



VOTE
11

PUBLIC WORKS



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



Estimates of National Expenditure

2018

National Treasury

Republic of South Africa



ISBN: 978-0-621-46019-3

RP: 02/2018

The 2018 Estimates of National Expenditure is 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 this Estimates of National Expenditure publication, the e-publications for each vote contain more comprehensive coverage of all public entities. Also included are tables containing information on programme specific personnel expenditure, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of site service delivery is included, where appropriate.

Foreword

When the Estimates of National Expenditure (ENE) publication was launched in 2001, we referred to it as “a significant step forward in national budget transparency”. Since then, even though the national budget has undergone many reforms, the ENE publications remain a key indicator and embodiment of the candour of the budgeting process.

The publications provide the media, civil society, the public, Parliament, departments, public entities and ministers with information about how taxpayers’ money is being spent: what it buys and for what purpose. Do not be concerned by the magnitude of this publication. Instead, let us use it as a reference to keep government institutions accountable and ensure that the expenditure of public funds achieves its intended policy outcomes to improve the welfare of citizens.

In the current economic climate, spending priorities and the sequencing of programme implementation are subject to a number of trade-offs. The focus of the 2018 Budget has solely been on the reprioritisation of existing baseline funding. The abridged ENE provides a coherent and summarised account of the priorities, spending plans and service delivery commitments of all 40 national votes and of government agencies. The e-publications for each vote contain more detail on, for example, goods and services, transfers and subsidies, donor funding, public entities, and lower-level spending information on service delivery.

The ENE’s presentation of the detailed expenditure estimates of departments are the result of a lengthy executive and administrative process involving wide-ranging intergovernmental consultation. This process is led by a committee of senior officials in central government departments, under the political guidance of the Ministers’ Committee on the Budget. A special word of thanks is due to all our colleagues from other departments for their contributions. I also wish to express my appreciation to the National Treasury team that worked tirelessly to produce a document of which we are rightly proud.

The independent Open Budget Survey assessment of budget transparency commenced in 2006. It is conducted every two years to measure the accessibility and comprehensiveness of key budget documents and information across the world. In 2010, South Africa was ranked first out of 94 countries surveyed, scoring 92 per cent. In the latest iteration of the survey, which measured 115 countries, South Africa was ranked first again, tied with New Zealand, with a score of 89 per cent. Our country is one of only 11 that publish comprehensive, timely information in all the required budget documents.

Budgets link the outcomes targeted by government with the services that are ultimately delivered. In addition to South African budgets having become more transparent, recent efforts to increase public participation in budgeting are gaining momentum. South Africans are invited to scrutinise budget information and provide opinions on government service delivery. We rely on this participation to strengthen our budgeting system and make it even more reliable.



Dondo Mogajane
Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure (ENE) publications describe in detail government's expenditure plans over the next three financial years, also known as the medium-term expenditure framework (MTEF) period. The 2018 MTEF period is from 2018/19 to 2020/21.

The ENE publications contain information on how government institutions have spent their budgets in previous years. They explain how these institutions intend to use their allocations over the medium term to achieve their goals, and the outputs and outcomes their spending is expected to lead to. The publications include tables depicting non-financial performance indicators and targets, departmental receipts, personnel, significant as well as detailed expenditure trends and estimates by programme, subprogramme and economic classification for each department and for entities that report to the vote's executive authority. Explanatory narratives detail the institution's mandate, purpose (and that of its programmes), together with programme-level objectives and descriptions of subprogrammes. A more in-depth narrative analyses the institution's expected expenditure over the MTEF period. Summary data tables at the end of each vote contain data on provincial and municipal conditional grants, public private partnerships, donor funding, infrastructure, and expenditure at the level of site service delivery, where applicable.

A separate 2018 ENE Overview publication is also available on www.treasury.gov.za and summarises the ENE information across all votes. The 2018 ENE Overview contains a narrative explanation and budget-wide summary tables; 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

Vote purpose	1
Mandate	1
Selected performance indicators	1
Expenditure analysis	2
Expenditure trends	4
Expenditure estimates	5
Expenditure trends and estimates for significant spending items	6
Goods and services expenditure trends and estimates	6
Transfers and subsidies expenditure trends and estimates	7
Personnel information	8
Departmental receipts	8
Programme 1: Administration	8
Programme 2: Intergovernmental Coordination	10
Programme 3: Expanded Public Works Programme	11
Programme 4: Property and Construction Industry Policy and Research	13
Programme 5: Prestige Policy	16
Entites	17
Additional tables.....	32

Vote 11

Public Works

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	480.3	462.9	5.9	11.6	511.6	557.7
Intergovernmental Coordination	58.1	52.2	5.2	0.7	62.0	64.8
Expanded Public Works Programme	2 566.6	326.7	2 237.2	2.8	2 746.3	2 903.9
Property and Construction Industry Policy and Research	4 250.4	30.5	4 219.5	0.3	4 462.8	4 703.0
Prestige Policy	97.9	79.2	10.6	8.1	116.3	117.0
Total expenditure estimates	7 453.3	951.5	6 478.3	23.5	7 899.0	8 346.4
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 government's immovable assets. Following the shift of functions in 2015/16, the department's role now consists of policy formulation, coordination, regulation and oversight relating to the provision of accommodation and expert built environment services to client departments at national level; and, 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 the national and provincial spheres of government.

Selected performance indicators

Table 11.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
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	-1	2	2	20	20	20	15
Number of policy frameworks developed for the public works sector per year	Intergovernmental Coordination		-1	-1	-1	2	4	1	1

Table 11.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
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 growth	1 103 983	741 540	779 251	1 406 736	1 455 840	1 455 000	1 455 000
Number of public bodies reporting on expanded public works programme targets provided with technical support per year	Expanded Public Works Programme	Outcome 12: An efficient, effective and development oriented public service	274	278	297	290	290	290	290
Number of prestige policies approved per year	Prestige Policy		-1	-1	-1	4	2	2	2

1. No historical data available.

Expenditure analysis

Chapters 3, 4 and 13 of the National Development Plan highlight the need to create decent employment, develop and maintain infrastructure as the foundation of social and economic development, and build a capable and developmental state that is responsive to the challenges faced by South Africa. This is given expression by outcome 4 (decent employment through inclusive growth), outcome 6 (an efficient, competitive and responsive economic infrastructure network) and outcome 12 (an efficient, effective and development orientated public service) of government's 2014-2019 medium-term strategic framework. The work of the Department of Public Works is closely aligned with these outcomes. As such, over the medium term, the department will continue to focus on creating jobs; supporting the development of skills related to the built environment; strengthening its governance, risk and compliance functions, and fight against corruption; improving its oversight of the public works sector; and enhancing its research and policy development capacity.

Transfers and subsidies for the operations of the expanded public works programme and the department's entities account for 86.8 per cent (R26.6 billion) of its total budget over the medium term. The department also makes transfer payments in the form of conditional grants to provinces and municipalities for the implementation of the expanded public works programme, as well as transfer payments to households.

The decrease in the department's staff complement from 1 325 in 2017/18 to 791 in 2020/21 is in line with the expenditure ceiling for compensation of employees. This decrease is mainly effected on learners in the expanded public works programme and contractors. Due to the department declaring savings of R28 million in 2017/18, spending on compensation of employees for the current year was adjusted from R486.4 million to R458.4 million. This spending is expected to increase to R599.7 million in 2020/21, at an average annual rate of 9.4 per cent.

Creating employment and investing in people

Outcome 4 (decent employment through inclusive growth) of government's 2014-2019 medium-term strategic framework commits government to create 6 million public employment work opportunities by 2019/20. In this regard, the department leads and coordinates the expanded public works programme. By the end of 2016/17, the programme had created a cumulative total of 2.6 million work opportunities against the five-year target of 6 million work opportunities.

Over the medium term, the department plans to continue providing technical support to public bodies that are involved in implementing the expanded public works programme. This is expected to be achieved through interventions aimed at addressing poor reporting on work opportunities created, which include providing assistance to provincial coordinating departments to ensure that data is accurately captured, verified, monitored and evaluated; and assisting provinces with establishing monitoring and evaluation functions for accurate reporting. The department will also continue to provide additional support to public bodies to ensure that projects within the expanded public works programme are implemented labour intensively, and that public bodies develop policies that promote the principles of applying the expanded public works programme in all programmes.

Additional technical support provided to public bodies is expected to facilitate an increase in the number of work opportunities reported over the MTEF period, from 1 406 736 in 2017/18 to 1 455 000 in 2020/21. Spending on the expanded public works programme is projected to increase at an average annual rate of 6.4 per cent, from R2.4 billion in 2017/18 to R2.9 billion in 2020/21.

Spending on transfers and subsidies to public bodies for the creation of work opportunities through the expanded public works programme is expected to be R7.1 billion over the medium term. R1 billion is allocated to managing the expanded public works programme, R576.9 million to spending on compensation of employees for the administration of the programme, and R486.9 million to spending on goods and services. Expenditure on agency and support/outsourced services to provide technical support, such as data capturing and verification, to 290 municipalities implementing projects related to the expanded public works programme accounts for an estimated 63.6 per cent (R309.7 million) of total spending on goods and services over the MTEF period.

Skills development in the construction and property sector

To support infrastructure delivery, over the medium term, the department plans to continue prioritising skills development in the built environment sector. To facilitate this, over the MTEF period, the department plans to develop a national technical capacity building framework to guide interventions that enhance capacity in the sector.

The department also plans to augment the skills pipeline by consolidating and managing the implementation of the built environment skills pipeline strategy, which is closely aligned with the Government Immovable Asset Management Act (2007). The strategy seeks to address the skills shortage in the sector by providing enough competent and skilled professionals through supported and funded secondary and tertiary education programmes, and train built environment professionals through supported candidacy and mentorship programmes. Over the medium term, the department plans to provide 1 220 beneficiaries with opportunities to participate in the skills development programme.

These activities are set to be carried out in the *Professional Services* subprogramme in the *Intergovernmental Coordination* programme. This subprogramme receives an allocation of R81.7 million over the medium term, of which R37.1 million is for compensation of employees, R28 million for goods and services, and R15.9 million for transfers to households for non-employees' bursaries.

Strengthening governance, risk and compliance functions, and the fight against corruption

Good governance and ethical practices are essential to the achievement of the department's targets for managing core immovable assets and delivering accommodation or infrastructure services. Over the MTEF period, the department will continue implementing its integrity management framework, which is designed to instil a culture of ethical conduct among employees; and provide assurance to the accounting officer that its operations are in line with ethical standards. The application of the framework will enable the department to manage functions where ethical considerations are most apparent, such as the mandatory full disclosure of employees' financial interests and assets, and declaring gifts and donations department officials receive in their professional capacity. Over the medium term, the department will continue its efforts to combat fraud and corruption through conducting fraud awareness campaigns and fraud risk assessments as part of its fraud prevention plan. To carry out these governance, risk and compliance activities, R159 million over the medium term is allocated in the *Administration* programme, of which spending on compensation of employees accounts for 74 per cent (R118 million).

Strengthening oversight and cooperation

The department has a concurrent mandate to provide office accommodation to client departments as well as ensure that its buildings are maintained to an acceptable standard. In pursuit of providing leadership and coordinating this dual mandate, over the MTEF period, the department plans to continue expanding its intergovernmental relations function through the *Intergovernmental Coordination* programme. This is intended to promote and facilitate collaborative and cooperative decision-making in the public works sector to

ensure that sector policies and strategies are aligned with service delivery imperatives.

As such, over the medium term, the department plans to host intergovernmental forums and compile sector performance reviews to guide integrated development planning and reporting. To ensure greater cooperation at different levels of government, the department will aim to foster partnerships with provinces and municipalities through signing and reviewing a targeted 15 protocol agreements over the period on signed service delivery agreements between the department, provinces and municipalities on the department's concurrent functions. The department plans to further develop norms and standards, and policy frameworks to direct the execution of government priorities in the public works sector.

Over the MTEF period, the department expects to continue providing support and guidance to the public works sector on processes related to planning and performance management; and establish monitoring mechanisms to address negative audit outcomes and improve performance. To carry out these activities, R107 million over the medium term is allocated in the *Intergovernmental Coordination* programme, of which spending on compensation of employees accounts for 83 per cent (R88.8 million).

Strengthening the department's research and policy development capacity

The department plays a leading role in the transformation of the built environment in consultation with its public entities, built environment professional councils, charter councils and other stakeholders. The planned reviews of the Construction Industry Development Board Act (2000) and the Council for the Built Environment Act (2000) over the MTEF period aim to ensure that the acts are aligned with current policy trajectories such as the National Development Plan and the Broad-Based Black Economic Empowerment Act (2003), and address governance challenges and the slow pace of transformation in the construction industry and built environment. In this regard, the Council for the Built Environment Amendment Bill and the Construction Industry Development Board Amendment Bill are expected to be gazetted in 2018/19. Activities related to reviewing this legislation will be funded through the *Property and Construction Industry Policy and Research* programme, with an allocation of R99 million over the medium term. An estimated 0.3 per cent (R42.4 million) of the programme's total allocation will be spent on compensation of employees, and 0.4 per cent (R55.2 million) on goods and services in support of strengthening the department's research and policy development capacity to carry out these reviews and address governance challenges.

