

VOTE 14

Public Works

Operational budget	R 1 430 786 423
MEC remuneration	R 1 821 577 ¹
Total amount to be appropriated	R 1 432 608 000
Responsible MEC	MEC for Human Settlements and Public Works
Administering department	Public Works
Accounting officer	Head: Public Works

1. Overview

Vision

The department's vision is: *An inclusive economy through sustainable infrastructure development and property management.*

Mission statement

The department's mission is: *To improve the life of the people in KwaZulu-Natal through sustainable infrastructure development and property management.*

Strategic objectives

Strategic policy direction: The Department of Public Works (DOPW) was restructured to be a capable implementing agent of choice for the client departments requiring building infrastructure services and property management such as office accommodation. The department has a responsibility to deliver on certain key social issues in consultation with the client departments. The department does not only deliver social infrastructure such as schools, clinics and hospitals, but it also co-ordinates the provincial infrastructure cluster. These are the core business functions of the department which are in line with the outcome based strategic goals and objectives in the 5-year strategic plan (2015-2020) of the department.

Core functions

In carrying out its mandate, the department undertakes the following core functions:

- The acquisition of public buildings and land.
- The construction of public buildings, involving the physical erection or major improvements in respect of infrastructure in the building environment.
- The maintenance of public buildings and land, including performing the necessary work to keep the required level of operation and the payment of property rates.
- The alienation of public buildings and land, including the disposal of fixed assets by selling, demolition, exchanging and donation.

¹ At the time of going to print, the proclamation determining the 2015 salary adjustment relating to office bearers had not been signed by the Premier, hence this amount remains unchanged from the 2015/16 EPRE.

Legislative mandate

Within the broad statutory mandates of government institutions, the following mandates guide the department's core functions:

- Constitution of the Republic of South Africa (No. 108 of 1996)
- Public Service Act (No. 30 of 2007)
- Public Finance Management Act (Act No. 1 of 1999, as amended) and the Treasury Regulations
- Government Immovable Asset Management Act (No. 19 of 2007)
- Local Government: Municipal Rates Act (No. 6 of 2004)
- Construction Industry Development Board Act (No. 38 of 2000)
- National Building Regulations and Building Standards Act (No. 103 of 1977)
- Occupational Health and Safety Act (No. 85 of 1993)
- State Land Disposal Act (No. 48 of 1961)
- Prevention of Eviction from and Unlawful Occupation of Land Act (No. 19 of 1998)
- KwaZulu-Natal Land Administration Act (No. 3 of 2003)
- KwaZulu-Natal Heritage Act (No. 10 of 1997)
- Broad Based Black Economic Empowerment Act (No. 53 of 2004)
- Labour Relations Act (No. 66 of 1995)
- Employment Equity Act (No. 55 of 1995)
- Skills Development Act (No. 97 of 1998)
- Basic Conditions of Employment Act (No. 75 of 1997)
- Intergovernmental Relations Framework Act (No. 13 of 2005)
- Preferential Procurement Policy Framework Act (No. 5 of 2000)
- Cross-Boundary Municipalities Laws Repeal and Related Matters Act, as amended (No. 8 of 2009)
- Council for the Built Environment Act (No. 43 of 2000)
- Engineering Profession Act (No. 46 of 2000)
- Architectural Profession Act (No. 44 of 2000)
- Quantity Surveying Profession Act (No. 49 of 2000)
- Project and Construction Management Professions Act (No. 48 of 2000)
- Occupational Injuries and Diseases Act (No. 130 of 1993)
- Deeds Registry Act (No. 47 of 1937)
- Expropriation Act (No. 63 of 1975)
- Environmental Act (No. 107 of 1998)
- Promotion of Administrative Justice Act (No. 53 of 2002)
- Promotion of Access to Information Act (No. 54 of 2006)
- Skills Development Qualification Act (No. 58 of 1995)
- KwaZulu-Natal Ingonyama Trust Amendment Act (No. 9 of 1997)
- South African Schools Act (No. 84 of 1996)
- Cross-boundary Municipalities Laws Repeal Related Matters Act 2005 (No 23 of 2005)
- KwaZulu-Natal Planning and Development Act 2008 (No. 6 of 2008)

2. Review of the 2015/16 financial year

Section 2 provides a review of 2015/16, outlining the main achievements and progress made by the department, as well as providing a brief discussion on challenges and new developments.

Delivery of building infrastructure and accommodation

The implementation of the KwaZulu-Natal Infrastructure Delivery Management System (KZN-IDMS) Framework was approved in August 2012, and DOPW has been identified as the implementing agent of choice in the province. The implementation of KZN-IDMS continued in 2015/16, and the process was led by Provincial Treasury. The KZN-IDMS review was conducted by Provincial Treasury from August 2015 to March 2016, and it included site visits to test quality, time and cost.

The development and management of the service delivery improvement plan has assisted the delivery of infrastructure. There was an improvement in the integrated infrastructure planning process where DOPW and the client departments (all departments in the province) were presented on and participated in this process. The process led to continuous progress being made in the development and finalisation of the Infrastructure Programme Implementation Plans (IPIP) and service delivery agreements. As at the end of December, 49 per cent of the targets were achieved and this was in line with the 2015/16 APP.

Expanded Public Works Programme (EPWP)

EPWP is a nationwide programme which aims to provide unemployed people with work opportunities and training so that they increase their capacity to earn an income. A total of 1 295 work opportunities and 246 Full Time Equivalents (FTEs) were created between April and December 2015. The department has set targets of 6 000 work opportunities and 850 FTEs to be completed by the end of 2015/16 and it aims to attain these targets at year-end. However, the department is experiencing challenges regarding the submission of reports on work opportunities, where data is not submitted on time from construction sites by the service providers. As such, the department is reviewing tender/bid documents to compel contractors to submit EPWP data on a monthly basis in order to comply with the EPWP data management related to infrastructure projects.

KZN Integrated Greening programme

The EPWP Integrated Grant for Provinces allocation is utilised to sustain beneficiaries of the KZN Integrated Greening programme, where 638 people were employed between April and December 2015, including women, youth and people with disabilities to participate in this programme. The achievements of the programme as at the end of September 2015 are as follows:

- 273 560 trees were planted against a target of 208 698, thereby exceeding the target.
- 197 354 trees were propagated against a target of 208 698, and the 2015/16 set target for propagation of trees will be achieved at year-end.
- 675 622 kilograms of waste were collected against a target of 1 050 000 kilograms. The project is still underway and the target of waste collection will be achieved at year-end.

EPWP provincial co-ordination and monitoring

The department fully took over the function of the provincial co-ordination and monitoring of the EPWP on 1 April 2015. The main objectives of the co-ordination function are:

- To ensure that the provincial co-ordination and support function is extended to departments and municipalities in order to achieve the provincial EPWP work opportunities targets. As such, a total of 57 municipalities and 10 provincial departments are reporting on EPWP.
- To provide support to departments and municipalities to ensure that their set EPWP targets are attained. The department has set a target of three interventions to assisting departments and municipalities reporting on EPWP. These included the EPWP *Indaba*, workshops and an EPWP working session.

Fixed asset register

100 per cent migration of PREMIS data into the new Immovable Asset Management System: The contract for the use of PREMIS will expire on 31 March 2016. The new immovable asset management tool known

as ARCHIBUS is currently being implemented. PREMIS and ARCHIBUS systems are currently running parallel and ARCHIBUS is expected to be fully functional from 1 April 2016. The first phase of installation of the new system has been completed and the second phase, which includes data migration, quality control processes, maintenance systems and other IT related programme developments and enhancements is in the last stage. Fifty per cent of the current data from PREMIS to ARCHIBUS has been migrated and the IT component has ensured that there is full compliance with IT prescripts and standards. The system also interfaces with BAS and incorporates project and programme management in relation to capital and maintenance of infrastructure for KZN.

Finalisation of property valuations: The main purpose of this project is to ensure that all properties are valued and the value is disclosed in DOPW's AFS, which is one of the key elements in the disclosure note for assets. Although the project did not commence as anticipated due to tender appeals in the procurement of valuers, currently it is at procurement stage, and the bid specification and functionality criteria were revised. The department has identified 3 760 properties that need to be valued.

Consolidation of land parcels to facilitate infrastructure development: This project aims to address the challenges facing infrastructure development in KZN, where a facility shares (or is built on) more than one land parcel. This involves accessing a large number of title deeds in order to have building plans approved, which is mandatory in terms of the KZN Planning and Development Act, 2008. Based on this background, it is critical that all facilities built on more than one land parcel be prioritised, and such land parcels be consolidated. However, due to reprioritisation of projects, this project was not undertaken in 2015/16, and the funding was moved to the surveying and sub-divisions of the State Domestic Facilities (SDFs) project.

Finalisation of transfer of R293 properties: The department has successfully transferred 850 R293 properties over three years. There are still a number of R293 properties that have not been finalised under Umhlathuze, uMlalazi, Abaqulusi, Umtshezi, Endumeni and Hlabisa Municipalities.

Surveying and sub-divisions of SDFs on tribal land and farms: There are 5 043 SDFs which were built on such land, particularly prior to the new dispensation. This shortcoming has affected the vesting process as mandated by section 239 of the Interim Constitution of South Africa, Act 200 of 1993, and other transfer transactions relating to the municipalities (R293 properties). The process of surveying and sub-dividing of SDFs was at procurement stage at the end of 2015/16.

Condition assessments

Condition assessments of hospitals were undertaken in 2015/16 and maintenance plans were developed for these facilities. In 2015/16, 570 schools were assessed and their maintenance plans were developed.

Izandla Ziyagezana programme

In 2015/16, more than 430 job opportunities were created through the Izandla Ziyagezana programme, thereby contributing meaningfully to unemployment and poverty alleviation. Furthermore, the department increased the number of people with disabilities who participated and benefitted from this programme.

Administration: Internal capacity building

Bursary programme: Five bursaries were awarded in the 2015 academic year to applicants in professional disciplines such as civil, electrical and mechanical engineering. Female applicants from rural areas were prioritised. The department awarded internal bursaries to 55 students.

Internship programme: In 2015/16, the department placed 10 interns on the internship programme in different fields including the professional disciplines, construction project management, quantity surveying, architecture and property management.

3. Outlook for the 2016/17 financial year

Section 3 looks at the key focus areas of 2016/17, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments.

The bulk of the department's budget allocation in Programme 2 is for municipal property rates payments, the Government Immovable Asset Management Act (GIAMA) implementation projects, as well as the

Fixed Asset Management Tool. The budget against Programme 3 largely caters for various infrastructure projects such as construction of offices for the Ilembe and Umzinyathi district offices, Zululand (Vryheid depot) and replacement of the roof in the uMgungundlovu district offices. In the 2016/17 MTEF, provision is also made for the EPWP provincial co-ordination function and the improvement of infrastructure support.

Delivery of building infrastructure and accommodation

The implementation of the KZN-IDMS Framework will continue in 2016/17. Provincial Treasury will issue a report regarding the review conducted in 2015/16 and, if necessary, the Steering Committee will re-assess milestones and adjustments will be made in line with the report.

Expanded Public Works Programme

The EPWP programme aims to provide unemployed people with work opportunities and training so that they increase their capacity to earn an income. The department has set a target of 6 500 work opportunities and 900 FTEs for 2016/17. In addition, the department has set a target of three empowerment interventions in 2016/17, including placement opportunities, training and entrepreneurial development.

KZN Integrated Greening programme

The department will continue with the KZN Integrated Greening programme in partnership with the Office of the Premier (OTP), which focuses on greening activities through employment creation for unskilled people. The department is co-ordinating the programme in the province, and will effectively utilise the EPWP Integrated Grant for Provinces allocation for 2016/17 to implement the KZN Integrated Greening programme. The programme aims to develop and implement a comprehensive plan that will support a wide range of community based greening activities, including:

- Treepreneurs – growing and planting indigenous and edible plants.
- Wastepreneurs – collecting recyclable waste.
- Greenpreneurs – trading bicycles, water tanks, solar energy devices.
- Reforestation projects – restoring community forest assets.

EPWP provincial co-ordination and monitoring

The department will continue with the EPWP provincial co-ordination and monitoring. The main objectives of the co-ordination and monitoring function are:

- To ensure that the provincial co-ordination and support function is extended to departments and municipalities in KZN in order to achieve the provincial EPWP work opportunities targets, therefore the department has set a target of 61 departments and municipalities reporting on EPWP in 2016/17.
- To provide support to departments and municipalities to ensure that their set EPWP targets are attained. This measures the number of interventions implemented to support departments and municipalities in the creation of the targeted number of work opportunities. The department will provide interventions to departments and municipalities, such as working sessions and workshops.

Fixed asset register

100 per cent migration of PREMIS data into the Immovable Asset Management System: ARCHIBUS will be fully implemented in 2016/17 and the benefits include an integrated system, improved project management, efficient financial reporting on infrastructure expenditure, facilities management and planning. It also provides fair value of properties for financial disclosures.

Finalisation of property valuations: The department will continue with this project which was at procurement stage in the prior year. In 2016/17, there are 3 760 properties required to be valued. The valuation of state assets remains critical and is informed by National Treasury's Guide on Accounting and Reporting for Immovable Assets.

Finalisation of R293 properties: The outstanding number of properties to be transferred in 2016/17 is estimated at 450. The transfer process in Umhlathuze, uMlalazi, Abaqulusi, Umtshezi, Endumeni and Hlabisa Municipalities is underway and the process is expected to be completed in 2016/17.

Surveying and sub-divisions of SDFs on tribal land and farms: This project aims to address the challenges in respect of SDFs built on land that is not surveyed or not sub-divided. There are 5 043 SDFs which were built on such land, particularly prior to the new dispensation. The process of surveying and sub-dividing is a multi-year project.

Condition assessments

In 2016/17, the department will continue with condition assessments of school infrastructure and maintenance and improvement plans will be developed for these facilities. This will ensure that state schools are maintained at an optimal level to support teaching and learning. This will be done in consultation with the Department of Education, as it will ensure that user-specific requirements are addressed and that the project yields beneficial results to the user department. Despite challenges experienced in the outsourcing of valuers, the department is also expected to finalise the condition assessments for the Department of Social Development facilities in 2016/17.

Izandla Ziyagezana programme

In 2016/17, the department will continue to contribute to the creation of sustainable jobs through the Izandla Ziyagezana programme. The department aims to sustain 470 jobs in 2016/17. Additionally, the department will focus on increasing the participation of women and people with disability who will benefit from the programme.

Administration: Internal capacity building

Bursary programme: Bursaries will be awarded for the 2016 academic year to applicants in professional disciplines – i.e. civil, electrical and mechanical engineering. Female applicants from rural areas will be prioritised. The department will be funding 34 external bursary holders and 41 internal bursary holders.

Internship programme: In 2016/17, the department will place 50 interns on the internship programme in different fields including professional disciplines, construction project management, quantity surveying, architecture and property management.

4. Receipts and financing

4.1 Summary of receipts

Table 14.1 indicates the sources of funding for Vote 14 for the period 2012/13 to 2018/19. The table also compares actual and budgeted receipts against actual and budgeted payments.

