in ensuring compliance with prescripts and legislation in the sector, and provide support to contractors in the construction industry, R22 million of this budget will be spent on compensation of employees; R2.1 million is expected be spent on travel and subsistence for stakeholder engagements; and R4 million on consultants to provide the necessary expert support, specifically related to the construction industry, to the board. The board will monitor and evaluate all willing participant infrastructure clients in the public sector, and amend its contractor registration criteria as part of the initiative to develop and transform the contracting sector. R102 million over the medium term has been set aside to provide for

contractor development initiatives and client support through provincial offices. As the board's policy making, regulatory and contractor support activities are labour and resource intensive, compensation of employees accounts for 81 per cent (R82.7 million) of the programme's budget.

The board also plans to release 12 quarterly reports over the MTEF period on the state of the industry's development, including aspects such as black ownership and black contractors, which will assist it in responding to the challenges its clients experience. The board will focus on building, strengthening and maintaining relationships with stakeholders through effective communication in various forums, such as its national stakeholders forum and the provincial contractor development forum, as well as publications of more guidelines on best practice in the construction industry.

Programmes/objectives/activities

Table 11.22 Construction Industry Development Board expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
Administration	39 833	41 589	43 669	49 897	7.8%	33.7%	41 013	48 634	51 372	1.0%	33.0%
Improve the construction registers service through business process excellence	20 783	21 687	22 685	29 607	12.5%	18.2%	22 236	26 335	27 915	-1.9%	18.3%
Provide contractor and client support through provincial offices	26 109	29 736	29 973	29 870	4.6%	22.4%	29 380	35 029	37 131	7.5%	22.7%
Build, strengthen and maintain relationships with stakeholders	11 645	11 227	12 874	13 329	4.6%	9.5%	12 619	14 904	15 798	5.8%	9.8%
Improve the performance of sector, and value to clients	8 583	9 468	9 904	11 170	9.2%	7.5%	9 708	11 497	12 188	3.0%	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	11 296	10 769	11 264	11 225	-0.2%	8.6%	11 041	13 078	14 019	7.7%	8.5%
Total	118 249	124 476	130 369	145 098	7.1%	100.0%	125 997	149 477	158 423	3.0%	100.0%

Statements of historical financial performance and position

Table 11.23 Construction Industry Development Board statements of historical financial performance and position

Statement of financial performance									
R thousand	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Outcome/Budget Average (%) 2012/13 - 2015/16
	Budget	2012/13	Budget	2013/14	Budget	2014/15			
Revenue									
Non-tax revenue	47 442	47 550	50 526	65 092	51 328	74 342	62 472	79 472	125.8%
Sale of goods and services other than capital assets	44 552	42 568	47 448	59 562	48 065	66 385	57 904	70 904	120.9%
<i>of which:</i>									
<i>Sales by market establishment</i>	44 552	42 568	47 448	59 562	48 065	66 385	57 904	70 904	120.9%
Other non-tax revenue	2 890	4 982	3 078	5 530	3 263	7 957	4 568	8 568	195.9%
Transfers received	66 882	67 614	72 361	72 361	77 212	77 212	65 626	65 626	100.3%
Total revenue	114 324	115 164	122 887	137 453	128 540	151 554	128 098	145 098	111.2%
Expenses									
Current expenses	114 324	118 249	122 887	124 476	128 540	130 369	134 624	145 098	103.6%
Compensation of employees	55 677	69 111	77 102	73 258	88 493	77 042	82 196	81 354	99.1%
Goods and services	55 843	45 801	45 785	47 095	36 330	49 068	52 428	63 744	108.0%
Depreciation	2 803	3 335	-	4 123	3 717	4 259	-	-	179.7%
Interest, dividends and rent on land	-	2	-	-	-	-	-	-	-
Total expenses	114 324	118 249	122 887	124 476	128 540	130 369	134 624	145 098	103.6%
Surplus/(Deficit)	-	(3 085)	-	12 977	-	21 185	(6 526)	-	-
Statement of financial position									
Carrying value of assets	13 566	22 659	9 504	23 405	21 500	22 064	18 958	18 958	137.1%
<i>Acquisition of assets</i>	<i>(4 459)</i>	<i>(3 910)</i>	<i>(3 803)</i>	<i>(3 126)</i>	<i>(3 717)</i>	<i>(2 956)</i>	<i>(580)</i>	<i>(580)</i>	<i>84.2%</i>
Receivables and prepayments	986	1 919	529	1 527	1 300	1 418	1 365	1 365	149.0%
Cash and cash equivalents	98 097	77 527	103 604	98 502	74 302	122 919	78 017	113 143	116.4%
Total assets	112 649	102 106	120 008	123 434	97 102	146 401	98 340	133 466	118.1%
Accumulated surplus/(deficit)	52 616	55 601	54 261	68 578	51 666	89 763	54 637	89 763	142.5%
Finance lease	-	-	-	2 856	5 599	2 065	5 550	5 550	93.9%
Deferred income	26 337	-	26 337	-	-	-	-	-	-
Trade and other payables	33 696	44 697	39 410	49 618	39 837	49 713	35 853	35 853	120.9%
Provisions	-	1 808	-	2 382	-	4 860	2 300	2 300	493.5%
Total equity and liabilities	112 649	102 106	120 008	123 434	97 102	146 401	98 340	133 466	118.1%