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			Average: Outcome/Annual budget (%)		Average: Outcome/Adjusted appropriation (%)	
R million	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18		2014/15 - 2017/18																
Programme 1	1 175.3	1 190.6	615.9	476.0	477.3	479.2	516.6	516.0	450.4	493.8	443.3	429.3	74.2%	75.2%																	
Programme 2	–	–	26.7	47.2	45.7	44.7	31.4	28.6	16.5	60.2	48.2	52.7	101.3%	114.7%																	
Programme 3	1 951.3	1 951.3	1 925.6	1 992.2	1 953.4	1 939.9	2 319.5	2 319.5	2 301.4	2 414.6	2 407.6	2 412.8	98.9%	99.4%																	
Programme 4	2 954.5	2 939.3	3 268.3	3 803.0	3 743.0	3 735.4	3 565.1	3 552.6	3 547.0	3 969.9	4 001.4	3 997.1	101.8%	102.2%																	
Programme 5	40.1	40.1	185.5	92.7	92.8	82.0	96.1	96.1	87.9	99.6	84.6	78.3	132.0%	138.3%																	
Total	6 121.3	6 121.3	6 022.0	6 411.1	6 312.2	6 281.1	6 528.8	6 512.8	6 403.3	7 038.1	6 985.1	6 970.1	98.4%	99.0%																	
Change to 2017 Budget estimate													(53.0)																		

Table 11.2 Vote expenditure trends by programme and economic classification

Economic classification	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million														
Current payments	2 962.0	3 027.8	3 020.1	882.8	884.1	801.9	917.9	905.1	804.9	960.4	878.6	863.6	95.9%	96.4%
Compensation of employees	1 659.9	1 667.8	1 591.8	475.0	475.0	435.9	470.8	471.8	438.8	486.4	458.4	458.4	94.6%	95.2%
Goods and services	1 302.1	1 360.0	1 428.3	407.8	409.1	364.5	447.1	433.3	366.1	474.0	418.4	403.4	97.4%	97.8%
Interest and rent on land	-	-	0.0	-	-	1.6	-	-	-	-	1.8	1.8	-	187.6%
Transfers and subsidies	2 563.4	2 563.9	2 577.8	5 500.2	5 400.1	5 411.3	5 572.3	5 570.2	5 571.2	6 055.7	6 088.5	6 088.5	99.8%	100.1%
Provinces and municipalities	1 201.5	1 201.5	1 200.3	1 178.9	1 140.0	1 139.4	1 425.7	1 425.7	1 425.7	1 472.6	1 472.6	1 472.6	99.2%	100.0%
Departmental agencies and accounts	802.8	802.5	802.5	3 703.1	3 641.8	3 653.5	3 511.0	3 507.4	3 507.3	3 922.1	3 845.4	3 845.4	-	-
Foreign governments and international organisations	21.7	22.5	22.5	23.3	23.3	23.4	24.8	28.2	28.2	26.0	22.3	22.3	100.7%	100.1%
Public corporations and private enterprises	50.0	50.0	50.0	50.0	50.0	50.0	-	-	-	-	111.1	111.1	211.1%	100.0%
Non-profit institutions	477.5	477.5	488.5	534.8	534.8	535.1	600.4	600.4	600.4	624.0	624.0	624.0	100.5%	100.5%
Households	9.9	9.9	14.0	10.2	10.2	9.9	10.5	8.5	9.6	11.0	13.0	13.0	112.1%	111.9%
Payments for capital assets	595.9	529.6	420.7	28.1	28.1	23.5	38.5	37.5	25.8	22.0	18.0	18.0	71.3%	79.6%
Buildings and other fixed structures	510.4	416.1	315.9	-	-	-	-	-	-	-	-	-	61.9%	75.9%
Machinery and equipment	79.2	107.2	103.6	28.1	28.1	23.2	38.5	37.5	19.7	22.0	18.0	18.0	98.0%	86.2%
Software and other intangible assets	6.3	6.3	1.2	-	-	0.4	-	-	6.1	-	-	-	120.4%	120.4%
Payments for financial assets	-	-	3.4	-	-	44.4	-	-	1.4	-	-	-	-	-
Total	6 121.3	6 121.3	6 022.0	6 411.1	6 312.2	6 281.1	6 528.8	6 512.8	6 403.3	7 038.1	6 985.1	6 970.1	98.4%	99.0%

Expenditure estimates

Table 11.3 Vote expenditure estimates by programme and economic classification

Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2017/18	2014/15 - 2017/18	2018/19		
R million								
Programme 1	429.3	-28.8%	7.7%	480.3	511.6	557.7	9.1%	6.5%
Programme 2	52.7	-	0.5%	58.1	62.0	64.8	7.1%	0.8%
Programme 3	2 412.8	7.3%	33.4%	2 566.6	2 746.3	2 903.9	6.4%	34.7%
Programme 4	3 997.1	10.8%	56.7%	4 250.4	4 462.8	4 703.0	5.6%	56.8%
Programme 5	78.3	24.9%	1.7%	97.9	116.3	117.0	14.3%	1.3%
Total	6 970.1	4.4%	100.0%	7 453.3	7 899.0	8 346.4	6.2%	100.0%
Change to 2017 Budget estimate				(40.9)	(38.8)	(39.1)		
Economic classification								
Current payments	863.6	-34.2%	21.4%	951.5	1 034.4	1 107.7	8.7%	12.9%
Compensation of employees	458.4	-35.0%	11.4%	518.3	557.8	599.7	9.4%	7.0%
Goods and services	403.4	-33.3%	10.0%	433.2	476.5	508.0	8.0%	5.9%
Interest and rent on land	1.8	-	0.0%	-	-	-	-100.0%	0.0%
Transfers and subsidies	6 088.5	33.4%	76.5%	6 478.3	6 839.8	7 212.6	5.8%	86.8%
Provinces and municipalities	1 472.6	7.0%	20.4%	1 516.9	1 624.2	1 713.7	5.2%	20.6%
Departmental agencies and accounts	3 845.4	68.6%	46.0%	4 173.8	4 406.7	4 648.8	6.5%	55.7%
Foreign governments and international organisations	22.3	-0.3%	0.4%	27.5	29.1	30.7	11.1%	0.4%
Public corporations and private enterprises	111.1	30.5%	0.8%	28.4	5.0	-	-100.0%	0.5%
Non-profit institutions	624.0	9.3%	8.8%	720.2	762.6	806.5	8.9%	9.5%
Households	13.0	9.8%	0.2%	11.6	12.3	12.9	-0.2%	0.2%
Payments for capital assets	18.0	-67.6%	1.9%	23.5	24.8	26.1	13.2%	0.3%
Machinery and equipment	18.0	-44.8%	0.6%	23.5	24.8	26.1	13.2%	0.3%
Total	6 970.1	4.4%	100.0%	7 453.3	7 899.0	8 346.4	6.2%	100.0%

Expenditure trends and estimates for significant spending items

Table 11.4 Expenditure trends and estimates for significant spending items

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
Employment programmes	477 481	534 816	600 257	623 904	9.3%	8.7%	720 158	762 626	806 468	8.9%	9.5%
Property Management Trading Entity	3 043 967	3 524 652	3 389 448	3 682 254	6.6%	53.1%	4 009 490	4 233 146	4 465 719	6.6%	53.4%
Expanded public works programme integrated grant for provinces	347 704	325 607	402 009	395 579	4.4%	5.7%	416 036	451 505	476 338	6.4%	5.7%
Expanded public works programme integrated grant for municipalities	594 575	587 685	663 991	691 447	5.2%	9.9%	692 878	741 917	782 918	4.2%	9.5%
Social sector expanded public works programme incentive grant for provinces	257 972	226 103	359 662	385 583	14.3%	4.8%	407 948	430 793	454 487	5.6%	5.5%
Total	4 721 699	5 198 863	5 415 367	5 778 767	39.8%	82.2%	6 246 510	6 619 987	6 985 930	31.7%	83.6%

Goods and services expenditure trends and estimates

Table 11.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
Administrative fees	474	1 162	1 429	444	-2.2%	0.1%	470	496	575	9.0%	0.1%
Advertising	12 208	7 389	4 277	6 039	-20.9%	1.2%	9 664	10 284	10 902	21.8%	2.0%
Minor assets	11 803	3 447	3 399	6 152	-19.5%	1.0%	7 016	8 085	8 963	13.4%	1.6%
Audit costs: External	58 887	16 420	9 605	11 837	-41.4%	3.8%	12 879	13 644	15 617	9.7%	2.9%
Bursaries: Employees	292	147	48	1 113	56.2%	0.1%	1 000	1 000	1 055	-1.8%	0.2%
Catering: Departmental activities	2 246	1 866	1 724	3 017	10.3%	0.3%	1 813	1 913	2 068	-11.8%	0.5%
Communication	24 030	12 644	5 912	8 514	-29.2%	2.0%	9 944	10 726	11 563	10.7%	2.2%
Computer services	35 906	40 200	31 585	33 623	-2.2%	5.5%	36 268	39 540	41 388	7.2%	8.2%
Consultants: Business and advisory services	48 169	26 214	25 700	35 846	-9.4%	5.3%	29 130	30 463	32 573	-3.1%	7.0%
Infrastructure and planning services	22 866	25 340	32 222	9 899	-24.4%	3.5%	23 945	25 285	26 675	39.2%	4.7%
Legal services	22 466	14 987	17 402	23 473	1.5%	3.0%	20 787	20 736	21 878	-2.3%	4.7%
Contractors	118 580	43 599	22 766	33 707	-34.2%	8.5%	38 958	48 243	44 508	9.7%	9.0%
Agency and support/outsourced services	254 676	98 892	90 920	109 319	-24.6%	21.5%	108 331	122 767	128 895	5.6%	25.6%
Entertainment	301	177	160	488	17.5%	-	305	325	342	-11.2%	0.1%
Fleet services (including government motor transport)	18 059	1 914	2 134	3 697	-41.1%	1.0%	3 148	3 189	3 413	-2.6%	0.7%
Consumable supplies	17 073	2 071	5 649	5 320	-32.2%	1.2%	5 230	3 365	3 558	-12.5%	1.0%
Consumables: Stationery, printing and office supplies	11 502	5 482	6 080	8 358	-10.1%	1.2%	8 236	8 696	9 135	3.0%	1.9%
Operating leases	228 190	3 920	20 520	25 550	-51.8%	10.8%	26 433	27 973	29 915	5.4%	6.0%
Rental and hiring	837	245	1 139	1 454	20.2%	0.1%	1 425	1 505	1 588	3.0%	0.3%
Property payments	419 256	1 390	27 485	24 317	-61.3%	18.3%	23 897	29 810	39 585	17.6%	6.4%
Transport provided: Departmental activity	5 314	-	-	-	-100.0%	0.2%	-	-	-	-	-
Travel and subsistence	85 909	43 543	38 809	44 442	-19.7%	8.3%	46 842	49 952	53 526	6.4%	10.6%
Training and development	14 747	5 083	6 168	8 437	-17.0%	1.3%	5 471	5 884	6 209	-9.7%	1.4%
Operating payments	10 326	5 295	5 842	7 408	-10.5%	1.1%	5 926	6 275	7 335	-0.3%	1.5%
Venues and facilities	4 210	3 035	5 117	5 938	12.1%	0.7%	6 049	6 379	6 754	4.4%	1.4%
Total	1 428 327	364 462	366 092	418 392	-33.6%	100.0%	433 167	476 535	508 020	6.7%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 11.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Provinces and municipalities											
Municipal bank accounts											
Current	594 580	587 689	663 995	691 453	5.2%	12.9%	692 884	741 923	782 924	4.2%	10.9%
Vehicle licences	3	4	4	6	26.0%	–	6	6	6	–	–
Expanded public works programme integrated grant for municipalities	594 575	587 685	663 991	691 447	5.2%	12.9%	692 878	741 917	782 918	4.2%	10.9%
Municipal bank account	2	–	–	–	-100.0%	–	–	–	–	–	–
Households											
Social benefits											
Current	9 407	795	1 928	8 032	-5.1%	0.1%	6 640	7 001	7 375	-2.8%	0.1%
Employee social benefits	9 407	795	1 928	8 032	-5.1%	0.1%	6 640	7 001	7 375	-2.8%	0.1%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	802 476	3 653 519	3 507 343	3 845 418	68.6%	60.1%	4 173 787	4 406 656	4 648 783	6.5%	64.1%
Agrément South Africa	–	11 682	12 383	29 045	–	0.3%	29 988	31 668	33 409	4.8%	0.5%
Construction Industry Development Board	77 212	65 626	52 059	74 984	-1.0%	1.4%	73 323	77 429	81 687	2.9%	1.2%
Council for the Built Environment	41 572	41 994	43 413	48 568	5.3%	0.9%	50 100	52 906	55 816	4.7%	0.8%
Construction Education and Training Authority	1 630	475	468	516	-31.8%	–	518	558	600	5.2%	–
Property Management Trading Entity	673 372	3 524 652	3 389 448	3 682 254	76.2%	57.4%	4 009 490	4 233 146	4 465 719	6.6%	61.6%
Parliamentary Villages Management Board	8 690	9 090	9 572	10 051	5.0%	0.2%	10 368	10 949	11 552	4.7%	0.2%
Non-profit institutions											
Current	488 502	535 147	600 427	624 024	8.5%	11.4%	720 158	762 626	806 468	8.9%	10.9%
Various institutions: Non-state sector programme	477 481	534 816	600 257	623 904	9.3%	11.4%	720 158	762 626	806 468	8.9%	10.9%
Agrément South Africa	11 021	–	–	–	-100.0%	0.1%	–	–	–	–	–
South African Council for the Landscape Architectural Profession	–	331	170	120	–	–	–	–	–	-100.0%	–
Households											
Other transfers to households											
Current	4 585	9 091	7 651	5 000	2.9%	0.1%	5 000	5 280	5 570	3.7%	0.1%
Bursaries for non-employees	4 585	9 091	7 651	5 000	2.9%	0.1%	5 000	5 280	5 570	3.7%	0.1%
Public corporations and private enterprises											
Other transfers to public corporations											
Current	50 000	50 000	–	111 066	30.5%	1.1%	28 362	5 000	–	-100.0%	0.5%
Independent Development Trust	50 000	50 000	–	111 066	30.5%	1.1%	28 362	5 000	–	-100.0%	0.5%
Provinces and municipalities											
Provincial revenue funds											
Current	605 676	551 710	761 671	781 162	8.9%	13.7%	823 984	882 298	930 825	6.0%	12.8%
Expanded public works programme integrated grant for provinces	347 704	325 607	402 009	395 579	4.4%	7.5%	416 036	451 505	476 338	6.4%	6.5%
Social sector expanded public works programme incentive grant for provinces	257 972	226 103	359 662	385 583	14.3%	6.3%	407 948	430 793	454 487	5.6%	6.3%
Foreign governments and international organisations											
Current	22 548	23 363	28 234	22 342	-0.3%	0.5%	27 523	29 064	30 663	11.1%	0.4%
Commonwealth War Graves Commission	22 548	23 363	28 234	22 342	-0.3%	0.5%	27 523	29 064	30 663	11.1%	0.4%
Total	2 577 774	5 411 314	5 571 249	6 088 497	33.2%	100.0%	6 478 338	6 839 848	7 212 608	5.8%	100.0%

Personnel information

Table 11.7 Vote personnel numbers and cost by salary level and programme¹

Programmes		Number of posts estimated for 31 March 2018		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 (%)	Average: Salary level/Total (%)			
				2016/17		2017/18		2018/19		2019/20		2020/21		2020/21				2017/18 - 2020/21		
				Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost					
Public Works		1 027	447	1 028	438.8	0.4	1 325	458.4	0.3	797	518.3	0.7	798	557.8	0.7	791	599.7	0.8	-15.8%	100.0%
Salary level																				
1 – 6	174	124	166	37.1	0.2	193	37.4	0.2	126	28.8	0.2	125	30.8	0.2	120	32.2	0.3	-14.6%	15.2%	
7 – 10	291	24	298	139.7	0.5	271	125.2	0.5	303	151.4	0.5	302	163.0	0.5	302	176.1	0.6	3.7%	31.7%	
11 – 12	194	13	197	157.2	0.8	192	165.4	0.9	216	199.7	0.9	216	215.7	1.0	216	233.0	1.1	4.0%	22.6%	
13 – 16	87	7	85	94.6	1.1	95	109.7	1.2	107	131.0	1.2	107	140.2	1.3	107	150.0	1.4	4.0%	11.2%	
Other	281	279	282	10.2	0.0	574	20.7	0.0	45	7.3	0.2	48	8.1	0.2	46	8.5	0.2	-56.9%	19.2%	
Programme	1 027	447	1 028	438.8	0.4	1 325	458.4	0.3	797	518.3	0.7	798	557.8	0.7	791	599.7	0.8	-15.8%	100.0%	
Programme 1	466	167	488	240.4	0.5	483	228.1	0.5	451	263.5	0.6	452	283.2	0.6	451	305.2	0.7	-2.3%	49.5%	
Programme 2	44	14	19	14.0	0.7	48	33.8	0.7	51	36.1	0.7	51	38.8	0.8	45	40.3	0.9	-2.1%	5.3%	
Programme 3	460	257	463	152.6	0.3	737	161.6	0.2	234	178.1	0.8	234	191.9	0.8	234	206.9	0.9	-31.8%	38.8%	
Programme 4	14	3	14	10.5	0.7	12	11.2	0.9	14	13.1	0.9	14	14.1	1.0	14	15.2	1.1	5.3%	1.5%	
Programme 5	43	6	44	21.3	0.5	45	23.8	0.5	47	27.6	0.6	47	29.8	0.6	47	32.1	0.7	1.5%	5.0%	