Table 14.1 : Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Equitable share	758 563	1 257 040	1 313 705	1 376 193	1 399 466	1 399 466	1 428 137	1 503 706	1 590 995
Conditional grants	552 608	3 000	3 168	3 057	3 056	3 056	4 471	-	-
<i>Devolution of Property Rate Funds grant</i>	551 100	-	-	-	-	-	-	-	-
<i>EPWP Integrated Grant for Provinces</i>	1 508	3 000	3 168	3 057	3 056	3 056	4 471	-	-
Total receipts	1 311 171	1 260 040	1 316 873	1 379 250	1 402 522	1 402 522	1 432 608	1 503 706	1 590 995
Total payments	1 133 311	1 270 253	1 388 082	1 389 666	1 412 938	1 423 344	1 432 608	1 503 706	1 590 995
Surplus/(Deficit) before financing	177 860	(10 213)	(71 209)	(10 416)	(10 416)	(20 822)	-	-	-
Financing									
<i>of which</i>									
Provincial roll-overs	14 185	28 168	20 268	-	-	-	-	-	-
Provincial cash resources	27 032	25 523	54 622	10 416	10 416	10 416	-	-	-
Surplus/(Deficit) after financing	219 077	43 478	3 681	-	-	(10 406)	-	-	-

The aim of the Devolution of Property Rate Funds grant was to provide for the payment of property rates in the province. In 2013/14, this grant was phased into the equitable share, thus the table shows no grant allocation thereafter. However, the provincial allocation shows a substantial increase.

The department was allocated the EPWP Integrated Grant for Provinces from 2012/13 to 2016/17. The department received an amount of R4.471 million against this grant in 2016/17, and no allocation over the MTEF, at this stage.

In 2012/13:

- R14.185 million was rolled over to 2012/13 relating to infrastructure commitments from 2011/12.
- The department received R27.032 million additional funding, and this included R25 million relating to the purchase and development of a Fixed Asset Management Tool and R2.032 million for the EPWP Integrated Grant for Provinces.
- The department under-spent by R219.077 million in 2012/13, which included R120.489 million that was identified as an over-provision in the Devolution of Property Rate Funds grant, and was surrendered to National Treasury. There was under-spending of R22.090 million mainly related to slow progress with regard to the DOPW head office project, due to sub-division issues to be finalised with the local municipality. The tenders were awarded later than anticipated, resulting in delays in the commencement of the GIAMA and the Fixed Asset Management Tool projects.

In 2013/14:

- R28.168 million was rolled over from 2012/13 to 2013/14 in respect of commitments related to property rates.
- The department received R25.523 million provincial cash resources for the Richmond Community Development programme (R24.523 million) and R1 million for Operation Sukuma Sakhe (OSS).
- The department under-spent by R43.478 million, due to delays in the awarding of the GIAMA tender, where an appeal lodged in respect of the condition assessment to be undertaken was delayed, as well as the late commencement of the Richmond Community Development programme (R20.750 million), as the selection and recruitment of beneficiaries took longer than anticipated.

In 2014/15:

- A roll-over of R20.268 million was received from 2013/14 for the Richmond Community Development programme.
- The department received R54.622 million provincial cash resources as follows:
 - A suspension of funds amounting to R25 million was received from 2012/13 for the Fixed Asset Management Tool.
 - Once-off additional amounts for the Richmond Community Development programme, and the NYSP of R20 million and R7.500 million, respectively, were received.
 - Carry-through costs of R3.265 million for previous wage agreements.
 - The department's allocation was reduced by R3.277 million, in respect of the centralisation of parts of the communications budget and the external bursaries budget under OTP.
 - R1.093 million was allocated to the department for work required on the Ulundi Royal Household Palace, former Legislature Assembly (LA) Complex, Ministerial houses and temporary residential units for the Royal Household.
 - R1.041 million was received for refurbishment work required at Nyokeni Palace, which needed to be completed for the Reed Dance ceremony.
- The department under-spent by R3.681 million due to delays in respect of GIAMA related projects, as a result of an extended appeal process for the development of the Fixed Asset Management Tool due to its complex nature.

In 2015/16:

- The department received provincial cash resources of R10.416 million as follows:
 - A suspension of funds amounting to R9.934 million was received from 2013/14 for the Fixed Asset Management Tool.
 - An amount of R482 000 for the Richmond Development Community programme was a suspension from 2014/15.

- The Revised Estimate reflects projected over-spending of R10.406 million attributed to spending pressures brought about by arrear payments in respect of property rates for newly identified properties in the eThekweni Metro, uMgungundlovu, Uthukela, Umzinyathi, Amajuba, Zululand, uThungulu, Ilembe and Harry Gwala Municipalities, where the department is liable for property rates. This over-spending will be offset by reprioritisation from other areas.

In the 2016/17 MTEF, the department's equitable share allocation includes funds for the carry-through costs of the 2015 above-budget wage agreement.

4.2 Departmental receipts collection

Table 14.2 reflects the estimated departmental receipts for Vote 14. The department is a service provider to other provincial departments, and it is therefore not a major revenue generating entity. The main sources of revenue are of a domestic nature and include housing rent, parking, etc. Details are provided in the *Annexure – Vote 14: Public Works*.

Table 14.2 : Summary of departmental receipts collection

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	6 122	5 794	5 662	7 067	7 067	7 965	7 659	8 294	9 124
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	220	159	155	180	180	318	180	195	213
Sale of capital assets	15 908	10 875	12 103	220	220	2 620	240	4 520	290
Transactions in financial assets and liabilities	1 392	1 430	1 566	959	959	1 086	888	911	1 003
Total	23 642	18 258	19 486	8 426	8 426	11 989	8 967	13 920	10 630

Sale of goods and services other than capital assets comprises housing rent recoveries, parking and state-owned property rentals. The decrease in 2013/14 and 2014/15 when compared to the 2012/13 actual revenue collection was due to the receipts of arrear rentals resulting from the regularisation of a number of cases relating to illegal occupants, where no payments were previously made. The 2015/16 Revised Estimate reflects an anticipated over-collection by the department. This is due to arrear government property rentals received from SASSA in November 2015, which were inadvertently allocated against *Transactions in financial assets and liabilities*. This was subsequently rectified by the department. A steady increase in revenue collection is expected over the MTEF.

Interest, dividends and rent on land relates to interest earned on outstanding staff debts. It must be noted that revenue collection against this category is erratic. In the 2015/16 Revised Estimate, the department anticipates to over-collect its main budget as a result of the interest on staff debts being higher than anticipated. Further recovery of interest owed by staff is anticipated over the MTEF.

Sale of capital assets relates to the sale of redundant motor vehicles as well as the sale of land and buildings. In 2012/13, the department made a disposal of buildings to National DOPW. The substantial revenue collection made in 2013/14 was in respect of the disposal of land by way of a public bid. In 2014/15, actual revenue collected was mainly due to the sale of land and buildings which were no longer required by the provincial government. The 2015/16 collection can be ascribed to the sale of state vehicles through auction, as well as the auction of office furniture and equipment. The department is expecting to sell off more of its uneconomical assets through auction over the MTEF. The substantial increase in 2017/18 is due to the planned auctioning of redundant state vehicles.

Transactions in financial assets and liabilities relates to recoveries of outstanding staff debts from prior years, as well as recoveries from previous years' expenditure, such as over-payments to suppliers. A steady increase is reflected from 2012/13 to 2014/15, indicating improvement in staff debt collection. The conservative budgeting over the MTEF is due to the uncertain nature of recovering past years' debts.

4.3 Donor funding – Nil

5. Payment summary

This section provides information pertaining to the vote as a whole at an aggregated level, including payments and budgeted estimates in terms of programmes and economic classification.

Further details are given in Section 6 below, as well as in the *Annexure – Vote 14: Public Works*.

5.1 Key assumptions

The following key assumptions have been used to determine the budget:

- Provision was made for the carry-through costs of the above-budget 2015 wage agreement and an inflationary wage adjustment of 7.2, 6.8 and 6.8 per cent for each of the three years of the 2016/17 MTEF, respectively.
- All inflation related increases are based on CPI projections.
- The expanded cost-cutting measures, as reissued by Provincial Treasury in 2015/16, will continue to be adhered to over the 2016/17 MTEF, in conjunction with National Treasury Instruction 01 of 2013/14: Cost-containment measures. In addition, as a result of the need to lower the expenditure ceiling across the country (as explained under Section 5.2 below), departments had to adhere to the following guidelines:
 - Expenditure on *Compensation of employees* was lowered by freezing all vacant non-OSD posts. This cut does not affect Education or Health as these are to be protected in this process. Both departments are required to review their vacant administration staff posts and to decrease the numbers in this area with the savings from this exercise to be redirected within the votes to service delivery spending.
 - Departments' equitable share funded *Goods and services* budgets were cut by 2 per cent.
 - Departments' and public entities' hosting of events budgets were cut over the MTEF.
 - Other baseline cuts were effected against the Office of the Premier and the Department of Economic Development, Tourism and Environmental Affairs in line with a directive from national in this regard.
- Departments must not absorb the impact of these cuts against their capital budgets. Capital projects may be re-scheduled or slowed in instances where this is practical.
- The capital budget is based on the department's infrastructure plan.

5.2 Additional allocations for the 2014/15 to 2016/17 MTEF

Table 14.3 shows additional funding received by the department over the three MTEF periods: 2014/15, 2015/16 and 2016/17. Note that the table reflects only the provincial additional allocations, and excludes additional allocations in respect of conditional grants. The purpose of such a table is two-fold. Firstly, it shows the quantum of additional funding allocated to the department in the past and current MTEF periods. Secondly, it indicates the policies and purposes for which the additional funding was allocated.

The carry-through allocations for the 2014/15, 2015/16 and 2016/17 MTEF periods (i.e. for the financial year 2018/19) are based on the incremental percentage used in the 2016/17 MTEF.

In the 2014/15 MTEF, the department was allocated once-off additional funding for the NYSP and the Richmond Community Development programme. Also included was a suspension of funds from 2012/13 to 2014/15 in respect of the Fixed Asset Management Tool. The department received the carry-through costs of previous wage agreements. This was mitigated by a reduction in the department's allocation relating to the centralisation of parts of the communications budget and the external bursaries budget under OTP.

Table 14.3 : Summary of additional provincial allocations for the 2014/15 to 2016/17 MTEF

R thousand	2014/15	2015/16	2016/17	2017/18	2018/19
2014/15 MTEF period	52 488	2 976	603 804	3 994	4 226
Government office precinct project	-	-	600 000	-	-
National Youth Service programme	7 500	-	-	-	-
Richmond Community Development programme	20 000	-	-	-	-
Roll-over from 12/13 to 14/15 - Fixed Asset Mgt Tool	25 000	-	-	-	-
Carry-through of previous wage agreements	3 265	6 305	7 286	7 650	8 094
Centralisation of communications budget under OTP	(940)	(990)	(1 035)	(1 087)	(1 150)
Centralisation of external bursaries budgets under OTP	(2 337)	(2 339)	(2 447)	(2 569)	(2 718)
2015/16 MTEF period		13 816	(596 439)	3 738	3 955
Removal of government office precinct allocation		-	(600 000)	-	-
EPWP co-ordination moved from DOT		1 061	1 114	1 169	1 237
Roll-over of GIAMA funds from 13/14		9 934	-	-	-
Roll-over of Richmond Community Development prog funds from 13/14		482	-	-	-
Decentralisation of bursaries budget		2 339	2 447	2 569	2 718
2016/17 MTEF period			(21 645)	(22 877)	(24 130)
Above-budget 2015 wage agreement			19 329	20 736	22 316
Freezing all vacant non-OSD posts			(36 347)	(38 819)	(41 458)
Cutting events' budgets			(106)	(106)	(106)
2% Goods and services cut			(4 521)	(4 688)	(4 882)
Total	52 488	16 792	(14 280)	(15 145)	(15 949)

The department received additional funding in 2015/16 for the following:

- Funding (with carry-through) in respect of the EPWP provincial co-ordination function shift from the Department of Transport (DOT) was insufficient and the department has therefore reprioritised the balance of R10 million, R12 million and R15 million, over the 2015/16 MTEF, from within its baseline.
- A roll-over from 2013/14 to 2015/16 in respect of GIAMA and the Richmond Community Development programme.
- Decentralisation of external bursaries budget to the department from OTP.
- An amount of R600 million for the government office precinct project, which was expected to commence in 2016/17, was removed from the department's baseline, as this project was put on hold at the time due to the fiscal consolidation cuts implemented against the province.

In the 2016/17 MTEF, expenditure on *Compensation of employees* was reduced by freezing all vacant non-OSD posts. The department's events budget was cut and the equitable share funded *Goods and services* budget was cut by 2 per cent. DOPW took a decision to mainly effect this cut against the department's GIAMA funding, in view of under-spending due to appeal processes which delayed the implementation of GIAMA projects. This will be reviewed in-year. The impact of these cuts on DOPW is commented on in Section 5.3 below. Mitigating these cuts to some extent is that the department receives additional funding for the carry-through costs of the above-budget 2015 wage agreement.

Note that additional funding was allocated in the 2012/13 MTEF for improving infrastructure support. Although no longer visible in Table 14.3, this funding was specifically and exclusively appropriated and the department has not yet completed the implementation of its revised infrastructure staffing structure that this funding was intended for. Thus amounts of R21.713 million, R22.799 million and R24.121 million in 2016/17, 2017/18 and 2018/19 respectively, remain ring-fenced for this purpose.

5.3 Summary by programme and economic classification

Tables 14.4 and 14.5 below provide a summary of the vote's expenditure and budgeted estimates over the MTEF period by programme and economic classification, respectively.

The department's budget is divided into three programmes, namely Administration, Property Management and Provision of Buildings, Structures and Equipment.

The department's structure is currently not in line with the uniform budget and programme structure for the Public Works sector, and this is under review. National Treasury has been approached in this regard. All programmes are different from the uniform structure except Programme 1 which largely conforms with the programme structure.