Statements of estimates of financial performance and position

Table 11.24 Construction Industry Development Board statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R thousand	2015/16				2012/13 - 2015/16	2016/17	2017/18		
Revenue									
Non-tax revenue	79 472	18.7%	48.1%	73 938	74 493	83 220	1.5%	54.0%	
Sale of goods and services other than capital assets	70 904	18.5%	43.2%	67 760	70 553	78 886	3.6%	49.9%	
of which:									
Sales by market establishment	70 904	18.5%	43.2%	67 760	70 553	78 886	3.6%	49.9%	
Other non-tax revenue	8 568	19.8%	4.9%	6 178	3 940	4 334	-20.3%	4.0%	
Transfers received	65 626	-1.0%	51.9%	52 059	74 984	75 203	4.6%	46.0%	
Total revenue	145 098	8.0%	100.0%	125 997	149 477	158 423	3.0%	100.0%	
Expenses									
Current expenses	145 098	7.1%	100.0%	125 997	149 477	158 423	3.0%	116.5%	
Compensation of employees	81 354	5.6%	58.1%	86 343	91 600	97 097	6.1%	61.8%	
Goods and services	63 744	11.6%	39.5%	39 654	57 877	61 326	-1.3%	38.2%	
Total expenses	145 098	7.1%	100.0%	125 997	149 477	158 423	3.0%	100.0%	
Surplus/(Deficit)	-	-100.0%	-	-	-	-	0.0%	-	
Statement of financial position									
Carrying value of assets	18 958	-5.8%	17.6%	17 063	15 356	13 658	-10.4%	12.9%	
of which:									
Acquisition of assets	(580)	-47.1%	-2.2%	(609)	(639)	-	-100.0%	-0.4%	
Receivables and prepayments	1 365	-10.7%	1.3%	1 433	1 505	2 045	14.4%	1.3%	
Cash and cash equivalents	113 143	13.4%	81.1%	109 335	105 794	103 794	-2.8%	85.9%	
Total assets	133 466	9.3%	100.0%	127 831	122 655	119 497	-3.6%	100.0%	
Accumulated surplus/(deficit)	89 763	17.3%	59.6%	89 763	89 763	89 763	-	71.4%	
Finance lease	5 550	-	2.0%	3 700	1 850	-	-100.0%	2.1%	
Trade and other payables	35 853	-7.1%	36.2%	32 268	29 042	27 234	-8.8%	24.6%	
Provisions	2 300	8.4%	2.2%	2 100	2 000	2 500	2.8%	1.8%	
Total equity and liabilities	133 466	9.3%	100.0%	127 831	122 655	119 497	-105.9%	100.0%	

Personnel information

Table 11.25 Construction Industry Development Board personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		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 (%)			
		2014/15	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19											
Construction Industry Development Board		189	189	189	189	189	189	189	189	189	189	189	189	189	189	6.1%	100.0%	
Salary level	189	189	189	189	189	189	189	189	189	189	189	189	189	189	189	6.1%	100.0%	
1-6	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	6.1%	4.8%	
7-10	126	126	126	126	126	126	126	126	126	126	126	126	126	126	126	6.1%	66.7%	
11-12	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	6.1%	17.5%	
13-16	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	6.1%	11.1%	

1. Rand million.

Council for the Built Environment

Mandate

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 resource development in the built environment; promote sound governance of the built environment professions; facilitate participation by the built environment professions in integrated development in line with national goals; 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 cooperation among stakeholders in relation to training and the upholding of standards at the national level; and provide a forum for built environment professionals to meet and discuss relevant issues.