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

Departmental receipts

Table 11.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
Departmental receipts	16 132	7 106	14 608	1 809	3 193	-41.7%	100.0%	1 949	1 949	1 520	-21.9%	100.0%
Sales of goods and services produced by department	6 605	977	1 222	270	325	-63.4%	22.2%	280	280	280	-4.8%	13.5%
Sales by market establishments	496	977	128	110	115	-38.6%	4.2%	120	120	120	1.4%	5.5%
of which:												
Market establishment:	496	977	128	110	115	-38.6%	4.2%	120	120	120	1.4%	5.5%
Rental parking: Covered and open												
Other sales	6 109	-	1 094	160	210	-67.5%	18.1%	160	160	160	-8.7%	8.0%
of which:												
Tender documents	6 109	-	1 094	160	210	-67.5%	18.1%	160	160	160	-8.7%	8.0%
Sales of scrap, waste, arms and other used current goods	62	8	39	10	10	-45.6%	0.3%	40	40	40	58.7%	1.5%
of which:												
Sales: Waste	62	8	39	10	10	-45.6%	0.3%	40	40	40	58.7%	1.5%
Fines, penalties and forfeits	7	-	-	-	-	-100.0%	-	-	-	-	-	-
Interest, dividends and rent on land	5 019	2 300	12 361	500	800	-45.8%	49.9%	600	600	600	-9.1%	30.2%
Interest	5 019	2 300	12 361	500	800	-45.8%	49.9%	600	600	600	-9.1%	30.2%
Sales of capital assets	-	9	70	-	-	-	0.2%	-	-	-	-	-
Transactions in financial assets and liabilities	4 439	3 812	916	1 029	2 058	-22.6%	27.4%	1 029	1 029	600	-33.7%	54.8%
Total	16 132	7 106	14 608	1 809	3 193	-41.7%	100.0%	1 949	1 949	1 520	-21.9%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 11.9 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average Expenditure/Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
	R thousand						2018/19	2019/20	2020/21		
Ministry	23 435	25 265	25 519	39 681	19.2%	5.7%	39 660	43 197	45 982	5.0%	8.5%
Management	103 752	114 739	90 633	95 800	-2.6%	20.4%	118 967	127 775	137 743	12.9%	24.1%
Corporate Services	281 617	271 694	251 899	216 414	-8.4%	51.4%	220 977	230 086	248 589	4.7%	46.0%
Finance and Supply Chain Management	207 135	67 452	45 490	49 232	-38.1%	18.6%	58 253	61 046	67 003	10.8%	11.8%
Office Accommodation	-	-	36 903	42 148	-	4.0%	42 492	49 459	58 418	11.5%	9.7%
Total	615 939	479 150	450 444	443 275	-10.4%	100.0%	480 349	511 563	557 735	8.0%	100.0%
Change to 2017 Budget estimate				(50 535)			(31 999)	(28 900)	(18 261)		
Economic classification											
Current payments	545 965	427 417	425 719	427 406	-7.8%	91.8%	462 882	497 758	543 170	8.3%	96.9%
Compensation of employees	204 312	251 731	240 436	232 032	4.3%	46.7%	263 487	283 225	305 233	9.6%	54.4%
Goods and services ¹	341 653	174 448	185 283	193 568	-17.3%	45.0%	199 395	214 533	237 937	7.1%	42.4%
of which:											
Computer services	35 266	39 858	31 585	33 095	-2.1%	7.0%	35 710	38 951	40 765	7.2%	7.5%
Consultants: Business and advisory services	24 049	18 785	17 585	12 332	-20.0%	3.7%	14 966	15 560	16 849	11.0%	3.0%
Legal services	22 466	14 987	17 402	23 473	1.5%	3.9%	20 787	20 736	21 878	-2.3%	4.4%
Operating leases	2 887	2 733	18 522	23 177	100.2%	2.4%	24 799	26 164	28 008	6.5%	5.1%
Property payments	3 096	1 390	21 160	24 042	98.0%	2.5%	23 897	29 810	39 585	18.1%	5.9%
Travel and subsistence	18 079	20 856	18 867	17 904	-0.3%	3.8%	22 631	24 385	26 553	14.0%	4.6%
Interest and rent on land	-	1 238	-	1 806	-	0.2%	-	-	-	-100.0%	0.1%
Transfers and subsidies¹	5 196	9 608	8 105	6 484	7.7%	1.5%	5 882	6 230	6 573	0.5%	1.3%
Provinces and municipalities	3	4	4	6	26.0%	-	6	6	6	-	-
Households	5 193	9 604	8 101	6 478	7.6%	1.5%	5 876	6 224	6 567	0.5%	1.3%
Payments for capital assets	64 657	10 045	15 514	9 385	-47.4%	5.0%	11 585	7 575	7 992	-5.2%	1.8%
Machinery and equipment	63 469	9 688	9 457	9 385	-47.1%	4.6%	11 585	7 575	7 992	-5.2%	1.8%
Software and other intangible assets	1 188	357	6 057	-	-100.0%	0.4%	-	-	-	-	-
Payments for financial assets	121	32 080	1 106	-	-100.0%	1.7%	-	-	-	-	-
Total	615 939	479 150	450 444	443 275	-10.4%	100.0%	480 349	511 563	557 735	8.0%	100.0%
Proportion of total programme expenditure to vote expenditure	10.2%	7.6%	7.0%	6.3%	-	-	6.4%	6.5%	6.7%	-	-
Details of transfers and subsidies											
Households											
Social benefits											
Current	608	513	450	6 478	120.0%	0.4%	5 876	6 224	6 567	0.5%	1.3%
Employee social benefits	608	513	450	6 478	120.0%	0.4%	5 876	6 224	6 567	0.5%	1.3%
Households											
Other transfers to households											
Current	4 585	9 091	7 651	-	-100.0%	1.1%	-	-	-	-	-
Bursaries for non-employees	4 585	9 091	7 651	-	-100.0%	1.1%	-	-	-	-	-
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	3	4	4	6	26.0%	-	6	6	6	-	-
Vehicle licences	3	4	4	6	26.0%	-	6	6	6	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information

Table 11.10 Administration personnel numbers and cost by salary level¹

Administration	Number of posts estimated for 31 March 2018		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 (%)	Average: Salary level/Total (%)				
			2016/17		2017/18			2018/19		2019/20		2020/21				2017/18 - 2020/21			
			Number	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost						
Salary level	466	167	488	240.4	0.5	483	228.1	0.5	451	263.5	0.6	452	283.2	0.6	451	305.2	0.7	-2.3%	100.0%
1 - 6	133	107	131	26.4	0.2	159	29.8	0.2	87	19.3	0.2	86	20.6	0.2	87	22.6	0.3	-18.2%	22.8%
7 - 10	190	20	204	93.0	0.5	165	76.5	0.5	188	94.8	0.5	187	101.9	0.5	187	110.0	0.6	4.3%	39.6%
11 - 12	74	11	83	65.1	0.8	73	62.6	0.9	80	73.0	0.9	80	78.8	1.0	80	85.1	1.1	3.1%	17.0%
13 - 16	43	5	44	50.4	1.1	45	52.6	1.2	56	69.3	1.2	56	74.2	1.3	56	79.3	1.4	7.6%	11.6%
Other	26	24	26	5.5	0.2	41	6.7	0.2	40	7.0	0.2	43	7.7	0.2	41	8.1	0.2	-	9.0%

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

2. 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 the integrated planning and coordination of concurrent functions over the medium term by:
 - signing 55 agreements for joint service delivery with public bodies across all spheres of government
 - conducting 5 reviews on intergovernmental governance structures
 - identifying 27 state-owned properties for student accommodation through the public works sector.
- Restore the skills pipeline in the built environment by ensuring the participation of 1 220 beneficiaries in the department and Property Management Trading Entity skills development programme over the medium term.
- Establish institutional capacity to manage the public infrastructure programmes over the medium term by approving 5 asset management service tools within the different phases of the Government Immovable Asset Management Act (2007).

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.
- *Professional Services* provides support to learning interventions and focused experiential learning processes; and contributes towards the development of competent, skilled and motivated built environment professionals.

Expenditure trends and estimates

Table 11.11 Intergovernmental Coordination expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand											
Monitoring, Evaluation and Reporting	17 928	34 186	2 651	14 026	-7.9%	50.5%	6 319	6 712	7 029	-20.6%	14.6%
Intergovernmental Relations and Coordination	8 791	10 561	13 826	10 023	4.5%	31.7%	26 074	27 965	29 123	42.7%	40.0%
Professional Services	–	–	–	24 181	–	17.8%	25 708	27 333	28 633	5.8%	45.4%
Total	26 719	44 747	16 477	48 230	21.8%	100.0%	58 101	62 010	64 785	10.3%	100.0%
Change to 2017 Budget estimate				(12 000)			(6 939)	(7 253)	(9 209)		
Economic classification											
Current payments	26 293	31 892	16 224	42 355	17.2%	85.7%	52 226	55 855	58 291	11.2%	89.5%
Compensation of employees	21 663	25 897	13 976	29 273	10.6%	66.7%	36 076	38 813	40 312	11.3%	62.0%
Goods and services ¹	4 630	5 995	2 248	13 082	41.4%	19.1%	16 150	17 042	17 979	11.2%	27.6%
of which:											
Communication	204	232	51	605	43.7%	0.8%	710	755	796	9.6%	1.2%
Agency and support/outsourced services	–	–	–	3 479	–	2.6%	6 714	6 876	7 254	27.8%	10.4%
Operating leases	–	6	4	355	–	0.3%	516	628	662	23.1%	0.9%
Travel and subsistence	1 365	1 846	1 286	3 246	33.5%	5.7%	3 367	3 555	3 750	4.9%	6.0%
Training and development	–	400	–	998	–	1.0%	1 037	1 116	1 177	5.7%	1.9%
Operating payments	754	751	59	872	5.0%	1.8%	1 103	1 248	1 317	14.7%	1.9%

Table 11.11 Intergovernmental Coordination expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand											
Transfers and subsidies¹	29	4	-	5 150	462.1%	3.8%	5 150	5 430	5 729	3.6%	9.2%
Households	29	4	-	5 150	462.1%	3.8%	5 150	5 430	5 729	3.6%	9.2%
Payments for capital assets	397	528	252	725	22.2%	1.4%	725	725	765	1.8%	1.3%
Machinery and equipment	397	528	252	725	22.2%	1.4%	725	725	765	1.8%	1.3%
Payments for financial assets	-	12 323	1	-	-	9.1%	-	-	-	-	-
Total	26 719	44 747	16 477	48 230	21.8%	100.0%	58 101	62 010	64 785	10.3%	100.0%
Proportion of total programme expenditure to vote expenditure	0.4%	0.7%	0.3%	0.7%	-	-	0.8%	0.8%	0.8%	-	-

Details of transfers and subsidies

Households											
Social benefits											
Current	29	4	-	150	72.9%	0.1%	150	150	159	2.0%	0.3%
Employee social benefits	29	4	-	150	72.9%	0.1%	150	150	159	2.0%	0.3%
Households											
Other transfers to households											
Current	-	-	-	5 000	-	3.7%	5 000	5 280	5 570	3.7%	8.9%
Bursaries for non-employees	-	-	-	5 000	-	3.7%	5 000	5 280	5 570	3.7%	8.9%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information**Table 11.12 Intergovernmental Coordination personnel numbers and cost by salary level¹**

Number of posts estimated for 31 March 2018	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 (%)	Average: Salary level/Total (%)			
			2016/17	Unit cost	Cost	2017/18	Unit cost	Cost	2018/19	Unit cost	Cost	2019/20	Unit cost	Cost			2020/21	Unit cost	Cost
Intergovernmental Coordination																			
Salary level	44	14	19	14.0	0.7	48	33.8	0.7	51	36.1	0.7	51	38.8	0.8	45	40.3	0.9	-2.1%	100.0%
1-6	9	9	-	-	-	6	1.2	0.2	7	1.5	0.2	7	1.6	0.2	1	0.3	0.3	-45.0%	10.8%
7-10	13	2	6	2.5	0.4	15	6.6	0.4	18	8.3	0.5	18	9.0	0.5	18	9.7	0.5	6.3%	35.4%
11-12	12	1	6	4.5	0.7	13	11.0	0.8	13	11.9	0.9	13	12.8	1.0	13	13.8	1.1	-	26.7%
13-16	9	1	6	6.9	1.2	12	14.9	1.2	11	14.3	1.3	11	15.3	1.4	11	16.4	1.5	-2.9%	23.1%
Other	1	1	1	0.0	0.0	2	0.1	0.0	2	0.1	0.1	2	0.1	0.1	2	0.1	0.1	-	4.1%

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 public employment programmes within the expanded public works programme over the medium term by:
 - monitoring and reporting on the 4.4 million work opportunities to be created by public bodies implementing the programme
 - ensuring that public bodies report on the participation of designated groups (with targets of 55 per cent for women, 55 per cent for youth and 2 per cent for persons with disabilities) in the programme
 - producing 6 data quality assessment reports.
- Support public bodies in implementing public employment programmes in the non-state sector by contracting 400 non-profit organisations to implement non-state sector projects over the medium term.
- Support public bodies in implementing public employment programmes within the expanded public works

programme in the infrastructure, social and environment, and culture sectors by ensuring that 290 public bodies are provided with technical support over the medium term.