Table 14.4 : Summary of payments and estimates by programme: Public Works

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
1. Administration	285 966	323 641	330 664	350 737	354 082	347 808	359 425	381 194	405 191
2. Property Management	474 335	540 416	614 291	630 089	640 357	653 815	647 907	681 659	722 157
3. Provision of Buildings, Structures and Equipment	373 010	406 196	443 127	408 840	418 499	421 721	425 276	440 853	463 647
Total	1 133 311	1 270 253	1 388 082	1 389 666	1 412 938	1 423 344	1 432 608	1 503 706	1 590 995

Table 14.5 : Summary of payments and estimates by economic classification: Public Works

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Current payments	625 609	679 124	740 445	785 205	798 070	786 467	810 219	852 787	906 153
Compensation of employees	438 487	489 093	505 875	556 968	551 844	545 450	584 239	623 058	666 946
Goods and services	186 891	190 019	234 569	228 237	246 226	241 017	225 980	229 729	239 207
Interest and rent on land	231	12	1	-	-	-	-	-	-
Transfers and subsidies to:	405 705	476 375	524 694	512 556	524 084	547 614	539 960	567 628	600 351
Provinces and municipalities	396 112	467 068	512 835	507 255	515 566	538 951	534 154	562 119	594 699
Departmental agencies and accounts	395	423	460	581	568	244	497	490	488
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	409	874	100	100	100	-	-	-
Households	9 198	8 475	10 525	4 620	7 850	8 319	5 309	5 019	5 164
Payments for capital assets	101 887	114 754	122 920	91 905	90 784	89 263	82 429	83 291	84 491
Buildings and other fixed structures	76 886	74 773	98 248	71 373	71 321	71 321	66 318	66 225	66 225
Machinery and equipment	21 108	34 747	20 211	16 199	15 292	11 990	12 111	13 066	14 266
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	3 893	5 234	4 461	4 333	4 171	5 952	4 000	4 000	4 000
Payments for financial assets	110	-	23	-	-	-	-	-	-
Total	1 133 311	1 270 253	1 388 082	1 389 666	1 412 938	1 423 344	1 432 608	1 503 706	1 590 995

The department's baseline has increased significantly, from R1.133 billion in 2012/13 to R1.591 billion in 2018/19. The increase in 2013/14 relates to the replacement of computers within the department. The payment of property rates in 2014/15 was high due to commitments from the previous year. This explains the low spending in 2012/13. Also contributing to the low spending in 2012/13 were delays in the GIAMA project tender processes for the acquisition of service providers with the appropriate capacity to undertake condition assessments of government properties. There were also delays in the procurement and development of the Fixed Asset Management Tool for Property Management which was put on hold by National DOPW at the time, resulting in these funds not being spent.

The 2015/16 Adjusted Appropriation reflects an increase of R18.159 million to fund the above-budget 2015 wage agreement against *Compensation of employees* across all programmes. Also contributing to the increase were specifically and exclusively appropriated funds of R4.842 million allocated for the completion of the Provincial Infrastructure Master Plan, and a suspension of R271 000 from 2014/15 to 2015/16, in respect of the Richmond Community Development programme. The spike in the Revised Estimate can be ascribed to spending pressures due to higher than anticipated invoices received in respect of property rates for newly identified properties in the eThekweni Metro, uMgungundlovu, Uthukela, Umzinyathi, Amajuba, Zululand, uThungulu, Ilembe and Harry Gwala Municipalities. The 2016/17 budget includes the EPWP Integrated Grant for Provinces, and no allocation for this grant over the MTEF, at this stage. Overall, the department is showing steady growth over the 2016/17 MTEF period, despite the budget cuts undertaken over the MTEF, totalling R40.974 million, R43.613 million and R46.446 million.

Programme 1: Administration reflects a significant increase in 2013/14 largely due to unanticipated costs relating to the Special Investigation Unit (SIU). Also contributing were increased costs for SITA data lines and information services, as well as higher than anticipated costs of replacing a number of computers and the costs of Microsoft software licences. The marginal increase in the 2015/16 Adjusted Appropriation is ascribed to additional funding allocated for the above-budget 2015 wage agreement. The decrease in the 2015/16 Revised Estimate is mainly linked to the moratorium on the filling of non-critical posts, which

required the department to make a submission to the Premier and MEC for Finance for critical posts to be filled. The bulk of posts against this programme are mainly non-OSD posts and, as mentioned, expenditure on *Compensation of employees* has been reduced by freezing all vacant non-OSD posts, and the department's events' budget has been cut. In total, Programme 1 has been cut by R24.498 million, R26.610 million and R28.233 million over the MTEF. Despite these cuts, the programme reflects reasonable growth over the 2016/17 MTEF.

Programme 2: Property Management reflects an increase in 2013/14 which is due to property rates commitments from the previous year. Also contributing to the peak was the re-evaluation of the upgraded King George V Hospital situated in the eThekweni Metro which was finalised toward the end of 2012/13 and attracted higher property rates, the unanticipated arrear payment for property rates relating to this facility which was effected in 2013/14, as well as above-budget wage agreement costs. The further increase in 2014/15 is ascribed to arrear payments in respect of property rates for clinics and schools in the eThekweni Metro and Ulundi Municipality. In 2015/16, funds were reprioritised from Programme 3 to cater for critical vacant posts such as administrative clerks, the bulk being in the North Coast region. The 2015/16 budget also includes a suspension of funds from 2013/14 in respect of GIAMA projects. The increase in the 2015/16 Adjusted Appropriation relates to additional funding for the above-budget 2015 wage agreement. The substantial increase in the 2015/16 Revised Estimate is driven by spending pressures due to arrear payments in respect of property rates for newly identified properties in eThekweni, and the uMgungundlovu, Uthukela, Umzinyathi, Amajuba, Zululand, uThungulu, Ilembe and Harry Gwala Municipalities. Due to inadequate funds, the department could not reprioritise to cater for these pressures over the MTEF, but will review this in-year. This accounts for the decline in 2016/17, whereafter the programme shows steady growth over the 2016/17 MTEF, and the bulk of the budget is specifically and exclusively appropriated for municipal property rates, GIAMA projects, as well as the Fixed Asset Management Tool. The equitable share funded *Goods and services* budget has been cut by 2 per cent, and this was effected by reducing funding for the implementation of GIAMA by R4.521 million in 2016/17, R4.688 million in 2017/18 and R4.882 million in 2018/19. The department has been under-spending in this area due to appeal processes which delayed the implementation of GIAMA projects. Again, this will be reviewed in-year, should there be spending pressures. Also, expenditure on *Compensation of employees* has been reduced by freezing all vacant non-OSD posts in respect of this programme. In total, Programme 2 has been cut by R8.543 million, R9.121 million and R9.559 million over the MTEF.

Programme 3: Provision of Buildings, Structures and Equipment shows a significant increase in 2014/15 attributed to once-off funding for the Richmond Community Development programme relating to ablution facilities in the Richmond area, the NYSP, payments for work done on the Ulundi Royal Household Palace, as well as for refurbishment work at Nyokeni Palace. In addition, a roll-over was received from 2013/14 in respect of the Richmond Community Development programme, explaining the decrease in 2015/16. The increase in the 2015/16 Adjusted Appropriation can be ascribed to the above-budget 2015 wage agreement, a roll-over from 2014/15 for the Richmond Community Development programme, and additional funding for the completion of the Provincial Infrastructure Master Plan. The 2016/17 budget includes additional funding for the EPWP Integrated Grant for Provinces, and the bulk of the budget over the MTEF caters for infrastructure projects. The budget for this programme maintains inflationary growth over the 2016/17 MTEF, despite baseline cuts being effected against *Compensation of employees* totalling of R7.933 million, R8.272 million and R8.632 million over the MTEF.

The increasing trend against *Compensation of employees* from 2012/13 onward is influenced by the carry-through costs of above-budget wage agreements, OSD for professionals (such as architects and artisans), as well as provision made for improving infrastructure support. The significant increase in 2013/14 is attributed to carry-through costs of above-budget wage agreements, as well as outstanding performance bonuses for 2012/13 and the SMS pay progression from 2011/12. Also contributing was the re-grading of posts on salary levels 4, 9 and 11 to 5, 10 and 12, respectively. In 2014/15, savings due to delays in the filling of vacant posts were moved to address spending pressures against *Goods and services* for consultants employed in the capacity of project managers in the Ulundi region, and to provide for higher than anticipated costs on items such as property payments in respect of water and electricity and security services costs. This explains the significant increase in 2015/16. Also contributing to the increase was reprioritisation of funds undertaken from other categories to cater for various posts, and additional funding

relating to the EPWP provincial co-ordination function which was moved from DOT. There was a substantial decrease in the 2015/16 Adjusted Appropriation, where savings were moved to *Goods and services* to defray spending pressures as a result of higher than anticipated costs relating to the department's building lease, in respect of Fedsure House in Pietermaritzburg, and to *Transfers and subsidies* to cater for spending pressures brought about by arrear payments and higher than budgeted costs in respect of the payment of municipal property rates. The Revised Estimate reflects projected under-spending which is driven by delays in the filling of vacant posts, as well as the moratorium on the filling of non-critical posts. Despite the reduction of the budget of R36.347 million, R38.819 million and R41.458 million over the MTEF by freezing all vacant non-OSD posts, the 2016/17 MTEF shows inflationary growth, and includes carry-through additional funding for previous years' wage agreements.

In 2014/15, there was a significant increase against *Goods and services* due to once-off additional funding allocated for the NYSP, the Richmond Community Development programme, as well as repairs and maintenance for His Majesty's Ulundi Royal Household Palace, accounting for the decrease in the 2015/16 Main Appropriation. The substantial increase in the 2015/16 Adjusted Appropriation relates to a roll-over from 2014/15 for the Richmond Community Development programme and additional funding for the completion of the Provincial Infrastructure Master Plan. Hence, there is a decrease in 2016/17, which was further exacerbated by the 2 per cent cut effected against the department's equitable share funded *Goods and services* budget. As mentioned, the department effected these cuts of R4.521 million, R4.688 million and R4.882 million against the GIAMA funding. However, the 2016/17 budget includes an additional allocation for the EPWP Integrated Grant for Provinces. The bulk of the MTEF budget caters for the GIAMA projects and the Fixed Asset Register.

The spending against *Interest and rent on land* from 2012/13 to 2014/15 relates to interest on finance leases, as well as interest paid on overdue water and electricity accounts.

The increase against *Transfers and subsidies to: Provinces and municipalities* in 2013/14 is largely ascribed to a roll-over for commitments relating to the previous year for the payment of property rates, as well as the unanticipated arrear payment for property rates relating to the King George V Hospital which was only effected in 2013/14, as explained previously. The significant increase in 2014/15 was due to property rates arrear payments for commitments relating to 2013/14, explaining the decrease in 2015/16. During the 2015/16 Adjusted Appropriation, savings were moved from *Compensation of employees* to address spending pressures driven by arrear payments and higher than budgeted costs in respect of the payment of municipal property rates. The substantial increase in the 2015/16 Revised Estimate is due to arrear payments, in respect of property rates for newly identified properties in the eThekweni Metro, uMgungundlovu, Uthukela, Umzinyathi, Amajuba, Zululand, uThungulu, Ilembe and Harry Gwala Municipalities. Due to lack of funding, these pressures could not be catered for over the MTEF, at this stage. However, the department will review this in-year. The 2016/17 MTEF, which caters mainly for property rates, as well as motor vehicle licence fees, shows steady growth.

The erratic trend against *Transfers and subsidies to: Departmental agencies and accounts* over the entire period is driven by workmen's compensation payments, which are based on claims related to injuries on duty. These claims are difficult to predict, which explains the slight decrease over this period. There is a minimal decline in growth in the outer year due to reprioritisation to cater for other economic categories.

Expenditure against *Transfers and subsidies to: Non-profit institutions* in 2013/14 and 2014/15 relates to donations made in respect of OSS. As a result of cuts effected on the department's events' budget, no provision for such donations is made over the 2016/17 MTEF.

Transfers and subsidies to: Households caters for external bursaries and staff exit costs. The inconsistent trend from 2012/13 to 2014/15 is due to the unpredictable nature of staff exit costs. The increase in the 2015/16 Adjusted Appropriation and Revised Estimate is attributed to higher than anticipated staff exit costs. The budget over the MTEF fluctuates due to the unpredictable nature of staff exit costs.

Buildings and other fixed structures fluctuates over the seven years, as it is based on actual capital infrastructure requirements, including new and carry-through costs of certain projects. The significant increase in 2014/15 was attributed to once-off funding in respect of the Richmond Development

Community programme for ablution facilities, as well as for refurbishment work at Nyokeni Palace which needed to be completed before the Reed Dance ceremony took place in September 2014, which explains the decrease in 2015/16. The baseline for 2016/17 is slightly higher than the two outer years of the MTEF and is based on actual infrastructure requirements, as mentioned above.

The peak in 2013/14 against *Machinery and equipment* relates to higher than anticipated costs of replacing computers within the department. This explains the decrease in 2014/15. The further decrease in the 2015/16 Adjusted Appropriation and Revised Estimate can be ascribed to the reprioritisation of funds to cater for costs of installing tracker devices on the department's vehicles and addressing spending pressures under computer services under *Goods and services*. The decline over the 2016/17 MTEF is as a result of reprioritisation from this category to cater for the SITA SLAs.

Spending against *Software and other intangible assets* increased from 2012/13 onward emanating from the renewal of COGNOS user licences. These significant increases were based on the agreement entered into by the department with Microsoft, which required a three-year commitment and annual billing. However, the high spending in 2013/14 was largely attributed to the purchase of Microsoft software licences, following the upgrade and replacement of IT infrastructure for the department. The budget in 2015/16 includes provision for Computer Aided Designs, which architects use for infrastructure drawings. The allocation decreases slightly over the 2016/17 MTEF due to reprioritisation to *Goods and services* for the SITA SLAs.

The department wrote off various losses of R110 000 and R23 000 against *Payments for financial assets* in 2012/13 and 2013/14, respectively.

5.4 Summary of conditional grant payments and estimates

Tables 14.6 and 14.7 below relate to the summary of conditional grants receipts and payments. Note that the historical figures set out in Table 14.6 below reflect actual expenditure per grant, and should not be compared to those reflected in Table 14.1, which represent the actual receipts for each grant. Further details are provided in the *Annexure – Vote 14: Public Works*.

Table 14.6 : Summary of conditional grants payments and estimates by name

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Devolution of Property Rate Funds grant	402 443	-	-	-	-	-	-	-	-
EPWP Integrated Grant for Provinces	5 292	3 000	3 167	3 057	3 056	3 056	4 471	-	-
Total	407 735	3 000	3 167	3 057	3 056	3 056	4 471	-	-

Table 14.7 : Summary of conditional grants payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19
Current payments	5 292	3 000	3 167	3 057	3 056	3 056	4 471	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	5 292	3 000	3 167	3 057	3 056	3 056	4 471	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	402 443	-	-	-	-	-	-	-	-
Provinces and municipalities	402 443	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	407 735	3 000	3 167	3 057	3 056	3 056	4 471	-	-

The high spending in 2012/13 relates to the payments of property rates, for which funding was incorporated into the equitable share from 2013/14, hence, there is no allocation from 2013/14 onward.

The department received funding for the EPWP Integrated Grant for Provinces from 2011/12 onward. The high spending in 2012/13 includes commitments relating to 2011/12, which explains the decrease in 2013/14 and 2014/15. There was a slight decrease in the 2015/16 Adjusted Appropriation after National Treasury indicated that the uncommitted (and therefore not rolled over) portion of the EPWP Integrated Grant for Provinces of R1 000 must be surrendered to the National Revenue Fund. Instead of this amount being surrendered from the Provincial Revenue Fund, though, National Treasury implemented Section 22(4) of the Division of Revenue Act and removed this amount from DOPW's 2015/16 EPWP Integrated Grant for Provinces' allocation. The department is projected to fully spend its EPWP grant allocation by year-end. The department receives R4.471 million for this grant in 2016/17, and no allocation over the two outer years of the MTEF, at this stage. This grant is utilised for the KZN Integrated Greening programme.

5.5 Summary of infrastructure payments and estimates

Table 14.8 below presents a summary of infrastructure payments and estimates by category for the vote. Detailed information on infrastructure is given in the *Annexure – Vote 14: Public Works*.