Selected performance indicators

Table 11.26 Council for the Built Environment performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of students reached through the rollout of mathematics and science programmes per year	Skills development in the built environment	Outcome 5: A skilled and capable workforce to support an inclusive growth path	- ¹	150	150	150	150	150	150
Number of workplace candidates placed at work per year	Skills development in the built environment		- ²	- ²	53	50	50	50	50
Number of interns placed at work per year	Skills development in the built environment		- ²	- ²	101	50	50	50	50
Number of research agendas and reports per year on built environment issues that impact on service delivery (for example, the technical capacity of municipalities and the public sector on infrastructure programme)	Research and information in the built environment	Outcome 12: An efficient, effective and development oriented public service	- ¹	1	1	1	1	1	1

1. These projects were implemented from 2013/14.

2. This project was implemented from 2014/15.

Expenditure analysis

The national development plan highlights the need for skills and infrastructure development required for economic growth, and emphasises their importance for job creation. The Council for the Built Environment directly contributes to the plan's emphasis on the importance of a built environment that is responsive to the developmental and economic priorities of government; a transformed built environment with appropriate and adequate skills and competencies that are responsive to the country's infrastructure delivery, operational and maintenance needs; an optimally functioning built environment with a responsive and relevant policy and legislative framework based on informed and researched positions; and built environment professionals that operate within a regulated policy and legislative framework.

In line with this, the focus of the council over the medium term will be on strengthening the technical capacity of the public sector for infrastructure delivery, particularly through research and the dissemination of information, skills development, and developing appropriate strategies and interventions to increase the retention and attraction of built environment professionals. This focus is aligned with outcome 5 (a skilled and capable workforce to support an inclusive growth path) of government's 2014-2019 medium term strategic framework.

Over the MTEF period, the council will also focus on facilitating skills development and transformation within the built environment through implementing initiatives such as the workplace training and transformation implementation programmes. 106 candidates for 2015/16, hosted by 37 workplace training employers, are currently participating in the workplace training programme. Participating workplaces are assessed to ensure that they meet all the requirements for candidates to be able to register with the relevant built environment professional council. The programme also aims to support 150 interns from universities of technology to undergo workplace training, which is a requirement for students to complete their qualifications. Candidates in the fields of engineering (civil, electrical and mechanical), quantity surveying, architectural services, landscape architecture, construction project management, and property valuation are provided with mentors to coach them to meet professional registration requirements with relevant statutory councils. The council intends to spend R40.4 million to achieve this. Consultants will be employed to provide the council with the expertise required in the built environment, and assist with the identification and placement of candidates in workplaces. Expenditure on consultants and outsourced services has a projected spending of R24.4 million over the medium term.

The council will continue to provide support in mathematics and science to assist learners to improve their academic performance, and thus enable them to consider careers in the built environment. It will target schools in under-resourced and rural areas, and 150 learners per year have been selected to participate in this programme over the medium term. Technical experts in mathematics and science will be sourced as consultants to provide teaching through capacity building workshops and seminars for teachers, extended support to learners, and the monthly assessment of learners' academic progress. Mobile science laboratories will also be provided.

R17.5 million is allocated over the medium term to ensure that the target of 150 learners per year is reached, and will be supplemented by an allocation of R2.4 million per year in goods and services for contractors. A further R10.3 million has been budgeted for in the mathematics and science support programme to ensure that sufficient students continue to enrol in various built environment professions over the medium term.

The Department of Public Works will also focus on strengthening its research pool within the built environment sector by aiming to publish 3 research agenda reports over the medium term. The council does not have all the required research capacity for this, and so will need to make use of contractors. R20.8 million has been set aside for this over the medium term in the research and information in the built environment programme, with compensation of employees accounting for R7.7 million and outsourced services accounting for R13.1 million.