- Provide strategic guidance on sectoral convergence through the development of implementation frameworks by developing 3 frameworks on sectoral convergence 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 of work opportunities created and training provided 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 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 the 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 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 11.13 Expanded Public Works Programme expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand											
Expanded Public Works Programme: Monitoring and Evaluation	66 581	63 541	68 367	62 475	-2.1%	3.0%	57 845	63 055	67 128	2.4%	2.4%
Expanded Public Works Programme: Infrastructure	1 034 985	1 016 075	1 177 085	1 193 363	4.9%	51.6%	1 213 432	1 306 355	1 379 761	5.0%	47.9%
Expanded Public Works Programme: Operations	781 107	799 213	997 378	1 075 188	11.2%	42.6%	1 208 218	1 283 871	1 357 099	8.1%	46.3%
Expanded Public Works Programme: Partnership Support	42 907	57 273	53 897	68 979	17.1%	2.6%	79 020	84 340	90 536	9.5%	3.0%
Expanded Public Works Programme: Public Employment Coordinating Commission	–	3 807	4 719	7 578	–	0.2%	8 117	8 716	9 333	7.2%	0.3%
Total	1 925 580	1 939 909	2 301 446	2 407 583	7.7%	100.0%	2 566 632	2 746 337	2 903 857	6.4%	100.0%
Change to 2017 Budget estimate				(7 000)			33 406	42 752	48 062		
Economic classification											
Current payments	245 781	263 309	272 082	308 290	7.8%	12.7%	326 670	356 545	380 533	7.3%	12.9%
Compensation of employees	112 425	133 953	152 622	156 379	11.6%	6.5%	178 080	191 931	206 864	9.8%	6.9%
Goods and services ¹	133 356	129 356	119 460	151 911	4.4%	6.2%	148 590	164 614	173 669	4.6%	6.0%
of which:											
Advertising	4 526	3 212	2 182	1 828	-26.1%	0.1%	5 333	5 632	5 942	48.1%	0.2%
Infrastructure and planning services	15 958	25 340	32 222	9 899	-14.7%	1.0%	23 945	25 285	26 675	39.2%	0.8%
Agency and support/outsource services	76 963	73 968	58 368	97 316	8.1%	3.6%	92 707	105 604	111 412	4.6%	3.8%
Consumables: Stationery, printing and office supplies	1 618	1 666	1 807	2 496	15.5%	0.1%	2 162	2 283	2 409	-1.2%	0.1%
Travel and subsistence	13 607	18 239	16 362	18 453	10.7%	0.8%	16 417	17 337	18 291	-0.3%	0.7%
Venues and facilities	1 641	1 569	2 809	1 416	-4.8%	0.1%	1 870	1 974	2 083	13.7%	0.1%
Transfers and subsidies¹	1 677 903	1 674 424	2 027 186	2 096 681	7.7%	87.2%	2 237 198	2 387 029	2 520 409	6.3%	87.0%
Provinces and municipalities	1 200 251	1 139 395	1 425 662	1 472 609	7.1%	61.1%	1 516 862	1 624 215	1 713 743	5.2%	59.6%
Non-profit institutions	477 481	534 816	600 257	623 904	9.3%	26.1%	720 158	762 626	806 468	8.9%	27.4%
Households	171	213	1 267	168	-0.6%	–	178	188	198	5.6%	–

Table 11.13 Expanded Public Works Programme expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R thousand											
Payments for capital assets	1 803	2 176	1 909	2 612	13.2%	0.1%	2 764	2 763	2 915	3.7%	0.1%
Machinery and equipment	1 803	2 176	1 909	2 612	13.2%	0.1%	2 764	2 763	2 915	3.7%	0.1%
Payments for financial assets	93	–	269	–	-100.0%	–	–	–	–	–	–
Total	1 925 580	1 939 909	2 301 446	2 407 583	7.7%	100.0%	2 566 632	2 746 337	2 903 857	6.4%	100.0%
Proportion of total programme expenditure to vote expenditure	32.0%	30.9%	35.9%	34.5%	–	–	34.4%	34.8%	34.8%	–	–
Details of transfers and subsidies											
Households											
Social benefits											
Current	171	213	1 267	168	-0.6%	–	178	188	198	5.6%	–
Employee social benefits	171	213	1 267	168	-0.6%	–	178	188	198	5.6%	–
Non-profit institutions											
Current	477 481	534 816	600 257	623 904	9.3%	26.1%	720 158	762 626	806 468	8.9%	27.4%
Various institutions: Non-state sector programme	477 481	534 816	600 257	623 904	9.3%	26.1%	720 158	762 626	806 468	8.9%	27.4%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	594 575	587 685	663 991	691 447	5.2%	29.6%	692 878	741 917	782 918	4.2%	27.4%
Expanded public works programme integrated grant for municipalities	594 575	587 685	663 991	691 447	5.2%	29.6%	692 878	741 917	782 918	4.2%	27.4%
Provinces and municipalities											
Provinces											
Provincial revenue funds											
Current	605 676	551 710	761 671	781 162	8.9%	31.5%	823 984	882 298	930 825	6.0%	32.2%
Expanded public works programme integrated grant for provinces	347 704	325 607	402 009	395 579	4.4%	17.2%	416 036	451 505	476 338	6.4%	16.4%
Social sector expanded public works programme incentive grant for provinces	257 972	226 103	359 662	385 583	14.3%	14.3%	407 948	430 793	454 487	5.6%	15.8%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information

Table 11.14 Expanded Public Works Programme personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2018			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	Number of posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21						
Expanded Public Works Programme			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	460	257	463	152.6	0.3	737	161.6	0.2	234	178.1	0.8	234	191.9	0.8	234	206.9	0.9	-31.8%	100.0%
1 – 6	25	6	28	8.3	0.3	23	5.2	0.2	27	6.5	0.2	27	7.0	0.3	27	7.6	0.3	5.5%	7.2%
7 – 10	60	–	60	31.0	0.5	62	28.2	0.5	67	32.9	0.5	67	35.6	0.5	67	38.4	0.6	2.6%	18.3%
11 – 12	95	–	95	77.7	0.8	94	81.4	0.9	108	101.0	0.9	108	109.1	1.0	108	117.8	1.1	4.7%	29.0%
13 – 16	29	–	29	31.2	1.1	30	33.1	1.1	32	37.6	1.2	32	40.2	1.3	32	43.0	1.3	2.2%	8.8%
Other	251	251	251	4.4	0.0	528	13.7	0.0	–	–	–	–	–	–	–	–	–	-100.0%	36.7%

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

2. Rand million.

Programme 4: Property and Construction Industry Policy and Research

Programme purpose

Promote the growth and transformation of the construction and property industries. Promote a standardised approach and best practice in construction and immovable asset management in the public sector.

Objective

- Research and develop policies and legislative prescripts for the construction and property sectors over the medium term by developing and reviewing 3 legislative prescripts for the Public Works Bill, Construction Industry Development Board Act (2000) and Council for the Built Environment Act (2000).

Subprogrammes

- *Construction Policy Development Programme* creates an enabling environment for transforming the construction industry by developing appropriate legislation and implementing monitoring mechanisms for the sector. This subprogramme aims to facilitate the transformation and regulation of the construction industry for economic growth and development.
- *Property Policy Development Programme* provides leadership and guidance on the transformation of the property industry. It also promotes uniformity and best practice on immovable asset management in the public sector through policy development, sets best practice standards for compiling and maintaining immovable asset registers, and provides 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 and condition assessments.
- *Construction Industry Development Board* transfers funds to the Construction Industry Development Board annually.
- *Council for the Built Environment* transfers funds to the Council for the Built Environment annually.
- *Independent Development Trust* transfers funds to the Independent Development Trust annually.
- *Construction Education and Training Authority* aims to influence training and skills development across the construction industry.
- *Property Management Trading Entity* transfers funds to the Property Management Trading Entity annually.
- *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 11.15 Property and Construction Industry Policy and Research expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21		
R thousand											
Construction Policy Development Programme	18 738	20 861	21 700	46 016	34.9%	0.7%	46 397	49 115	51 965	4.1%	1.1%
Property Policy Development Programme	12 625	8 416	11 726	15 660	7.4%	0.3%	14 640	15 564	16 542	1.8%	0.4%
Construction Industry Development Board	77 212	65 626	52 059	74 984	-1.0%	1.9%	73 323	77 429	81 687	2.9%	1.8%
Council for the Built Environment	41 572	41 994	43 413	48 568	5.3%	1.2%	50 100	52 906	55 816	4.7%	1.2%
Independent Development Trust	50 000	50 000	–	111 066	30.5%	1.5%	28 362	5 000	–	-100.0%	0.8%
Construction Education and Training Authority	1 630	475	468	516	-31.8%	–	518	558	600	5.2%	–
Property Management Trading Entity	3 043 967	3 524 652	3 389 448	3 682 254	6.6%	93.7%	4 009 490	4 233 146	4 465 719	6.6%	94.1%
Assistance to Organisations for the Preservation of National Memorials	22 548	23 363	28 234	22 342	-0.3%	0.7%	27 523	29 064	30 663	11.1%	0.6%
Total	3 268 292	3 735 387	3 547 048	4 001 406	7.0%	100.0%	4 250 353	4 462 782	4 702 992	5.5%	100.0%
Change to 2017 Budget estimate				31 535			(37 381)	(53 392)	(61 937)		
Economic classification											
Current payments	2 049 037	17 086	20 667	31 175	-75.2%	14.6%	30 513	32 472	34 541	3.5%	0.7%
Compensation of employees	1 230 172	8 726	10 456	15 546	-76.7%	8.7%	13 108	14 092	15 150	-0.9%	0.3%
Goods and services ¹	818 856	8 360	10 211	15 629	-73.3%	5.9%	17 405	18 380	19 391	7.5%	0.4%
of which:											
Advertising	5 306	43	294	747	-48.0%	–	870	923	975	9.3%	–
Communication	17 102	106	84	290	-74.3%	0.1%	449	491	518	21.3%	–
Consultants: Business and advisory services	15 749	4 825	7 406	10 127	-13.7%	0.3%	13 636	14 346	15 136	14.3%	0.3%
Agency and support/outsourced services	34 313	650	–	700	-72.7%	0.2%	834	842	886	8.2%	–
Consumables: Stationery, printing and office supplies	5 525	97	32	386	-58.8%	–	465	498	526	10.9%	–
Travel and subsistence	49 347	940	729	455	-79.0%	0.4%	478	505	533	5.4%	–
Interest and rent on land	9	–	–	–	-100.0%	–	–	–	–	–	–

Table 11.15 Property and Construction Industry Policy and Research expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20			2020/21
	R thousand							2017/18 - 2020/21				
Transfers and subsidies¹	885 926	3 718 166	3 526 194	3 969 931	64.9%	83.2%	4 219 540	4 430 010	4 668 134	5.5%	99.3%	
Provinces and municipalities	2	-	-	-	-100.0%	-	-	-	-	-	-	
Departmental agencies and accounts	793 786	3 644 429	3 497 771	3 835 367	69.1%	80.9%	4 163 419	4 395 707	4 637 231	6.5%	97.8%	
Foreign governments and international organisations	22 548	23 363	28 234	22 342	-0.3%	0.7%	27 523	29 064	30 663	11.1%	0.6%	
Public corporations and private enterprises	50 000	50 000	-	111 066	30.5%	1.5%	28 362	5 000	-	-100.0%	0.8%	
Non-profit institutions	11 021	331	170	120	-77.8%	0.1%	-	-	-	-100.0%	-	
Households	8 569	43	19	1 036	-50.6%	0.1%	236	239	240	-38.6%	-	
Payments for capital assets	330 104	135	164	300	-90.3%	2.3%	300	300	317	1.9%	-	
Buildings and other fixed structures	315 914	-	-	-	-100.0%	2.2%	-	-	-	-	-	
Machinery and equipment	14 155	135	164	300	-72.3%	0.1%	300	300	317	1.9%	-	
Software and other intangible assets	35	-	-	-	-100.0%	-	-	-	-	-	-	
Payments for financial assets	3 225	-	23	-	-100.0%	-	-	-	-	-	-	
Total	3 268 292	3 735 387	3 547 048	4 001 406	7.0%	100.0%	4 250 353	4 462 782	4 702 992	5.5%	100.0%	
Proportion of total programme expenditure to vote expenditure	54.3%	59.5%	55.4%	57.3%	-	-	57.0%	56.5%	56.3%	-	-	

Details of transfers and subsidies

Households											
Social benefits											
Current	8 569	43	19	1 036	-50.6%	0.1%	236	239	240	-38.6%	-
Employee social benefits	8 569	43	19	1 036	-50.6%	0.1%	236	239	240	-38.6%	-
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	50 000	50 000	-	111 066	30.5%	1.5%	28 362	5 000	-	-100.0%	0.8%
Independent Development Trust	50 000	50 000	-	111 066	30.5%	1.5%	28 362	5 000	-	-100.0%	0.8%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	2	-	-	-	-100.0%	-	-	-	-	-	-
Municipal bank account	2	-	-	-	-100.0%	-	-	-	-	-	-
Non-profit institutions											
Current	11 021	331	170	120	-77.8%	0.1%	-	-	-	-100.0%	-
Agrément South Africa	11 021	-	-	-	-100.0%	0.1%	-	-	-	-	-
South African Council for the Landscape Architectural Profession	-	331	170	120	-	-	-	-	-	-100.0%	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	793 786	3 644 429	3 497 771	3 835 367	69.1%	80.9%	4 163 419	4 395 707	4 637 231	6.5%	97.8%
Agrément South Africa	-	11 682	12 383	29 045	-	0.4%	29 988	31 668	33 409	4.8%	0.7%
Construction Industry Development Board	77 212	65 626	52 059	74 984	-1.0%	1.9%	73 323	77 429	81 687	2.9%	1.8%
Council for the Built Environment	41 572	41 994	43 413	48 568	5.3%	1.2%	50 100	52 906	55 816	4.7%	1.2%
Construction Education and Training Authority	1 630	475	468	516	-31.8%	-	518	558	600	5.2%	-
Property Management Trading Entity	673 372	3 524 652	3 389 448	3 682 254	76.2%	77.4%	4 009 490	4 233 146	4 465 719	6.6%	94.1%
Foreign governments and international organisations											
Current	22 548	23 363	28 234	22 342	-0.3%	0.7%	27 523	29 064	30 663	11.1%	0.6%
Commonwealth War Graves Commission	22 548	23 363	28 234	22 342	-0.3%	0.7%	27 523	29 064	30 663	11.1%	0.6%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information**Table 11.16 Property and Construction Industry Policy and Research personnel numbers and cost by salary level¹**

Number of posts estimated for 31 March 2018			Number and cost ² of personnel posts filled / planned for on funded establishment												Number				
Property and Construction Industry Policy and Research	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2016/17			2017/18			2018/19		2019/20		2020/21						
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			Number	Cost	Unit cost
Salary level	14	3	14	10.5	0.7	12	11.2	0.9	14	13.1	0.9	14	14.1	1.0	14	15.2	1.1	5.3%	100.0%
7-10	3	-	3	1.9	0.6	2	0.9	0.5	3	1.3	0.4	3	1.4	0.5	3	1.6	0.5	14.5%	20.4%
11-12	6	1	6	4.4	0.7	5	4.3	0.9	6	5.4	0.9	6	5.9	1.0	6	6.3	1.1	6.3%	42.6%
13-16	4	1	4	4.1	1.0	5	5.9	1.2	5	6.4	1.3	5	6.8	1.4	5	7.3	1.5	-	37.0%
Other	1	1	1	0.1	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

- Improve the delivery of services to prestige clients over the medium term by:
 - developing and monitoring 6 prestige policies
 - supporting 35 planned state events with movable structures
 - providing movable assets within 60 working days to prestige clients.

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 transport and related costs of parliamentarians and related officials residing in parliamentary villages.