Table 14.8 : Summary of infrastructure payments and estimates by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Existing infrastructure assets	74 612	79 849	86 752	53 980	53 980	67 519	56 709	54 103	43 025
Maintenance and repair: Current	11 113	9 370	10 514	6 000	6 052	6 723	6 300	4 400	4 000
Upgrades and additions: Capital	52 057	51 467	58 122	31 937	31 937	45 094	31 506	35 532	18 635
Refurbishment and rehabilitation: Capital	11 442	19 012	18 116	16 043	15 991	15 702	18 903	14 171	20 390
New infrastructure assets: Capital	13 387	4 294	22 010	23 393	23 393	10 525	15 909	16 522	27 200
Infrastructure transfers	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Current	-	-	-	-	-	-	-	-	-
Infrastructure transfers: Capital	-	-	-	-	-	-	-	-	-
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	-	-	-	-	-	-	-	-	-
Total	87 999	84 143	108 762	77 373	77 373	78 044	72 618	70 625	70 225
<i>Capital infrastructure</i>	<i>76 886</i>	<i>74 773</i>	<i>98 248</i>	<i>71 373</i>	<i>71 321</i>	<i>71 321</i>	<i>66 318</i>	<i>66 225</i>	<i>66 225</i>
<i>Current infrastructure</i>	<i>11 113</i>	<i>9 370</i>	<i>10 514</i>	<i>6 000</i>	<i>6 052</i>	<i>6 723</i>	<i>6 300</i>	<i>4 400</i>	<i>4 000</i>

There is a fluctuating trend against infrastructure projects, driven by the commencement and completion of infrastructure projects. The significant decrease in 2013/14 is ascribed to the slow progress in respect of the head office project as a result of consultant delays, cancellation of contracts and inclement weather, as well as contractor delays with regard to the Southern region (uMgungundlovu) new administrative wing project. The increase in 2014/15 was attributed to the once-off funding for the Richmond Community Development programme relating to ablution facilities in the Richmond area, which explains the decrease in 2015/16. The reduction over the MTEF is based on infrastructure requirements within the department. A number of major projects, some of which are multi-year, will continue over the MTEF, including the air-conditioners maintenance contracts and upgrading of water valves in the North Coast Region, construction of the new Ilembe district office and the construction of the Southern region new canteen.

High spending against *Maintenance and repair: Current* is ascribed to higher than anticipated costs of maintenance of the department's fixed assets, unanticipated repairs to the MEC's office in Mayville due to flood damage, air conditioner maintenance in the eThekweni regional office, as well as the Midlands region. This accounts for the slight decrease in 2013/14. The increase in 2014/15 relates to the unanticipated maintenance and repair costs for the eThekweni region, and these once-off costs account for the reduction in the budget in 2015/16. The budget over the 2016/17 MTEF decreases following reprioritisation undertaken by the department to cater for projects, such as the Uthukela and Ilembe district offices, Southern region new office and new canteen which fall under *New infrastructure assets: Capital*.

Upgrades and additions: Capital fluctuates over the seven-year period, as it is based on new and carry-through costs of certain projects. The high spending in 2012/13 was driven by the head office and CIDB satellite office in uMgungundlovu, explaining the decrease in 2013/14. The substantial increase in 2014/15

was due to faster than anticipated progress in respect of the head office project. The 2015/16 Revised Estimate reflects over-spending on this category mainly ascribed to projects such as the head office, Uthukela district office and Vryheid depot projects which were under-budgeted. The baseline allocation over the 2016/17 MTEF decreases significantly due to reprioritisation undertaken by the department to fund *New infrastructure assets: Capital*, as well as to cater for projects under *Refurbishment and rehabilitation: Capital* in respect of continuation costs for various projects, pertaining to the LA Complex in Ulundi and the eThekweni region. Some funds were reprioritised from this category to fund the EPWP provincial co-ordination function which was moved from DOT, with inadequate funding.

Refurbishment and rehabilitation: Capital shows a spike in 2013/14 which relates to the administrative wing of the former LA Complex in Ulundi, comprising landscaping, air-conditioning and electrical maintenance, as well as projects relating to the Umzinyathi and Amajuba district offices, as well as the Esplanade building in Durban. This accounts for the decrease in 2014/15, which was also attributed to the completion of some of these projects, including the Esplanade building in 2013/14. The increase in 2016/17 is due to reprioritisation of funds from other categories as a result of continuation costs of various projects relating to the LA complex and the eThekweni region. Some of these projects are expected to be completed in 2016/17, hence the decrease in 2017/18. The increase in 2018/19 also relates to continuation costs in respect of projects for the LA Complex in Ulundi.

The significant decrease against *New infrastructure assets: Capital* in 2013/14 was attributed to slow progress in respect of the head office project as a result of consultant delays, cancellation of contracts and inclement weather, as well as contractor delays with regard to the Southern region (uMgungundlovu) new administrative wing project. The significant increase in 2014/15 was attributed to once-off funding for the Richmond Community Development programme for ablution facilities in the Richmond area. The 2015/16 allocation is high due to reprioritisation undertaken from *Maintenance and repair: Current*, and *Upgrades and additions: Capital* to fund the Uthukela and Ilembe district offices, as well as the new canteen in the Southern region. Also catered for in 2015/16 is the continuation of the head office project. The increasing trend over the 2016/17 MTEF is based on the continuation of projects such as construction of offices for the Ilembe and Umzinyathi district offices.

5.6 Public Private Partnerships (PPPs) – Nil

5.7 Transfers to public entities listed in terms of Schedule 3 of the PFMA – Nil

5.8 Transfers to other entities – Nil

5.9 Transfers to local government

Tables 14.9 and 14.10 indicate transfers to local government per category and per type, respectively. The transfers are in respect of the payment of property rates to municipalities. Further details of these transfers per category are presented in *Annexure – Vote 14: Public Works*.

It is noted that, although the payment of motor vehicle licences falls under *Transfers and subsidies to: Provinces and municipalities*, these funds will not be transferred to any municipality, and hence these are excluded from the tables below. It is also noted that the amounts indicated as *Unallocated* relate to property rates for properties owned by KZN, but located in other provinces.

Table 14.9 : Summary of departmental transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Category A	195 659	239 185	235 715	221 809	224 809	239 744	242 000	249 018	263 458
Category B	199 952	227 590	276 771	285 193	290 487	298 951	291 871	312 795	330 937
Category C	-	-	-	-	-	-	-	-	-
Unallocated	132	24	24	60	60	18	60	60	60
Total	395 743	466 799	512 510	507 062	515 356	538 713	533 931	561 873	594 455

Table 14.10 : Summary of departmental transfers to local government by grant name

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Property rates	2.2 Person. & Admin Related	395 743	466 799	512 510	507 062	515 356	538 713	533 931	561 873	594 455
Total		395 743	466 799	512 510	507 062	515 356	538 713	533 931	561 873	594 455

In 2012/13, over-provision was identified against the property rates funding. As a result, the property rates funding was reduced accordingly.

The increase in 2013/14 was due to arrear payments relating to 2012/13 in respect of property rates for the King George V Hospital in the eThekweni Metro. The increase in 2014/15 and the 2015/16 Main Appropriation and Revised Estimate is attributed to arrear payments of newly identified properties by municipalities in respect of property rates for eThekweni Metro, uMgungundlovu, Uthukela, Umzinyathi, Amajuba, Zululand, uThungulu, Ilembe and Harry Gwala District Municipalities. The significant increase in the 2015/16 Adjusted Appropriation and the Revised Estimate can be ascribed to pressures brought about by arrear payments, in respect of property rates for newly identified properties in the eThekweni, uMgungundlovu, Uthukela, Umzinyathi, Amajuba, Zululand, uThungulu, Ilembe and Harry Gwala Municipalities. This explains the decrease in 2016/17. The department could not reprioritise funds to offset pressure relating to property rates, however, this will be reviewed in-year. The allocation for property rates grows at an inflationary rate over the 2016/17 MTEF.

5.10 Transfers and subsidies

Table 14.11 below is a summary of *Transfers and subsidies* per programme.

Table 14.11 : Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
1. Administration	5 164	4 450	5 858	4 217	5 406	5 245	4 364	4 351	4 475
Provinces and municipalities	369	269	325	193	210	238	223	246	244
Motor vehicle licences	369	269	325	193	210	238	223	246	244
Departmental agencies and accounts	394	416	456	520	507	194	435	457	459
Social security funds - Comp. Commissioner	-	-	2	40	27	14	40	42	44
Skills development levy	394	416	454	480	480	180	395	415	415
Non-profit institutions	-	409	874	100	100	100	-	-	-
NPI: Donations and gifts	-	409	874	100	100	100	-	-	-
Households	4 401	3 356	4 203	3 404	4 589	4 713	3 706	3 648	3 772
Staff exit costs	2 685	1 534	4 203	1 065	2 250	3 095	1 259	1 079	1 054
Bursaries: Non employees	1 716	1 822	-	2 339	2 339	1 618	2 447	2 569	2 718
2. Property Management	395 814	467 064	512 586	507 097	515 391	538 832	533 966	561 908	594 490
Provinces and municipalities	395 743	466 799	512 510	507 062	515 356	538 713	533 931	561 873	594 455
Municipalities - Property rates	395 743	466 799	512 510	507 062	515 356	538 713	533 931	561 873	594 455
Departmental agencies and accounts	-	-	-	5	5	5	5	5	5
Social security funds - Comp. Commissioner	-	-	-	5	5	5	5	5	5
Households	71	265	76	30	30	114	30	30	30
Social benefits	71	265	76	30	30	114	30	30	30
3. Provision of Buildings, Structures and Equipment	4 727	4 861	6 250	1 242	3 287	3 537	1 630	1 369	1 386
Departmental agencies and accounts	1	7	4	56	56	45	57	28	24
Social security funds - Comp. Commissioner	1	7	4	56	56	45	57	28	24
Households	4 726	4 854	6 246	1 186	3 231	3 492	1 573	1 341	1 362
Staff exit costs	4 726	4 854	5 916	1 186	3 231	3 492	1 573	1 341	1 362
Injury on duty	-	-	330	-	-	-	-	-	-
Total	405 705	476 375	524 694	512 556	524 084	547 614	539 960	567 628	600 351

Provinces and municipalities in Programme 1 reflects the payment of motor vehicle licences.

Departmental agencies and accounts payments in all programmes are for workmens' compensation, with no payments shown in the prior years against Programme 2 due to no relevant incidents occurring. The allocation in Programme 1 also caters for the skills development levy transfer to PSETA.

Spending against *Non-profit institutions* under Programme 1 relates to donations made to schools and war-rooms in respect of OSS. A provision was also made over the 2016/17 MTEF for donations relating to OSS initiatives.

The fluctuating trend against *Households* in all programmes can be ascribed to unpredictable staff exit costs. The significant increase in the 2015/16 Revised Estimate is attributed to higher than anticipated staff exit costs. Spending from 2012/13 to 2013/14 under *Bursaries: Non employees* against Programme 1 was for the payment of external bursaries, which was centralised under OTP in 2014/15, hence no expenditure was recorded in 2014/15. However, in 2015/16 the allocation was decentralised and allocated to the department. The budget over the MTEF increases steadily.

The high spending against *Provinces and municipalities* in 2013/14 under Programme 2 was mainly attributed to the increase in the payment of property rates due to commitments relating to previous years, as well as the unanticipated arrear payments for property rates relating to the King George V Hospital in the eThekweni region which was only effected in 2013/14. The increase in the 2015/16 Adjusted Appropriation and Revised Estimate relates to arrear payments of newly identified properties by municipalities in respect of property rates for eThekweni Metro, uMgungundlovu, Uthukela, Umzinyathi, Amajuba, Zululand, uThungulu, Ilembe and Harry Gwala Municipalities. The 2016/17 MTEF shows inflationary growth. As mentioned, the department will reprioritise within its baseline in 2016/17, should the need arise.

6. Programme description

The services rendered by the department are categorised under three programmes, the details of which are discussed in greater detail below. The information for each programme is summarised in terms of sub-programmes and economic classification.

As mentioned, the department's structure is currently not in line with the uniform budget and programme structure for the Public Works sector. Programme 1 largely conforms to the uniform budget and programme structure, but Programmes 2 and 3 do not conform. Details according to the economic classification are presented in the *Annexure – Vote 14: Public Works*.

6.1 Programme 1: Administration

The main objectives of this programme are to provide strategic leadership and management support to the MEC, to build a positive corporate culture, to render support and advice in terms of human resource practices, all legal matters, security and logistics and effective communication and information management systems, render sound financial management services and risk management.

The programme comprises two sub-programmes, namely Minister Support and Management.

Tables 14.12 and 14.13 below summarise expenditure and budgeted estimates relating to Programme 1: Administration, for the financial years 2012/13 to 2018/19.

It is noted that the department effected the MTEF cuts across both sub-programmes within this programme (as explained below), with R24.392 million, R26.104 million and R28.127 million being reduced from *Compensation of employees*, and R106 000 being reduced from *Transfers and subsidies to: Non-profit institutions* in each year of the MTEF against the Minister Support sub-programme in respect of the department's events' budget.

Table 14.12 : Summary of payments and estimates by sub-programme: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
1. Minister Support	10 019	11 869	13 405	13 249	13 733	13 361	12 058	12 739	13 516
2. Management	275 947	311 772	317 259	337 488	340 349	334 447	347 367	368 455	391 675
Total	285 966	323 641	330 664	350 737	354 082	347 808	359 425	381 194	405 191

Table 14.13 : Summary of payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Current payments	257 520	289 021	301 177	327 433	330 479	325 747	339 378	360 684	383 029
Compensation of employees	197 989	226 839	235 025	259 803	261 000	258 159	268 384	286 820	306 398
Goods and services	59 359	62 174	66 152	67 630	69 479	67 588	70 994	73 864	76 631
Interest and rent on land	172	8	-	-	-	-	-	-	-
Transfers and subsidies to:	5 164	4 450	5 858	4 217	5 406	5 245	4 364	4 351	4 475
Provinces and municipalities	369	269	325	193	210	238	223	246	244
Departmental agencies and accounts	394	416	456	520	507	194	435	457	459
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	409	874	100	100	100	-	-	-
Households	4 401	3 356	4 203	3 404	4 589	4 713	3 706	3 648	3 772
Payments for capital assets	23 271	30 170	23 629	19 087	18 197	16 816	15 683	16 159	17 687
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	19 378	24 936	19 168	14 916	14 026	10 924	11 683	12 159	13 687
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	3 893	5 234	4 461	4 171	4 171	5 892	4 000	4 000	4 000
Payments for financial assets	11	-	-	-	-	-	-	-	-
Total	285 966	323 641	330 664	350 737	354 082	347 808	359 425	381 194	405 191

The sub-programme: Minister Support reflects an increasing trend from 2012/13 to 2014/15. The peak in 2014/15 is ascribed to higher than anticipated donations made in respect of OSS. Donations of school uniforms were made to Shayamoya Primary School in Kokstad and Hlashana Senior Primary in eThekweni. The slight increase in the 2015/16 Adjusted Appropriation relates to funding moved from *Compensation of employees* in the sub-programme Management to defray spending pressures under *Goods and services* in respect of the OSS Cabinet Day that was hosted by the department. The slight decrease in the 2015/16 Revised Estimate is due to delays in the filling of vacant posts, as well as the moratorium on the filling of non-critical posts, which requires the department to make a submission to the Premier and MEC for Finance for critical posts to be filled. Even though *Compensation of employees* and the department's events budget have been cut over the MTEF, the sub-programme shows strong growth over the 2016/17 MTEF.