The council's expenditure over the medium term is expected to increase at an average annual rate of 6.9 per cent, from R43.9 million in 2015/16 to R53.7 million in 2018/19, with the bulk going towards skills development in the built environment.

Programmes/objectives/activities

Table 11.27 Council for the Built Environment expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate 2015/16	Average growth rate (%) 2012/13 - 2015/16	Expenditure/Total: Average (%) 2012/13 - 2015/16	Medium-term expenditure estimate			Average growth rate (%) 2015/16 - 2018/19	Expenditure/Total: Average (%) 2015/16 - 2018/19
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19		
Administration	15 539	16 747	19 955	24 803	16.9%	52.4%	26 047	29 032	30 631	7.3%	57.0%
Skills development in the built environment	3 492	4 917	9 019	11 873	50.4%	19.0%	11 655	13 439	14 272	6.3%	26.4%
Research and information in the built environment	6 548	8 875	9 048	4 736	-10.2%	20.6%	5 047	5 358	5 689	6.3%	10.8%
Public interest	2 600	3 259	3 199	2 535	-0.8%	8.1%	2 704	2 879	3 059	6.5%	5.8%
Total	28 179	33 798	41 221	43 947	16.0%	100.0%	45 453	50 708	53 651	6.9%	100.0%

Statements of historical financial performance and position

Table 11.28 Council for the Built Environment statements of historical financial performance and position

Statement of financial performance									Outcome/ Budget Average (%)
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16
Revenue									
Non-tax revenue	1 755	2 106	1 857	1 858	1 953	2 173	1 953	1 953	107.6%
Sale of goods and services other than capital assets	1 635	1 784	1 717	1 840	1 803	2 141	1 803	1 803	108.8%
<i>of which:</i>									
Sales by market establishment	1 635	1 784	1 717	1 840	1 803	2 141	1 803	1 803	108.8%
Other non-tax revenue	120	322	140	18	150	32	150	150	93.2%
Transfers received	27 438	28 146	37 959	38 159	41 572	41 572	44 291	41 994	99.1%
Total revenue	29 193	30 252	39 816	40 017	43 525	43 745	46 244	43 947	99.5%
Expenses									
Current expenses	29 193	28 179	39 816	33 798	43 184	41 221	43 947	43 947	94.2%
Compensation of employees	15 984	13 707	17 406	16 228	19 138	16 600	19 330	19 330	91.7%
Goods and services	12 859	14 141	22 083	17 070	24 046	23 947	24 617	24 617	95.4%
Depreciation	350	331	327	500	-	674	-	-	222.4%
Total expenses	29 193	28 179	39 816	33 798	43 184	41 221	43 947	43 947	94.2%
Surplus/(Deficit)	-	2 073	-	6 219	341	2 524	2 297	-	-
Statement of financial position									
Carrying value of assets	1 459	2 027	1 609	3 385	1 583	3 147	3 629	3 629	147.2%
Acquisition of assets	(716)	(891)	(330)	(1 864)	(360)	(378)	(980)	(980)	172.4%
Receivables and prepayments	573	199	438	385	301	456	148	148	81.4%
Cash and cash equivalents	3 727	6 474	2 253	11 916	3 703	15 481	3 500	3 500	283.5%
Total assets	5 759	8 700	4 300	15 686	5 587	19 084	7 277	7 277	221.4%
Accumulated surplus/(deficit)	3 755	5 329	3 109	11 548	4 659	14 072	3 629	3 629	228.2%
Trade and other payables	1 824	3 137	800	3 973	650	4 812	3 459	3 459	228.4%
Provisions	-	234	253	165	278	200	189	189	109.4%
Total equity and liabilities	5 579	8 700	4 162	15 686	5 587	19 084	7 277	7 277	224.5%