Expenditure trends and estimates

Table 11.17 Prestige Policy expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand											
Prestige Accommodation and State Functions	176 818	72 864	78 359	74 585	-25.0%	91.5%	87 523	105 333	105 497	12.3%	89.7%
Parliamentary Villages Management Board	8 690	9 090	9 572	10 051	5.0%	8.5%	10 368	10 949	11 552	4.7%	10.3%
Total	185 508	81 954	87 931	84 636	-23.0%	100.0%	97 891	116 282	117 049	11.4%	100.0%
Change to 2017 Budget estimate				(15 000)			1 985	7 987	2 248		
Economic classification											
Current payments	153 035	62 189	70 227	69 385	-23.2%	80.6%	79 223	91 731	91 147	9.5%	79.7%
Compensation of employees	23 203	15 551	21 337	25 183	2.8%	19.4%	27 596	29 765	32 103	8.4%	27.6%
Goods and services ¹	129 832	46 303	48 890	44 202	-30.2%	61.2%	51 627	61 966	59 044	10.1%	52.1%
of which:											
Minor assets	9 859	2 476	2 584	4 991	-20.3%	4.5%	5 844	6 843	7 604	15.1%	6.1%
Contractors	111 941	38 562	19 569	25 914	-38.6%	44.5%	37 299	46 164	41 988	17.5%	36.4%
Operating leases	36	589	1 284	652	162.6%	0.6%	688	726	766	5.5%	0.7%
Travel and subsistence	3 511	1 662	1 565	4 384	7.7%	2.5%	3 949	4 170	4 399	0.1%	4.1%
Operating payments	668	745	936	735	3.2%	0.7%	772	815	860	5.4%	0.8%
Venues and facilities	523	–	–	604	4.9%	0.3%	634	670	707	5.4%	0.6%
Interest and rent on land	–	335	–	–	–	0.1%	–	–	–	–	–
Transfers and subsidies¹	8 720	9 112	9 764	10 251	5.5%	8.6%	10 568	11 149	11 763	4.7%	10.5%
Departmental agencies and accounts	8 690	9 090	9 572	10 051	5.0%	8.5%	10 368	10 949	11 552	4.7%	10.3%
Households	30	22	192	200	88.2%	0.1%	200	200	211	1.8%	0.2%
Payments for capital assets	23 753	10 653	7 940	5 000	-40.5%	10.8%	8 100	13 402	14 139	41.4%	9.8%
Machinery and equipment	23 753	10 653	7 940	5 000	-40.5%	10.8%	8 100	13 402	14 139	41.4%	9.8%
Total	185 508	81 954	87 931	84 636	-23.0%	100.0%	97 891	116 282	117 049	11.4%	100.0%
Proportion of total programme expenditure to vote expenditure	3.1%	1.3%	1.4%	1.2%	–	–	1.3%	1.5%	1.4%	–	–
Details of transfers and subsidies											
Households											
Social benefits											
Current	30	22	192	200	88.2%	0.1%	200	200	211	1.8%	0.2%
Employee social benefits	30	22	192	200	88.2%	0.1%	200	200	211	1.8%	0.2%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	8 690	9 090	9 572	10 051	5.0%	8.5%	10 368	10 949	11 552	4.7%	10.3%
Parliamentary Villages Management Board	8 690	9 090	9 572	10 051	5.0%	8.5%	10 368	10 949	11 552	4.7%	10.3%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

The entity will evaluate, assess and approve infrastructure development technologies to better direct investments in housing and human settlements and ensure the affordability and diversity of the products available in the market. Enhancing the quality and quantity of innovative construction technologies is its focus. The entity contributes to outcome 6 (an efficient, competitive and responsive economic infrastructure network) of government's 2014-2019 medium-term strategic framework.

Through the development of criteria for fitness for purpose and the identification of suitable experts, the entity aims to evaluate a projected 75 per cent of projects presented to it over the medium term within the agreed timeframe for each contract. The entity also aims to issue 75 per cent of approval certificates within the agreed timeframe to projects that have met the required technical assessment standards. For the assessment and verification of construction products over the medium term, the entity expects to spend R34.8 million, of which R20.2 million is for compensation of employees, R2.8 million for travel and subsistence, and R1.2 million for consultants. For the verification of products over the medium term, the entity expects to spend R8.7 million, of which R6.7 million is for compensation of employees, R800 000 for travel and subsistence, and R1.2 million for consultants. A projected R700 000 over the medium term is for certification.

Over the MTEF period, the entity will collaborate with experts on key matters such as fire protection and safety for buildings, and improving the evaluation and assessment criteria of existing technologies. The entity aims to ensure that 70 per cent of quality inspections for certificate holders and licensees are conducted each year. A projected R15.5 million over the medium term is for inspections, certifications and licensees, of which R13.5 million is for compensation of employees, and R1.4 million for travel and subsistence.

The entity plans to increase its staff complement from 22 in 2017/18 to 43 in 2020/21 to assist with evaluations, assessments and approvals as it increases the number of its in-house experts. The increase in personnel will also result in an increase in spending on compensation of employees, from R15 million in 2017/18 to R22.1 million in 2020/21.

The entity generates revenue mainly through transfers from the department. Revenue over the medium term is expected to increase at an average annual rate of 5.2 per cent, from R33.5 million in 2017/18 to R39.1 million in 2020/21.

Programmes/objectives/activities

Table 11.20 Agrément South Africa expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administration	-	15 973	16 352	33 508	-	-	34 841	37 017	39 052	5.2%	100.0%
Total	-	15 973	16 352	33 508	-	-	34 841	37 017	39 052	5.2%	100.0%

Statements of historical financial performance

Table 11.21 Agrément South Africa statements of historical financial performance

Statement of financial performance	Budget		Audited outcome		Budget		Audited outcome		Average: Outcome/ Budget (%) 2014/15 - 2017/18
	2014/15	2015/16	2015/16	2016/17	2016/17	2017/18	2017/18		
R thousand									
Revenue									
Non-tax revenue	-	-	-	4 267	3 540	4 493	4 463	4 463	165.2%
Sale of goods and services other than capital assets	-	-	-	4 105	3 310	4 229	4 120	4 120	167.6%
of which:									
Administrative fees	-	-	-	530	530	586	632	632	150.4%
Sales by market establishment	-	-	-	3 575	2 780	3 643	3 488	3 488	170.8%
Other non-tax revenue	-	-	-	162	230	264	343	343	134.2%
Transfers received	-	-	-	11 706	12 383	12 434	29 045	29 045	128.4%
Total revenue	-	-	-	15 973	15 923	16 927	33 508	33 508	134.3%
Expenses									
Current expenses	-	-	-	15 973	14 166	16 352	33 508	33 508	138.1%
Compensation of employees	-	-	-	7 215	8 002	7 866	15 014	15 014	130.8%
Goods and services	-	-	-	8 484	5 886	8 249	17 860	17 860	145.7%
Depreciation	-	-	-	274	278	237	634	634	125.5%
Total expenses	-	-	-	15 973	14 166	16 352	33 508	33 508	138.1%
Surplus/(Deficit)	-	-	-	-	1 757	575	-	-	

Statements of estimates of financial performance

Table 11.22 Agrément South Africa statements of estimates of financial performance

Statement of financial performance	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2017/18	2014/15 - 2017/18	2018/19		
R thousand								
Revenue								
Non-tax revenue	4 463	–	–	4 853	5 349	5 643	8.1%	14.0%
Sale of goods and services other than capital assets	4 120	–	–	4 482	4 941	5 213	8.2%	13.0%
<i>of which:</i>								
Administrative fees	632	–	–	645	713	752	6.0%	1.9%
Sales by market establishment	3 488	–	–	3 837	4 228	4 461	8.5%	11.1%
Other non-tax revenue	343	–	–	371	408	430	7.9%	1.1%
Transfers received	29 045	–	–	29 988	31 668	33 409	4.8%	86.0%
Total revenue	33 508	–	–	34 841	37 017	39 052	5.2%	100.0%
Expenses								
Current expenses	33 508	–	–	34 841	37 017	39 052	5.2%	100.0%
Compensation of employees	15 014	–	–	19 541	20 909	22 059	13.7%	53.5%
Goods and services	17 860	–	–	14 660	15 458	16 307	-3.0%	44.7%
Depreciation	634	–	–	640	650	686	2.6%	1.8%
Total expenses	33 508	–	–	34 841	37 017	39 052	5.2%	100.0%
Surplus/(Deficit)	–			–	–	–		

Personnel information

Table 11.23 Agrément South Africa personnel numbers and cost by salary level

Number of posts estimated for 31 March 2018			Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts approved on establishment	Number of posts on establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21						
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Agrément South Africa			17	7.9	0.5	22	15.0	0.7	42	19.5	0.5	43	20.9	0.5	43	22.1	0.5	13.7%	100.0%
Salary level	29	29																	
1 – 6	1	1	1	0.1	0.1	1	0.1	0.1	7	0.7	0.1	7	0.7	0.1	7	0.8	0.1	118.9%	13.4%
7 – 10	19	19	11	3.8	0.3	12	7.0	0.6	26	9.9	0.4	27	10.8	0.4	27	11.4	0.4	17.8%	60.5%
11 – 12	6	6	4	2.7	0.7	6	4.6	0.8	6	5.0	0.8	6	5.3	0.9	6	5.6	0.9	7.2%	17.4%
13 – 16	3	3	1	1.3	1.3	3	3.4	1.1	3	3.8	1.3	3	4.0	1.3	3	4.2	1.4	7.8%	8.7%

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 historically disadvantaged groups 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 across 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 11.24 Construction Industry Development Board performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Percentage of service providers paid within 30 days per year	Administration	Outcome 12: An efficient, effective and development oriented public service	-1	-1	-1	85%	90%	95%	95%
Percentage of recurring audit findings resolved per year	Administration		-1	-1	-1	60%	70%	80%	90%
Percentage of construction projects awarded on correct grade level of contractor per year	Regulation and advocacy	Entity mandate	-1	-1	-1	95%	96%	98%	99%
Percentage of contractors graduating from contractor development programme's provincial index per year	Regulation and advocacy		-1	-1	-1	5%	20%	30%	40%
Percentage of provincial business advisory services to contractors at grades 2 to 6 per year	Regulation and advocacy		-1	-1	-1	-1	75%	80%	85%
Percentage of registered projects information verified and corrected within 8 weeks	Regulation and advocacy		-1	-1	-1	80%	80%	80%	80%
Percentage of contractor and professional service providers compliant applications registered within 21 working days per year	Regulation and advocacy		-1	-1	-1	80%	85%	90%	95%
Percentage of contractors graduating from contractors' development programmes per year	Technical support and advice		Outcome 12: An efficient, effective and development oriented public service	-1	-1	-1	5%	20%	30%
Number of learners exposed to workplace learning opportunities per year	Technical support and advice	Outcome 5: A skilled and capable workforce to support an inclusive growth path	-1	-1	-1	-1	1 000	4 000	5 000
Number of technical vocational education and training colleges participating in World Skills South Africa's construction trade competitions per year	Monitoring and evaluation		-1	-1	-1	-1	20	20	20

1. No historical data available.

Expenditure analysis

Over the MTEF period, the Construction Industry Development Board will continue to play a leadership role in the industry through providing construction knowledge, support and advice to its clients. Through fighting against fraud and corruption, the board aims to reinforce its regulatory mandate and ensure compliance with its prescripts. The board contributes to outcome 5 (a skilled and capable workforce to support an inclusive growth path) and outcome 12 (an efficient, effective and development oriented public service) of government's 2014-2019 medium-term strategic framework.

Over the medium term, the board will focus on the expansion of knowledge in the construction industry, improving transformation, strengthening compliance through regulation, and intensifying the fight against corruption.

The board will continue to expand its construction knowledge hub by providing business advisory services and technical expertise on infrastructure projects in all provinces, and supporting contractors in accessing finance and construction materials. The board expects to award 99 per cent of projects to appropriately qualified contractors by 2020/21. The board also aims to increase the percentage of contractors who graduate from contractor development programmes from 5 per cent in 2017/18 to 40 per cent in 2020/21, and the percentage of contractor and professional service providers registered within 21 working days of application from 80 per cent in 2017/18 to 95 per cent in 2020/21. An allocation of R214.4 million over the medium term in the regulation and advocacy programme is expected to be spent on expanding the construction knowledge hub and improving the efficiency of provincial offices.

In its efforts to transform the construction sector, the board will continue assessing infrastructure spending. The board aims to monitor whether construction companies owned by historically disadvantaged groups, women and youth are being considered for contracts in public infrastructure projects. Data from the board's register of projects will also be used to determine whether transformation is being achieved and whether resources allocated to contractor development are being spent on training and development. R48 million has been allocated in the regulation and advocacy programme for improving transformation in the industry and to support efforts to get contractors to advance from grade 2, which is the entry level, to grade 6, the highest.

The board will continue to strengthen its regulatory role in the period ahead by monitoring its register of

projects and assessing contractors and service providers on their level of compliance with regulations. The board has appointed investigators who look into all reported or suspected irregularities. It is expected that all violations of board prescripts and the code of conduct, including collusion between the board's staff members and clients, will be investigated. In line with its regulations, the board intends using a committee of independent officers to preside over hearings of these cases. R13 million has been allocated for activities that contribute to the fight against fraud and corruption. Of this, R5 million is earmarked for spending on compensation of employees, R3 million for consultants, and R5 million for communication, travel and subsistence associated with investigations.

The bulk of the board's expenditure is on compensation of employees, which is expected to increase from R96 million in 2017/18 to R113.2 million in 2020/21 as the number of personnel increases from 189 to 200.

The board generates its revenue from grant funding, registration income and interest earned from investments. Revenue is expected to increase from R174.4 million in 2018/19 to R194.3 million in 2020/21.

Programmes/objectives/activities

Table 11.25 Construction Industry Development Board expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administration	43 669	50 922	54 018	75 967	20.3%	38.5%	77 693	82 044	86 556	4.4%	44.7%
Regulation and advocacy	22 685	21 109	24 236	64 710	41.8%	22.1%	67 628	71 415	75 343	5.2%	38.7%
Industry performance and transformation	29 973	27 017	25 865	–	-100.0%	15.3%	–	–	–	–	–
Development and capacitation	12 874	8 709	14 619	–	-100.0%	6.6%	–	–	–	–	–
Monitoring and evaluation	9 904	10 123	11 708	14 497	13.5%	8.0%	15 188	16 039	16 921	5.3%	8.7%
Technical support and advice	11 264	16 341	13 041	13 303	5.7%	9.4%	13 914	14 693	15 501	5.2%	8.0%
Total	130 369	134 221	143 487	168 477	8.9%	100.0%	174 423	184 191	194 321	4.9%	100.0%

Statements of historical financial performance and position

Table 11.26 Construction Industry Development Board statements of historical financial performance and position

Statement of financial performance									Average: Outcome/ Budget (%)
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
Revenue									
Non-tax revenue	51 328	74 342	79 472	84 816	92 438	99 252	93 493	93 493	111.1%
Sale of goods and services other than capital assets	48 065	66 385	70 904	75 464	83 760	86 445	85 553	85 553	108.9%
<i>of which:</i>									
<i>Sales by market establishment</i>	<i>48 065</i>	<i>66 385</i>	<i>70 904</i>	<i>75 464</i>	<i>83 760</i>	<i>86 445</i>	<i>85 553</i>	<i>85 553</i>	<i>108.9%</i>
Other non-tax revenue	3 263	7 957	8 568	9 352	8 678	12 807	7 940	7 940	133.8%
Transfers received	77 212	77 212	65 626	65 626	52 059	52 059	74 984	74 984	100.0%
Total revenue	128 540	151 554	145 098	150 442	144 497	151 311	168 477	168 477	106.0%
Expenses									
Current expenses	128 540	130 369	145 098	134 221	144 497	143 487	168 477	168 477	98.3%
Compensation of employees	88 493	77 042	81 354	76 145	86 343	80 828	96 029	96 029	93.7%
Goods and services	36 330	49 068	63 744	53 315	58 154	58 249	72 448	72 448	101.0%
Depreciation	3 717	4 259	–	4 761	–	4 410	–	–	361.3%
Total expenses	128 540	130 369	145 098	134 221	144 497	143 487	168 477	168 477	98.3%
Surplus/(Deficit)	–	21 185	–	16 221	–	7 824	–	–	–
Statement of financial position									
Carrying value of assets	21 500	22 064	18 958	21 553	17 063	17 632	15 356	15 356	105.1%
<i>of which:</i>									
<i>Acquisition of assets</i>	<i>(3 717)</i>	<i>(2 956)</i>	<i>(580)</i>	<i>(3 157)</i>	<i>(609)</i>	<i>(769)</i>	<i>(639)</i>	<i>(639)</i>	<i>135.6%</i>
Receivables and prepayments	1 300	1 418	1 365	1 959	1 433	2 055	1 505	1 505	123.8%
Cash and cash equivalents	74 302	122 919	113 143	150 012	125 556	172 356	122 015	122 015	130.4%
Total assets	97 102	146 401	133 466	173 524	144 052	192 043	138 876	138 876	126.7%
Accumulated surplus/(deficit)	51 666	89 763	89 763	105 984	105 984	113 754	105 984	105 984	117.6%
Finance lease	5 599	2 065	5 550	2 248	3 700	1 464	1 850	1 850	45.7%
Trade and other payables	39 837	49 713	35 853	60 724	32 268	67 072	29 042	29 042	150.8%
Provisions	–	4 860	2 300	4 568	2 100	9 753	2 000	2 000	331.0%
Total equity and liabilities	97 102	146 401	133 466	173 524	144 052	192 043	138 876	138 876	126.7%