With regard to the sub-programme: Management, the increase in 2013/14 was largely due to pressures driven by the re-grading of posts on salary levels 9 and 11 to 10 and 12, respectively, unanticipated costs in respect of the SIU, computer services costs for SITA data lines and information services, as well as for software licences and the replacement of new computers. The increase in the 2015/16 Adjusted Appropriation relates to additional funds in respect of the above-budget 2015 wage agreement. The significant decrease in the 2015/16 Revised Estimate is attributed to delays in the filling of vacant posts, the moratorium on the filling of non-critical posts, as well as lower than anticipated expenditure on *Goods and services*, due to financial controls implemented by the department. Also contributing to the under-expenditure were delays in the procurement of motor vehicles by DOT. Despite the reduction of the *Compensation of employees* budget over the MTEF, this sub-programme shows healthy growth.

Compensation of employees shows a significant increase in 2013/14, largely due to the higher than anticipated wage agreement and the re-grading of posts on salary levels 9 and 11 to 10 and 12, respectively. The slight increase in 2014/15 was due to higher than anticipated wage agreement costs. The increase in the 2015/16 Adjusted Appropriation can be ascribed to the above-budget 2015 wage agreement. The decrease in the 2015/16 Revised Estimate is attributed to delays in the filling of vacant posts, as explained previously. As mentioned, the *Compensation of employees* budget over the 2016/17 MTEF was reduced by freezing all non-OSD posts. Off-setting this reduction, to some extent, was the carry-through additional funding for the above-budget 2015 wage agreement. Despite these cuts, the budget grows steadily over the 2016/17 MTEF.

Goods and services reflects an increase in 2013/14 which was mainly attributed to an unanticipated increase in costs for the SIU, higher than anticipated computer services costs in respect of SITA data lines and information services, as well as higher than anticipated fleet services costs such as fuel and oil. The

increase in the 2015/16 Adjusted Appropriation relates to savings identified under *Compensation of employees* to cater for spending pressures in respect of the OSS Cabinet Day that was hosted by the department within the Minister Support sub-programme, as well as for higher than anticipated costs relating to computer services for SITA information services and SITA data lines within the Management sub-programme. The 2016/17 MTEF maintains inflationary growth, although reprioritisation was undertaken from other categories to cater for the SITA SLAs.

With regard to *Interest and rent on land*, the spending in 2012/13 and 2013/14 relates to interest on finance leases and interest paid on overdue accounts for water and electricity.

The budget against *Transfers and subsidies to: Provinces and municipalities* caters for motor vehicle licence fees. The budget maintains a steady growth over the 2016/17 MTEF.

Transfers and subsidies to: Departmental agencies and accounts caters for the skills development levy and workmen's compensation, however, in the 2015/16 Adjusted Appropriation an amount of R13 000 was identified as savings because no claims were received in respect of workmen's compensation, such as claims related to injuries on duty, and these were moved to the sub-programme: Management under *Transfers and subsidies to: Provinces and municipalities* to cater for motor vehicle licence fees, which were under-budgeted for. The minimal decrease in the 2015/16 Adjusted Appropriation relates to funding moved for motor vehicle licences. This category shows a steady growth, however, the minimal decrease over the MTEF can be ascribed to reprioritisation undertaken to cater for motor vehicle licences.

Spending against *Transfers and subsidies to: Non-profit institutions* in 2013/14 and 2014/15 relates to donations made to schools and war-rooms in respect of OSS. The department made provision for OSS donations in 2015/16, but the budget for the hosting of events has been cut over the MTEF, hence there is no budget from 2016/17 onward against this category.

Transfers and subsidies to: Households provides for staff exit costs and external bursaries. The fluctuating trend from 2012/13 to 2014/15 is largely driven by the unpredictable nature of staff exit costs. The high spending in 2012/13 was due to higher than anticipated staff turnover. The significantly high spending in 2014/15 was due to an unanticipated increase in staff exit costs and this explains the decline in 2015/16. The increase in the 2015/16 Adjusted Appropriation and Revised Estimate is caused by higher than anticipated staff exits costs. The 2016/17 MTEF includes the external bursaries budget which was decentralised to the department from OTP, and some provision for staff exit costs.

With regard to *Machinery and equipment*, the high spending in 2013/14 relates to the replacement of computers within the department and for payments in respect of software licences, which explains the decrease in 2014/15. The slight decrease in the 2015/16 Adjusted Appropriation is largely due to enforced savings on items such as office furniture and computer equipment to *Goods and services* to address spending pressures driven by higher than anticipated costs relating to computer services for SITA information services and SITA data lines within the Management sub-programme, as well as a shift from finance leases to *Goods and services* under communication services within Programme 1. The purpose of the funds, which is cellphone contracts for departmental officials, remains unchanged. The significant decrease in the 2015/16 Revised Estimate is due to delays in the procurement of motor vehicles and computer equipment. The decrease over the 2016/17 MTEF relates to reprioritisation from this category to fund *Goods and services* for the SITA SLAs within the programme.

In respect of *Software and other intangible assets*, the significant increase from 2012/13 onward relates to the renewal of COGNOS user licences, where the department entered into a three-year commitment and annual billing with Microsoft, as mentioned. The substantial increase in 2013/14 relates to the purchase of software licences. The increase in the 2015/16 Revised Estimate is due to unanticipated increased costs in respect of software licences. The 2016/17 MTEF allocation decreases slightly as a result of reprioritisation to cater partially for the SITA SLAs, as mentioned above.

The 2012/13 spending against *Payments for financial assets* reflects various losses which were written off.

6.2 Programme 2: Property Management

The main purpose of Programme 2 is to provide and facilitate the provision of accommodation and integrated property management services to clients through planned property life cycle (acquisition, maintenance and disposal), optimal utilisation of immovable assets, land valuation, maintenance of fixed asset register, payment of property rates and integrated service delivery. Programme 2 also includes the leasing of buildings.

There are three sub-programmes within this programme, namely Personnel and Admin Related, Hiring and Acquisition of Land, Control and Disposal. Tables 14.14 and 14.15 below summarise payments and budgeted estimates from 2012/13 to 2018/19.

The department effected the MTEF cuts in respect of its *Compensation of employees* and *Goods and services* budgets entirely against the sub-programme: Personnel and Admin. Related within this programme (as explained below), with R4.022 million, R4.433 million and R4.677 million being reduced from *Compensation of employees*, and R4.521 million, R4.688 million and R4.882 million being reduced from *Goods and services*, specifically from agency and support services.

Table 14.14 : Summary of payments and estimates by sub-programme: Property Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
1. Personnel and Admin Related	469 838	535 565	609 125	624 534	634 394	647 988	642 705	677 122	717 021
2. Hiring	4 404	4 842	5 009	5 247	5 655	5 664	4 957	4 278	4 864
3. Acquisition of Land, Control and Disposal	93	9	157	308	308	163	245	259	272
Total	474 335	540 416	614 291	630 089	640 357	653 815	647 907	681 659	722 157

Table 14.15 : Summary of payments and estimates by economic classification: Property Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Current payments	78 085	73 056	101 615	122 813	124 966	114 983	113 921	119 581	127 485
Compensation of employees	36 567	43 316	43 583	45 556	47 122	47 199	49 350	52 650	56 684
Goods and services	41 512	29 740	58 032	77 257	77 844	67 784	64 571	66 931	70 801
Interest and rent on land	6	-	-	-	-	-	-	-	-
Transfers and subsidies to:	395 814	467 064	512 586	507 097	515 391	538 832	533 966	561 908	594 490
Provinces and municipalities	395 743	466 799	512 510	507 062	515 356	538 713	533 931	561 873	594 455
Departmental agencies and accounts	-	-	-	5	5	5	5	5	5
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	71	265	76	30	30	114	30	30	30
Payments for capital assets	436	296	90	179	-	-	20	170	182
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	436	296	90	179	-	-	20	170	182
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	474 335	540 416	614 291	630 089	640 357	653 815	647 907	681 659	722 157

The high spending in 2013/14 against the sub-programme: Personnel and Admin Related was due to property rates commitments from the previous year, unanticipated arrear payment for property rates relating to the King George V Hospital which was only effected in 2013/14, as well as higher than budgeted for wage agreement costs. The significant increase in 2014/15 emanated from payments for the Fixed Asset Management Tool and GIAMA related projects. The increase in the 2015/16 Adjusted Appropriation relates to an additional allocation for the above-budget 2015 wage agreement, as well as to cater for spending pressures brought about by arrear payments in respect of property rates for schools in the Msunduzi Municipality, where the department is liable for property rates. Also, the high 2015/16 Revised Estimate is ascribed to expenditure of newly identified properties in respect of property rates. This explains the decrease in 2016/17, which is also influenced by the 2 per cent cut on the equitable share funded *Goods and services* budget which is effected on funding provided for GIAMA due to delays in the

implementation of its projects. The two outer years of the MTEF reflect steady growth. The MTEF allocations cater for property rates and continuation of GIAMA projects, as well as the implementation of the Fixed Asset Management Tool.

With regard to the sub-programme: Hiring, the increase in 2014/15 and the 2015/16 Adjusted Appropriation relates to higher than anticipated costs for the department's building lease in respect of Fedsure House in Pietermaritzburg. The decrease in 2016/17 is ascribed to the completion of the head office project, and hence officials at Fedsure House will be relocated back to the head office. The allocation over the MTEF fluctuates slightly, with a decrease in 2017/18 as a result of reprioritisation to cater for critical vacant posts in the North Coast region.

The erratic trend from 2012/13 to 2014/15 against the sub-programme: Acquisition of Land, Control and Disposal is due to the number of valuations of properties made by the department. The 2013/14 spending decreased substantially due to the lower than anticipated number of property valuations, and funds were moved to the Personnel and Admin Related sub-programme to provide for Windeed research and advisory costs. This is a system used to access information on property, in respect of property ownership, value of property, etc. The sub-programme shows inflationary growth over the 2016/17 MTEF.

The high spending from 2013/14 onward against *Compensation of employees* was driven by the carry-through costs associated with the filling of posts, as well as higher than anticipated annual wage agreements. The increase in the 2015/16 Adjusted Appropriation relates to the above-budget 2015 wage agreement. This category grows at an inflationary rate and reduction in budget as vacant non-OSD posts are not funded over the MTEF.

The significant decrease in spending against *Goods and services* in 2013/14 was as a result of delays in the awarding of the tender in respect of GIAMA, where an appeal was lodged relating to the condition assessment tender. Also contributing were delays in the SCM processes for the purchase and development of the Fixed Asset Management Tool. The peak in 2014/15 was mainly driven by spending in respect of the Fixed Asset Management Tool, as well as payments for operating costs of the newly established Harry Gwala district office. The significant increase in 2015/16 is attributed to a roll-over of GIAMA funds from 2013/14, which explains the reduction over the MTEF. The minimal increase in the 2015/16 Adjusted Appropriation was due to higher than anticipated costs for the department's building lease in respect of Fedsure House in Pietermaritzburg. Also contributing to the increase was a shifting of funds relating to finance leases from *Machinery and equipment* to be correctly classified under *Goods and services* against communication services. The decrease in the 2015/16 Revised Estimate was as a result of delays in the appointment of consultants for GIAMA related projects. The further decrease in 2016/17 is driven by the 2 per cent cut which was effected against funding for the implementation of GIAMA over the MTEF, as explained previously. Despite the cut, the two outer years of the MTEF show inflationary growth.

The spending of R6 000 in 2012/13 against *Interest and rent on land* relates to interest on finance leases.

The high spending in 2013/14 against *Transfers and subsidies to: Provinces and municipalities* was mainly due to property rates commitments relating to the previous year, as well as the unanticipated arrear payment for property rates relating to the King George V Hospital which was only effected in 2013/14. The increased spending in 2014/15 relates to arrear property rates in the eThekweni and North Coast regions. The significant increase in the 2015/16 Adjusted Appropriation is due to savings identified under *Compensation of employees* in Programme 1, as well as within Programme 2 to cater for spending pressures brought about by arrear payments in respect of property rates for schools in the Msunduzi Municipality, where the department is liable for property rates. However, the significant increase in the 2015/16 Revised Estimate is ascribed to the payment of property rates, in respect of newly identified properties. The department could not provide for these pressures over the MTEF, accounting for the decrease over the 2016/17 MTEF, and the department will provide for these pressures from within their baseline as they arise. This category shows strong growth over the 2016/17 MTEF.

Transfers and subsidies to: Departmental agencies and accounts provides for the payment of workmen's compensation, and is linked to claims received, with no payments made in 2012/13 to 2014/15. Allocations remain constant in 2015/16 and over MTEF, as this category is difficult to predetermine.

With regard to *Transfers and subsidies to: Households*, the high spending in 2013/14 was due to higher than anticipated staff exit costs. The substantial increase in the 2015/16 Revised Estimate was due to higher than anticipated staff exit costs. The allocations remain constant over the MTEF as it is difficult to accurately budget for staff exit costs.

The fluctuating trend against *Machinery and equipment* relates to actual requirements. The high spending in 2012/13 was attributed to the SCOA reclassification of finance leases, which were originally budgeted for under *Goods and services*. This accounts for the decrease in 2013/14 and 2014/15. In the 2015/16 Adjusted Appropriation, a shifting of funds was undertaken for finance leases to be correctly classified under communication services in *Goods and services*. The purpose of the funds, which is cellphone contracts for departmental officials, remains unchanged. The fluctuating trend over the 2016/17 MTEF is linked to actual requirements in respect of computer equipment.

Service delivery measures – Programme 2: Property Management

Table 14.16 reflects the service delivery measures for Programme 2. The department provided internal service delivery measures for Programme 2, which are a mix of sectoral and non-sectoral measures.

Table 14.16 : Service delivery measures – Programme 2: Property Management

Outputs	Performance indicators	Estimated performance	Medium-term targets		
		2015/16	2016/17	2017/18	2018/19
1. Acquisition of properties to satisfy land and building needs of provincial depts. through property acquisition, disposal, hiring and letting	• No. of properties acquired	15	20	20	20
2. Timely hiring of properties to satisfy land and building needs of provincial depts. through property acquisition, disposal, hiring and letting	• No. of lease agreements concluded	200	130	100	100
3. Implementation of GIAMA to effectively manage immovable assets	• U-AMPs compiled and submitted to PT in accordance with GIAMA	1	1	1	1
	• C-AMP compiled and submitted to PT in accordance with GIAMA	1	1	1	1
4. Successful implementation of <i>Izandla Ziyagezana</i> programme to contribute to job creation (massification of EPWP)	• No. of work opportunities created through <i>Izandla Ziyagezana</i> programme	430	430	430	430
5. Vesting of provincial properties to take transfer of all immovable assets	• No. of properties registered into the name of the KZN provincial government	200	200	200	100
6. Effective projection and timely payment of municipal rates to facilitate payment of property rates	• Financial expenditure on approved property rates invoices submitted by municipalities	R519m	R534m	R562m	R594m

6.3 Programme 3: Provision of Buildings, Structures and Equipment

The main purpose of this programme is the erection and/or acquisition of buildings, structures and engineering works and the maintenance of buildings to client specifications. The core services of Programme 3 are:

- Improving integrated service delivery in the provision of buildings and structures.
- Creating jobs through the EPWP.
- Creating an enabling environment for affirmable business enterprises.
- Initiating and co-ordinating strategic partnerships.
- Co-ordinating and aligning operational activities in line with municipal demarcations.

