

# VOTE 14

## DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT

To be appropriated by Vote in 2012/13	R1 371 052 000
Responsible MEC	MEC for Infrastructure Development
Administering Department	Department of Infrastructure Development
Accounting Officer	Head of Department

### 1. OVERVIEW

The overall goal and purpose of the Gauteng Department of Infrastructure Development (DID) is to develop and maintain socio-economic infrastructural conditions that allow all the people of Gauteng Province to actively participate in its economic growth.

#### **Vision**

To be a leading infrastructure provider and facilitator that positions Gauteng as a globally competitive city region with a sustainable and growing economy.

#### **Mission**

To facilitate service delivery through the development, construction and management of public infrastructure so as to optimise the creation of decent jobs and promote a better life for all.

#### **Key strategic objectives**

- To expand and maintain public infrastructure to promote the development of the province and redress economic disparities;
- To manage the provincial property portfolio for the optimum benefit of all citizens with an emphasis on maximizing access, utilization and value;
- To implement and co-ordinate the Expanded Public Works Programme (EPWP) in a way that enhances skills development and optimizes decent employment and entrepreneurship ;and
- To improve the technical and administrative capacity of the Department in providing an efficient, effective and development-oriented public service and creating an empowered, fair and inclusive citizenship.

#### **Specific objectives**

To ensure the implementation of all infrastructure programmes and projects reflected in the short, medium and long term plans of the Gauteng Provincial Government (GPG); to manage the construction of GPG capital expenditure (CAPEX) projects such as schools, hospitals, clinics and recreation centres; to manage the provision of maintenance services for all GPG infrastructure; to manage the provincial property portfolio; to ensure participation and involvement of communities through the implementation of the EPWP within GPG CAPEX projects and other departmental projects; and to utilize the construction sector as a catalyst for the development of skills, the creation of jobs and the development of sustainable communities.

#### **Acts, Rules and Regulations**

- Government Immovable Assets Management Act, No 19 of 2007;
- Rental Housing Amendment Act, 2007;
- Space Planning Norms and Standards Notice, No 1665 of 2005;
- Local Government: Municipal Property Rates Act, 2004;
- Broad Based Black Economic Empowerment Act, No 53 of 2003;
- Gauteng Planning and Development Act, 2003;

- Planning Professions Act, 2002;
- Project and Construction Management Act, 2000;
- Property Valuers' Profession Act, 2000;
- Preferential Procurement Policy Act, No 5 of 2000;
- Framework for Supply Chain Management, 1999 ;
- Rental Housing Act, 1999;
- Prevention of Illegal Eviction from and Unlawful Occupation of Land Act, 1998;
- Constitution of the Republic of South Africa Act, No 108 of 1996;
- Gauteng Land Administration Act, No 11 of 1996;
- Occupational Health and Safety Act, 1993 (and particularly the associated construction regulations);
- Rating of State Property Act, No 79 of 1984;
- Deeds Registries Act, No 47 of 1937; and
- Expanded Public Works Programme Guidelines for implementation of labour intensive construction.

## OVERVIEW OF THE MAIN SERVICES TO BE DELIVERED BY THE DEPARTMENT

Service	Level and quality of service
Delivery of integrated public infrastructure (capital works and maintenance)	Strategically integrate infrastructure in Gauteng to ensure effective and efficient planning, construction and maintenance including generic model development. Ensure that service quality includes 100 per cent statutory compliance of all new infrastructure, adherence to planned time, cost and quality indicators, and compliance with minimum statutory maintenance standards.
Plan and co-ordinate implementation of EPWP by all provincial departments	Establish an appropriate centralized coordination and management structure to ensure solid roll out of EPWP projects across the province by municipalities and GPG departments. Up-scale EPWP in all sectors, including application of EPWP principles in all infrastructure projects. Maintain public infrastructure, including buildings, through EPWP. Address unemployment by creating work opportunities and skills needed for the formal job market. Facilitate skills development through technical and institutional training. Facilitate job opportunities by targeting vulnerable sectors of society especially women, youth and people with disabilities.
Provision of accommodation	Provide functional, safe, secure office accommodation for the nine GPG line departments. Manage the property portfolio of the province in line with the Government Immovable Asset Management Act (GIAMA) requirements and other departmental focuses. Fully implement market related rentals for all rental properties.
Provision of accessible infrastructure and buildings to all citizens of the province	Promote access to persons with disabilities and ensure compliance with the Occupational Health and Safety Act (OHSA) for all buildings under the control of DID

### External activities and events relevant to budget decisions

DID implements infrastructure projects on behalf of client departments. The plans and decisions of those departments therefore directly affect DID's activities. However, the decisions of client departments are also subject to regulations impacting on the planning and implementation of projects. Strategic integrated infrastructure planning conducted by the Gauteng Planning Commission enhances project planning and implementation within the province.

Infrastructure management throughout the province, in terms of the GIAMA and including the verification and vesting of immovable assets within the province, is under way. User plans and custodian plans will assist with managing and accounting for the infrastructure.

The disestablishment of the former Department of Public Transport, Roads and Works (DPTRW), the Impophoma Infrastructure Support Entity (IISE), the Kopanong Precinct trading account and the Emoyeni Conference Centre had an impact on the budget decisions and activities of DID. The Maintenance Chief Directorate within the Department absorbed the operations, financial commitments, personnel and data-base of IISE. The entity commissioned projects and incurred related commitments; these had to be absorbed by the Department.

### 1.1 Aligning departmental budgets to achieve prescribed outcomes

The Gauteng Planning Commission (GPC) played a pivotal role in the development of provincial outcomes and the compilation of provincial departments' outcomes plans in the 2010/11 financial year. The Department consulted with the GPC when compiling its 2011/12 outcomes plan to ensure alignment with the provincial outcomes applicable to it. The Department's Strategic Plan and Annual Performance Plan (APP) served as a basis for the development of the outcomes plan.

The APP for 2011/12 was fully aligned with the outcomes approach by ensuring that every activity planned for 2011/12 and over the 2011 MTEF period was related to the realisation of the provincial outcomes. DID implements infrastructure projects on behalf of client departments and therefore it also contributes to the outcomes of those departments, such as “An improved quality of basic education”, “A long and healthy life for all South Africans” and “Vibrant, Equitable and Sustainable Rural Communities with food security for all” which are the primary outcomes of the Departments of Education, Health and Social Development, and Agriculture and Rural Development.

## **2. REVIEW OF THE CURRENT FINANCIAL YEAR (2011/12)**

The Department is mandated to utilize its GPG CAPEX budget allocation and implement other small, medium and large scale infrastructure projects that utilize sole or joint GPG financial investments. It is also mandated to maximize the social and economic benefits that can be gained from the GPG property portfolio.

The Department’s plan on how to achieve the above is outlined in the Annual Performance Plan 2011/12. This is aligned to the outcomes approach, so ensuring that every activity is related to the realization of the provincial outcomes. Progress on the outputs is as follows:

### **Outcome 1: Quality basic education**

The Department contributes to the outcome “Improved quality of basic education”. Six new schools were successfully completed: Winnie Mandela Primary, Thulasizwe Primary, Simunye Primary, Sakhisizwe Secondary, Diepsloot Secondary and Sikhulisile Primary. These new schools will ease pressure on overcrowded schools. To increase access to early childhood development, improve the quality of programmes and provide Gauteng’s youngest citizens with a solid foundation for lifelong learning and development, three Grade R classrooms have been completed at Pheasant Folly, Olifantsvlei and Reagile Primary Schools. Twenty five Grade R classrooms will be completed in the fourth quarter whilst restorative repairs have been made to four schools.

To promote school safety and ensure that learners learn in a safe and secure environment, the following 16 schools have been fenced with palisade fencing: Bodubelo Primary, Merafeng Primary, Lesolang Primary, Dimakatso Primary, Thakukani Primary, Lethamaga Secondary, Makgetse Secondary, Lesiba Secondary, Mveledzo Primary School, Kutumela Molefi Primary, Ratanda Secondary, J.E Mmalepe Secondary, Soshanguve Secondary, Boschkop Secondary, Boikanyo Secondary and Arethabeng Primary.

### **Outcome 2: A long and healthy life for all South Africans**

The Department has built and maintained Health and Social Development infrastructure facilities in accordance with the departmental mandate. It has completed construction of Germiston Hospital which is currently operational. The construction of the Oncology Department at the Steve Biko Academic Hospital was also completed.

To prolong the life of health facilities and improve their accessibility, thus guaranteeing efficient functioning and ease of access, the Department continues to provide statutory, condition-based routine maintenance to provincial health facilities. The Department has also initiated the replacement of electromechanical equipment and plant.

### **Outcome 4: Decent employment through inclusive economic growth**

The Department contributes to the creation of decent work and sustainable livelihoods through community based programmes where it facilitates the implementation of multi-sectoral projects, thereby contributing to economic growth. A total of 11 598 employment opportunities have been created through DID EPWP projects. Of these, 3 787 employment opportunities were provided to youth and 2 054 to women. In order to ensure that skills are created and retained, artisan learners were recruited in the 2009-2011 Artisan Training Programme and placed in the private sector and government at a cost of approximately R21 million. 228 artisan learners graduated in December 2011.

As part of skills development by the Expanded Public Works Programme, the Department has recruited 4 000 youth of whom 2 984 were placed as learners as part of the NYS Programme in the following fields:

- Building Environment Skills Programme to develop youth as artisans;
- Health sector to develop youth in auxiliary health work;
- Social development to develop youth in auxiliary social work;
- Agricultural sector to develop youth as extension officers;

- Library administration to develop youth to be library assistants ;and
- Community safety and social crime prevention activities.

**Outcome 5: Vibrant, equitable, sustainable rural communities contributing towards food security for all**

The Department contributes to this outcome through the implementation of infrastructure projects for the Department of Agriculture and Rural Development (DARD). The Department has successfully completed construction of two DARD projects, namely Roodeplaat Game Hide and Bird Hide.