Statements of estimates of financial performance and position

Table 11.27 Construction Industry Development Board statements of estimates of financial performance and position

Statement of financial performance		Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	Revised estimate	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
R thousand								
Revenue								
Non-tax revenue	93 493	7.9%	56.6%	101 100	106 761	112 633	6.4%	57.3%
Sale of goods and services other than capital assets	85 553	8.8%	50.5%	91 886	96 976	102 309	6.1%	52.2%
<i>of which:</i>								
<i>Sales by market establishment</i>	85 553	8.8%	50.5%	91 886	96 976	102 309	6.1%	52.2%
Other non-tax revenue	7 940	-0.1%	6.2%	9 214	9 786	10 324	9.1%	5.2%
Transfers received	74 984	-1.0%	43.4%	73 323	77 429	81 687	2.9%	42.7%
Total revenue	168 477	3.6%	100.0%	174 423	184 190	194 320	4.9%	100.0%
Expenses								
Current expenses	168 477	8.9%	100.0%	174 423	184 191	194 321	4.9%	100.0%
Compensation of employees	96 029	7.6%	57.3%	101 620	107 311	113 213	5.6%	57.9%
Goods and services	72 448	13.9%	40.2%	72 803	76 880	81 108	3.8%	42.1%
Total expenses	168 477	8.9%	100.0%	174 423	184 191	194 321	4.9%	100.0%
Surplus/(Deficit)	-			-	-	(1)		
Statement of financial position								
Carrying value of assets	15 356	-11.4%	11.9%	13 658	13 658	8 829	-16.8%	9.5%
<i>of which:</i>								
<i>Acquisition of assets</i>	(639)	-40.0%	-1.2%	-	-	-	-100.0%	-0.1%
Receivables and prepayments	1 505	2.0%	1.1%	2 045	2 045	1 800	6.2%	1.4%
Cash and cash equivalents	122 015	-0.2%	87.0%	120 015	120 015	116 000	-1.7%	89.1%
Total assets	138 876	-1.7%	100.0%	135 718	135 718	126 629	-3.0%	100.0%
Accumulated surplus/(deficit)	105 984	5.7%	64.5%	105 984	105 984	105 729	-0.1%	79.0%
Finance lease	1 850	-3.6%	1.2%	-	-	-	-100.0%	0.3%
Trade and other payables	29 042	-16.4%	31.2%	27 234	27 234	19 700	-12.1%	19.2%
Provisions	2 000	-25.6%	3.1%	2 500	2 500	1 200	-15.7%	1.5%
Total equity and liabilities	138 876	-1.7%	100.0%	135 718	135 718	126 629	-3.0%	100.0%

Personnel information

Table 11.28 Construction Industry Development Board personnel numbers and cost by salary level

Number of posts estimated for 31 March 2018		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 (%)	Average: Salary level/Total (%)				
		2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21							
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Construction Industry Development Board																			
Salary level	189	189	189	80.8	0.4	189	96.0	0.5	200	101.6	0.5	200	107.3	0.5	200	113.2	0.6	5.6%	100.0%
1 - 6	20	20	20	1.7	0.1	20	4.6	0.2	23	5.2	0.2	23	5.5	0.2	23	5.8	0.3	8.0%	11.3%
7 - 10	115	115	115	33.3	0.3	115	38.0	0.3	121	42.3	0.3	121	44.7	0.4	121	47.1	0.4	7.4%	60.6%
11 - 12	21	21	21	13.7	0.7	21	15.4	0.7	23	16.9	0.7	23	17.9	0.8	23	18.9	0.8	7.0%	11.4%
13 - 16	33	33	33	32.1	1.0	33	38.0	1.2	33	37.2	1.1	33	39.3	1.2	33	41.5	1.3	2.9%	16.7%

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). The act mandates the council to promote and protect the interests of the public regarding built environment issues; promote and maintain a sustainable built and natural environment; promote the ongoing development of human resources in the built environment; promote the sound governance of built environment professions; facilitate participation by built environment professionals in integrated development in the context of 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 between the councils and government on training issues that affect the sector and the standards of such training; and serve as a forum where built environment professionals can discuss relevant issues. The council is an overarching body that

coordinates the six councils for built environment professions: architecture, engineering, landscape architecture, project and construction management, property valuation, and quantity surveying.

The council's strategic goals over the medium term are to: facilitate the establishment of a transformed built environment with appropriate, adequate skills and competencies, responsive to the country's infrastructure delivery, operation and maintenance needs; promote an optimally functioning built environment, with a responsive and relevant policy and legislative framework, based on informed and researched positions; ensure that built environment professions operate within a regulated policy and legislative framework; and ensure that the South African built environment sector responds to the developmental and economic priorities of government.

Selected performance indicators

Table 11.29 Council for the Built Environment performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past		Current	Projections			
			2014/15	2015/16		2016/17	2017/18	2018/19	2019/20
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	150	150	150	150	150	150	150
Number of workplace candidates placed per year	Skills development in the built environment		53	50	50	50	50	50	50
Number of interns placed for workplace training per year	Skills development in the built environment		101	154 ¹	200	100	100	100	100

1. Figure restated in the entity's 2016/17 annual report.

Expenditure analysis

The Council for the Built Environment emphasises the economic potential of an optimally functioning built environment sector. The focus of the council over the medium term will be on contributing to government's economic transformation agenda through research and the dissemination of information, developing skills, and developing appropriate strategies and interventions to attract and retain previously marginalised groups in the built environment sector. These priorities are aligned with outcome 4 (decent employment through inclusive growth) and outcome 5 (a skilled and capable workforce to support an inclusive growth path) of government's 2014-2019 medium-term strategic framework.

The council plans to strengthen its research output by producing 4 research reports over the medium term. The main objective of the council's research is to help build a body of knowledge on the built environment in South Africa, and develop and disseminate ideas, tools and techniques that can be applied to improve the performance and prospects of the sector. R2.5 million has been set aside over the medium term for research. The council plans to commission research through all major universities and academic institutions instead of incurring added costs by using consultants.

Over the medium term, the council will continue to facilitate skills development and transformation through workplace training initiatives. Through the structured workplace training programme, an estimated 353 graduates in the built environment professions are expected to be placed in workplaces immediately after graduation. The work integrated learning programme aims to support 300 interns from universities of technology to undergo workplace training. The council also aims to strengthen partnerships with the department and professional bodies that run similar programmes. An estimated R18.2 million has been set aside for expert advisory services required to identify companies willing to take in students for work experience and place candidates in workplaces. R10.9 million is earmarked for travel costs and stipend payments for candidates, as well as the improvement of standards, procedures, processes, systems and tools used to accredit built environment programmes, register candidates, and assess and register professionals. Supplementary funding of R2.7 million is expected to be sourced from the Construction Education and Training Authority.

The council will continue to provide support to an estimated 150 learners in each year over the medium term. Through partnerships with the Central University of Technology and Coega Development Corporation, learners in under-resourced and rural areas will be provided with assistance in mathematics and science to encourage them to consider careers in the built environment. Technical experts in these subjects will be contracted to

provide capacity building workshops and seminars for teachers, and support learners and assess their progress monthly. To achieve this target, R9 million is allocated over the medium term for costs related to contracting maths and science experts.

The council's total projected expenditure is expected to increase at an average annual rate of 2.9 per cent, from R52.2 million in 2017/18 to R56.8 million in 2020/21, with the bulk going towards skills development.

Programmes/objectives/activities

Table 11.30 Council for the Built Environment expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
					2014/15 - 2017/18					2017/18 - 2020/21	
Administration	19 915	38 222	38 549	41 105	27.3%	71.1%	42 002	44 322	43 757	2.1%	78.0%
Skills development in the built environment	9 019	9 655	8 224	8 690	-1.2%	18.8%	9 185	9 699	10 232	5.6%	17.2%
Research and information in the built environment	9 048	919	881	747	-56.5%	6.8%	790	834	880	5.6%	1.5%
Regulation and oversight of six built environment professional councils	3 199	566	598	1 250	-26.9%	3.1%	1 321	1 395	1 472	5.6%	2.5%
Government policies and priorities	-	-	-	406	-	0.2%	429	453	478	5.6%	0.8%
Total	41 181	49 362	48 252	52 198	8.2%	100.0%	53 727	56 703	56 819	2.9%	100.0%

Statements of historical financial performance and position

Table 11.31 Council for the Built Environment statements of historical financial performance and position

Statement of financial performance									
R thousand	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	Budget	2014/15	Budget	2015/16	Budget	2016/17			
									2014/15 - 2017/18
Revenue									
Non-tax revenue	1 953	2 173	1 953	2 463	3 702	3 025	2 861	3 661	108.1%
Sale of goods and services other than capital assets	1 803	2 141	1 803	1 841	2 000	2 080	2 010	2 010	106.0%
of which:									
Sales by market establishment	1 803	2 141	1 803	1 841	2 000	2 080	2 010	2 010	106.0%
Other non-tax revenue	150	32	150	622	1 702	945	851	1 651	113.9%
Transfers received	41 572	41 572	41 994	41 994	43 413	43 413	48 568	48 568	100.0%
Total revenue	43 525	43 745	43 947	44 457	47 115	46 438	51 429	52 229	100.5%
Expenses									
Current expenses	43 184	41 181	43 947	49 362	47 116	48 252	51 429	52 198	102.9%
Compensation of employees	19 138	16 585	19 330	20 227	25 026	23 043	26 878	26 292	95.3%
Goods and services	24 046	23 986	24 617	28 180	22 090	23 876	24 551	25 906	107.0%
Depreciation	-	610	-	955	-	1 333	-	-	-
Total expenses	43 184	41 181	43 947	49 362	47 116	48 252	51 429	52 198	102.9%
Surplus/(Deficit)	341	2 564	-	(4 905)	(1)	(1 814)	-	31	
Statement of financial position									
Carrying value of assets	1 583	2 884	3 629	2 545	3 679	6 279	3 807	3 807	122.2%
of which:									
Acquisition of assets	(360)	(378)	(980)	(652)	(580)	(248)	(650)	(31)	50.9%
Investments	-	-	-	93	-	-	-	-	-
Receivables and prepayments	301	333	148	214	146	374	150	411	178.8%
Cash and cash equivalents	3 703	15 481	3 500	11 211	3 901	9 201	4 030	3 633	261.2%
Total assets	5 587	18 698	7 277	14 063	7 726	15 854	7 987	7 851	197.6%
Accumulated surplus/(deficit)	4 659	13 841	3 629	8 887	3 679	7 073	3 807	3 807	213.1%
Trade and other payables	650	4 657	3 459	4 980	3 845	5 724	3 968	308	131.4%
Provisions	278	200	189	196	202	259	212	938	180.9%
Derivatives financial instruments	-	-	-	-	-	2 798	-	2 798	-
Total equity and liabilities	5 587	18 698	7 277	14 063	7 726	15 854	7 987	7 851	197.6%

Statements of estimates of financial performance and position

Table 11.32 Council for the Built Environment statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
					2017/18	2014/15 - 2017/18	2018/19		
R thousand									
Revenue									
Non-tax revenue		3 661	19.0%	6.0%	3 627	3 797	3 972	2.8%	6.8%
Sale of goods and services other than capital assets		2 010	-2.1%	4.3%	2 125	2 244	2 367	5.6%	3.9%
<i>of which:</i>									
Sales by market establishment		2 010	-2.1%	4.3%	2 125	2 244	2 367	5.6%	3.9%
Other non-tax revenue		1 651	272.3%	1.7%	1 502	1 553	1 605	-0.9%	2.8%
Transfers received		48 568	5.3%	94.0%	50 100	52 906	55 816	4.7%	93.2%
Total revenue		52 229	6.1%	100.0%	53 727	56 703	59 788	4.6%	100.0%
Expenses									
Current expenses		52 198	8.2%	100.0%	53 727	56 703	56 819	2.9%	100.0%
Compensation of employees		26 292	16.6%	44.8%	26 345	27 669	26 017	-0.4%	48.5%
Goods and services		25 906	2.6%	53.6%	27 382	29 034	30 802	5.9%	51.5%
Total expenses		52 198	8.2%	100.0%	53 727	56 703	56 819	2.9%	100.0%
Surplus/(Deficit)		31			-	-	2 969		
Statement of financial position									
Carrying value of assets		3 807	9.7%	30.4%	3 807	3 807	3 807	-	46.5%
<i>of which:</i>									
Acquisition of assets		(31)	-56.6%	-2.2%	-	-	-	-100.0%	-0.1%
Receivables and prepayments		411	7.3%	2.7%	434	459	484	5.6%	5.4%
Cash and cash equivalents		3 633	-38.3%	66.7%	3 833	4 047	4 270	5.5%	48.1%
Total assets		7 851	-25.1%	100.0%	8 074	8 313	8 561	2.9%	100.0%
Accumulated surplus/(deficit)		3 807	-35.0%	57.6%	3 959	4 124	4 296	4.1%	49.3%
Trade and other payables		308	-59.6%	25.1%	326	344	363	5.6%	4.1%
Provisions		938	67.4%	4.0%	991	1 047	1 105	5.6%	12.4%
Derivatives financial instruments		2 798	-	13.3%	2 798	2 798	2 798	-	34.2%
Total equity and liabilities		7 851	-25.1%	100.0%	8 074	8 313	8 561	2.9%	100.0%

Personnel information

Table 11.33 Council for the Built Environment personnel numbers and cost by salary level

Number of posts estimated for 31 March 2018			Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts on approved establishment	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate level/Total (%)	Average: Salary level/Total (%)			
			2016/17		2017/18		2018/19		2019/20		2020/21								
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			Number	Cost	Unit cost
Council for the Built Environment																			
Salary level	39	39	39	23.0	0.6	37	26.3	0.7	37	26.3	0.7	38	27.7	0.7	42	26.0	0.6	-0.3%	100.0%
1 – 6	6	6	6	0.6	0.1	6	0.7	0.1	6	0.7	0.1	6	0.7	0.1	4	0.8	0.2	5.2%	14.4%
7 – 10	16	16	16	7.7	0.5	16	8.3	0.5	16	8.1	0.5	17	9.0	0.5	12	7.9	0.7	-1.7%	39.9%
11 – 12	6	6	6	4.3	0.7	5	4.6	0.9	5	4.7	0.9	5	4.8	1.0	2	4.6	2.3	-0.1%	11.2%
13 – 16	11	11	11	10.4	0.9	10	12.7	1.3	10	12.9	1.3	10	13.1	1.3	24	12.8	0.5	0.1%	34.4%

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 goal over the medium term is to be a state development agency that implements projects commissioned by national and provincial government departments, and implements transformative mechanisms geared towards empowering communities through the use of social infrastructure programmes as the basis for accessing communities and developing assets within communities.