Statements of estimates of financial performance and position

Table 11.29 Council for the Built Environment statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
R thousand	2015/16				2012/13 - 2015/16	2016/17	2017/18		
Revenue									
Non-tax revenue	1 953	(0)	0	2 040	2 141	2 265	5.1%	4.3%	
Sale of goods and services other than capital assets	1 803	0	0	1 870	1 964	2 078	4.8%	4.0%	
of which:									
Sales by market establishment	1 803	0	0	1 870	1 964	2 078	4.8%	4.0%	
Other non-tax revenue	150	(0)	0	170	177	187	7.6%	0.4%	
Transfers received	41 994	0	1	43 413	48 568	51 385	7.0%	95.7%	
Total revenue	43 947	0	1	45 453	50 709	53 650	6.9%	100.0%	
Expenses									
Current expenses	43 947	0	1	45 453	50 709	53 650	6.9%	133.2%	
Compensation of employees	19 330	0	0	20 722	22 131	23 636	6.9%	44.3%	
Goods and services	24 617	0	1	24 731	28 578	30 015	6.8%	55.7%	
Total expenses	43 947	0	1	45 453	50 709	53 650	6.9%	100.0%	
Surplus/(Deficit)	-	(1)	-	-	-	-	-	-	
Statement of financial position									
Carrying value of assets	3 629	0	0	3 679	3 807	-	-100.0%	-	
of which:									
Acquisition of assets	(980)	0	(0)	(580)	(650)	(688)	-11.1%	-	
Receivables and prepayments	148	(0)	0	146	150	-	-100.0%	-	
Cash and cash equivalents	3 500	(0)	1	3 901	4 030	-	-100.0%	-	
Total assets	7 277	(0)	1	7 726	7 987	-	-100.0%	-	
Accumulated surplus/(deficit)	3 629	(0)	1	3 679	3 807	-	-100.0%	-	
Trade and other payables	3 459	0	0	3 845	3 968	-	-100.0%	-	
Provisions	189	(0)	0	202	212	-	-100.0%	-	
Total equity and liabilities	7 277	(0)	1	7 726	7 987	-	-300.0%	-	

Personnel information

Table 11.30 Council for the Built Environment personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		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 (%)				
		2014/15		Unit Cost	2015/16		Unit Cost	2016/17		Unit Cost	2017/18		Unit Cost			2018/19		Unit Cost	
Council for the Built Environment		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2015/16 - 2018/19		
Salary level	124	137	123	16.6	0.1	124	19.3	0.2	136	20.7	0.2	136	22.1	0.2	136	23.6	0.2	6.9%	100.0%
1 – 6	10	10	10	0.3	0.0	10	0.3	0.0	10	0.3	0.0	10	0.3	0.0	10	0.3	0.0	6.9%	7.5%
7 – 10	58	67	61	8.8	0.1	58	6.5	0.1	67	6.7	0.1	67	7.2	0.1	67	7.7	0.1	6.0%	48.6%
11 – 12	16	16	16	2.2	0.1	16	2.7	0.2	16	2.9	0.2	16	3.1	0.2	16	3.3	0.2	7.0%	12.0%
13 – 16	40	44	36	5.3	0.1	40	9.8	0.2	43	10.8	0.3	43	11.5	0.3	43	12.2	0.3	7.5%	31.8%

1. Rand million.

Independent Development Trust

Mandate

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. The trust's key strategic goals over the medium term are to: be a state development agency that implements projects commissioned by national and provincial government departments. The trust will also focus on implementing transformative mechanisms geared at empowering communities through the use of social infrastructure programmes as the basis for accessing communities and building on assets within communities. These areas of strategic focus are in line with the national development plan and the national infrastructure plan.

Selected performance indicators

Table 11.31 Independent Development Trust performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	Outcome	Past			Current	Projections		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Value of programme spend per year	Programme management	Outcome 8: Sustainable human settlements and improved quality of household life	R5.7bn	R6.6bn	R6.4bn	R7.7bn	R8.5bn	R9bn	R9.5bn
Number of job opportunities created per year	Programme management	Outcome 4: Decent employment through inclusive growth	76 981	75 887	20 983	90 000	100 000	106 000	112 000

Expenditure analysis

The key focus of the Independent Development Trust over the medium term will be on implementing infrastructural projects that have been commissioned by national and provincial departments. This focus is in line with the national development plan and the national infrastructure plan, particularly outcome 8 (sustainable human settlements and improved quality of household life) and outcome 4 (decent employment through inclusive economic growth) of government's 2014-2019 medium term strategic framework. Infrastructure plays a leading role in unlocking development potential, and in the fight against unemployment and poverty. The trust also will also focus on implementing transformative mechanisms geared at empowering communities through the use of social infrastructure programmes as the basis for accessing communities and building assets within them.