**Outcome 7: Responsive, accountable, effective and efficient local government system**

The Department continues to contribute to this outcome through management of revenue generated by provincial properties as well as the payment of rates and taxes to municipalities. A total of R7.5 million was collected in revenue as of the end of third quarter 2011/12. An amount of R168 million was paid to municipalities for the reporting period.

The Department continues to engage with municipalities regarding the submission of billing schedules or invoices on time. The MEC has established a political oversight committee with members of mayoral committees to oversee the issue. The Department continues to participate in a debt management committee where all municipalities and GPG departments work out efficient ways of promoting accurate billing.

### **3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2012/13)**

The Department is mandated to utilize its GPG CAPEX and budget allocations and implement small, medium and large scale infrastructure projects that utilize sole or joint GPG financial investments. It is also mandated to maximize the social and economic benefits that can be gained from the GPG property portfolio.

**Outcome 1: Quality basic education**

The Department will continue to contribute to this outcome through the construction and maintenance of education facilities. A total number of construction projects that the Department will be dealing with during the 2012/13 financial year amounts to 318 in relation to construction of buildings in terms of this outcome. During the same period, there will be 65 projects related to project planning and design. Five new schools will be constructed in the 2012/13 financial year, 35 schools will be fenced and 72 rehabilitations will be undertaken in education facilities. The Department will also construct 164 Grade R classrooms.

**Outcome 2: A long and healthy life for all South Africans**

An amount of approximately R450 million has been committed to renew all electromechanical equipment and plant, which includes gas/diesel boilers, lifts, chillers, autoclaves, standby generators and laundry equipment. Such equipment is to be replaced in 2011/12 and 2012/13 in the institutions: Charlotte Maxeke, George Mukhari, Jubilee, and Helen Joseph Hospitals and others within the province.

In addition, there are maintenance projects throughout the province where nurses' homes, doctors' quarters, maternity wards and casualty areas are being refurbished. Work will be carried out as follows in the following institutions amongst others:

- Maintenance and refurbishment at Charlotte Maxeke Nurses Home, Kopanong hospital and Tambo Memorial Hospital;
- Refurbishment of Kalafong maternity ward;
- Conversion of a kitroom to a maternity ward at Chris Hani Baragwanath Hospital;
- Maintenance of casualty areas in all hospitals; and
- Maintenance at George Mukhari doctors' quarters.

**Outcome 4: Decent employment through inclusive economic growth**

The Department contributes to the outcome through the implementation of community based programmes through which it facilitates the implementation of multi-sectoral projects, thereby contributing to economic growth. The Department will manage and coordinate the creation of 90 097 jobs within the province, of whom 49 553 will be women, 36 038 will be youth and 1802 will be for people with disabilities.

A total of 6 700 people will be trained and capacitated with skills. 121 emerging contractors will be included in the Contractor Incubator Programme whilst 500 apprentices will be recruited for the Artisan Training Programme. The Department will also continue with the construction of the following EPWP projects:

- Sokhulumi MPCC;
- Lillian Ngoyi Heritage Site;
- June 16 Heritage Site;
- Boipatong Heritage Site; and
- Eikenhof VIP toilets.

### Outcome 7: Responsive, accountable, effective and efficient local government system

The Department will ensure revenue generation from provincial properties as well as the prompt payment of rates and taxes to municipalities. An amount of R281 million will be spent towards the devolution of rates and taxes. The Department will also continue to encourage payment of market related rentals. 150 leases (100 residential and 50 vacant land) will be concluded.

The Department will continue with the implementation of the Government Immovable Asset Management Act (GIAMA) as well as the over-all management of the GPG property management portfolio. 1 000 immovable properties will be verified and registered in the asset register.

## 4. RECEIPTS AND FINANCING

### 4.1. Summary of receipts

TABLE 1: SUMMARY OF RECEIPTS: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11				2011/12	2012/13	2013/14
Equitable share	932 054	965 358	1 019 581	1 069 706	1 076 831	1 076 831	1 089 583	1 249 549	1 322 232
Conditional grants	155 265	401 099	294 457	270 775	270 775	270 775	281 469	294 376	310 982
Devolution of Rates and Taxes Grant	155 265	401 099	294 457	270 775	270 775	270 775	281 469	294 376	310 982
<b>Total receipts</b>	<b>1 087 319</b>	<b>1 366 457</b>	<b>1 314 038</b>	<b>1 340 481</b>	<b>1 347 606</b>	<b>1 347 606</b>	<b>1 371 052</b>	<b>1 543 925</b>	<b>1 633 214</b>

The Department is funded through equitable share and a conditional grant. The main function of the Devolution of Property Rates and Taxes Grant is to pay rates and taxes on all provincially owned properties. Over the 2012 MTEF, total departmental appropriation grows from R1.4 billion in the 2012/13 financial year to R1.6 billion in the 2014/15 financial year, at an annual average increase of 9 per cent.

In the 2009/10 financial year, the Department received R401 million through the Devolution of Property Rate Funds Grant as the payment of rates and taxes on provincial properties was devolved to the provinces by the national Department of Public Works. During the 2011/12 financial year, this allocation decreased to R271 million as there was underspending during 2009/10 and not all the funds were utilised. This was because the municipalities' financial period fell outside that of government departments. Over the 2012 MTEF period, the conditional grant allocation escalates at an annual average rate of 5 per cent from R281 million in 2012/13 to R311 million in the 2014/15 financial year.

The equitable share allocation increases from R1 billion in 2010/11 to R1.3 billion in 2014/15, which translates to an annual average rate of 51 per cent. The Department is still honouring the commitments of the previous entities as some of the issues from them are not fully resolved.

### 4.2. Departmental receipts

TABLE 2: DEPARTMENTAL RECEIPTS: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11				2011/12	2012/13	2013/14
Tax receipts									
Casino taxes									
Horse racing taxes									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Liquor licenses									
Motor vehicle licenses									
Sales of goods and services other than capital assets	13 171	8 455	12 648	11 500	11 500	10 475	14 500	16 470	20 440
Transfers received									
Fines, penalties and forfeits									
Interest, dividends and rent on land	435	7	3			20			
Sales of capital assets									
Transactions in financial assets and liabilities	14 832	5 715	3 735	1 460	1 460	964	500	530	560
<b>Total departmental receipts</b>	<b>28 438</b>	<b>14 177</b>	<b>16 386</b>	<b>12 960</b>	<b>12 960</b>	<b>11 459</b>	<b>15 000</b>	<b>17 000</b>	<b>21 000</b>

The Department's main revenue sources are sales of goods and services other than capital assets, which consist of: sales of tender documents, boarding fees, commission on garnishes and rental income from residential buildings. Other revenue sources include transactions in financial assets and liabilities, which mainly consist of interest and debt collected.

The total revenue of the Department in 2009/10 amounted to R14.2 million and increased to R16.4 million in the 2010/11 financial year. This increase was due to the implementation of Market Related Rentals (MRR) as there were tenants who were willing to pay the changed rentals. Total receipts are estimated to decrease to R12.9 million in 2011/12 due to banking details changes which might result if some of the tenants do not have the new banking details and continue to pay into the old bank account now owned by the Department of Roads and Transport (DRT). As of 31 December 2011, R2.3 million has been received by DRT on behalf of the Department. An increase in revenue collection is anticipated once the banking details are known to all stakeholders. Revenue is projected to grow significantly at an annual average rate of 18 per cent from R15 million in 2012/13 to R21 million in the 2014/15 financial year.

The Department is also receiving revenue in the form of interest. During the 2009/10 and 2010/11 financial years, the Department received R7 000 and R3 000 respectively. As at 31 December 2011, R20 000 had been received in interest.

## 5. PAYMENT SUMMARY

### 5.1. Key assumptions

With regard to the budget over the 2012 MTEF, the assumption is made that the Department's mandates will not change and therefore that budget, personnel and project figures will remain constant. The following elements have been taken into account when determining personnel budgets for the new MTEF:

- Number of staff and possible changes over the MTEF and the average increase for personnel cost will be 5.8 per cent in 2012/13, 6.0 per cent in 2013/14 and 5.5 per cent in 2014/15. This is an average of 5.7 per cent over the MTEF;
- All salary related matters, including improvement in conditions of service (ICS) adjustments on 1 July for level 3-12 and January each year for level 13-16. However, this is subject to change due to the new circular that was issued by the DPSA; and
- Goods and services will increase by 5.3 per cent in 2012/13, 5.5 per cent in 2013/14 and 5 per cent in 2014/15. This is an average of 5.3 per cent over the MTEF.