Selected performance indicators**Table 11.34 Independent Development Trust performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Value of funds spent on infrastructure projects per year	Programme management	Outcome 4: Decent employment through inclusive growth	R6.4bn	R4.6bn	R4.4bn	R4.6bn	R6.1bn	R6.5bn	R6.6bn
Number of newly refurbished schools completed per year	Programme management	Entity mandate	42	18	4	-1	-1	-1	-1
Number of work opportunities created through the Independent Development Trust portfolio per year	Programme management		20 983	7 602	7 102	7 500	7 800	8 500	9 000
Number of expanded public works programme (non-state sector) work opportunities created per year	Programme management		53 268	54 155	58 637	50 000	54 000	55 000	56 000
Total number of expanded public works programme cooperatives, non-profit organisations and community based organisations supported	Programme management		378	380	391	357	380	390	400

1. Indicator discontinued.

Expenditure analysis

Over the medium term, the Independent Development Trust will continue to focus on implementing infrastructure projects aimed at empowering poor communities. This contributes to outcome 8 (sustainable human settlements and improved quality of household life) and outcome 4 (decent employment through inclusive growth) of government's 2014-2019 medium-term strategic framework.

The trust's work over the MTEF period will continue to focus on providing project management services for delivering and refurbishing social infrastructure such as schools, clinics and community centres, mainly in rural areas. To fulfil this, the trust aims to implement 97 main programme portfolios and multiple subprogrammes on behalf of national and provincial departments. Through these projects, the trust expects to create 191 470 work opportunities by 2020/21.

To reverse the negative audit opinions it has received over the past three years and address weaknesses in its systems, the trust plans to invest resources in developing its billing, project accounting and supply chain management systems. A revised operating model and turnaround strategy are expected to help the trust improve competitiveness through matching the right skills and resources with the right jobs. A major motivation behind the trust's turnaround strategy has been the need to attract new business, recover lost business and acquire new allocations from departmental programmes. It is anticipated that, over the MTEF period, the trust could attract management service work from new projects collectively valued at R13.5 billion. The trust has allocated R12.4 million over the medium term for activities aimed at attracting and managing work from this new project portfolio. Spending on compensation of employees, accounting for an estimated 57.8 per cent of total expenditure is expected to decrease from R250 million in 2017/18 to R232.7 million in 2020/21 in line with the trust's turnaround strategy.

The trust receives the bulk of its revenue from management fees for programmes implemented on behalf of government departments. Management fees are expected to increase from R233.1 million in 2017/18 to R429.5 million in 2020/21 as the trust has already secured project management work relating to a project portfolio that is set to increase in value from R4.6 billion in 2017/18 to R6.6 billion in 2020/21.

Programmes/objectives/activities**Table 11.35 Independent Development Trust expenditure trends and estimates by programme/objective/activity**

R thousand	Audited outcome				Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21	
Administration	84 334	120 084	115 140	169 129	26.1%	32.5%	102 415	109 308	116 064	-11.8%	31.5%
Programme management	233 081	241 249	254 142	265 626	4.5%	67.5%	246 743	268 681	285 841	2.5%	68.5%
Total	317 415	361 333	369 282	434 755	11.1%	100.0%	349 158	377 989	401 905	-2.6%	100.0%

Statements of historical financial performance and position

Table 11.36 Independent Development Trust statements of historical financial performance and position

Statement of financial performance									Average: Outcome/ Budget (%)
R thousand	Budget 2014/15	Audited outcome	Budget 2015/16	Audited outcome	Budget 2016/17	Audited outcome	Budget estimate 2017/18	Revised estimate	
Revenue									
Non-tax revenue	320 000	355 913	358 043	244 649	377 790	227 963	395 842	244 145	73.9%
Sale of goods and services other than capital assets	315 000	351 609	358 043	226 592	377 790	210 560	395 842	234 600	70.7%
<i>of which:</i>									
Administrative fees	315 000	351 609	358 043	226 592	377 790	210 560	395 842	234 600	70.7%
Other non-tax revenue	5 000	4 304	–	18 057	–	17 403	–	9 545	986.2%
Transfers received	50 000	50 000	50 000	50 000	–	–	–	111 066	211.1%
Total revenue	370 000	405 913	408 043	294 649	377 790	227 963	395 842	355 211	82.7%
Expenses									
Current expenses	495 895	317 415	408 043	361 333	464 485	369 282	450 438	434 755	81.5%
Compensation of employees	313 034	212 634	245 693	214 008	252 193	204 901	242 829	250 005	83.7%
Goods and services	175 607	90 332	155 096	142 848	207 891	159 459	202 946	180 087	77.2%
Depreciation	7 254	3 784	7 254	4 004	4 401	3 333	4 663	4 663	67.0%
Interest, dividends and rent on land	–	10 666	–	473	–	1 589	–	–	–
Total expenses	495 895	317 415	408 043	361 333	464 485	369 282	450 438	434 755	81.5%
Surplus/(Deficit)	(125 895)	88 498	–	(66 684)	(86 695)	(141 319)	(54 596)	(79 544)	
Statement of financial position									
Carrying value of assets	31 203	33 543	33 489	29 828	32 422	29 434	35 187	49 302	107.4%
<i>of which:</i>									
Acquisition of assets	(7 000)	(1 224)	(7 000)	(1 469)	(7 000)	(3 360)	(7 434)	(25 400)	110.6%
Investments	–	1 025 411	119 601	1 870 223	1 981 757	2 157 115	1 931 757	12 565	125.6%
Receivables and prepayments	61 875	313 368	249 128	189 531	753 128	172 500	757 891	115 988	43.4%
Cash and cash equivalents	96 644	47 485	5 000	43 156	1 048	2 783	4 993	2 094	88.7%
Total assets	189 722	1 419 807	407 218	2 132 738	2 768 355	2 361 832	2 729 828	179 949	100.0%
Accumulated surplus/(deficit)	59 578	(1 611 140)	339 849	(1 677 824)	(1 810 059)	(1 819 143)	(1 849 612)	(1 849 612)	213.4%
Capital and reserves	–	2 025 000	–	2 025 000	2 025 000	2 025 000	2 025 000	2 025 000	200.0%
Borrowings	50 643	–	–	–	–	–	–	–	–
Finance lease	–	1 858	2 000	1 432	531	1 351	531	1 351	195.7%
Trade and other payables	42 459	31 590	65 369	49 072	38 351	51 539	39 377	52 286	99.4%
Provisions	37 042	32 779	–	26 364	–	9 983	–	–	186.6%
Derivatives financial instruments	–	939 720	–	1 708 694	2 514 532	2 093 101	2 514 532	(49 076)	93.3%
Total equity and liabilities	189 722	1 419 807	407 218	2 132 738	2 768 355	2 361 831	2 729 828	179 949	100.0%

Statements of estimates of financial performance and position

Table 11.37 Independent Development Trust statements of estimates of financial performance and position

Statement of financial performance								
R thousand	Revised estimate 2017/18	Average growth rate (%)	Average: Expen- diture/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expen- diture/ Total (%)
				2018/19	2019/20	2020/21	2017/18 - 2020/21	
Revenue								
Non-tax revenue	244 145	-11.8%	84.9%	348 191	387 708	434 532	21.2%	90.0%
Sale of goods and services other than capital assets	234 600	-12.6%	80.5%	314 015	332 812	429 532	22.3%	83.3%
<i>of which:</i>								
Administrative fees	234 600	-12.6%	80.5%	314 015	332 812	429 532	22.3%	83.3%
Other non-tax revenue	9 545	30.4%	4.4%	34 176	54 896	5 000	-19.4%	6.7%
Transfers received	111 066	30.5%	15.1%	28 362	5 000	–	-100.0%	10.0%
Total revenue	355 211	-4.4%	100.0%	376 553	392 708	434 532	6.9%	100.0%
Expenses								
Current expenses	434 755	11.1%	100.0%	349 158	377 989	401 905	-2.6%	100.0%
Compensation of employees	250 005	5.5%	59.8%	200 505	220 557	232 687	-2.4%	57.8%
Goods and services	180 087	25.9%	38.1%	143 750	152 284	163 618	-3.1%	40.9%
Depreciation	4 663	7.2%	1.1%	4 903	5 148	5 600	6.3%	1.3%
Total expenses	434 755	11.1%	100.0%	349 158	377 989	401 905	-2.6%	100.0%
Surplus/(Deficit)	(79 544)			27 395	14 719	32 627		
Statement of financial position								
Carrying value of assets	49 302	13.7%	8.1%	75 814	81 499	82 861	18.9%	32.8%
<i>of which:</i>								
Acquisition of assets	(25 400)	174.8%	-3.6%	(69 870)	(66 810)	(58 530)	32.1%	-24.8%
Investments	12 565	-76.9%	64.6%	11 308	9 046	7 236	-16.8%	4.8%
Receivables and prepayments	115 988	-28.2%	25.7%	157 093	194 837	253 750	29.8%	80.5%
Cash and cash equivalents	2 094	-64.7%	1.7%	(34 182)	(60 005)	(80 216)	-437.1%	-18.0%
Total assets	179 949	-49.8%	100.0%	210 033	225 377	263 631	13.6%	100.0%

Table 11.37 Independent Development Trust statements of estimates of financial performance and position

Statement of financial position	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2017/18	2014/15 - 2017/18	2018/19		
R thousand								
Accumulated surplus/(deficit)	(1 849 612)	4.7%	-324.3%	(2 025 001)	(2 025 001)	–	-100.0%	-722.6%
Capital and reserves	2 025 000	–	362.2%	2 025 000	2 025 000	–	-100.0%	747.0%
Finance lease	1 351	-10.1%	0.3%	1 424	1 501	1 582	5.4%	0.7%
Trade and other payables	52 286	18.3%	8.9%	54 901	55 450	60 995	5.3%	25.7%
Derivatives financial instruments	(49 076)	-137.4%	51.9%	153 709	168 427	201 054	-260.0%	49.2%
Total equity and liabilities	179 949	-49.8%	100.0%	210 033	225 377	263 631	13.6%	100.0%

Personnel information

Table 11.38 Independent Development Trust personnel numbers and cost by salary level

Number of posts estimated for 31 March 2018		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 (%)	Average: Salary level/Total (%)				
		2016/17		Unit cost	2017/18		Unit cost	2018/19		Unit cost	2019/20		Unit cost			2020/21		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	2017/18 - 2020/21		
Salary level	360	360	372	204.9	0.6	360	250.0	0.7	360	200.5	0.6	360	220.6	0.6	360	232.7	0.6	-2.4%	100.0%
7 – 10	201	201	150	54.0	0.4	201	90.8	0.5	201	93.4	0.5	201	105.5	0.5	201	111.3	0.6	7.0%	55.8%
11 – 12	118	118	127	52.8	0.4	118	57.2	0.5	118	58.0	0.5	118	62.2	0.5	118	65.7	0.6	4.7%	32.8%
13 – 16	41	41	95	98.1	1.0	41	102.0	2.5	41	49.2	1.2	41	52.8	1.3	41	55.7	1.4	-18.3%	11.4%

1. Rand million.

Property Management Trading Entity

Mandate

The Property Management Trading Entity was established following a decision in 2006 that accommodation-related costs be devolved from the Department of Public Works to client departments. The entity performs immovable asset management functions on behalf of the department. These functions include the provision of residential and office accommodation for client departments at the national government level; and 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 11.39 Property Management Trading Entity performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
Percentage of valuations completed within scheduled timeframes per year	Real estate investment services	Outcome 12: An efficient, effective and development oriented public service	–1	–1	83% (290 of 350)	85%	90%	90%	90%
Number of sites established for precinct development per year	Real estate investment services		–1	–1	3	3	4	4	4
Number of buildings performance assessed in terms of identified performance areas per year	Real estate investment services		–1	–1	400	600	800	800	800
Number of infrastructure projects completed within agreed construction period	Construction management services		–1	125 (65%)	139 (57%)	85 (80%)	105 (80%)	115 (80%)	125 (80%)
Number of infrastructure projects completed within approved budget	Construction management services		–1	109 (57%)	129 (53%)	85 (80%)	105 (80%)	115 (80%)	125 (80%)
Number of expanded public works programme work opportunities created through construction projects	Construction management services		1 482	11 126	8 959	9 000	7 511	8 200	9 020

Table 11.39 Property Management Trading Entity performance indicators by programme/objective/activity and related outcome

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Percentage of infrastructure projects backlogs reduced	Construction management services	Outcome 12: An efficient, effective and development oriented public service	-1	15% (216)	14% (154)	15% (148)	20%	30%	40%
Number of private leases reduced within the security cluster per year ²	Real estate management services		-1	-1	2	6	12	13	13
Percentage increase in revenue generation through letting of state-owned properties per year (excluding harbour-related properties)	Real estate management services		-1	-1	-1	10% (R3.1m)	10%	15%	20%
Number of provincial immovable asset registers assessed for compliance	Real estate registry services	Outcome 9: Responsive, accountable, effective and efficient developmental local government	-1	-1	9	9	9	9	9
Number of prioritised facilities with facilities management contracts in place per year	Facilities management services	Outcome 10: Protect and enhance our environmental assets and natural resources	-1	300	350	450	500	550	600

1. No historical data available.

2. Old indicator selected for publication in the Estimates of National Expenditure.

Expenditure analysis

Over the medium term, the Property Management Trading Entity will improve its immovable asset management portfolio by providing cost effective accommodation solutions to client departments. These activities support the delivery of government's 2014-2019 medium-term strategic framework, in particular outcome 9 (responsive, accountable, effective and efficient developmental local government), outcome 10 (protect and enhance our environmental assets and natural resources) and outcome 12 (an efficient, effective and development oriented public service).

The entity will continue to focus on renting out state-owned properties to departments and other government institutions, refurbishing properties, constructing new buildings, extending the life cycles of existing properties, and managing leases with privately owned properties for departments. An estimated R32.8 billion will be spent on operating leases, and property and municipal services in the real estate management services programme. Payments made by the entity for accommodation and municipal services are on a cost recovery basis, with the entity paying upfront for services and later recovering the funds from client departments. The entity earns a management fee for this.

Over the medium term, the entity plans to address deterioration in facilities that negatively affects service delivery and leads to depreciation in property values. The entity is expected to develop a maintenance strategy for scheduled and unscheduled maintenance on major components (such as boilers; heating, ventilation and air conditioning systems; lifts; and water treatment plants) in 85 state-owned buildings at a projected cost of R7.3 billion in the real estate management services programme. This work is done in line with the national infrastructure maintenance strategy and the Government Immovable Asset Management Act (2007).

Maintenance capital projects focus on maintaining or improving the life cycle of immovable assets through major maintenance to, or the rehabilitation or refurbishment of, buildings as opposed to minor maintenance. Through the construction management services and facilities management services programmes, the entity plans to complete 257 maintenance capital projects at a projected cost of R10.2 billion over the MTEF period, and 122 refurbishment projects at a projected cost of R5.2 billion.

The entity plans to increase the number of construction work opportunities provided through the expanded public works programme from 7 511 in 2018/19 to 9 020 in 2020/21 with funding of R594 million in the construction management services programme. To increase the work opportunities, the entity plans to ensure that some of the construction work undertaken will be through labour intensive methods as opposed to the use of machinery.

The entity also plans to provide water and sanitation services to all buildings and facilities that are not connected to municipal water infrastructure at a projected cost of R70 million over the medium term in the facilities management services programme. Total spending on goods and services is expected to account for 79.9 per cent of the entity's total spending, increasing at an average annual rate of 2.3 per cent, from R12.2 billion in 2017/18 to R13.1 billion in 2020/21.