The bulk of the trust's work over the medium term will be on the delivery and refurbishment of social infrastructure facilities, with a particular focus on those for the departments of education, justice, health and social development. Through its infrastructural development projects, the trust expects to create 112 000 job opportunities by 2018/19. The total value of projects under the trust's management is expected to grow from R7.7 billion in 2016/17 to R9.5 billion in 2018/19, and the projected expenditure for the management of social infrastructure projects is expected to increase from R280 million in 2015/16 to R359 million by 2018/19. To enhance programme and project management delivery capacity, the number of personnel in the trust is expected to grow from 380 in 2016/17 to 435 in 2018/19. Accordingly, expenditure on compensation of employees is projected to account for 61 per cent of total expenditure over the medium term, growing from R245.7 million in 2015/16 to R348.9 million in 2018/19.

The trust will continue to focus on transitioning towards becoming self-sustaining and improving its service delivery by enhancing its project management information system, as its existing systems require enhancement and improvement to meet a higher level of programme delivery. With an enhanced project management information system, the trust anticipates an improvement in the management of infrastructure projects on behalf of its client departments. This intervention will address areas of internal control deficiencies, and provide a robust reporting platform for programme activities at an estimated cost of R10 million over the medium term. Focus will also be placed on the development of systems for billing, project accounting, and supply chain management.

The trust has implemented a new management fee structure, which will enable it to charge market related fees and enable it to accurately and efficiently manage all the administration fees it collects. This was made possible by the transfer of R50 million in 2015/16 from the Department of Public Works. The trust receives the bulk of its revenue through the collection of its management fees from programmes implemented on behalf of client departments. Management fees are expected to increase from R283.5 million in 2015/16 to R465.5 million in 2017/18 due to the increased number of projects, and total revenue is expected to increase from R408 million in 2015/16 to R512.7 million in 2018/19. The projected overall growth in revenue will be utilised to finance the trust's operating budget in areas such as compensation of employees.

Programmes/objectives/activities

Table 11.32 Independent Development Trust expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2012/13	2013/14	2014/15				2015/16	2012/13 - 2015/16	2016/17		
Administration	113 120	162 489	141 902	132 758	5.5%	35.1%	253 859	138 852	154 024	5.1%	35.1%
Programme management	261 559	240 396	238 036	275 285	1.7%	64.9%	280 338	317 654	358 722	9.2%	64.9%
Total	374 679	402 885	379 938	408 043	2.9%	100.0%	534 197	456 506	512 746	7.9%	100.0%

Statements of historical financial performance and position

Table 11.33 Independent Development Trust statements of historical financial performance and position