## 5.2. Programme summary

**TABLE 3: SUMMARY OF PAYMENTS AND ESTIMATES: INFRASTRUCTURE DEVELOPMENT**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11				2011/12	2012/13	2013/14
1. Administration	151 816	156 758	98 493	170 356	170 356	136 412	170 512	169 184	179 219
2. Public Works	758 564	1 034 542	934 604	962 938	962 938	978 622	994 336	1 139 258	1 206 567
3. Community Based Services	176 939	175 157	134 098	207 187	214 312	221 175	206 204	235 483	247 428
<b>Total payments and estimates</b>	<b>1 087 319</b>	<b>1 366 457</b>	<b>1 167 195</b>	<b>1 340 481</b>	<b>1 347 606</b>	<b>1 336 209</b>	<b>1 371 052</b>	<b>1 543 925</b>	<b>1 633 214</b>

## 5.3. Summary of economic classification

**TABLE 4: SUMMARY OF ECONOMIC CLASSIFICATION : INFRASTRUCTURE DEVELOPMENT**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11				2011/12	2012/13	2013/14
<b>Current payments</b>	<b>853 647</b>	<b>1 059 066</b>	<b>792 459</b>	<b>1 036 136</b>	<b>1 044 461</b>	<b>1 059 366</b>	<b>1 077 083</b>	<b>1 241 531</b>	<b>1 313 814</b>
Compensation of employees	256 517	304 919	390 911	438 145	426 145	405 281	444 529	473 423	504 196
Goods and services	597 130	752 988	400 773	597 791	617 716	653 844	632 254	767 787	809 277
Interest and rent on land		1 159	775	200	600	241	300	321	341
<b>Transfers and subsidies to:</b>	<b>221 643</b>	<b>306 229</b>	<b>364 795</b>	<b>280 975</b>	<b>278 775</b>	<b>272 458</b>	<b>285 469</b>	<b>298 596</b>	<b>315 413</b>
Provinces and municipalities	9 091	12 311	211 826	270 775	270 775	269 096	281 469	294 376	310 982
Departmental agencies and accounts	207 108	290 535	150 054			1			
Universities									
Foreign governments and international organisations									
Public corporations and private enterprises	1								
Non-profit institutions									
Households	5 443	3 383	2 915	10 200	8 000	3 361	4 000	4 220	4 431
<b>Payments for capital assets</b>	<b>11 308</b>	<b>1 199</b>	<b>1 340</b>	<b>23 370</b>	<b>24 370</b>	<b>4 290</b>	<b>8 500</b>	<b>3 798</b>	<b>3 987</b>
Buildings and other fixed structures	976								
Machinery and equipment	10 332	1 199	1 340	21 370	24 370	4 290	6 000	3 798	3 987
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Software and other intangible assets				2 000			2 500		
Payments for financial assets	721	( 37)	8 601			95			
<b>Total economic classification</b>	<b>1 087 319</b>	<b>1 366 457</b>	<b>1 167 195</b>	<b>1 340 481</b>	<b>1 347 606</b>	<b>1 336 209</b>	<b>1 371 052</b>	<b>1 543 925</b>	<b>1 633 214</b>

The Department's total payments for the period 2009/10 to 2010/11 decreased from R1.4 billion to R1.2 billion at an annual average rate of 4 per cent. The Department underspent significantly on devolution of rates and taxes paid on behalf of municipalities as a result of variances identified on variation rolls received. In addition, Programme 3: Community Based Programme underspent due to late implementation of projects. However, during the 2010/11 to 2011/12 financial year the budget increases from R1.2 billion to R1.3 billion respectively. Over the 2012 MTEF period, the budget grows annually by an average of 9 per cent from R1.4 billion to R1.6 billion.

The largest share of the budget is allocated to Programme 2: Public Works, which ensures that infrastructure development, is designed to support economic growth and investment within a framework that benefits the poor in the province through contributing to job creation. The expenditure for Public Works decreased from R1 billion to R935 million from the 2009/10 to the 2010/11 financial year. This decrease is because in the 2009/10 financial year after the closure of the trading entities, the Department had to settle with suppliers still owed by the entities at the time of closure. In the 2012/13 financial year, R1 billion is allocated to Public Works which constitutes 73 per cent of the total equitable share. Over the 2012 MTEF period, the budget for Public Works grows at an annual average rate of 10 per cent from R994 million in 2012/13 to R1.2 billion in the 2014/15 financial year.

Programme 3: Community Based Programme receives the second largest share of the budget which constitutes 16 per cent of the budget allocated. This is mainly to facilitate the implementation of multi-sectoral projects across the province, in which particularly youth, women and people with disabilities are provided with relevant training and productive employment opportunities so that skills and enterprises are developed and sustained, infrastructure developed and maintained and local economies enhanced. Expenditure under this programme increased from R175 million in 2009/10 to R207 million in 2011/12. This increase is due to the intake of approximately 2 500 NYS students during the 2011/12 financial year. Over the MTEF period, the allocation increases from R206 million in 2012/13 to R235 million in 2013/14 and R247 million in 2014/15. An additional 2 500 NYS learners will be absorbed by this programme.

The Administration Programme is allocated the remaining share of approximately 11 per cent. The expenditure has decreased from R157 million in 2009/10 to R98 million in 2010/2011. This is due to proper allocation of the entities expenditure after the absorption of the trading entities. However, between 2010/11 and 2011/12 the budget has increased to R170 million because the Department is still utilizing the Department of Roads and Transport's server. The Department is planning to purchase its own IT infrastructure before the end of the 2011/12 financial year.

The allocation for compensation has increased from R391 million in 2010/11 to R438 million in the 2011/12 financial year. The allocation for 2012/13 amounts to R444 million increasing to R473 million in 2013/14 and R504 million in 2014/15; this translates to an annual average rate of 6.5 per cent. This increase in allocation allows for accommodating the existing personnel employed in the Department and is in line with the anticipated organizational structure that will be approved as early as April 2012.

The Department's only transfers and subsidies are the payments of rates and taxes on behalf of the municipalities and the social benefits, with rates and taxes constituting the majority of the allocation. This is after the closure of the Kopanong Precinct which was allocated a budget under this item. From the 2010/2011 to 2011/12 financial years, transfers have decreased from R365 million to R281 million of which R271 million is for devolution of rates and taxes. Over the MTEF, allocation increases from R281 million in 2012/13 to R311 million in 2014/15. This translates to an increase of R30 million or 5 per cent at an annual average rate over the MTEF.

Payments of the Capital Assets budget allocation was at its peak during the financial year 2008/09, at R11 million. It then declined significantly in 2010/11 to R1.3 million. The allocation then increased in 2011/12, the



contributing item being Machinery and Equipment, which is the allocation for purchasing the server. Over the MTEF period, the budget increases to R8.5 million in the 2012/13 financial year then declines to R3.9 million in 2014/15.

## 5.4. Infrastructure Payments

### 5.4.1. Departmental infrastructure payments

TABLE 6: SUMMARY OF INFRASTRUCTURE BUDGET BY CATEGORY

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11				2011/12		
<b>New and replacement assets</b>	<b>61 329</b>	<b>57 767</b>	<b>72 562</b>	<b>133 217</b>	<b>132 008</b>	<b>60 253</b>	<b>60 081</b>	<b>128 238</b>	<b>135 075</b>
<b>Existing infrastructure assets</b>	<b>78 201</b>	<b>213 265</b>	<b>106 631</b>	<b>105 300</b>	<b>105 300</b>	<b>54 569</b>	<b>67 282</b>	<b>107 953</b>	<b>113 870</b>
Upgrading and additions	950	198 313	75 929	52 300	52 300	18 983	100	19 900	
Rehabilitation, renovations and refurbishment	77 251						44 000	32 000	53 500
Maintenance and repair		14 952	30 702	53 000	53 000	35 586	23 182	56 053	60 370
Infrastructure transfers									
Current									
Capital									
Current infrastructure		14 952	30 702	53 000	53 000	35 586	23 182	56 053	60 370
Capital infrastructure	139 530	256 080	148 491	185 517	184 308	79 236	104 181	180 138	188 575
<b>Total Infrastructure</b>	<b>139 530</b>	<b>271 032</b>	<b>179 193</b>	<b>238 517</b>	<b>237 308</b>	<b>114 822</b>	<b>127 363</b>	<b>236 191</b>	<b>248 945</b>

The forecast procurement of new infrastructure assets for 2011/12 increases from R72 million in 2010/11 to R133 million in the 2011/12 financial year. During the 2011/12 financial year, the Department commenced with the construction of buildings including multi-purpose centres, heritage centres and the Lillian Ngoyi market.

In the financial year 2012/13, the Department will be focusing heavily on the efficient and sustainable usage of its existing infrastructure. The budget for upgrading and additions increased significantly from R950 000 in 2008/09 to R52 million in 2011/12. The budget for maintenance and repairs increased significantly from R31 million in 2010/11 to R53 million in 2011/12. This increase shows the strong focus in 2011/12 on maintaining and repairing existing infrastructure assets. Over the MTEF, maintenance and repairs will increase significantly as the Department will invest more in the maintenance of the Precinct building. Maintenance is expected to increase from R23 million in 2012/13 to R60 million in the 2013/14 financial year.

### 5.4.2 Departmental public private partnership (PPP) projects

None

## 6. PROGRAMME DESCRIPTION

### PROGRAMME 1: ADMINISTRATION

#### Programme description

To conduct the overall management and administrative support function to the Office of the MEC and the Department.

**Programme objectives**

To render advisory, secretarial, administrative and office support service to the MEC and to render strategic support to the Department in the areas of finance, human resources, procurement, information and communication systems and policy.