Tables 14.17 and 14.18 summarise payments and budgeted estimates relating to Programme 3 for the period 2012/13 to 2018/19. The department effected the MTEF cuts in respect of its *Compensation of employees* budget against the sub-programme: Personnel and Admin. Related within this programme (as

explained below), with R7.933 million, R8.272 million and R8.632 million being reduced from *Compensation of employees*.

Table 14.17 : Summary of payments and estimates by sub-programme: Provision of Buildings, Structures and Equipment

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
1. Personnel and Admin Related	285 008	322 047	334 267	331 214	340 934	343 584	352 396	369 966	392 955
2. Buildings and Structures	88 002	84 149	108 860	77 626	77 565	78 137	72 880	70 887	70 692
Total	373 010	406 196	443 127	408 840	418 499	421 721	425 276	440 853	463 647

Table 14.18 : Summary of payments and estimates by economic classification: Provision of Buildings, Structures and Equipment

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Current payments	290 004	317 047	337 653	334 959	342 625	345 737	356 920	372 522	395 639
Compensation of employees	203 931	218 938	227 267	251 609	243 722	240 092	266 505	283 588	303 864
Goods and services	86 020	98 105	110 385	83 350	98 903	105 645	90 415	88 934	91 775
Interest and rent on land	53	4	1	-	-	-	-	-	-
Transfers and subsidies to:	4 727	4 861	6 250	1 242	3 287	3 537	1 630	1 369	1 386
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1	7	4	56	56	45	57	28	24
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	4 726	4 854	6 246	1 186	3 231	3 492	1 573	1 341	1 362
Payments for capital assets	78 180	84 288	99 201	72 639	72 587	72 447	66 726	66 962	66 622
Buildings and other fixed structures	76 886	74 773	98 248	71 373	71 321	71 321	66 318	66 225	66 225
Machinery and equipment	1 294	9 515	953	1 104	1 266	1 066	408	737	397
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	162	-	60	-	-	-
Payments for financial assets	99	-	23	-	-	-	-	-	-
Total	373 010	406 196	443 127	408 840	418 499	421 721	425 276	440 853	463 647

The sub-programme: Personnel and Admin Related reflects an increasing trend from 2012/13 to 2014/15. The significant increase in 2013/14 was attributed to the replacement of computers at head office and new computers for regional offices. The increase in 2014/15 was driven by once-off additional funding for the Richmond Community Development and the National Youth Service programmes, payments for work done on the Ulundi Royal Household Palace, as well as for refurbishment work at Nyokeni Palace. This accounts for the decrease in 2015/16. The increase in the 2015/16 Adjusted Appropriation is attributed to the above-budget 2015 wage agreement, once-off additional funding allocated for the completion of the Provincial Infrastructure Master Plan, as well as a roll-over from 2014/15 for the Richmond Community Development programme, which was specifically and exclusively appropriated for the payment of stipends relating to NYSP learners. The slight increase in the 2015/16 Revised Estimate relates to higher than anticipated costs of property payments such as water and electricity. Included in the 2016/17 MTEF, is funding for the EPWP provincial co-ordination programme, which was moved from DOT with insufficient funds, and the EPWP Integrated Grant for Provinces allocation for 2016/17 only, at this stage. Despite the budget cuts made against this sub-programme, its budget grows steadily over the MTEF.

The sub-programme: Buildings and Structures shows a fluctuating trend over the seven years, as it is based on the department's actual capital infrastructure requirements, including new and carry-through costs on certain projects. The decrease in 2013/14 was due to slow progress on the head office project, and delays relating to non-compliance caused by the lack of capacity by the contractor of the uMgungundlovu new administrative wing. The substantial increase in 2014/15 relates to the Richmond Community Development programme for ablution facilities in the Richmond area. In addition, once-off additional funding was received for refurbishment work at the Nyokeni Palace that needed to be completed before the Reed Dance ceremony in September 2014. The slight decrease in the 2015/16 Adjusted Appropriation relates to enforced savings to cater for spending pressures in respect of water and electricity costs against the sub-programme: Personnel and Admin Related. The slight increase in the 2015/16 Revised Estimate is

due to higher than anticipated spending on current infrastructure projects in the Midlands and North Coast regions. This explains the decrease from 2016/17 onward, which is also driven by the completion of some projects such as construction of offices for the Ilembe and Umzinyathi district offices, replacement of the roof in the uMgungundlovu district offices and upgrading of the Vryheid depot.

Compensation of employees shows an increasing trend over the seven years, largely due to the filling of vacant posts and the various higher than anticipated wage agreements, as well as additional funding received for improving infrastructure support. This funding was specifically and exclusively appropriated and the department has not yet completed the implementation of its revised infrastructure staffing structure that this funding was intended for. Thus amounts of R21.713 million, R22.799 million and R24.121 million remain ring-fenced within this category for this purpose over the 2016/17 MTEF. The decrease in the 2015/16 Adjusted Appropriation and Revised Estimate is due to delays in filling of vacant posts, as well as the moratorium on the filling of non-critical posts. Even though there are a number of vacant OSD posts, such as engineers, quantity surveyors, etc., the budget was cut in line with the freezing of all vacant non-OSD posts. However, the OSD posts are fully funded.

Spending against *Goods and services* reflects an increasing trend from 2012/13 to 2014/15. The increase in 2013/14 can be ascribed to high costs of repairs and maintenance, as well as water and electricity. The significant increase in 2014/15 was attributed to previous year commitments relating to the Richmond Community Development programme, as well as additional funding received for renovations to His Majesty's Ulundi Palace, the LA Complex, Ministerial houses and temporary residential units for a Royal Household event. These renovations were largely accounted for as repairs and maintenance, and hence the significant decrease in 2015/16. The increase in the 2015/16 Adjusted Appropriation relates to a roll-over from 2014/15 for the Richmond Community Development programme, as well as once-off additional funding received for the completion of the Infrastructure Master Plan. The substantial increase in the 2015/16 Revised Estimate largely relates to the higher than anticipated municipal services costs such as electricity in the North Coast region. The 2016/17 MTEF allocations include the EPWP Integrated Grant for Provinces in 2016/17 only, at this stage. This category shows steady growth over the 2016/17 MTEF.

The spending in 2012/13, 2013/14 and 2014/15 against *Interest and rent on land* relates to interest on finance leases.

Transfers and subsidies to: Departmental agencies and accounts relates to workmen's compensation payments which are difficult to budget for accurately due to the nature of claims. As a result, this category shows an erratic trend over the years.

Transfers and subsidies to: Households is largely ascribed to staff exit costs which are difficult to budget for, hence the fluctuating trend over the seven years.

With regard to *Buildings and other fixed structures*, the fluctuating trend over the seven years is based on actual capital infrastructure requirements, including new and carry-through costs of certain projects. The significant increase in 2014/15 can be ascribed to once-off payments in respect of the Richmond Development Community programme for ablution facilities, as well as for refurbishment work at Nyokeni Palace for work needed to be completed before the Reed Dance ceremony which took place in September 2014, and refurbishment work at Nyokeni Palace. This explains the decrease in 2015/16. The baseline over the 2016/17 MTEF is based on the department's actual infrastructure requirements and it reflects a decline due to reprioritisation undertaken from this category to cater for the EPWP provincial co-ordination function, which was moved from DOT to the department with inadequate funds.

Machinery and equipment fluctuates over the seven years, largely due to actual requirements in the programme such as office furniture and computers. There was a significant increase in 2013/14 attributed to higher than anticipated costs of replacing computers within the department. The decrease in 2014/15 was due to a function shift of finance leases to *Goods and services* as a result of a SCOA reclassification. The slight increase in the 2015/16 Adjusted Appropriation relates to savings identified from *Software and other intangible assets* relating to the Computer Aided Designs software which is used by architects and engineers for drawings, which was not procured in 2015/16, and these savings were moved to this

category to cater for higher than anticipated costs of purchasing computers within Programme 3. The 2016/17 MTEF allocations are based on actual requirements.

Software and other intangible assets shows a decrease in the 2015/16 Adjusted Appropriation due to savings identified from the Computer Aided Designs software, used by architects and engineers for drawings and which aids architects to design 3D pictures relating to infrastructure and the savings were moved to *Machinery and equipment* to cater for higher than anticipated costs of purchasing computers within Programme 3. The increase in the Revised Estimate is ascribed to the unanticipated costs of purchasing Microsoft software licences for computers that were replaced.

The department wrote off various losses of R99 000 and R23 000 in 2012/13 and 2014/15, respectively, as reflected against *Payments for financial assets*.

Service delivery measures – Programme 3: Provision of Buildings, Structures and Equipment

The department has provided several service delivery measures for Programme 3, which are a mix of sectoral and non-sectoral measures, reflected in Table 14.19 below. Two performance indicators have no targets in 2017/18 and 2018/19, because DOPW does not budget for infrastructure on behalf of other client departments. These departments instruct DOPW in the form of their infrastructure plans or on an *ad hoc* basis.

Table 14.19 : Service delivery measures – Programme 3: Provision of Buildings, Structures and Equipment

Outputs	Performance indicators	Estimated performance		Medium-term targets	
		2015/16	2016/17	2017/18	2018/19
1. Implementation of IDIP	• No. of IPIP finalised and approved by due date that respond to provincial depts. (that are implementing the IDMS) that submit approved IPMPs to DOPW	3	3	3	3
	• No. of planned capital projects completed within agreed budget	12	20	-	-
	• No. of planned maintenance projects completed within agreed budget	12	29	-	-
2. Job creation in terms of EPWP	• No. of work opportunities	6 000	6 500	7 000	7 000
	• No. of FTEs	850	900	950	950
3. Implementation of NYS	• No. of learners trained on accredited modules	80	80	80	80

7. Other programme information

7.1 Personnel numbers and costs

Tables 14.20 and 14.21 below illustrate personnel numbers and estimates, as well as various categories of workers within the department over the seven-year period.

The minimal decrease in the number of posts in 2013/14 was mainly due to staff turnover experienced by the department. The decline in 2014/15 can be ascribed to difficulty in the filling of vacant posts, which explains the further decrease in 2015/16. However, critical vacant OSD posts are anticipated to be filled over the 2016/17 MTEF, as can be seen by the increase from 31 March 2016 to 31 March 2017 of 100 posts. This accounts for the increase in the number of posts over the MTEF.

The significant decline in the number of posts from 2014/15 against Programme 2 was driven by termination of contracts relating to the Property Incubator programme trainees.

Programmes 1 and 2 personnel numbers remain constant over the MTEF, as all vacant non-OSD posts are frozen over the MTEF and the *Compensation of employees* budgets have accordingly been reduced. The bulk of posts under Programme 3 are OSD posts, hence the number of posts increases in 2016/17 by 100.

Table 14.20 : Personnel numbers and costs by programme

Personnel numbers	As at						
	31 March 2013	31 March 2014	31 March 2015	31 March 2016	31 March 2017	31 March 2018	31 March 2019
1. Administration	1 019	983	917	917	917	917	917
2. Property Management	145	157	124	112	112	112	112
3. Provision of Buildings, Structures and Equipment	898	920	845	823	923	923	923
Total	2 062	2 060	1 886	1 852	1 952	1 952	1 952
Total personnel cost (R thousand)	438 487	489 093	505 875	545 450	584 239	623 058	666 946
Unit cost (R thousand)	213	237	268	295	299	319	342

Table 14.21 : Summary of departmental personnel numbers and costs by component

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Total for the department									
Personnel numbers (head count)	2 062	2 060	1 886	2 034	1 852	1 852	1 952	1 952	1 952
Personnel cost (R thousands)	438 487	489 093	505 875	556 968	551 844	545 450	584 239	623 058	666 946
Human resources component									
Personnel numbers (head count)	149	180	150	159	159	159	159	159	159
Personnel cost (R thousands)	28 259	38 429	32 596	34 333	34 333	34 333	36 496	38 795	36 496
Head count as % of total for department	7.23	8.74	7.95	7.82	8.59	8.59	8.15	8.15	8.15
Personnel cost as % of total for department	6.44	7.86	6.44	6.16	6.22	6.29	6.25	6.23	5.47
Finance component									
Personnel numbers (head count)	124	119	120	127	127	127	127	127	127
Personnel cost (R thousands)	22 925	23 226	24 829	26 050	26 050	26 050	27 691	29 436	27 691
Head count as % of total for department	6.01	5.78	6.36	6.24	6.86	6.86	6.51	6.51	6.51
Personnel cost as % of total for department	5.23	4.75	4.91	4.68	4.72	4.78	4.74	4.72	4.15
Full time workers									
Personnel numbers (head count)	1 974	1 931	1 785	1 933	1 751	1 751	1 851	1 851	1 851
Personnel cost (R thousands)	409 419	455 557	479 560	530 653	525 529	519 135	557 924	596 743	640 631
Head count as % of total for department	95.73	93.74	94.64	95.03	94.55	94.55	94.83	94.83	94.83
Personnel cost as % of total for department	93.37	93.14	94.80	95.28	95.23	95.18	95.50	95.78	96.05
Part-time workers									
Personnel numbers (head count)	-	-	-	-	-	-	-	-	-
Personnel cost (R thousands)	-	-	-	-	-	-	-	-	-
Head count as % of total for department	-	-	-	-	-	-	-	-	-
Personnel cost as % of total for department	-	-	-	-	-	-	-	-	-
Contract workers									
Personnel numbers (head count)	88	129	101	101	101	101	101	101	101
Personnel cost (R thousands)	29 068	33 536	26 315	26 315	26 315	26 315	26 315	26 315	26 315
Head count as % of total for department	4.27	6.26	5.36	4.97	5.45	5.45	5.17	5.17	5.17
Personnel cost as % of total for department	6.63	6.86	5.20	4.72	4.77	4.82	4.50	4.22	3.95

7.2 Training

Tables 14.22 and 14.23 give a summary of departmental spending and information on training. Table 14.22 includes payments and estimates for all training items such as bursaries, skills development levy, as well as normal training costs.

Note that figures set out in Table 14.22 below reflect only expenditure relating to departmental official training, and should not be compared to those reflected in Table 14.B against the item training and development, which include expenditure for the EPWP Grant for Provinces and the Izandla Ziyagezana programme.