Statement of financial performance									
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Outcome/Budget Average (%)
	2012/13	2013/14	2013/14	2014/15	2014/15	2015/16	2015/16	2015/16	2012/13 - 2015/16
Revenue									
Non-tax revenue	568 943	212 882	363 827	422 509	320 000	391 531	453 875	358 043	81.2%
Sale of goods and services other than capital assets	559 743	201 744	363 827	415 913	315 000	387 299	453 875	358 043	80.5%
<i>of which:</i>									
Administrative fees	559 743	201 744	363 827	415 913	315 000	387 299	453 875	358 043	80.5%
Other non-tax revenue	9 200	11 138	-	6 596	5 000	4 232	-	-	154.7%
Transfers received	-	50 800	50 000	100 000	50 000	50 000	50 000	50 000	167.2%
Total revenue	568 943	263 682	413 827	522 509	370 000	441 531	503 875	408 043	88.1%
Expenses									
Current expenses	568 943	374 678	478 452	402 885	495 895	379 938	408 043	408 043	80.2%
Compensation of employees	225 569	220 760	234 855	222 582	313 034	212 494	245 693	245 693	88.5%
Goods and services	336 658	145 559	236 343	173 283	175 607	153 072	155 096	155 096	69.4%
Depreciation	6 716	7 253	7 254	5 373	7 254	3 783	7 254	7 254	83.1%
Interest, dividends and rent on land	-	1 107	-	1 647	-	10 589	-	-	-
Total expenses	568 943	374 678	478 452	402 885	495 895	379 938	408 043	408 043	80.2%
Surplus/(Deficit)	-	(110 996)	(64 625)	119 624	(125 895)	61 593	95 832	-	-
Carrying value of assets	39 629	37 062	35 014	36 180	31 203	33 544	36 538	33 489	98.5%
Acquisition of assets	(6 500)	(3 553)	(7 000)	(4 395)	(7 000)	(1 224)	(7 000)	(7 000)	58.8%
Investments	90 210	169 728	-	172 021	-	66 775	195 748	119 601	184.7%
Receivables and prepayments	72 540	83 155	60 638	213 618	61 875	335 052	189 642	249 128	229.0%
Cash and cash equivalents	-	3 472	-	1 780 093	96 644	921 192	5 000	5 000	2 665.9%
Total assets	202 379	307 298	95 652	2 201 912	189 722	1 356 563	426 928	407 218	467.2%
Accumulated surplus/(deficit)	437 718	224 066	(65 855)	(1 674 118)	59 578	(1 612 524)	344 293	339 849	-351.0%
Capital and reserves	(341 081)	-	-	2 025 000	-	2 025 000	-	-	-1 187.4%
Borrowings	-	-	108 710	-	50 643	-	-	-	-
Finance lease	-	1 080	-	2 458	-	1 858	2 000	2 000	369.8%
Trade and other payables	69 444	37 944	17 569	83 709	42 459	68 522	43 635	65 369	147.6%
Provisions	36 298	44 208	35 228	-	37 042	-	37 000	-	30.4%
Managed funds (e.g. poverty alleviation fund)	-	-	-	1 764 863	-	873 707	-	-	-
Total equity and liabilities	202 379	307 298	95 652	2 201 912	189 722	1 356 563	426 928	407 218	467.2%

Statements of estimates of financial performance and position

Table 11.34 Independent Development Trust statements of estimates of financial performance and position

Statement of financial performance								
R thousand	Revised estimate	Average growth rate (%)	Expenditure/ Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ Total: Average (%)
	2015/16	2012/13 - 2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19	2015/16 - 2018/19
Revenue								
Non-tax revenue	358 043	18.9%	84.5%	534 197	456 506	512 746	12.7%	96.9%
Sale of goods and services other than capital assets	358 043	21.1%	82.9%	534 197	456 506	512 746	12.7%	96.9%
<i>of which:</i>								
Administrative fees	358 043	21.1%	82.9%	534 197	456 506	512 746	12.7%	96.9%
Transfers received	50 000	-0.5%	15.5%	-	-	-	-100.0%	3.1%
Total revenue	408 043	15.7%	100.0%	534 197	456 506	512 746	7.9%	100.0%
Expenses								
Current expenses	408 043	2.9%	100.0%	534 197	456 506	512 746	7.9%	107.8%
Compensation of employees	245 693	3.6%	57.6%	261 726	305 033	348 923	12.4%	61.0%
Goods and services	155 096	2.1%	40.0%	264 782	143 473	155 323	0.0%	37.3%
Depreciation	7 254	0.0%	1.5%	7 689	8 000	8 500	5.4%	1.7%
Total expenses	408 043	2.9%	100.0%	534 197	456 506	512 746	7.9%	100.0%
Surplus/(Deficit)	-	(1)	-	-	-	-	-	-

Table 11.34 Independent Development Trust statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)	Expenditure/Total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/Total: Average (%)
	2015/16				2012/13 - 2015/16	2016/17	2017/18		
R thousand									
Statement of financial position									
Carrying value of assets	33 489	-3.3%	6.1%	35 884	34 884	33 884	0.4%	10.0%	
of which:									
Acquisition of assets	(7 000)	25.4%	-0.8%	(7 000)	(7 000)	(7 500)	2.3%	-2.1%	
Investments	119 601	-11.0%	24.3%	204 660	200 655	160 910	10.4%	50.3%	
Receivables and prepayments	249 128	44.2%	30.7%	124 017	84 264	94 213	-27.7%	38.2%	
Cash and cash equivalents	5 000	12.9%	37.8%	5 000	5 000	5 000	-	1.5%	
Total assets	407 218	9.8%	100.0%	369 561	324 803	294 007	-10.3%	100.0%	
Accumulated surplus/(deficit)	339 849	14.9%	-9.6%	315 360	260 355	219 610	-13.5%	80.9%	
Finance lease	2 000	22.8%	0.3%	1 500	1 500	1 500	-9.1%	0.5%	
Trade and other payables	65 369	19.9%	9.3%	52 701	62 948	72 897	3.7%	18.6%	
Total equity and liabilities	407 218	9.8%	100.0%	369 561	324 803	294 007	-19.0%	100.0%	