**TABLE 6: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11				2011/12		
1. Office of the MEC	3 952	13 324	8 653	7 000	9 400	10 240	8 000	8 478	8 936
2. Corporate Services	83 280	84 050	69 040	155 166	152 766	117 185	139 647	136 453	140 782
3. Programme Support	32 869								
4. Management	31 715	59 384	20 800	8 190	8 190	8 987	22 865	24 253	29 501
<b>Total payments and estimates</b>	<b>151 816</b>	<b>156 758</b>	<b>98 493</b>	<b>170 356</b>	<b>170 356</b>	<b>136 412</b>	<b>170 512</b>	<b>169 184</b>	<b>179 219</b>

**TABLE 7: SUMMARY OF ECONOMIC CLASSIFICATION: ADMINISTRATION**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11				2011/12		
<b>Current payments</b>	<b>148 459</b>	<b>153 938</b>	<b>87 931</b>	<b>141 486</b>	<b>140 486</b>	<b>132 698</b>	<b>158 012</b>	<b>161 166</b>	<b>170 801</b>
Compensation of employees	57 018	112 577	53 002	69 456	69 456	64 719	85 800	91 528	96 797
Goods and services	91 441	40 306	34 874	71 830	70 830	67 913	72 012	69 427	73 783
Interest and rent on land		1 055	55	200	200	66	200	211	221
<b>Transfers and subsidies to:</b>	<b>1 580</b>	<b>2 117</b>	<b>1 021</b>	<b>6 500</b>	<b>6 500</b>	<b>1 237</b>	<b>4 000</b>	<b>4 220</b>	<b>4 431</b>
Provinces and municipalities	24								
Departmental agencies and accounts	1	257	106						
Universities									
Foreign governments and international organisations									
Public corporations and private enterprises	1								
Non-profit institutions									
Households	1 554	1 860	915	6 500	6 500	1 237	4 000	4 220	4 431
<b>Payments for capital assets</b>	<b>1 445</b>	<b>703</b>	<b>941</b>	<b>22 370</b>	<b>23 370</b>	<b>2 441</b>	<b>8 500</b>	<b>3 798</b>	<b>3 987</b>
Buildings and other fixed structures	58								
Machinery and equipment	1 387	703	941	20 370	23 370	2 441	6 000	3 798	3 987
Heritage Assets									
Specialised military assets									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Biological assets									
Land and sub-soil assets									
Software and other intangible assets				2 000			2 500		
<b>Payments for financial assets</b>	<b>332</b>		<b>8 600</b>			<b>36</b>			
<b>Total economic classification</b>	<b>151 816</b>	<b>156 758</b>	<b>98 493</b>	<b>170 356</b>	<b>170 356</b>	<b>136 412</b>	<b>170 512</b>	<b>169 184</b>	<b>179 219</b>

The Administration Programme has three sub-programmes. Corporate Services is allocated approximately 91 per cent of the budget of R170 million allocated in the 2011/12 financial year. Management was allocated R8.2 million and the MEC's office R7 million.

The Expenditure budget has increased by 3 per cent from R152 million in 2008/09 to R157 million in the 2009/10 financial year. A significant decrease of R98 million is evident in the 2010/11 financial year. This was due to the proper allocation of the trading entities consequent to their closure. Subsequently, the budget increased from R98 million to R170 million in 2011/12 financial year. The increase was to fill the number of vacant posts within administration and also to purchase the infrastructure required for the Department to function separately from DRT.

Compensation of employees for the programme decreased from R113 million in the 2009/10 financial year to R53 million, as previously compensation of the trading entities was allocated to Administration. It should have been allocated to Programme 2: Maintenance and Property Management. As the staff working in Institutions were absorbed into Maintenance, and the Kopanong and whilst the Emoyeni staff were absorbed into Property Management. Compensation increased to R69 million in 2011/12 and to R86 million for 2012/13. The Department plans on filling most critical posts, taking into account that there is a great shortage of skilled personnel such as artisans and engineers in the province.

The Department is in the process of acquiring a new server since it is still operating from the DRT's system. The need to upgrade its own office space requires more funds to conclude renovation and repair projects that commenced during the 2010/11 financial year. Goods and services decreased from R40 million in 2009/10 to R35 million in the 2010/11 financial year. In the 2011/12 financial year, it has increased to R72 million from actual expenditure in 2010/11 due to the IT upgrades that the Department requires. Over the MTEF period it will decrease from R72 million in 2012/13 to R69 million in 2013/14 and then increase to R74 million in 2014/15. This is an average increase of 4 per cent per annum this increase is in line with inflationary adjustments within the country as a whole. It is anticipated that about 53 per cent of the repairs and maintenance to buildings will be conducted during the 2012/13 financial year, and reduce in the following financial year.

Transfers and subsidies constitute social benefit payments such as leave gratuity and bursaries to non employees. The allocation has decreased from R2 million to R1 million in 2010/11 as not many officials retired or resigned and the bursaries issued then remained unchanged in the 2010/11 financial year. The budget has increased to R6 million in 2011/12. This is informed by the number of applications received during the financial 2011/12 year for bursaries to non-employees for core functions within the Department, such as Engineering and Finance. The budget allocation increases from R4 million in 2012/13 to R4.4 million in 2014/15 over the 2012 MTEF at 5 per cent growth per annum.

## SERVICE DELIVERY MEASURES

### PROGRAMME 1: ADMINISTRATION

Programme/ Sub-programme Performance Measure	Estimated Annual targets		
	2012/13	2013/14	2014/15
Number of employees trained	1 100	1 210	1 331
Number of vacant posts filled	377	140	140
Number of women filling vacancies at senior management level	5	5	6

Programme/ Sub-programme Performance Measure	Estimated Annual targets		
	2012/13	2013/14	2014/15
Number of women filling vacancies at Levels 3-12	170	170	170
Number of policies developed	4	6	4
Number of broad stakeholder engagement initiated for the MEC	8	8	8
Number of broad stakeholder engagement initiated for the senior management	8	8	8
Number of partnership projects initiated and concluded	8	8	8
Number of risk assessments conducted	3 phase risk assessment (individual, global and branch-wide)	3 phase risk assessment (individual, global and branch-wide)	3 phase risk assessment (individual, global and branch-wide)
Number of financial statements complying with regulatory frameworks	1	1	1
Number of IYM reports	12	12	12
Number of IRM reports	12	12	12
Number of DORA reports	12	12	12
Percentage BBBEE procurement spent on black owned companies	80%	80%	80%

## PROGRAMME 2: PUBLIC WORKS

### Programme description

To provide accommodation outside the CBD precinct area for all provincial departments, manage the provincial property portfolio for the optimum benefit of all concerned, and construct, maintain, render professional and technical services to departments in respect of buildings and related infrastructure.

### Programme objectives

To construct new facilities and to upgrade, rehabilitate and maintain existing facilities as identified in consultation with the relevant user departments and to manage the property portfolio of the province in line with GIAMA requirements.

**TABLE 8: SUMMARY OF PAYMENTS AND ESTIMATES: PUBLIC WORKS**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11				2011/12	2012/13	2013/14
1. Construction	106 394	186 949	49 848	74 614	74 614	72 357	57 357	45 700	45 976
2. Maintenance	244 827	169 991	281 519	291 129	281 129	302 074	295 931	320 166	343 904
3. Property Management	407 343	677 602	603 237	597 195	607 195	604 191	641 048	773 392	816 687
<b>Total payments and estimates</b>	<b>758 564</b>	<b>1 034 542</b>	<b>934 604</b>	<b>962 938</b>	<b>962 938</b>	<b>978 622</b>	<b>994 336</b>	<b>1 139 258</b>	<b>1 206 567</b>

**TABLE 9: SUMMARY OF ECONOMIC CLASSIFICATION: PUBLIC WORKS**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11				2011/12	2012/13	2013/14
<b>Current payments</b>	<b>548 490</b>	<b>730 131</b>	<b>570 479</b>	<b>688 663</b>	<b>689 963</b>	<b>705 700</b>	<b>712 867</b>	<b>844 882</b>	<b>895 585</b>
Compensation of employees	179 758	149 199	322 584	345 289	333 289	327 940	339 972	361 832	387 024
Goods and services	368 732	580 828	247 175	343 374	356 274	377 585	372 795	482 940	508 441
Interest and rent on land		104	720		400	175	100	110	120
<b>Transfers and subsidies to:</b>	<b>200 216</b>	<b>304 112</b>	<b>363 725</b>	<b>273 275</b>	<b>271 975</b>	<b>271 015</b>	<b>281 469</b>	<b>294 376</b>	<b>310 982</b>
Provinces and municipalities	9 067	12 311	211 826	270 775	270 775	269 096	281 469	294 376	310 982
Departmental agencies and accounts	189 396	290 278	149 948			1			
Universities									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households	1 753	1 523	1 951	2 500	1 200	1 918			
<b>Payments for capital assets</b>	<b>9 858</b>	<b>299</b>	<b>399</b>	<b>1 000</b>	<b>1 000</b>	<b>1 849</b>			
Buildings and other fixed structures	918								
Machinery and equipment	8 940	299	399	1 000	1 000	1 849			
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
<b>Payments for financial assets</b>			1			58			
<b>Total economic classification</b>	<b>758 564</b>	<b>1 034 542</b>	<b>934 604</b>	<b>962 938</b>	<b>962 938</b>	<b>978 622</b>	<b>994 336</b>	<b>1 139 258</b>	<b>1 206 567</b>

The core function of the Department is implemented under Public Works. The Department supports the Department of Health through building and maintaining clinics and hospitals, and the Department of Education through construction of schools etc. All these functions are done through its staff complement but with the departments' voted funds. Property Management is allocated approximately 46 per cent of the total budget for the 2012/13 financial year which is for maintenance of the Precinct buildings as well as payment of rentals and utilities of these buildings. Also the Devolution of Rates and Taxes is included for an amount of R281 million. Maintenance is allocated 21 per cent of the budget which is the second biggest sub-programme; the primary role of this sub-programme is the maintenance of hospitals, clinics, schools and stadiums and 4 per cent of the budget is allocated to Construction sub-programme which is responsible for the management of the client departments' facilities.

The budget decreased from R1 billion in 2009/10 to R935 million in 2010/11. This was due to the absorption of the debts of the closed trading entities. For 2011/12 financial year, the budget increased by 3 per cent to R963 million to accommodate inflation and price increases of materials. Over the 2012 MTEF, the budget for the programme has increased from R994 million to R1.2 billion.

Programme 2 is also driven by transfers of subsidies which is where Devolution of Rates and Taxes for the municipalities is paid. These are paid under Property Management and constitute between 40 per cent and 45 per cent of its budget. Devolution has increased from R212 million in 2010/11 to R271 million in the 2011/12 financial year. For the 2012 MTEF period, Devolution will increase by R281 million to R311 million. The overall transfers and subsidies have decreased from R364 million in 2009/10 to R273 million due to the closure of the Kopanong Precinct trading entity as the functions of the entity have been absorbed within the Property Management branch. Transfers of funds will increase by an average of 5 per cent over the MTEF from R281 million in 2012/13 to R311 million in 2014/15.