The fluctuating trend from 2012/13 to 2014/15 was due to training and staff development costs. The decrease in 2014/15 is due to the centralisation of the external bursaries budget under OTP which was decentralised to the department in 2015/16. This also accounts for the spike in 2015/16. The budget over the 2016/17 MTEF increases at an inflationary rate and it based on requirements by the Skills Development Act, that determines that departments budget at least one per cent their its salary expenses for staff training, which also gives credence to government policy on human resource development.

Table 14.22 : Payments on training by programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
1. Administration	4 274	3 198	1 501	3 564	3 262	2 778	3 412	3 710	3 822
Travel and subsistence	63	-	-	-	-	-	-	-	-
Payments on tuition	2 039	3 198	1 501	3 564	3 262	2 778	3 412	3 710	3 822
Other	2 172	-	-	-	-	-	-	-	-
2. Property Management	8	40	190	472	376	183	506	527	552
Travel and subsistence	-	-	-	-	-	-	-	-	-
Payments on tuition	4	40	190	472	376	183	506	527	552
Other	4	-	-	-	-	-	-	-	-
3. Provision of Buildings, Structures and Equipment	506	630	1 244	2 429	1 230	559	2 644	2 766	2 912
Travel and subsistence	8	-	-	-	-	-	-	-	-
Payments on tuition	241	630	1 244	2 429	1 230	559	2 644	2 766	2 912
Other	257	-	-	-	-	-	-	-	-
Total	4 788	3 868	2 935	6 465	4 868	3 520	6 562	7 003	7 286

Table 14.23 illustrates the number of staff affected by the various training programmes and initiatives. It also includes a gender breakdown, an indication of the types of training, as well as details of the number of bursaries and learnerships. Training includes short courses for in-house staff, as well as internships in the various programmes.

Table 14.23 : Information on training: Public Works

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Number of staff	2 062	2 060	1 886	2 034	1 852	1 852	1 952	1 952	1 952
Number of personnel trained	746	1 805	1 422	818	745	745	867	954	954
of which									
Male	336	789	713	443	382	382	469	516	516
Female	410	1 016	709	375	363	363	398	438	438
Number of training opportunities	790	79	79	61	45	45	66	59	59
of which									
Tertiary	8	32	20	11	17	17	12	-	-
Workshops	98	22	20	28	23	23	30	32	32
Seminars	43	5	6	15	2	2	16	17	17
Other	641	20	33	7	3	3	8	10	10
Number of bursaries offered	65	27	20	55	54	54	60	65	65
Number of interns appointed	12	8	59	50	61	61	46	46	46
Number of learnerships appointed	1	1	-	1	1	1	1	-	-
Number of days spent on training	483	485	1 441	500	1 047	1 047	530	560	560

ANNEXURE – VOTE 14: PUBLIC WORKS

Table 14.A : Details of departmental receipts: Public Works

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	6 122	5 794	5 662	7 067	7 067	7 965	7 659	8 294	9 124
Sale of goods and services produced by dept. (excl. capital assets)	6 117	5 788	5 651	7 065	7 065	7 960	7 656	8 291	9 121
<i>Sales by market establishments</i>	3 969	3 935	4 285	4 899	4 899	6 207	4 963	5 415	5 955
<i>Administrative fees</i>	-	-	-	-	-	-	-	-	-
<i>Other sales</i>	2 148	1 853	1 366	2 166	2 166	1 753	2 693	2 876	3 166
Sale of scrap, waste, arms and other used current goods (excl. capital assets)	5	6	11	2	2	5	3	3	3
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	220	159	155	180	180	318	180	195	213
Interest	140	54	32	72	72	70	60	64	70
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	80	105	123	108	108	248	120	131	143
Sale of capital assets	15 908	10 875	12 103	220	220	2 620	240	4 520	290
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	15 908	10 875	12 103	220	220	2 620	240	4 520	290
Transactions in financial assets and liabilities	1 392	1 430	1 566	959	959	1 086	888	911	1 003
Total	23 642	18 258	19 486	8 426	8 426	11 989	8 967	13 920	10 630

Table 14.B : Payments and estimates by economic classification: Public Works

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Current payments	625 609	679 124	740 445	785 205	798 070	786 467	810 219	852 787	906 153
Compensation of employees	438 487	489 093	505 875	556 968	551 844	545 450	584 239	623 058	666 946
Salaries and wages	370 786	418 400	434 362	477 884	468 145	462 520	502 794	536 301	575 525
Social contributions	67 701	70 693	71 513	79 084	83 699	82 930	81 445	86 757	91 421
Goods and services	186 891	190 019	234 569	228 237	246 226	241 017	225 980	229 729	239 207
Administrative fees	140	251	657	661	844	1 010	769	786	836
Advertising	6 839	5 820	6 786	6 007	6 947	8 291	5 847	5 904	6 156
Assets less than the capitalisation threshold	1 137	928	1 745	1 195	1 379	1 165	779	607	324
Audit cost: External	4 252	5 388	7 395	4 241	5 909	5 909	4 373	4 472	4 696
Bursaries: Employees	611	338	409	412	412	412	374	300	300
Catering: Departmental activities	571	466	967	809	1 221	1 224	843	880	936
Communication (G&S)	9 169	10 498	10 276	8 678	9 540	9 630	9 611	10 024	10 325
Computer services	16 307	23 040	33 718	14 819	17 872	24 139	19 101	20 633	21 466
Cons & prof serv: Business and advisory services	319	286	302	338	349	435	273	286	300
Cons & prof serv: Infras and planning	158	376	107	407	407	407	228	240	240
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	1 064	231	894	1 316	1 164	987	1 519	1 609	1 620
Contractors	12 229	9 580	11 830	7 763	6 789	7 854	7 620	5 759	5 813
Agency and support / outsourced services	42 042	23 965	27 093	65 831	66 989	56 336	54 270	58 513	61 389
Entertainment	153	204	349	276	302	206	303	313	301
Fleet services (incl. govt motor transport)	8 177	11 035	11 773	10 763	10 969	11 484	11 442	11 847	12 385
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	14	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	43	52	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	92	47	-	-	-	-	-	-	-
Inventory: Materials and supplies	447	136	-	-	-	-	-	-	-
Inventory: Medical supplies	4	2	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medcas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	1 565	3 816	3 044	4 576	4 832	4 443	4 432	4 525	4 702
Consumable: Stationery, printing and office supplies	3 338	3 139	3 105	5 078	5 016	4 261	5 022	5 195	5 478
Operating leases	3 818	3 167	3 349	4 512	4 552	3 533	4 738	4 890	5 008
Property payments	42 122	58 729	59 129	56 201	66 049	66 795	59 902	62 665	66 381
Transport provided: Departmental activity	68	252	278	23	507	507	-	-	-
Travel and subsistence	15 737	14 397	13 525	16 230	16 237	14 865	15 766	16 106	16 596
Training and development	7 670	6 059	29 795	10 173	8 846	8 338	11 439	7 522	6 571
Operating payments	5 130	2 653	1 939	1 972	2 371	2 621	1 838	1 827	1 928
Venues and facilities	175	291	-	596	502	1	415	423	460
Rental and hiring	3 514	4 859	6 104	5 360	6 221	6 164	5 076	4 403	4 996
Interest and rent on land	231	12	1	-	-	-	-	-	-
Interest	231	12	1	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	405 705	476 375	524 694	512 556	524 084	547 614	539 960	567 628	600 351
Provinces and municipalities	396 112	467 068	512 835	507 255	515 566	538 951	534 154	562 119	594 699
Provinces	369	269	325	193	210	238	223	246	244
Provincial Revenue Funds	369	269	325	193	210	238	223	246	244
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	395 743	466 799	512 510	507 062	515 356	538 713	533 931	561 873	594 455
Municipalities	395 743	466 799	512 510	507 062	515 356	538 713	533 931	561 873	594 455
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	395	423	460	581	568	244	497	490	488
Social security funds	1	7	6	101	88	64	102	75	73
Entities receiving transfers	394	416	454	480	480	180	395	415	415
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	409	874	100	100	100	-	-	-
Households	9 198	8 475	10 525	4 620	7 850	8 319	5 309	5 019	5 164
Social benefits	7 482	6 653	10 195	2 281	5 511	6 701	2 862	2 450	2 446
Other transfers to households	1 716	1 822	330	2 339	2 339	1 618	2 447	2 569	2 718
Payments for capital assets	101 887	114 754	122 920	91 905	90 784	89 263	82 429	83 291	84 491
Buildings and other fixed structures	76 886	74 773	98 248	71 373	71 321	71 321	66 318	66 225	66 225
Buildings	76 886	74 773	98 248	71 373	71 321	71 321	66 318	66 225	66 225
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	21 108	34 747	20 211	16 199	15 292	11 990	12 111	13 066	14 266
Transport equipment	9 468	7 852	8 531	6 341	6 051	4 064	6 104	6 565	7 091
Other machinery and equipment	11 640	26 895	11 680	9 858	9 241	7 926	6 007	6 501	7 175
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	3 893	5 234	4 461	4 333	4 171	5 952	4 000	4 000	4 000
Payments for financial assets	110	-	23	-	-	-	-	-	-
Total	1 133 311	1 270 253	1 388 082	1 389 666	1 412 938	1 423 344	1 432 608	1 503 706	1 590 995

Table 14.C : Payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Current payments	257 520	289 021	301 177	327 433	330 479	325 747	339 378	360 684	383 029
Compensation of employees	197 989	226 839	235 025	259 803	261 000	258 159	268 384	286 820	306 398
Salaries and wages	165 327	191 684	199 508	221 217	218 706	215 316	228 786	244 976	262 576
Social contributions	32 662	35 155	35 517	38 586	42 294	42 843	39 598	41 844	43 822
Goods and services	59 359	62 174	66 152	67 630	69 479	67 588	70 994	73 864	76 631
Administrative fees	110	113	130	94	146	223	106	104	110
Advertising	4 525	3 349	4 582	3 772	3 971	4 302	3 521	3 578	3 719
Assets less than the capitalisation threshold	372	551	296	837	996	821	383	246	151
Audit cost: External	4 252	5 388	7 395	4 241	5 909	5 909	4 373	4 472	4 696
Bursaries: Employees	611	338	409	412	412	412	374	300	300
Catering: Departmental activities	504	389	807	184	589	686	186	190	206
Communication (G&S)	8 666	10 074	9 378	7 558	8 096	8 405	7 745	8 098	8 322
Computer services	12 106	13 072	14 191	11 644	14 697	14 491	15 725	17 084	17 726
Cons & prof serv: Business and advisory services	18	57	123	30	41	125	31	30	31
Cons & prof serv: Infras and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	598	227	689	700	692	680	917	966	985
Contractors	1 382	488	1 274	1 743	717	1 227	1 096	1 144	1 170
Agency and support / outsourced services	3 267	2 239	692	6 589	3 210	3 156	6 488	6 501	6 859
Entertainment	122	163	314	242	258	162	266	273	255
Fleet services (incl. govt motor transport)	6 222	8 157	8 394	8 141	8 141	7 939	8 629	8 967	9 376
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	1	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	33	28	-	-	-	-	-	-	-
Inventory: Materials and supplies	172	42	-	-	-	-	-	-	-
Inventory: Medical supplies	4	2	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	241	860	919	1 326	1 412	1 118	1 281	1 254	1 344
Consumable: Stationery, printing and office supplies	2 531	2 602	2 573	4 114	4 038	3 484	4 016	4 066	4 289
Operating leases	2 290	2 676	2 873	3 926	3 833	2 870	4 145	4 284	4 360
Property payments	1 075	2 418	1 665	1 338	1 338	1 196	1 528	1 654	1 813
Transport provided: Departmental activity	68	252	252	-	484	507	-	-	-
Travel and subsistence	5 927	5 928	5 468	6 416	6 031	5 335	5 883	6 012	6 131
Training and development	1 616	724	1 445	2 672	2 370	2 186	2 704	3 060	3 107
Operating payments	2 501	1 728	1 469	1 439	1 527	1 897	1 481	1 473	1 554
Venues and facilities	146	291	-	212	118	1	116	108	127
Rental and hiring	-	17	814	-	453	456	-	-	-
Interest and rent on land	172	8	-	-	-	-	-	-	-
Interest	172	8	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	5 164	4 450	5 858	4 217	5 406	5 245	4 364	4 351	4 475
Provinces and municipalities	369	269	325	193	210	238	223	246	244
Provinces	369	269	325	193	210	238	223	246	244
Provincial Revenue Funds	369	269	325	193	210	238	223	246	244
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	394	416	456	520	507	194	435	457	459
Social security funds	-	-	2	40	27	14	40	42	44
Entities receiving transfers	394	416	454	480	480	180	395	415	415
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	409	874	100	100	100	-	-	-
Households	4 401	3 356	4 203	3 404	4 589	4 713	3 706	3 648	3 772
Social benefits	2 685	1 534	4 203	1 065	2 250	3 095	1 259	1 079	1 054
Other transfers to households	1 716	1 822	-	2 339	2 339	1 618	2 447	2 569	2 718
Payments for capital assets	23 271	30 170	23 629	19 087	18 197	16 816	15 683	16 159	17 687
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	19 378	24 936	19 168	14 916	14 026	10 924	11 683	12 159	13 687
Transport equipment	9 468	7 852	8 531	6 341	6 051	4 064	6 104	6 565	7 091
Other machinery and equipment	9 910	17 084	10 637	8 575	7 975	6 860	5 579	5 594	6 596
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	3 893	5 234	4 461	4 171	4 171	5 892	4 000	4 000	4 000
Payments for financial assets	11	-	-	-	-	-	-	-	-
Total	285 966	323 641	330 664	350 737	354 082	347 808	359 425	381 194	405 191