The entity generates revenue mainly through management fees, rentals charged to user departments, and transfers from the department. Revenue is expected to increase at an average annual rate of 3.8 per cent, from R19.7 billion in 2017/18 to R22.1 billion in 2020/21, with leased accommodation and the recovery of payments for municipal services accounting for the bulk of revenue collected.

Programmes/objectives/activities

Table 11.40 Property Management Trading Entity expenditure trends and estimates by programme/objective/activity

	Audited outcome			Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average Expenditure/Total (%) 2014/15 - 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R thousand											
Administration	848 437	5 371 036	5 661 971	711 997	-5.7%	21.8%	1 132 878	1 175 241	1 249 350	20.6%	6.8%
Real estate investment services	100 639	-	-	117 792	5.4%	0.4%	131 421	140 130	149 041	8.2%	0.9%
Construction management services	282 373	256 288	254 527	274 853	-0.9%	1.9%	318 240	264 689	281 522	0.8%	1.8%
Real estate management services	5 183 959	6 013 261	5 478 436	10 874 740	28.0%	48.4%	10 475 283	11 003 849	11 575 497	2.1%	69.8%
Real estate registry services	2 627 955	-	-	72 209	-69.8%	5.7%	108 862	115 859	123 034	19.4%	0.7%
Facilities management services	2 712 496	3 200 060	3 105 119	3 202 513	5.7%	21.8%	3 269 564	3 012 460	3 180 421	-0.2%	20.1%
Total	11 755 859	14 840 645	14 500 053	15 254 104	9.1%	100.0%	15 436 248	15 712 228	16 558 865	2.8%	100.0%

Statements of historical financial performance and position

Table 11.41 Property Management Trading Entity statements of historical financial performance and position

Statement of financial performance									Average: Outcome/Budget (%) 2014/15 - 2017/18
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
	2014/15		2015/16		2016/17		2017/18		
Revenue									
Non-tax revenue	11 209 728	12 241 143	10 576 458	11 718 868	11 341 568	12 091 218	16 038 918	16 038 918	105.9%
Sale of goods and services other than capital assets	11 187 388	9 392 080	10 529 415	10 898 723	11 297 532	10 629 887	11 650 726	11 650 726	95.3%
<i>of which:</i>									
<i>Sales by market establishment</i>	7 180 821	4 066 195	6 644 074	4 404 007	7 147 219	4 201 285	7 181 910	7 181 910	70.5%
<i>Other sales</i>	4 006 567	5 325 885	3 885 341	6 494 716	4 150 313	6 428 602	4 468 816	4 468 816	137.6%
Other non-tax revenue	22 340	2 849 063	47 043	820 145	44 036	1 461 331	4 388 192	4 388 192	211.5%
Transfers received	673 372	673 372	3 524 652	3 524 652	3 389 448	3 389 448	3 758 922	3 682 254	99.3%
Total revenue	11 883 100	12 914 515	14 101 110	15 243 520	14 731 016	15 480 666	19 797 840	19 721 172	104.7%
Expenses									
Current expenses	6 375 199	10 936 067	8 902 082	13 715 203	11 920 670	13 461 734	13 912 349	13 912 349	126.6%
Compensation of employees	-	1 268 405	1 288 773	1 310 136	1 469 782	1 500 867	1 674 303	1 674 303	129.8%
Goods and services	6 358 619	7 049 311	7 474 545	9 555 272	7 677 778	9 113 160	12 237 046	12 237 046	112.5%
Depreciation	-	2 617 630	120 000	2 604 388	2 750 000	2 759 619	-	-	278.1%
Interest, dividends and rent on land	16 580	721	18 764	245 407	23 110	88 088	1 000	1 000	563.8%
Transfers and subsidies	975 009	819 792	981 178	1 125 442	1 141 796	1 038 319	1 341 755	1 341 755	97.4%
Total expenses	7 350 208	11 755 859	9 883 260	14 840 645	13 062 466	14 500 053	15 254 104	15 254 104	123.7%
Surplus/(Deficit)	4 532 892	1 158 656	4 217 850	402 875	1 668 550	980 613	4 543 736	4 467 068	
Statement of financial position									
Carrying value of assets	6 050 005	110 962 779	87 674 163	137 415 828	95 016 000	139 036 474	112 862 500	112 862 500	165.9%
<i>of which:</i>									
<i>Acquisition of assets</i>	(4 532 892)	(3 513 935)	(4 507 741)	(4 000 773)	(4 408 268)	(3 650 295)	(4 543 736)	(4 543 736)	87.3%
Investments	1 096 240	1 008 127	1 214 000	899 747	1 214 500	713 292	1 000 000	1 000 000	80.0%
Receivables and prepayments	1 978 600	2 351 561	2 700 000	3 785 642	2 700 000	4 859 457	3 501 500	3 501 500	133.3%
Cash and cash equivalents	1 000	6 197	7 000	3 982	7 000	2 934	4 000	4 000	90.1%
Total assets	9 125 845	114 328 664	91 595 163	142 105 199	98 937 500	144 612 157	117 368 000	117 368 000	163.5%
Accumulated surplus/(deficit)	5 788 216	105 458 056	83 256 163	129 233 263	90 598 500	130 213 876	104 581 000	104 581 000	165.2%
Borrowings	1 000 000	667 588	650 000	1 468 852	650 000	1 932 441	1 500 000	1 500 000	146.5%
Finance lease	936 240	5 879	4 000	11 607	4 000	16 739	12 000	12 000	4.8%
Deferred income	-	4 364 843	-	6 227 596	-	6 418 437	7 000 000	7 000 000	343.0%
Trade and other payables	1 000 000	2 472 271	6 000 000	2 827 220	6 000 000	3 363 472	2 700 000	2 700 000	72.4%
Provisions	23 600	15 551	150 000	1 181 830	150 000	1 643 031	250 000	250 000	538.8%
Derivatives financial instruments	377 789	1 344 476	1 535 000	1 154 831	1 535 000	1 024 161	1 325 000	1 325 000	101.6%
Total equity and liabilities	9 125 845	114 328 664	91 595 163	142 105 199	98 937 500	144 612 157	117 368 000	117 368 000	163.5%

Statements of estimates of financial performance and position

Table 11.42 Property Management Trading Entity statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
					2017/18	2014/15 - 2017/18	2018/19		
R thousand									
Revenue									
Non-tax revenue		16 038 918	9.4%	82.8%	15 900 881	16 720 906	17 603 015	3.2%	80.2%
Sale of goods and services other than capital assets		11 650 726	7.4%	68.0%	12 199 138	13 031 645	13 926 172	6.1%	61.4%
<i>of which:</i>									
<i>Sales by market establishment</i>		7 181 910	20.9%	31.0%	7 364 827	7 880 825	8 432 381	5.5%	37.3%
<i>Other sales</i>		4 468 816	-5.7%	37.0%	4 834 311	5 150 820	5 493 791	7.1%	24.1%
Other non-tax revenue		4 388 192	15.5%	14.8%	3 701 743	3 689 261	3 676 843	-5.7%	18.8%
Transfers received		3 682 254	76.2%	17.2%	4 009 490	4 233 146	4 465 719	6.6%	19.8%
Total revenue		19 721 172	15.2%	100.0%	19 910 371	20 954 052	22 068 734	3.8%	100.0%
Expenses									
Current expenses		13 912 349	8.4%	92.4%	14 030 677	14 194 211	14 919 407	2.4%	90.6%
Compensation of employees		1 674 303	9.7%	10.2%	1 593 057	1 698 200	1 808 582	2.6%	10.8%
Goods and services		12 237 046	20.2%	66.9%	12 437 620	12 496 011	13 110 825	2.3%	79.9%
Interest, dividends and rent on land		1 000	11.5%	0.6%	-	-	-	-100.0%	0.0%
Transfers and subsidies		1 341 755	17.8%	7.6%	1 405 571	1 518 017	1 639 458	6.9%	9.4%
Total expenses		15 254 104	9.1%	100.0%	15 436 248	15 712 228	16 558 865	2.8%	100.0%
Surplus/(Deficit)		4 467 068			4 474 123	5 241 824	5 509 869		
Statement of financial position									
Carrying value of assets		112 862 500	0.6%	96.5%	136 170 000	136 170 000	136 170 000	6.5%	96.0%
<i>of which:</i>									
<i>Acquisition of assets</i>		(4 543 736)	8.9%	-3.1%	(4 474 123)	(5 241 825)	(5 509 870)	6.6%	-3.7%
Investments		1 000 000	-0.3%	0.7%	700 000	700 000	700 000	-11.2%	0.6%
Receivables and prepayments		3 501 500	14.2%	2.8%	5 000 050	5 000 050	5 000 050	12.6%	3.4%
Cash and cash equivalents		4 000	-13.6%	0.0%	3 000	3 000	3 000	-9.1%	0.0%
Total assets		117 368 000	0.9%	100.0%	141 873 050	141 873 050	141 873 050	6.5%	100.0%
Accumulated surplus/(deficit)		104 581 000	-0.3%	90.6%	104 581 000	104 581 000	127 123 050	6.7%	88.5%
Borrowings		1 500 000	31.0%	1.1%	2 000 000	2 000 000	2 000 000	10.1%	1.5%
Finance lease		12 000	26.9%	0.0%	20 000	20 000	20 000	18.6%	0.0%
Deferred income		7 000 000	17.1%	4.7%	6 500 000	6 500 000	6 500 000	-2.4%	5.4%
Trade and other payables		2 700 000	3.0%	2.2%	3 500 000	3 500 000	3 500 000	9.0%	2.7%
Provisions		250 000	152.4%	0.5%	1 690 000	1 690 000	1 690 000	89.1%	1.1%
Derivatives financial instruments		1 325 000	-0.5%	1.0%	1 040 000	1 040 000	1 040 000	-7.8%	0.9%
Total equity and liabilities		117 368 000	0.9%	100.0%	119 331 000	119 331 000	141 873 050	6.5%	100.0%

Personnel information

Table 11.43 Property Management Trading Entity personnel numbers and cost by salary level

Number of posts estimated for 31 March 2018		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 (%)	Average: Salary level/Total (%)						
		2016/17	2017/18	2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21								
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				
Property Management Trading Entity		6 819	7 440	4 374	500.9	0.3	3 747	1 674.3	0.4	6 886	1 593.1	0.2	6 665	1 698.2	0.3	6 546	1 808.6	0.3	2.6%	100.0%
Salary level																				
1 - 6		3 602	3 991	2 532	391.3	0.2	2 137	451.5	0.2	3 743	381.4	0.1	3 560	404.3	0.1	3 485	428.3	0.1	-1.7%	54.5%
7 - 10		2 209	2 334	1 304	536.2	0.4	1 179	630.9	0.5	2 178	574.0	0.3	2 155	614.9	0.3	2 119	652.8	0.3	1.1%	31.9%
11 - 12		880	967	454	456.0	1.0	367	478.2	1.3	854	541.1	0.6	841	577.0	0.7	833	617.3	0.7	8.9%	11.9%
13 - 16		128	148	84	117.3	1.4	64	113.7	1.8	111	96.6	0.9	109	102.0	0.9	109	110.2	1.0	-1.0%	1.7%

1. Rand million.

Additional tables

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

R thousand	Audited outcome			Adjusted appropriation 2017/18	Medium-term expenditure estimate		
	2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
Conditional grants to provinces							
Expanded Public Works Programme							
Expanded public works programme integrated grant for provinces	347 704	325 607	402 009	395 579	416 036	451 505	476 338
Social sector expanded public works programme incentive grant for provinces	257 972	226 103	359 662	385 583	407 948	430 793	454 487
Total	605 676	551 710	761 671	781 162	823 984	882 298	930 825
Conditional grants to municipalities							
Expanded Public Works Programme							
Expanded public works programme integrated grant for municipalities	594 575	587 685	663 991	691 447	692 878	741 917	782 918
Total	594 575	587 685	663 991	691 447	692 878	741 917	782 918

1. Detail provided in the Division of Revenue Act (2018).

Table 11.B Summary of departmental public private partnership projects¹

Project description: Supply and delivery of motor vehicles and fleet services to the state	Project annual unitary fee at time of contract	Budgeted expenditure	Medium-term expenditure estimate			
			2017/18	2018/19	2019/20	2020/21
R thousand						
Projects signed in terms of Treasury Regulation 16	33 821	76 560	84 216	92 638	101 901	
Public private partnership unitary charge ¹	33 821	76 560	84 216	92 638	101 901	
<i>Of which:</i>						
Capital portion	22 154	50 160	55 176	60 694	66 763	
Services provided by the operator	11 667	26 400	29 040	31 944	35 138	
Total	33 821	76 560	84 216	92 638	101 901	

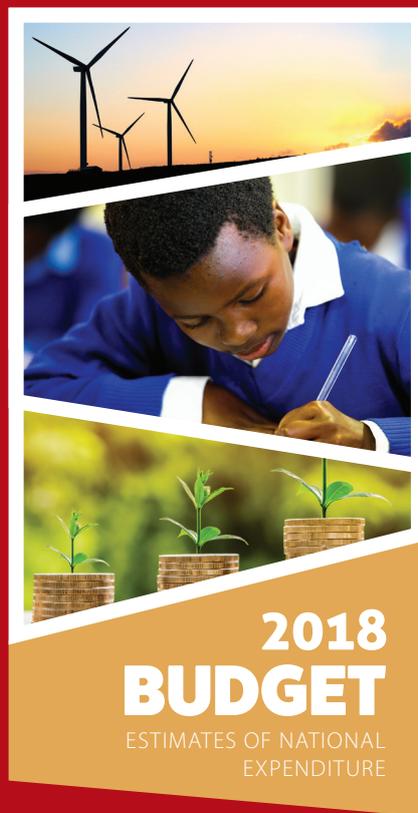
1. Only payments that have received National Treasury approval.

Disclosure notes for projects signed in terms of Treasury Regulation 16

Project name	RTG718 PPP (RT30-2016 will be effective from September 2017)
Brief description	Supply and delivery of motor vehicles and fleet services to the state
Date public private partnership agreement was signed	2007-02-01
Duration of public private partnership agreement	10 years
Significant contingent fiscal obligations including termination payments, guarantees, warranties and indemnities and maximum estimated value of such liabilities	

Table 11.C Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate	
				2014/15	2015/16	2016/17		2018/19	2019/20
Departmental infrastructure									
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	118 352	-	-	-	-	-
Dolomite: Various centres	Management of dolomite risk areas (30 projects)	Various	1 038 300	85 026	-	-	-	-	-
Accessibility: Various centres	Upgrading of disabled facilities (157 projects)	Various	1 13 085	10 156	-	-	-	-	-
Border control operational coordination committee: Various centres	Redevelopment of border post centres (81 projects)	Various	2 136 265	137 164	-	-	-	-	-
Prestige: Various centres	Upgrading and construction of prestige accommodation sites (56 projects)	Various	1 663 078	46 524	-	-	-	-	-
Inner city regeneration: Various centres	Development of national government precincts (7 projects)	Various	457 334	3 718	-	-	-	-	-
Infrastructure transfers to other spheres, agencies and departments									
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	Ongoing	8 153 153	-	628 443	633 024	748 239	804 609	849 667
Total			16 533 974	400 940	628 443	633 024	748 239	804 609	849 667
								896 399	



Private Bag X115, Pretoria, 0001 | 40 Church Square, Pretoria, 0002

Tel +27 12 315 5944 | **Fax** +27 12 406 9055

Web: www.treasury.gov.za



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