**SERVICE DELIVERY MEASURES****PROGRAMME 2: PUBLIC WORKS**

Programme/ Sub-programme Performance Measure	Estimated Annual targets		
	2012/13	2013/14	2014/15
<b>Design/Planning</b>			
Number of projects ready for tender	39	89	106
Number of infrastructure project implementation plans received	32	99	99
Number of projects registered with CIDB	39	89	106
<b>Construction</b>			
Number of contracts awarded to HDI's compliance service provider	30	70	80
Number of contracts awarded to Women Owned Enterprises	19	45	53
Number of projects completed within time	342	20	20
Number of projects completed within budget	342	20	20
Number of EPWP construction projects completed	5	2	2
<b>DID Maintenance</b>			
Number of planned maintenance projects approved	16	20	20
Number of planned maintenance projects completed	16	20	20
Number of projects awarded	16	20	20
Number of projects completed within time	16	20	20
Number of projects completed within budget	16	20	20
Number of planned maintenance projects approved	16	20	20
Number of buildings' fire fighting equipment refilled and replaced	20	20	20
Number of buildings serviced through periodic maintenance as prescribed by the manufacturer and history behind the equipment	10 buildings	20 buildings	20 buildings
Number of precinct buildings refurbished	4	2	2
<b>Immovable Assets</b>			
Number of properties registered in the asset register	1 000	5 000	5 000
Number of properties verified in the asset register	1 000	1 000	1 000
Number of buildings in a very good state	764	806	806
Number of buildings in an average state	857	857	857
Number of buildings in a poor state	418	376	376
Number of applications submitted to PSLDC for vesting	550	550	550
Number of new commercial leases concluded	7	3	2
Number of leases concluded in respect of provincially owned properties (residential leases)	100	120	150
Number of lease agreements in respect of office accommodation not renewed	5	-	-
Number of Custodian Immovable Asset Management Plan (C-AMP) concluded	1	1	1
Number of User Immovable Asset Management Plan (U-AMP) concluded	11	11	11
Number of GIAMA Forums held	4	4	4
Payments of rates and taxes to municipalities	R281 469	R294 376	R310 982

**PROGRAMME 3: COMMUNITY BASED PROGRAMME****Programme description**

Facilitate the implementation of multi-sectoral projects across the province whereby particularly youth, women and people with disabilities are provided with relevant training and productive employment opportunities so that skills and enterprises are developed and sustained, infrastructure is developed and maintained, and local economies enhanced.

**Programme objectives**

To coordinate and lead EPWP in Gauteng Province by promoting linkages between sectors; addressing unemployment by generating decent and sustainable jobs; monitoring and facilitating evaluation of EPWP projects in Gauteng; facilitating skills development through technical and institutional training; and facilitating job opportunities by targeting the vulnerable sectors of the community especially women, youth and people with disabilities.

TABLE 10: SUMMARY OF PAYMENTS AND ESTIMATES: COMMUNITY BASED PROGRAMME

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11				2011/12	2012/13	2013/14
1. Programme Support	54 116	59 718	106 017	57 309	80 545	74 265	114 639	153 703	161 157
2. Project Implementation	122 823	115 439	28 081	149 878	133 767	146 910	91 565	81 780	86 271
<b>Total payments and estimates</b>	<b>176 939</b>	<b>175 157</b>	<b>134 098</b>	<b>207 187</b>	<b>214 312</b>	<b>221 175</b>	<b>206 204</b>	<b>235 483</b>	<b>247 428</b>

TABLE 11: SUMMARY OF ECONOMIC CLASSIFICATION: COMMUNITY BASED PROGRAMME

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11				2011/12	2012/13	2013/14
<b>Current payments</b>	<b>156 698</b>	<b>174 997</b>	<b>134 049</b>	<b>205 987</b>	<b>214 012</b>	<b>220 968</b>	<b>206 204</b>	<b>235 483</b>	<b>247 428</b>
Compensation of employees	19 741	43 143	15 325	23 400	23 400	12 622	18 757	20 063	20 375
Goods and services	136 957	131 854	118 724	182 587	190 612	208 346	187 447	215 420	227 053
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>19 847</b>		<b>49</b>	<b>1 200</b>	<b>300</b>	<b>206</b>			
Provinces and municipalities									
Departmental agencies and accounts	17 711								
Universities									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households	2 136		49	1 200	300	206			
<b>Payments for capital assets</b>	<b>5</b>	<b>197</b>							
Buildings and other fixed structures									
Machinery and equipment	5	197							
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
<b>Payments for financial assets</b>	<b>389</b>	<b>( 37)</b>				<b>1</b>			
<b>Total economic classification</b>	<b>176 939</b>	<b>175 157</b>	<b>134 098</b>	<b>207 187</b>	<b>214 312</b>	<b>221 175</b>	<b>206 204</b>	<b>235 483</b>	<b>247 428</b>

The programme's expenditure has decreased from R175 million in 2009/10 to R134 million in the 2010/11

financial year. The programme experienced some delays in the appointment of contractors that led to the decrease in expenditure. The budget for the 2011/12 financial year is R207 million, an increase of approximately 35.2 per cent on the 2010/11 actual expenditure. Over the 2012 MTEF, it is expected that the budget will increase from R221 million to R247 million. This is due to the anticipated intake of NYS students. During the 2011/12 financial year NYS intake was anticipated at 4000 students and this is expected to increase over the MTEF.

This programme has the smallest staff establishment in the whole department with personnel of about 65 in total. Compensation for employees has decreased significantly from R43 million in 2009/10 to R15 million in 2010/11. This is due to the fact that previously the NYS students were paid as part of compensation for employees which increased costs drastically. This was later correctly classified and they are now paid as part of goods and services under operating payments. Compensation is increasing to R23 million in 2011/12 financial year due to incentive bonuses and the mandatory salary adjustment in July. Over the 2012 MTEF, it is expected that the budget will increase from R19 million to R20 million due to the tight budget allocated for compensation of employees which doesn't cater for the whole departmental structure.

Goods and services have decreased from R132 million in 2009/10 to R119 million in the 2010/11 financial year. The budget was increased to R183 million in the 2011/12 financial year covering the anticipated intake of 4000 NYS students and projects like Sokhulumi MPCC, Katlehong Old Age Phase 11, Lillian Ngoyi African Market, Lehae MPCC, Eikenhof VIP toilets & Communal Water Supply, Mdlalose Link, Diepkloof Paving and Langalibalele Primary School, Tembisa MPCC, Pfananani Enterprise Development, Soshanguve Block H and Lakeside MPCC. Over the 2012 MTEF, the allocation for goods and services increases from R187 million in 2012/13 to R227 million in 2014/15 or an increase of R40 million or 10 per cent per annum.

## SERVICE DELIVERY MEASURES

### PROGRAMME 3: COMMUNITY BASED PROGRAMME

Programme/ Sub-programme Performance Measure	Estimated Annual targets		
	2012/13	2013/14	2014/15
Number of work opportunities created (GPG Departments)	90 097	103 323	103 323
Number of employment opportunities provided to youth (GPG Departments)	36 038	41 329	41 329
Number of employment opportunities provided to women (GPG Departments)	49 553	56 827	56 827
Number of employment opportunities provided to people with disabilities (GPG Departments)	1 802	2 066	2 066
Number of beneficiaries trained (DID)	6 700	1 577	1 600
Number of FTE's (GPG Departments)	44 978	58 802	58 802
Number of contractors participating in CIP	121	121	121
Number of artisans being recruited for the ATP	500	500	500

## 7. OTHER PROGRAMME INFORMATION

### 7.1. Personnel numbers and costs

TABLE 12: PERSONNEL NUMBERS AND COST: INFRASTRUCTURE DEVELOPMENT

Personnel numbers	As at 31 March 2009	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015
1. Administration	295	301	355	381	381	381	381
2. Public Works	1 040	1 047	1 860	1 379	1 379	1 379	1 379
3. Community Based Programme	30	30	33	80	80	80	80
<b>Total provincial personnel numbers</b>	<b>1 365</b>	<b>1 378</b>	<b>2 248</b>	<b>1 840</b>	<b>1 840</b>	<b>1 840</b>	<b>1 840</b>
Total provincial personnel cost (R thousand)	256 517	304 919	390 911	438 145	444 529	473 423	504 196
Unit cost (R thousand)	188	221	174	238	242	257	274

The table above indicates that the Department's personnel numbers increased from 1 365 in March 2008 to 1 378



just after the split of the two departments. These figures had to be updated as the transfer of employees from the old department to DID led to employees being misallocated in both departments. As of the end of March 2011, the Department had verified employees ascertaining that there are 1 818 personnel of whom 388 are on contract and 1 430 are permanent. This figure will increase to 1 840 permanent officials as the Department is in the process of absorbing contract workers through an open process where posts are advertised internally and anyone who qualifies can apply.

**TABLE 13: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COST: INFRASTRUCTURE DEVELOPMENT**

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11				2011/12	2012/13	2013/14
<b>Total for department</b>									
Personnel numbers (head count)	1 365	1 378	2 248	1 840	1 840	1 830	1 840	1 840	1 840
Personnel cost (R thousands)	256 517	304 919	390 911	438 145	426 145	405 281	444 529	473 423	504 196
<b>Human resources component</b>									
Personnel numbers (head count)				68	68	68	68	68	68
Personnel cost (R thousands)				7 826	7 826	7 826	10 000	11 865	13 051
Head count as % of total for department				4%	4%	4%	4%	4%	4%
Personnel cost as % of total for department				2%	2%	2%	2%	3%	3%
<b>Finance component</b>									
Personnel numbers (head count)				92	92	92	92	92	92
Personnel cost (R thousands)				14 593	14 953	14 953	15 000	16 052	17 657
Head count as % of total for department				5%	5%	5%	5%	5%	5%
Personnel cost as % of total for department				3%	4%	4%	3%	3%	4%
<b>Full time workers</b>									
Personnel numbers (head count)	1 092	1 100	1 514	1 804	1 804	1 794	1 804	1 804	1 804
Personnel cost (R thousands)	214 948	249 125	285 437	320 532	308 532	288 148	414 240	441 159	470 157
Head count as % of total for department	80%	80%	67%	98%	98%	99%	98%	98%	98%
Personnel cost as % of total for department	84%	82%	73%	73%	72%	71%	93%	93%	93%
<b>Part-time workers</b>									
Personnel numbers (head count)									
Personnel cost (R thousands)									
Head count as % of total for department									
Personnel cost as % of total for department									
<b>Contract workers</b>									
Personnel numbers (head count)	273	278	582	36	36	36	36	36	36
Personnel cost (R thousands)	41 569	55 794	105 474	117 613	117 613	117 133	30 289	32 264	34 038

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11				2011/12		
Head count as % of total for department	20 %	20%	26%	2%	2%	2%	2%	2%	2%
Personnel cost as % of total for department	16%	1840%	27%	27%	28%	29%	7%	7%	7%

## 7.2. Training

**TABLE 14: PAYMENTS ON TRAINING: INFRASTRUCTURE DEVELOPMENT**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11				2011/12		
1. Administration	7 996	2 373	970	1 535	1 535	2 396	1 520	1 604	1 683
of which									
Subsistence and travel	6 995	570	172	200	200	1 335	200	211	221
Payments on tuition	1 001	1 803	798	1 335	1 335	1 061	1 320	1 393	1 462
2. Public Works	1 843	6 451	3 054	6 371	6 371	3 806	4 688	4 946	5 193
of which									
Subsistence and travel	1 843	320	337	3 206	3 206	200	200	211	221
Payments on tuition		6 131	2 717	3 165	3 165	3 606	4 488	4 735	4 972
3. Community Based Programme	3 760	1 225	630	70	70	706	842	890	937
of which									
Subsistence and travel	3 760	143	151	70	70	70	50	55	60
Payments on tuition		1 082	479			636	792	835	877
<b>Total payments on training</b>	<b>13 599</b>	<b>10 049</b>	<b>4 654</b>	<b>7 976</b>	<b>7 976</b>	<b>6 908</b>	<b>7 050</b>	<b>7 440</b>	<b>7 813</b>

The Department has centralised the training and development of staff to Programme 1: Administration to Human Resource Management. This will enable it to report training and development of staff properly and allow the correct information to be carried out; this was complex when this function was divisionalised. This will ensure that the Human Resource Unit takes responsibility and ensures that staff is trained in their relevant business units.

**TABLE 15: INFORMATION ON TRAINING: INFRASTRUCTURE DEVELOPMENT**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11				2011/12		
Number of staff	1 365	1 378	2 248	1 840	1 840	1 830	1 840	1 840	1 840
Number of personnel trained	519	619	722	1 000	1 000	983	1 000	1 000	1 000
of which									
Male	444	533	621	500	500	494	550	600	600
Female	75	86	101	500	500	489	550	600	600
Number of training opportunities	81	50	50	50	50	40	50	50	50
of which									
Tertiary	81	50	50	50	50	50	50	50	50
Workshops									
Seminars									
Other									
Number of bursaries offered									
Internal	18	48	28	28	28	28	50	58	58
External			20	20	20	20	50	50	50

<b>R thousand</b>	<b>Outcome</b>			<b>Main appropriation</b>	<b>Adjusted appropriation</b>	<b>Revised estimate</b>	<b>Medium-term estimates</b>		
	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>			<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
Number of interns appointed	66	68	74	70	70	52	75	80	80
Number of learnerships appointed	88	91	94	45	45	50	50	55	55
Number of days spent on training									

Fifty bursaries will be distributed to ensure skills development within the Department. Bursaries will also be issued to non-employees to develop skills in core functions like finance, information technology and engineering. This will give employment opportunities particularly to youth. Internships and learnerships will be made available.



# **ANNEXURES TO ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE**

TABLE 16 SPECIFICATION OF RECEIPTS: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11				2011/12		2012/13
Tax receipts									
Casino taxes									
Horse racing taxes									
Liquor licenses									
Motor vehicle licenses									
<b>Sales of goods and services other than capital assets</b>	<b>13 171</b>	<b>8 455</b>	<b>12 648</b>	<b>11 500</b>	<b>11 500</b>	<b>10 475</b>	<b>14 500</b>	<b>16 470</b>	<b>20 440</b>
Sale of goods and services produced by department (excluding capital assets)	13 171	8 455	12 648	11 500	11 500	10 475	14 500	16 470	20 440
Sales by market establishments	13 171	8 455	12 648	11 500	11 500	10 475	14 500	16 470	20 440
Administrative fees									
Other sales									
Of which									
Health patient fees									
Sales of scrap, waste, arms and other used current goods (excluding capital assets)									
<b>Transfers received from:</b>									
Other governmental units									
Universities									
Foreign governments									
International organisations									
Public corporations and private enterprises									
Households and non-profit institutions									
Fines, penalties and forfeits									
<b>Interest, dividends and rent on land</b>	<b>435</b>	<b>7</b>	<b>3</b>			<b>20</b>			
Interest	435	7	3			20			
Dividends									
Rent on land									
<b>Sales of capital assets</b>									
Land and sub-soil assets									
Other capital assets									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11				2011/12		2012/13
Transactions in financial assets and liabilities	14 832	5 715	3 735	1 460	1 460	964	500	530	560
<b>Total departmental receipts</b>	<b>28 438</b>	<b>14 177</b>	<b>16 386</b>	<b>12 960</b>	<b>12 960</b>	<b>11 459</b>	<b>15 000</b>	<b>17 000</b>	<b>21 000</b>

TABLE 17: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11				2011/12		2012/13
<b>Current payments</b>	<b>148 459</b>	<b>153 938</b>	<b>87 931</b>	<b>141 486</b>	<b>140 486</b>	<b>132 698</b>	<b>158 012</b>	<b>161 166</b>	<b>170 801</b>
Compensation of employees	57 018	112 577	53 002	69 456	69 456	64 719	85 800	91 528	96 797
Salaries and wages	52 997	101 942	47 983	63 078	63 078	60 193	78 442	83 729	88 569
Social contributions	4 021	10 635	5 019	6 378	6 378	4 526	7 358	7 799	8 228
Goods and services of which	91 441	40 306	34 874	71 830	70 830	67 913	72 012	69 427	73 783
Administrative fees	59	204	32			78	4	4	4
Advertising	5 654	540	1 744	90	90	790	1 400	1 477	1 550
Assets <R5000	127	137	247	180	180	353	415	733	770
Audit cost: External	2 174	342	4 406	5 000	5 000	6 173	6 000	6 330	6 646
Bursaries (employees)	503	373	110	4 500	4 500	1 255	660	696	731
Catering:									
Departmental activities	1 426	533	764	80	80	273	635	612	642
Communication	18 428	1 017	3 214	485	485	1 762	1 840	1 783	1 871
Computer services	6 118	2 299	2 668	270	4 770	5 679	6 790	7 163	7 522
Cons/prof: business & advisory services	7 667		11 255		300	2 911	420	265	288
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	2 255	179	4 351	5 000	5 000	10 018	16 000	8 539	5 815
Contractors	8 655	1 701	173		50	29	1 180	1 160	1 218
Agency & support/ outsourced services	13 166	17 639	177	7 550	35 550	13 551	15 575	19 316	24 264
Entertainment	493	62	133	5	5		5	5	5
Fleet Services (F/SER)	70								
Housing									
Inventory: Food and food supplies	809		66	110	110	49	382	414	425
Inventory: Fuel, oil and gas		98							
Inventory: Learn & teacher support material	420	68			1 000	1	52	55	52
Inventory: Materials and supplies						2 497	45	32	33

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R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11				2011/12	2012/13	2013/14
Inventory: Medical supplies									
Inventory: Medicine	2								
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	617	957	89			21	145	138	145
Inventory: Stationery and printing	2 234	1 157	2 731	458	1 508	4 298	3 804	3 802	3 992
Lease payments	3 659	2 129	1 507	12 520	5 520	4 751	5 190	5 475	5 749
Rental and Hiring									
Property payments	7	546	6	30 000	100	7 746			
Transport provided dept activity	25						100	100	100
Travel and subsistence	12 246	9 366	1 083	200	1 200	2 460	3 125	3 009	3 158
Training & development	3 266	897	140	2 512	2 512	1 357	4 245	4 521	4 815
Operating payments	7	57	( 25)	2 750	2 750	1 821	3 600	3 798	3 988
Venues and facilities	1 360	5	3	120	120	40	400		
Interest and rent on land		1 055	55	200	200	66	200	211	221
Interest		1 055	55	200	200	66	200	211	221
Rent on land									
<b>Transfers and subsidies to<sup>1</sup>:</b>	<b>1 580</b>	<b>2 117</b>	<b>1 021</b>	<b>6 500</b>	<b>6 500</b>	<b>1 237</b>	<b>4 000</b>	<b>4 220</b>	<b>4 431</b>
Provinces and municipalities	24								
Provinces <sup>2</sup>									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities <sup>3</sup>	24								
Municipal bank accounts	24								
Municipal agencies and funds									
Departmental agencies and accounts	1	257	106						
Social security funds	1		106						
Departmental agencies (non-business entities)		257							
Universities									
Foreign governments and international organisations									
Public corporations and private enterprises <sup>5</sup>	1								
Public corporations	1								
Subsidies on production									
Other transfers	1								



R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11				2011/12		2012/13
Private enterprises									
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	1 554	1 860	915	6 500	6 500	1 237	4 000	4 220	4 431
Social benefits	1 554	1 860	915	1 000	1 000	6	1 000	1 055	1 108
Other transfers to households				5 500	5 500	1 231	3 000	3 165	3 323
<b>Payments for capital assets</b>	<b>1 445</b>	<b>703</b>	<b>941</b>	<b>22 370</b>	<b>23 370</b>	<b>2 441</b>	<b>8 500</b>	<b>3 798</b>	<b>3 987</b>
Buildings and other fixed structures	58								
Buildings	58								
Other fixed structures									
Machinery and equipment	1 387	703	941	20 370	23 370	2 441	6 000	3 798	3 987
Transport equipment					1 000	900			
Other machinery and equipment	1 387	703	941	20 370	22 370	1 541	6 000	3 798	3 987
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets				2 000			2 500		
<b>Payments for financial assets</b>	<b>332</b>		<b>8 600</b>			<b>36</b>			
<b>Total economic classification</b>	<b>151 816</b>	<b>156 758</b>	<b>98 493</b>	<b>170 356</b>	<b>170 356</b>	<b>136 412</b>	<b>170 512</b>	<b>169 184</b>	<b>179 219</b>

TABLE 18: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PUBLIC WORKS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11				2011/12		2012/13
<b>Current payments</b>	<b>548 490</b>	<b>730 131</b>	<b>570 479</b>	<b>688 663</b>	<b>689 963</b>	<b>705 700</b>	<b>712 867</b>	<b>844 882</b>	<b>895 585</b>
Compensation of employees	179 758	149 199	322 584	345 289	333 289	327 940	339 972	361 832	387 024
Salaries and wages	155 231	137 451	287 425	320 211	308 211	301 404	325 604	346 602	370 956
Social contributions	24 527	11 748	35 159	25 078	25 078	26 536	14 368	15 230	16 068
Goods and services of which	368 732	580 828	247 175	343 374	356 274	377 585	372 795	482 940	508 441
Administrative fees	133		176						
Advertising	2 042	4 906	902	340	1 740	1 427			
Assets <R5000	255	154	148	200	200	153		150	150
Audit cost: External									
Bursaries (employees)		681							
Catering:									
Departmental activities	49	180	75	50	50	88	40	50	50
Communication	4 677	23 397	7 668	938	2 838	5 785	5 490	5 700	5 820

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R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11				2011/12	2012/13	2013/2014
Computer services	91	561	5	540	540	367			
Cons/prof:business & advisory services	87 514		16	31 000	31 000	13 069	11 181	30 595	32 000
Cons/prof: Infrastructure & planning				34 273	31 273	28 408	6 223	14 216	15 437
Cons/prof: Laboratory services									
Cons/prof: Legal cost		3 086	957	5 000	4 200	5 789			
Contractors	43 492	67 031	15 447	123 180	123 180	88 298	93 859	214 746	222 849
Agency & support/ outsourced services	105 843	143 951	85 338	11 474	11 474	27 574	80 000	30 000	30 000
Entertainment	15	2							
Fleet Services (F/SER)				682	682	178	20	21	22
Housing		7							
Inventory: Food and food supplies	439	53	51			124	155	146	149
Inventory: Fuel, oil and gas	1 236	138	65	410	410	306			
Inventory:Learn & teacher support material	5	294		2	2				
Inventory: Materials and supplies	3			440	440	188	150	158	166
Inventory: Medical supplies				100	100				
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	1 715	1 600	4 850	300	300	7 849	2 200	2 321	2 437
Inventory: Stationery and printing	802	14 161	891	874	874	2 765	2 524	2 636	2 767
Lease payments	13 164	29 993	105 436	120 088	119 388	134 661	124 863	131 833	141 965
Rental and Hiring									
Property payments	86 865	267 701	22 536	8 632	8 632	27 269	40 500	44 528	48 554
Transport provided dept activity		53		50	50	23			
Travel and subsistence	15 517	20 858	2 447	3 206	5 806	25 434	5 590	5 840	6 075
Training & development	3 673	971	7	1 475	350	200			
Operating payments	20	48	160		12 745	7 610			
Venues and facilities	1 182	1 002		120		20			
Interest and rent on land		104	720		400	175	100	110	120
Interest		104	720		400	175	100	110	120
Rent on land									
<b>Transfers and subsidies to:</b>	<b>200 216</b>	<b>304 112</b>	<b>363 725</b>	<b>273 275</b>	<b>271 975</b>	<b>271 015</b>	<b>281 469</b>	<b>294 376</b>	<b>310 982</b>

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11				2011/12	2012/13	2013/2014
Provinces and municipalities	9 067	12 311	211 826	270 775	270 775	269 096	281 469	294 376	310 982
Provinces <sup>2</sup>			6						
Provincial Revenue Funds									
Provincial agencies and funds			6						
Municipalities <sup>3</sup>	9 067	12 311	211 820	270 775	270 775	269 096	281 469	294 376	310 982
Municipal bank accounts	9 067	12 311	211 820	270 775	270 775	269 096	281 469	294 376	310 982
Municipal agencies and funds									
Departmental agencies and accounts	189 396	290 278	149 948			1			
Social security funds									
Departmental agencies (non-business entities)	189 396	290 278	149 948			1			
Universities and technikons									
Foreign governments and international organisations									
Public corporations and private enterprises <sup>5</sup>									
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	1 753	1 523	1 951	2 500	1 200	1 918			
Social benefits		1 132	1 951	1 250	700	1 918			
Other transfers to households	1 753	391		1 250	500				
<b>Payments for capital assets</b>	<b>9 858</b>	<b>299</b>	<b>399</b>	<b>1 000</b>	<b>1 000</b>	<b>1 849</b>			
Buildings and other fixed structures	918								
Buildings									
Other fixed structures	918								
Machinery and equipment	8 940	299	399	1 000	1 000	1 849			
Transport equipment									
Other machinery and equipment	8 940	299	399	1 000	1 000	1 849			
Heritage Assets									
Specialised military assets									
Biological assets									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11				2011/12	2012/13	2013/2014
Land and sub-soil assets									
Software and other intangible assets									
<b>Payments for financial assets</b>			1			58			
<b>Total economic classification</b>	<b>758 564</b>	<b>1 034 542</b>	<b>934 604</b>	<b>962 938</b>	<b>962 938</b>	<b>978 622</b>	<b>994 336</b>	<b>1 139 258</b>	<b>1 206 567</b>

TABLE 19: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: COMMUNITY BASED PROGRAMME

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11				2011/12	2012/13	2013/2014
<b>Current payments</b>	<b>156 698</b>	<b>174 997</b>	<b>134 049</b>	<b>205 987</b>	<b>214 012</b>	<b>220 968</b>	<b>206 204</b>	<b>235 483</b>	<b>247 428</b>
Compensation of employees	19 741	43 143	15 325	23 400	23 400	12 622	18 757	20 063	20 375
Salaries and wages	19 290	42 829	14 584	15 405	15 405	11 952	16 979	18 058	18 155
Social contributions	451	314	741	7 995	7 995	670	1 778	2 005	2 220
Goods and services of which	136 957	131 854	118 724	182 587	190 612	208 346	187 447	215 420	227 053
Administrative fees						15	10	10	10
Advertising	150	683		225	225	133	120	125	130
Assets <R5000	844	189		30	30	50			
Audit cost: External									
Bursaries (employees)									
Catering:									
Departmental activities	133	100	55	50	50	458	120	180	190
Communication	205	390	402	330	330	448	380	450	520
Computer services	15	7		4 000	4 000				
Cons/prof: business & advisory services	59 286		11 115						
Cons/prof: Infrastructure & planning				17 139	22 263	8 506	3 559	2 000	2 000
Cons/prof: Laboratory services									
Cons/prof: Legal cost	1 500	45	477						
Contractors	38 837	27 065	15 039	62 878	59 043	23 902	23 722	11 991	12 747
Agency & support/ outsourced services	30 000	100 367	87 125	40 555	64 491	139 915	96 198	137 443	144 816
Entertainment						311			
Fleet Services (F/SER)				1 000	1 000	276			
Housing									
Inventory: Food and food supplies	75	32		10	10	55	46	60	60
Inventory: Fuel, oil and gas		922					500	100	100
Inventory: Learn & teacher support material									
Inventory: Materials and supplies						125	846	850	900

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11				2011/12	2012/13	2013/2014
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables		704	35	550	550	395	1 500	1 385	1 460
Inventory: Stationery and printing	301	319	30	50	50	140	400	420	440
Lease payments	116	62	89	200	200	65	370	320	340
Rental and Hiring									
Property payments	2						2 988		
Transport provided dept activity						93			
Travel and subsistence	3 760	939	84	70	70	108	720	760	810
Training & development	1 548	30		1 450	450	496			
Operating payments	5		4 273	52 800	37 800	32 230	55 968	59 326	62 530
Venues and facilities	180			1 250	50	625			
Interest and rent on land									
Interest									
Rent on land									
<b>Transfers and subsidies to:</b>	<b>19 847</b>		<b>49</b>	<b>1 200</b>	<b>300</b>	<b>206</b>			
Provinces and municipalities									
Provinces <sup>2</sup>									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities <sup>3</sup>									
Municipal bank accounts									
Municipal agencies and funds									
Departmental agencies and accounts	17 711								
Social security funds	17 711								
Departmental agencies (non-business entities)									
Universities									
Foreign governments and international organisations									
Public corporations and private enterprises <sup>5</sup>									
Public corporations									
Subsidies on production									

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R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11				2011/12		2012/13
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	2 136		49	1 200	300	206			
Social benefits	2 136		49	600	200	6			
Other transfers to households				600	100	200			
<b>Payments for capital assets</b>	<b>5</b>	<b>197</b>							
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	5	197							
Transport equipment									
Other machinery and equipment	5	197							
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
<b>Payments for financial assets</b>	<b>389</b>	<b>( 37)</b>				<b>1</b>			
<b>Total economic classification</b>	<b>176 939</b>	<b>175 157</b>	<b>134 098</b>	<b>207 187</b>	<b>214 312</b>	<b>221 175</b>	<b>206 204</b>	<b>235 483</b>	<b>247 428</b>

# GLOSSARY

The numeric data in this Adjusted EPE has been classified in terms of government finance statistics (GFS).

## 1. Receipts

### 1.1 Tax receipts

Tax receipts are defined as compulsory, unrequited revenue collected by government units. This mainly consists of taxes, for example, casino tax, motor vehicle licenses and gambling: wherein the other party is required by statutory provision to pay taxes in certain circumstances and under certain conditions.

### 1.2 Sales of goods and other than capital assets

This category consists of sales by government units provided that the government has produced the goods or services; this item has the following components, discussed below.

- Sale by market establishments: this includes instances where government units sell goods or services at market related prices.
- Administrative fees: this item consists of revenue collected for sales of regulatory or administrative services. Examples are court and passport fees, drivers' and pilots' license fees, firearm license fees, and radio and television license fees.
- Other sales: this item includes revenue from the sale of other goods and services produced or partially produced by a government unit. This includes rental of buildings and machinery, as well as hospital, university, park and museum fees, as well as seeds and livestock produced by the government.
- Sales of scrap, waste, arms and other used goods other than capital assets: this category includes sales of all used goods that are not considered capital assets, for example used military equipment and scrap material.

### 1.3 Transfers received

This item consists of all unrequited receipts from other parties except fines, penalties, forfeits and compensation for damage. Stated differently, when a department does not pay anything in return for the transfer from the other party (except in connection with fines, penalties, forfeits and compensation for damage), an entry should be made under one of the various transfer categories.

Both current and capital transfers are included in this item. Examples of current transfers are voluntary donations, transfers from other government bodies and grants from foreign governments and international organisations. Examples of capital transfers are cash receipts, which a department is required to use toward the acquisition of a capital asset or transferral of ownership rights of capital assets in favour of the department. Departments are requested to distinguish between the following transfer categories:

- Transfers from other governmental units (but excluding educational institutions);
- Transfers from universities and technikons;
- Transfers from foreign governments;
- Transfers from international organisations;
- Transfers from public corporations and private enterprises; and
- Transfers from households and non-profit institutions.

### 1.4 Fines, penalties and forfeits

This item consists of compulsory payments imposed by a court or quasi-judicial body. Out-of-court settlements are also included in this category.

### 1.5 Interest, dividends and rent on land

This item has three components:

- Interest: this item consists of the revenue associated with ownership of interest-bearing financial instruments, such as bank deposits, loans extended to others, bills and bonds.
- Dividends: this item consists of the revenue associated with ownership of the capital or part of the capital

of a productive unit, for example a state-owned enterprise. Dividends come in the form of revenue from shares and distribution of profits to the owner. Gains/losses associated with valuation changes should not be included in this amount reported here.

- Rent on land: this item consists of the revenue due to ownership of land. If it is not possible to distinguish the revenue due to ownership of land from that due to the fixed structures erected thereupon, the whole amount should be recorded under sales of goods and services produced by departments. This item also includes all revenue due to ownership of sub-soil assets and other naturally occurring assets such as virgin forests, game and fisheries that are commercially exploitable.

### **1.6 Sales of capital assets**

This item has two components:

- Land and subsoil assets: land excludes fixed structures erected thereupon. If it is not possible to separate the land from the structures that are erected thereupon, the combined value of the sale should be recorded under buildings or other structures as the case may be. The category, subsoil assets, consists of all assets found subsoil, for example proven reserves of oil, minerals and ores.
- Other capital assets: this item consists of goods that can be used continuously or repeatedly in production for at least one year. Examples are buildings, bridges, roads, machinery, vehicles, software and cultivated assets, such as breeding cattle, dairy cattle, fur- or wool-producing animals as well as trees and shrubs used for production of fruit and nuts.

It deserves notice that sales of goods, such as small tools, worth less than R5 000 are not included under sales of capital assets. These sales should be classified under sales of used goods other than capital assets.

### **1.7 Financial transactions in assets and liabilities**

It is necessary to provide for receipts associated with transactions in financial assets and liabilities. This item mainly consists of transactions that reduce a debtor's outstanding account. Examples are payments of loans and advances to public corporations and to employees, as well as the creation of a liability such as stale cheques.

## **2. Payments**

### **2.1 Current payments**

#### **Compensation of employees**

Government departments are requested to distinguish between two components:

- Salaries and wages: payable regularly, weekly or monthly or at other intervals; and
- Social contributions: which includes the government's contribution (but not the employees' contribution) to social insurance schemes paid on behalf of employees, example, unemployment insurance funds and pension funds.

#### **Goods and services**

This item includes payments for all goods and services, except payments for capital assets and items classified as capitalised expenditure. Goods to be included under this category are all goods that cannot be used continuously or repeatedly in production for a year. Examples would be petrol, coal, small tools, etc. Except if they are to be used within a capital project in which case they should be classified as under the relevant asset category under capital payments (as part of capitalised expenditure). Examples of services are hotels, restaurants, transport, communication, banking, insurance, business services and training, as well as rental of buildings, equipment and vehicles, again except if the service is to be used within a capital project, in which case it should be classified as fixed assets (as part of capitalised expenditure). Payments for rent of land is not included in this category unless it is impossible to distinguish between the rent of land and rental of the fixed structures erected thereupon, in which case rent of land is included in goods and services. If it is possible to make this distinction, rent of land and rent of other naturally occurring assets should be recorded under interest and rent of land.

#### **Interest and rent on land**

This item has two components:

- Interest: this item includes the total value of interest payments associated with debts for example interest on borrowing or overdraft facilities.
- Rent on land: this item includes the total value of payments due to use of land owned by another party, including other government units. If possible, payments associated with the use of land should be distinguished from payments due to use of buildings or other fixed structures which are classified under goods and services.



## 2.2 Transfers and subsidies

This item includes unrequited payments made by a government unit. Stated differently, when a department does not receive anything in return for the transfer to the other party, an entry should be made under one of the various transfer categories. Both current and capital transfers are included in this item; the main reason for including both categories is that in practice it is often difficult to differentiate between these two categories. Examples of current transfers are social security benefits paid to households, fines, penalties, compulsory fees and compensation for injuries or damages. Examples of capital transfers are debt forgiveness (to public and private entities) as well as payments to enterprises (publicly and privately owned) or entities.

Departments are requested to distinguish between the following transfer categories:

- Transfers to provinces and municipalities;
- Transfers to departmental agencies and accounts;
- Transfers to universities;
- Transfers to foreign governments and international organisations;
- Transfers to public corporations and private enterprises;
- Transfers to non-profit institutions; and
- Transfers to households.

All these transfer categories are self-explanatory with the exception of transfers to public corporations and private enterprises. Transfers to public corporations and private enterprises consist of all transfers whose purpose is not to subsidise production. Because virtually all transfers to public corporations and private enterprises are intended to subsidise production, this category will be very small.

Social benefits are included in current transfers to households. These are the transfers made to households to protect them against events that may adversely affect their social welfare, for example payments for medical and maternity care, home care, pensions and unemployment compensation. Transfers to households included under other transfers to households are capital transfers, for example housing transfers.

## 2.3 Payments for capital assets

This category consists of purchases of, on the one hand, capital assets that can be used repeatedly or continuously in the production process for at least one year, and, on the other, land and subsoil assets. Capital assets should be separated into the following categories:

### Buildings and other fixed structures:

- Buildings: these assets can be used continuously or repeatedly in production for at least one year.
- Other fixed structures: this asset category consists of all fixed structures other than buildings. It includes roads, bridges and dams. These assets can be used continuously or repeatedly in production for at least one year.

### Machinery and equipment:

- Transport equipment: this asset category includes vehicles, ships, aircraft and any other asset that can be used for transportation of goods or persons. These assets can be used continuously or repeatedly in production for at least one year.
- Other machinery and equipment: this asset category includes machinery, engines, motors, generators and computer hardware. These assets can be used continuously or repeatedly in production for at least one year.

### Heritage Assets

This asset category includes historical buildings and monuments, archeological sites, conservation areas and nature reserves, as well as works of art.

### Specialised Military Assets:

This asset category includes weapons, weapon delivery systems, ammunition and exposure equipment, flying suits and parachutes, rigging, ships and marine equipment.

### Biological assets

Animals and plants that are used repeatedly or continuously for more than one year to produce other goods or services. Examples of animals to be included in this category are dairy cattle, draft animals, fur- or wool-producing animals, breeding stocks, game and animals used for transportation and entertainment. Examples of plants are trees, vines and shrubs cultivated for production of fruits, nuts, sap, resin, bark and leaf products.

**Land and sub-soil assets**

This asset category includes all non-produced, non-financial assets, namely land and sub-soil assets.

**Software and other intangible assets**

This asset category includes computer software, artistic originals and mineral exploration, as well as any other intangible asset that can be used continuously or repeatedly in production for at least one year. Research and development, staff training and market research does not constitute capital assets, and payments on such items should be classified under goods and services.

**Payments for financial assets**

It is necessary to provide for payments associated with certain purchases of financial assets; that is to expense the account. Most purchases of financial assets are not considered payments, but it is sensible to do so when the government lends to public corporations or makes equity investments in them, for policy purposes.

**Capitalised compensation/goods and services**

Payments on capital assets also includes capitalised expenditure, i.e. Expenditure on compensation of employees and goods and services if such payments can be directly associated with a capital project, i.e. A project executed by the department to construct, improve or extend a capital asset. However, payments on maintenance and repair of assets should not be capitalised.

Capitalised expenditure should be classified under the relevant asset category, for example, buildings, other structures, transport equipment or software and other intangible assets as the case may be.