Table 14.D : Payments and estimates by economic classification: Property Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Current payments	78 085	73 056	101 615	122 813	124 966	114 983	113 921	119 581	127 485
Compensation of employees	36 567	43 316	43 583	45 556	47 122	47 199	49 350	52 650	56 684
Salaries and wages	31 733	37 694	37 758	39 027	39 888	39 747	42 012	44 889	48 439
Social contributions	4 834	5 622	5 825	6 529	7 234	7 452	7 338	7 761	8 245
Goods and services	41 512	29 740	58 032	77 257	77 844	67 784	64 571	66 931	70 801
Administrative fees	19	119	518	557	688	771	653	672	715
Advertising	173	158	232	206	291	160	211	218	231
Assets less than the capitalisation threshold	75	6	21	101	126	72	113	105	112
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	21	14	3	18	25	20	19	19	20
Communication (G&S)	100	142	265	259	438	235	465	484	511
Computer services	135	5 238	16 435	228	228	6 674	236	250	250
Cons & prof serv: Business and advisory services	268	215	171	308	308	310	242	256	269
Cons & prof serv: Infras and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	466	1	205	616	472	307	602	643	635
Contractors	-	20	11	-	-	-	-	-	-
Agency and support / outsourced services	32 183	6 984	15 366	50 113	49 808	35 215	36 741	38 556	40 496
Entertainment	11	8	10	16	26	21	17	20	25
Fleet services (incl. govt motor transport)	55	45	32	81	81	44	90	96	105
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	4	1	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	35	416	207	407	408	342	396	501	534
Consumable: Stationery, printing and office supplies	278	11	16	54	54	37	36	40	45
Operating leases	903	11	82	113	269	260	133	163	188
Property payments	1 830	10 022	17 542	16 521	16 521	15 450	17 244	18 078	19 126
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	1 330	1 325	1 617	1 781	1 811	1 851	1 849	1 955	2 046
Training and development	7	40	192	472	376	183	506	527	552
Operating payments	76	122	98	59	159	168	61	70	77
Venues and facilities	29	-	-	100	100	-	-	-	-
Rental and hiring	3 514	4 842	5 009	5 247	5 655	5 664	4 957	4 278	4 864
Interest and rent on land	6	-	-	-	-	-	-	-	-
Interest	6	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	395 814	467 064	512 586	507 097	515 391	538 832	533 966	561 908	594 490
Provinces and municipalities	395 743	466 799	512 510	507 062	515 356	538 713	533 931	561 873	594 455
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	395 743	466 799	512 510	507 062	515 356	538 713	533 931	561 873	594 455
Municipalities	395 743	466 799	512 510	507 062	515 356	538 713	533 931	561 873	594 455
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	5	5	5	5	5	5
Social security funds	-	-	-	5	5	5	5	5	5
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	71	265	76	30	30	114	30	30	30
Social benefits	71	265	76	30	30	114	30	30	30
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	436	296	90	179	-	-	20	170	182
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	436	296	90	179	-	-	20	170	182
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	436	296	90	179	-	-	20	170	182
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	474 335	540 416	614 291	630 089	640 357	653 815	647 907	681 659	722 157

Table 14.E : Payments and estimates by economic classification: Provision of Buildings, Structures and Equipment

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2012/13	2013/14	2014/15	Appropriation	Appropriation	Estimate	2016/17	2017/18	2018/19
Current payments	290 004	317 047	337 653	334 959	342 625	345 737	356 920	372 522	395 639
Compensation of employees	203 931	218 938	227 267	251 609	243 722	240 092	266 505	283 588	303 864
Salaries and wages	173 726	189 022	197 096	217 640	209 551	207 457	231 996	246 436	264 510
Social contributions	30 205	29 916	30 171	33 969	34 171	32 635	34 509	37 152	39 354
Goods and services	86 020	98 105	110 385	83 350	98 903	105 645	90 415	88 934	91 775
Administrative fees	11	19	9	10	10	16	10	10	11
Advertising	2 141	2 313	1 972	2 029	2 685	3 829	2 115	2 108	2 206
Assets less than the capitalisation threshold	690	371	1 428	257	257	272	283	256	61
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	46	63	157	607	607	518	638	671	710
Communication (G&S)	403	282	633	861	1 006	990	1 401	1 442	1 492
Computer services	4 066	4 730	3 092	2 947	2 947	2 974	3 140	3 299	3 490
Cons & prof serv: Business and advisory services	33	14	8	-	-	-	-	-	-
Cons & prof serv: Infras and planning	158	376	107	407	407	407	228	240	240
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	3	-	-	-	-	-	-	-
Contractors	10 847	9 072	10 545	6 020	6 072	6 627	6 524	4 615	4 643
Agency and support / outsourced services	6 592	14 742	11 035	9 129	13 971	17 965	11 041	13 456	14 034
Entertainment	20	33	25	18	18	23	20	20	21
Fleet services (incl. govt motor transport)	1 900	2 833	3 347	2 541	2 747	3 501	2 723	2 784	2 904
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	14	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	43	51	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	59	19	-	-	-	-	-	-	-
Inventory: Materials and supplies	271	93	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medcas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	1 289	2 540	1 918	2 843	3 012	2 983	2 755	2 770	2 824
Consumable: Stationery, printing and office supplies	529	526	516	910	924	740	970	1 089	1 144
Operating leases	625	480	394	473	450	403	460	443	460
Property payments	39 217	46 289	39 922	38 342	48 190	50 149	41 130	42 933	45 442
Transport provided: Departmental activity	-	-	26	23	23	-	-	-	-
Travel and subsistence	8 480	7 144	6 440	8 033	8 395	7 679	8 034	8 139	8 419
Training and development	6 047	5 295	28 158	7 029	6 100	5 969	8 229	3 935	2 912
Operating payments	2 553	803	372	474	685	556	296	284	297
Venues and facilities	-	-	-	284	284	-	299	315	333
Rental and hiring	-	-	281	113	113	44	119	125	132
Interest and rent on land	53	4	1	-	-	-	-	-	-
Interest	53	4	1	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	4 727	4 861	6 250	1 242	3 287	3 537	1 630	1 369	1 386
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1	7	4	56	56	45	57	28	24
Social security funds	1	7	4	56	56	45	57	28	24
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	4 726	4 854	6 246	1 186	3 231	3 492	1 573	1 341	1 362
Social benefits	4 726	4 854	5 916	1 186	3 231	3 492	1 573	1 341	1 362
Other transfers to households	-	-	330	-	-	-	-	-	-
Payments for capital assets	78 180	84 288	99 201	72 639	72 587	72 447	66 726	66 962	66 622
Buildings and other fixed structures	76 886	74 773	98 248	71 373	71 321	71 321	66 318	66 225	66 225
Buildings	76 886	74 773	98 248	71 373	71 321	71 321	66 318	66 225	66 225
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 294	9 515	953	1 104	1 266	1 066	408	737	397
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	1 294	9 515	953	1 104	1 266	1 066	408	737	397
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	162	-	60	-	-	-
Payments for financial assets	99	-	23	-	-	-	-	-	-
Total	373 010	406 196	443 127	408 840	418 499	421 721	425 276	440 853	463 647

Table 14.F : Payments and estimates by economic classification: Conditional grants

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2012/13	2013/14	2014/15	Appropriation	Appropriation	Estimate	2016/17	2017/18	2018/19
Current payments	5 292	3 000	3 167	3 057	3 056	3 056	4 471	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Salaries and wages	-	-	-	-	-	-	-	-	-
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	5 292	3 000	3 167	3 057	3 056	3 056	4 471	-	-
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Assets less than the capitalisation threshold	-	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication (G&S)	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Business and advisory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Infras and planning	-	-	-	-	-	-	-	-	-
Cons & prof serv: Laboratory services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Scientific and tech services	-	-	-	-	-	-	-	-	-
Cons & prof serv: Legal costs	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	-	-	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	-	-
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Training and development	5 292	3 000	3 167	3 057	3 056	3 056	4 471	-	-
Operating payments	-	-	-	-	-	-	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	402 443	-	-	-	-	-	-	-	-
Provinces and municipalities	402 443	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	402 443	-	-	-	-	-	-	-	-
Municipalities	402 443	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	407 735	3 000	3 167	3 057	3 056	3 056	4 471	-	-

Table 14.G : Payments and estimates by economic classification: EPWP Integrated Grant for Provinces (Prog 3: Prov. of Buildings, Structures and Equipment)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Current payments	5 292	3 000	3 167	3 057	3 056	3 056	4 471	-	-
Goods and services	5 292	3 000	3 167	3 057	3 056	3 056	4 471	-	-
<i>Training and development</i>	5 292	3 000	3 167	3 057	3 056	3 056	4 471	-	-
Transfers and subsidies to	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	5 292	3 000	3 167	3 057	3 056	3 056	4 471	-	-

Table 14.H : Payments and estimates by economic classification: Devolution of Property Rate Funds grant (Prog. 2: Property Management)

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Current payments	-	-	-	-	-	-	-	-	-
Transfers and subsidies to	402 443	-	-	-	-	-	-	-	-
Provinces and municipalities	402 443	-	-	-	-	-	-	-	-
Municipalities	402 443	-	-	-	-	-	-	-	-
Municipalities	402 443	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	402 443	-	-	-	-	-	-	-	-

Table 14.J : Summary of transfers to local government (Property rates - Prog 2: Property Management)

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2012/13	2013/14	2014/15	Appropriation	Appropriation	Estimate	2016/17	2017/18	2018/19
A KZN2000 eThekweni	195 659	239 185	235 715	221 809	224 809	239 744	242 000	249 018	263 458
Total: Ugu Municipalities	8 840	11 605	13 318	14 961	14 961	15 897	11 459	16 061	16 993
B KZN211 Vulamehlo	1 964	2 076	308	1 714	1 714	1 714	421	1 783	1 886
B KZN212 Umdoni	405	399	3 455	1 376	1 376	2 312	1 403	1 432	1 515
B KZN213 Umzumbe	1 782	2 227	3 232	3 744	3 744	3 744	3 075	3 895	4 121
B KZN214 uMuziwabantu	2 016	3 531	2 713	4 344	4 344	4 344	2 870	4 789	5 067
B KZN215 Ezinqoleni	138	207	199	239	239	239	205	254	269
B KZN216 Hibiscus Coast	2 535	3 165	3 411	3 544	3 544	3 544	3 485	3 908	4 135
C DC21 Ugu District Municipality	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	56 494	63 812	73 948	82 080	87 374	89 726	71 430	91 606	96 918
B KZN221 uMshwathi	5 524	6 526	8 344	16 683	16 683	16 683	5 638	18 746	19 833
B KZN222 uMngeni	5 554	5 752	7 060	7 350	7 350	7 350	5 945	8 103	8 573
B KZN223 Mpofana	68	-	99	105	105	510	103	109	115
B KZN224 Impendle	153	202	815	263	263	703	841	289	306
B KZN225 Msunduzi	44 662	50 698	57 196	56 993	62 287	63 399	58 000	63 646	67 337
B KZN226 Mkhambathini	526	591	-	630	630	630	390	655	693
B KZN227 Richmond	7	43	434	56	56	451	513	58	61
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	24 476	30 858	36 877	39 130	39 130	33 383	44 182	43 180	45 684
B KZN232 Emnambithi/Ladysmith	16 771	22 218	18 361	15 876	15 876	13 725	20 000	17 838	18 873
B KZN233 Indaka	1 050	1 301	1 656	1 729	1 729	3 258	1 764	1 799	1 903
B KZN234 Umtshezi	3 521	4 584	12 281	13 440	13 440	10 494	14 112	14 818	15 677
B KZN235 Okhahlamba	1 521	1 652	1 779	5 040	5 040	1 706	5 200	5 557	5 879
B KZN236 Imbabazane	1 613	1 103	2 800	3 045	3 045	4 200	3 106	3 168	3 352
C DC23 Uthukela District Municipality	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	17 925	20 920	25 675	26 718	26 718	24 556	27 723	28 773	30 441
B KZN241 Endumeni	8 000	8 841	7 634	7 707	7 707	6 980	8 170	8 660	9 162
B KZN242 Nquthu	4 341	5 144	8 539	8 971	8 971	7 659	9 151	9 334	9 875
B KZN244 Msinga	2 482	3 468	4 476	4 669	4 669	3 917	4 763	4 858	5 140
B KZN245 Umvoti	3 102	3 467	5 026	5 371	5 371	6 000	5 639	5 921	6 264
C DC24 Umzinyathi District Municipality	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	21 437	8 672	10 897	10 839	10 839	12 603	11 300	11 780	12 464
B KZN252 Newcastle	18 569	5 065	4 631	4 096	4 096	4 924	4 301	4 516	4 778
B KZN253 eMadlangeni	1 923	2 496	2 473	2 730	2 730	1 929	2 785	2 840	3 005
B KZN254 Dannhauser	945	1 111	3 793	4 013	4 013	5 750	4 214	4 424	4 681
C DC25 Amajuba District Municipality	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	20 725	25 210	47 688	36 543	36 543	37 427	37 647	41 519	43 928
B KZN261 eDumbe	4 631	2 431	1 471	3 150	3 150	3 150	2 500	3 277	3 467
B KZN262 uPhongolo	2 273	2 498	4 618	3 363	3 363	3 363	3 430	3 499	3 702
B KZN263 Abaqulusi	2 006	4 887	6 993	6 300	6 300	7 184	6 615	6 946	7 349
B KZN265 Nongoma	2 731	3 526	5 859	5 250	5 250	5 250	5 513	5 788	6 124
B KZN266 Ulundi	9 084	11 868	28 747	18 480	18 480	18 480	19 589	22 009	23 286
C DC26 Zululand District Municipality	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	11 838	14 786	21 835	23 397	23 397	23 759	22 572	24 980	26 429
B KZN271 Umhlabuyalingana	6 708	8 458	10 731	10 272	10 272	9 609	11 798	11 325	11 982
B KZN272 Jozini	2 244	2 323	6 299	5 565	5 565	5 600	5 676	5 790	6 126
B KZN273 The Big 5 False Bay	1 047	1 717	1 855	2 100	2 100	2 100	2 142	2 185	2 312
B KZN274 Hlabisa	1 036	1 058	344	3 150	3 150	4 150	600	3 277	3 467
B KZN275 Mtubatuba	803	1 230	2 606	2 310	2 310	2 300	2 356	2 403	2 542
C DC27 Umkhanyakude District Municipality	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	13 204	20 099	24 986	23 832	23 832	31 001	29 610	25 819	27 316
B KZN281 Umfolozi	950	735	220	520	520	520	400	541	572
B KZN282 uMhlatuze	4 719	10 720	10 771	10 712	10 712	15 477	11 248	11 810	12 495
B KZN283 Ntambanana	254	350	617	840	840	840	857	874	925
B KZN284 uMlalazi	3 898	2 134	4 389	3 360	3 360	3 359	3 427	3 496	3 699
B KZN285 Mthonjaneni	1 741	2 230	2 126	2 625	2 625	2 625	2 678	2 731	2 889
B KZN286 Nkandla	1 642	3 930	6 863	5 775	5 775	8 180	11 000	6 367	6 736
C DC28 uThungulu District Municipality	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	13 303	14 830	6 041	15 818	15 818	11 544	20 057	16 598	17 561
B KZN291 Mandeni	3 809	3 536	1 988	728	728	773	757	787	833
B KZN292 KwaDukuza	6 226	3 712	1 030	5 418	5 418	2 135	7 800	5 748	6 081
B KZN293 Ndwedwe	471	1 876	1 879	1 352	1 352	400	6 000	1 407	1 489
B KZN294 Maphumulo	2 797	5 706	1 144	8 320	8 320	8 236	5 500	8 656	9 158
C DC29 Ilembe District Municipality	-	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	11 710	16 798	15 506	11 875	11 875	19 055	15 891	12 479	13 203
B KZN431 Ingwe	1 020	1 852	134	2 288	2 288	2 288	144	2 380	2 518
B KZN432 Kwa Sani	371	673	687	776	776	776	359	807	854
B KZN433 Greater Kokstad	7 365	8 091	7 284	816	816	7 096	8 200	849	898
B KZN434 Ubuhlebezwe	1 053	1 893	2 931	3 997	3 997	4 897	3 075	4 158	4 399
B KZN435 Umzimkhulu	1 901	4 289	4 470	3 998	3 998	3 998	4 113	4 285	4 534
C DC43 Harry Gwala District Municipality	-	-	-	-	-	-	-	-	-
Unallocated	132	24	24	60	60	18	60	60	60
Total	395 743	466 799	512 510	507 062	515 356	538 713	533 931	561 873	594 455