Personnel information

Table 11.35 Independent Development Trust personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2016		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 (%)				
		2014/15		Unit Cost	2015/16		Unit Cost	2016/17		Unit Cost	2017/18		Unit Cost			2018/19		Unit Cost	
Independent Development Trust		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	430	430	353	212.5	0.6	370	245.7	0.7	380	261.7	0.7	405	305.0	0.8	435	348.9	0.8	12.4%	100.0%
1 – 6	32	32	26	4.0	0.2	29	4.7	0.2	32	5.7	0.2	32	5.7	0.2	32	5.7	0.2	6.7%	7.9%
7 – 10	164	164	130	46.3	0.4	143	69.1	0.5	168	72.7	0.4	168	84.1	0.5	178	89.0	0.5	8.8%	41.3%
11 – 12	189	189	160	113.8	0.7	158	116.7	0.7	133	116.0	0.9	158	147.1	0.9	178	174.3	1.0	14.3%	39.4%
13 – 16	43	43	35	43.6	1.2	38	50.1	1.3	45	61.8	1.4	45	62.2	1.4	45	73.1	1.6	13.5%	10.9%
17 – 22	2	2	2	4.8	2.4	2	5.2	2.6	2	5.5	2.7	2	5.8	2.9	2	6.8	3.4	9.7%	0.5%

1. Rand million.

Additional tables

Table 11.A Summary of conditional grants to provinces and municipalities¹

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Conditional grants to provinces							
Expanded Public Works Programme							
Expanded public works programme integrated grant for provinces	292 843	354 214	347 704	326 207	402 009	423 802	448 383
Social sector expanded public works programme incentive grant for provinces	217 401	255 953	257 972	226 103	359 662	385 583	407 948
Property and Construction Industry Policy and Research							
Devolution of property rates funds grant	1 798 170	–	–	–	–	–	–
Total	2 308 414	610 167	605 676	552 310	761 671	809 385	856 331
Conditional grants to municipalities							
Expanded Public Works Programme							
Expanded public works programme integrated grant for municipalities	661 535	611 274	594 575	587 685	663 991	716 427	757 979
Total	661 535	611 274	594 575	587 685	663 991	716 427	757 979

1. Detail provided in the Division of Revenue Act (2016).

Table 11.B Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate	
				2012/13	2013/14		2014/15	2016/17
R thousand								
Departmental infrastructure								
Large projects (total project cost of at least R250 million but less than R1 billion over the project life cycle)								
Inner city regeneration: Agrivaal building (Pretoria)	Rehabilitation	Construction	615 717	69 441	-	-	-	-
Small projects (total project cost of less than R250 million over the project life cycle)								
Departmental: Various centres	Upgrading and construction of departmental accommodation sites (77 projects)	Various	2 972 759	228 106	250 041	139 832	-	-
Dolomite: Various centres	Management of dolomite risk areas (30 projects)	Various	1 038 300	32 355	24 717	85 026	-	-
Accessibility: Various centres	Upgrading of disabled facilities (157 projects)	Various	113 085	4 992	7 098	10 156	-	-
Border control operational coordination committee: Various centres	Redevelopment of border post centres (61 projects)	Various	2 136 265	233 892	191 684	137 164	-	-
Prestige: Various centres	Upgrading and construction of prestige accommodation sites (56 projects)	Various	1 663 078	118 820	57 626	46 524	-	-
Inner city regeneration: Various centres	Development of national government precincts (7 projects)	Various	457 334	25 397	36 199	3 718	-	-
Small projects (total project cost of less than R250 million over the project life cycle)								
Transfer of infrastructure projects to the Property Management Trading Entity	Upgrading, development and management of various projects	On-going	-	-	-	-	702 409	748 239
Total			8 996 538	713 003	567 365	422 420	702 409	748 239
								804 609

2016 BUDGET

ESTIMATES OF NATIONAL EXPENDITURE

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national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA