

VOTE 15

DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT

To be appropriated by vote in 2017/18	R 2 542 122 000
Responsible MEC	MEC for Infrastructure Development
Administering Department	Department of Infrastructure Development
Accounting Officer	Head of Department

1. OVERVIEW

Vision

To be a leading sustainable infrastructure provider and facilitator that positions Gauteng as a globally competitive city region with inclusive economic growth and decent work for all.

Mission

To contribute towards the radical transformation, modernisation and re-industrialisation of Gauteng by accelerating integrated service delivery, maintenance and management of public infrastructure and deploying build environment professionals while encouraging the active participation of an empowered citizenry.

Strategic Goals

- Optimise state assets for economic development and the support of entrepreneurs;
- Empowering communities through job creation in partnership with the public and private sectors;
- Accelerate service delivery;
- Integrated planning;
- Sustainable infrastructure; and
- Organisational development for building state capacity.

Core functions and responsibilities

- Implementation of social infrastructure;
- Skills development;
- Community participation;
- Capital project management;
- Maintenance services; and
- Provincial property management.

Main services

Our mandate is to develop and maintain socio-economic infrastructure that enables all the province's people to have access to social services by:

- Utilising the construction sector as a catalyst for the development of sustainable communities;
- Ensuring participation and involvement of communities through the implementation of the Expanded Public Works Programme (EPWP) within Gauteng Provincial Government (GPG) capital expenditure (CAPEX) projects and other departmental projects;
- Ensuring the implementation of all infrastructure programmes and projects reflected in the short, medium and long term plans of the GPG;
- Managing the construction of GPG CAPEX projects such as schools, hospitals, clinics and recreation centres;
- Managing the provision of maintenance services for all GPG infrastructure; and
- Managing the provincial property portfolio.

Ten Pillar programmes of Transformation, Modernisation and Reindustrialisation

The department's plans and initiatives are aligned to the outcomes planned for the Gauteng City Region in terms of the Transformation, Modernisation and Re-industrialisation Programme. The outcomes and initiatives planned under each pillar as aligned to the TMR are below.

Pillar 1: Radical economic transformation

The Gauteng Provincial Government (GPG) is determined to revitalise and mainstream the township economy by supporting the development of township enterprises, co-operatives and SMMEs that will produce goods and services that meet the needs of Gauteng township residents.

The provincial government has identified key sectors that have the potential to address the twin policy imperatives of creating decent employment and greater economic inclusion. These include finance, the automotive industry, manufacturing, ICT, tourism, pharmaceuticals, creative industries, construction and real estate. The promotion of new small, medium and micro enterprises (SMMEs) and township enterprises will also be brought into these key sectors of the economy.

Pillar 3: Accelerated social transformation

Economic and spatial transformation is underpinned and supports an accelerated programme of social transformation at the centre of which is raising the living standards and quality of life of all the people of Gauteng. At the centre of Gauteng's social transformation is our determination to improve the quality of education and healthcare, provide social protection to the vulnerable, in particular women and children, and to eradicate poverty and build social cohesion and social solidarity. The department has identified its key initiatives to deliver on the stated objectives, as follows:

It will continue with its interventions to construct and maintain health infrastructure in the province. A key focus over the Medium-Term will be the roll-out of the National Health Insurance (NHI) based clinics across selected corridors of the GCR. These clinics will be built using the small clinic prototype and a turnkey project management approach where value for money justifies the approach.

Pillar 4: Transformation of the state and governance

The Gauteng Department of Infrastructure Development (GDID) is the custodian of a significant portion of immovable assets vested in the provincial government. The appointed service provider has completed the process of verifying and updating the immovable asset register (IAR). Based on this and the newly approved Property Optimisation Strategy, the department is moving towards a new approach towards delivering and managing high impact infrastructure in the province. The department continues to put the citizens of Gauteng first through community outreach and sectoral engagements. In this context, it has launched a new initiative, the #ICareWeCare Campaign that will see community members take more responsibility and ownership for state property within their immediate environments.

The implementation of the National Treasury prescribed Infrastructure Delivery Management System (IDMS) model continues to be a catalyst for the introduction of a new strategy, organizational structure, systems and processes that supports the delivery and management of infrastructure within the department. The operationalization of the IDMS continues to be a departmental priority. In terms of the IDMS framework there are processes and decision gates through which approvals are obtained for the implementation of infrastructure and maintenance projects. The department has mapped these key processes and trained relevant staff on their use during the year under review.

Pillar 5: Modernisation of public service

The GDID has introduced innovative technologies that will enable it to better manage its portfolio of infrastructure procurement and construction projects. The Primavera Project Management system is now being used by all units involved in the management of infrastructure procurement and construction. The Unifier System application is also being used for ensuring better workflow management of the contract management and payment processes within the GDID. This is primarily to address issues around supply chain management that continue to hamper the GDID's infrastructure procurement processes, thereby impacting its ability to ensure timely payment of service providers appointed to implement infrastructure and maintenance projects.

Linkages with an Oracle Business Intelligence (BI) application enable the GDID to draw high-level project reports and performance dashboards that can be used by various levels of management to resolve project related issues. Similarly the ArchiBUS system remains the key system to ensure that the GDID Immoveable Asset Portfolio is properly tracked and managed. Until recently the GDID did not have a common or single view of the truth as it was utilising these individual systems and sources of information to guide its management of its projects and property portfolio as well its decision making processes. There was also no tool or mechanism to interrogate and analyse project/portfolio data as well as no central point of coordination and collaboration with client departments

The GDID established the Lutsinga Infrastructure House, a departmental nerve centre, to provide an integrated view of project performance across GDID that will be used to coordinate and better manage the portfolio of projects and properties on behalf of our client departments in the GCR. The Lutsinga Infrastructure House will do this by integrating the outputs of various internal systems, capabilities and a dedicated operational team under one roof. These inputs can then be used to monitor, analyse and manage key construction, maintenance, EPWP and property portfolio management projects and portfolio management related progress reports. The key internal systems that are currently used for managing and tracking various projects include the Primavera System, the Archibus system, the e-maintenance system and the EPWP reporting

system.

Pillar 6: Modernisation of the economy

The provincial government has identified key sectors that have the potential to address the twin policy imperatives of creating decent employment and greater economic inclusion. These sectors include finance, automotive industry, manufacturing, ICT, tourism, pharmaceuticals, creative industries, construction and real estate.

The department has identified its key initiatives to deliver on the stated objectives of the Green Agenda within the province. In terms of this various PPP projects are in the pipeline to convert coal boilers to gas, supply gas to the boilers, install trigen/cogen plants at health facilities and install solar rooftop panels.

National Development Plan

The Transformation, Modernisation and Re-industrialisation Programme of the GPG are directly aligned to the National Development Plan (NDP). Thus all the above sections directly align to the NDP.

External activities and events relevant to budget decisions

The department continues to play a pivotal role in the establishment and provision of social infrastructural resources for the province. Developing and maintaining good working relationships with client departments is important in accomplishing this. This is especially so during the planning process as infrastructure projects are complex and often behind schedule and encounter cost escalations. The department is actively engaging client departments to ensure that changes to projects, project scope and escalations are timely and costs are minimised. Agreements in this regards will soon be signed with client departments.

As part of GDID's project implementation role, it also focuses on building maintenance. In coming years, the provision to fund maintenance of buildings is expected to increase, as many buildings owned by the state require extensive rehabilitation. GDID supports initiatives relating to revenue increases, which will assist in managing the province's budget.

Part of GDID's responsibility is to facilitate projects relating to EPWP, and to ensure skills development in Gauteng communities. This relates particularly to skills improvement for artisans. Investment in training programmes ensures the delivery of effective and efficient services to the citizens of the province. The department also conducts skills profile surveys relating to engineers, architects, project managers and quantity surveyors to ensure adequate numbers of these skilled professionals in the built environment field are appointed in the department.

Acts, rules and regulations

- Government Immovable Assets Management Act, 2007;
- Rental Housing Amendment Act, 2007;
- Space Planning Norms and Standards Notice, No. 1665 of 2005;
- Local Government: Municipal Property Rates Act, 2004;
- Broad Based Black Economic Empowerment Act, 2003;
- Gauteng Planning and Development Act, 2003;
- Planning Professions Act, 2002;
- Project and Construction Management Act, 2000;
- Property Valuers' Profession Act, 2000;
- Preferential Procurement Policy Act, 2000;
- Framework for Supply Chain Management, 1999;
- Rental Housing Act, 1999;
- Prevention of Illegal Eviction from and Unlawful Occupation of Land Act, 1998;
- Constitution of the Republic of South Africa, 1996;
- Gauteng Land Administration Act, 1996;
- Occupational Health and Safety Act, 1993 (and particularly the associated construction regulations);
- Rating of State Property Act, 1984;
- Deeds Registries Act, 1937;
- Expanded Public Works Programme Guidelines for implementation of labour intensive construction.

2. REVIEW OF THE CURRENT FINANCIAL YEAR (2016/17)

Pillar 1: Radical economic Transformation

The EPWP is a public employment programme that aims to provide temporary work to economically marginalised citizens between the ages of 18 and 35 years, while Zivuseni recruits 18 to 65. The programme is aimed at providing an economic safety net to ensure that there is some sort of income in households to provide for basic needs. The department managed to coordinate the creation of jobs through the NYS and Zivuseni programmes. Despite the challenge of some beneficiaries exiting the programme, a total of 4 596 jobs were created.

In terms of this outcome, the department has managed to ensure that 95.8 per cent and above of its procurement is spent on black owned companies while over 51.6 per cent is spent on black women owned companies by the end of Quarter 3 of the 2016/17 financial year. Procurement spend on youth owned companies is above 46.1 per cent while that on companies owned by people with disabilities stands at 1 per cent at the end of Quarter 3 of the 2016/17 financial year.

The EPWP will coordinate the creation of work opportunities within GPG departments and municipalities. This is besides the 6 500 young people participating in the National Youth Service (NYS) and Zivuseni Reloaded Programme in the 2016/17 Financial Year.

To empower emerging contractors for economic growth, the department supported 20 SMME contractors with accredited skills and training support throughout the 2016/17 financial year. Above 34.5 per cent of total departmental procurement was allocated to SMMEs in 2016/17 financial year, while the total procurement in terms of township enterprise revitalisation was 8.9 per cent at the end of quarter 3 of the 2016/17 financial year.

Pillar 3: Accelerated social transformation

Output 1: Construct education/health and other infrastructure projects

The department plays a crucial role in improving the quality of education and healthcare, providing social protection to the vulnerable, in particular women and children, and eradicating poverty and building social cohesion and social solidarity. To date, the department managed to complete the construction of the Department of Education project to build six new schools: Garankuwa Primary School, Bophelong Secondary School, Nellmapius Secondary School, Rethabiseng Primary School, Braamfisherville Primary School and Moses Kotane Primary School. Restorative repairs projects have been completed at eighteen schools: Jabulane Technical High School, Hugenoot Primary School, Pretoria Technical High School, Bronkhorstpruit Primary School, Thabaneng Primary School, Norwood Primary School, Uvuyo Primary School, Kholwani Primary School, Boiteko LSEN School, Bramley Primary School, Gressworld Senior Secondary School, Chris J Botha Secondary School, Alra Park Primary School, Qoqa Secondary School, Itereleng Primary School, Cosmo City Secondary School and Clapham High School. Major refurbishment and conversion of normal to smart classrooms were conducted in the following schools: Alexandra High School, Lyndhurst Primary School, Sunward Park High, Ponelopele Oracle Smart School, Dalpark Secondary School and Tshepisa Primary School.

It will continue to contribute to this pillar by implementing the construction of education infrastructure projects. To this effect, at least 2 schools will be completed during the 2017/18 financial year, while tenders for 39 education projects will be advertised.

In relation to Sports, Transport, Agriculture, Rural and Social Development (STARS) the department has managed to complete the maintenance project at Mary Moodley CYCC. The scope has been amended to include parking which delayed the completion of phase two. The department has also managed to improve the condition of Roodeplaat Dam by ensuring that it is suitable for use. Chiller plants at 30 Simmonds Street have also been revamped. Specifications to appoint mechanical, electrical and general building contractors for precinct buildings were successfully prepared. The maintenance work for 20 social development facilities that are occupied was carried out.

The department has completed two projects for the Department of Agriculture namely; Roodeplaat Nature Reserve: New Pipe Network which was completed on 17 November 2016 and Kareekloof Camp: Site-renovation of oxidation tank which was completed on 25 November 2016 as per the contractually agreed time.

Currently three NHI Clinics are under construction, using the small clinic prototype design, and due to be completed during the 2017/18 financial year. A further three NHI clinics are at tender stage, and construction will commence during the 2017/18 financial year. During the current financial year, planning will continue for five flagship projects, under the hospital revitalization sub programme. These five projects are at an advanced stage and procurement of tenderers is expected within the financial year.

The department also completed the construction of new examination hall at Bonalesedi Nursing College and emergency refurbishment at Weskopies (wards 8, 9, 12, 13 and 49) and Cullinan (wards 2B, 3A, 4B and 9B).

Flagship projects are research and development projects that are strategically and scientifically defined and are of substantial size in scientific and financial volume, the number of project partners and the running time. Flagship projects serve to strengthen a sector or to generate model solutions to important social challenges.

Nokuthula LSEN School is a flagship project that consists of a school and a boarding facility for learners with special needs. The site is located between Lombardy and Alexandra Township. The facility is designed to maximize the potential of learners and is the first of its type in the province. The facility has a design capacity to accommodate 550 learners in the school

and 80 learners in the boarding facility. It comprises classrooms, sports facilities, administration block, orthopaedic block, boarding facilities and heavy vocational workshops (trade workshops). The project is 78 per cent complete. Contractual completion is in June 2017. Internal finishes completed involve heavy vocational work in Block K, foundation phase in Block D, boys' dormitories, multimedia centre and science lab. With regard to structure and roofing, roof sheeting on the girls' dormitories has been completed, as has roof sheeting on block N which is the dining hall, and roof sheeting for block P which is the early childhood area. Finishes that have been affected include those relating to electrical wiring in the ablutions, ceilings, glazing to windows, timber doors, locks etc.

Kagiso Memorial is aimed at identifying and recognizing contributions to the struggle by veterans from Mogale City Municipality. The project entails building a new indoor sports centre with dedicated heritage exhibition space. The new facility is an indoor recreation, sports, arts and craft centre. The Arts and Culture Centre will accommodate a studio for performing art, workshop space for different artists, exhibition space for visual art, etc. The Indoor Sports Arena will accommodate sport activities. It should be noted that the overall construction of the facility is complete. For the quarter under review, the challenges to sewers were resolved with permanent sewer and electricity connections completed. Currently the main contractor is providing its security service at the department's cost until the Department of Sport, Arts, Culture and Recreation takes over responsibility.

The Woman's Living Heritage Monument was developed by the province and the City of Tshwane to honour the spirit of women in the struggle for freedom. The scope of works in this phase includes construction; fabrication and installation of the heritage component. Consultants are working with the contractors to make up for the delays experienced to further improve on-site productivity. Funds allocated this financial year were insufficient to pay for the pending certificates and DID and SACR are working on the challenge to fast-track the payments.

Pillar 4: Transformation of the state and governance

The department is disposing of GPG's residential properties through an online auction facilitated by Tirhani Auctioneers. The first disposal phase started with 18 immovable properties which include the official residence of the Premier of Gauteng. Of the 18, 11 were successfully sold.

In terms of revenue generation, the department managed to lease 13 properties for commercial purposes. Revenue collected to date amounts to about R14 million, this also includes income generated from the sale of tender documents, sale of goods and services and interest on bank accounts. The department also managed to register a total of 5 250 immovable assets in the asset register in accordance with National Treasury's mandatory requirements.

Pillar 5: Modernisation of the public service

As part of a recruitment drive to capacitate and strengthen the departmental labour force, the department has to date managed to recruit 603 people, register 99 learners on the learnership programme, and enrol 19 learners on IT learnership programmes, while 168 learners were appointed as interns. The department further allocated bursaries to 167 employees, of whom 78 were males and 89 females.

Apart from recruitment drives, the department has forged a partnership with Statistics South Africa (StatsSA) to discuss and deliberate on the "data revolution" and "its implications for high impact infrastructure delivery". The partnership with StatsSA is aimed at assimilating the data analytics capabilities and skills required to improve the design of infrastructure projects to enhance their socio-economic impact.

2. OUTLOOK FOR THE COMING FINANCIAL YEAR (2017/18)

Pillar 1: Radical economic transformation

The following are the strategic initiatives that will be the focus of the department:

Increasing Labour Intensive Construction Content in Projects: The inability to meet departmental and provincial targets in terms of employment opportunities over the year has highlighted the need to consider alternative means of increasing labour intensive construction (LIC) methodologies in departmental and provincial projects. The department has begun a process, first targeted at its own internal officials, that enables them to understand and build LIC into their CAPEX and maintenance projects where possible. These workshops and sessions have started showing results with close to 436 projects being created through CAPEX projects during the year. The Department has also targeted provincial departments and municipalities for these workshops so that they too can increase LIC content in their projects. The tender documents of the Department are being revised to ensure that they factor in LIC requirements for all new projects advertised, with stringent reporting requirements of work opportunities created.

Coordination of provincial implementation of EPWP Phase 3: Provincial co-ordination of the EPWP function is a GDID mandate. The emphasis will be on addressing key data collection challenges that continue to face the department, other

provincial departments and municipalities. Currently, the national Department of Public Works (NDPW) has recruited a service provider to assist with addressing its data challenge issues. Together with the service providers, training sessions are being held with provincial departments and municipalities to resolve data generation and storage challenges that have arisen from the stricter document verification requirements.

Another key priority will be ensuring that the challenges faced in making timely payments to genuine beneficiaries of the EPWP programme are addressed. The bio-metric system implemented in 2016/17 will be used extensively during the year. The department will coordinate the creation of 110 096 work opportunities within GPG. This will include creating work opportunities for 60 660 (55 per cent of the total) women and youth and 2 205 (2 per cent of the total) for people with disabilities.

Implementation of the NYS and the Zivuseni Reloaded Programme: The inability to meet departmental EPWP targets has resulted in a new approach that seeks to directly recruit artisans as part of the EPWP process. These artisans will then be trained at the proposed Artisan Training Academy before being allocated to maintenance crack-teams.

Implementation of the Contractor Incubation Programmes and Enterprise Development Programme: These programmes seek to:

- Catalyse the upward development of CIDB Level 1 contractors towards Level 2 contractors;
- Mainstream SMMEs into the economic sector through their participation in the Township economy; and
- Put in place special interventions aimed at poverty alleviation and job creation.

At least 20 enterprises will benefit from this programme.

Development of a Cooperative Model of Development Framework: The department is in the process of developing a Cooperative Model of Development Framework that seeks to make it easier for the department to support the development of cooperatives, especially from the townships. The incubation of these cooperatives in areas relevant to the department in the construction sector is also expected to assist the department to meet its maintenance targets.

Pillar 3: Accelerated social transformation

The department contributes to this pillar by ensuring swift delivery of social infrastructure projects to reduce poverty, inequality and unemployment. Over the medium-term, it will continue to work with the Departments of Education, Health, Social Development, Agriculture and Rural Development, Sports, Arts, Culture and Recreation to implement planned infrastructure projects in the province. The following are the strategic initiatives that will be the focus of the Department over the next three years.

Implementation of Social Infrastructure Projects: In terms of social infrastructure related projects, the focus over the Medium-Term will be to ensure that 90 per cent of projects implemented on behalf of the Department of Education, Health, Social Development, Agriculture and Rural Development, Sports, Arts, Culture and Recreation are implemented on time and within budget. Additionally, the Department will begin focussing on the quality of the projects managed by ensuring that 95 per cent of projects are delivered with zero defects.

These projects are spread across all five developmental Corridors of GCR. The release of National Minimum Uniform Norms and Standards by the National Treasury has meant that the costs of new school construction are kept within the newly defined costs norms by utilising prototypes where possible to ensure the standardisation of project design and costs.

The department will also focus on the construction of new libraries across the province as well as the upgrade and maintenance of nature reserves under its management.

Adherence to the IDMS Delivery Process: The implementation of CAPEX projects in terms of the IDMS prescribed processes is based on clearly defined deliverables that will be processed through decision-gates that have been defined for each stage of the CAPEX project. The department is developing a comprehensive memorandum to the provincial Executive Committee (EXCO) that proposes new measures and requirements that must be complied with by all client departments to comply with the IDMS based processes and the approval of User-Asset Management Plans (U-AMPs) and Custodian-Asset Management Plans (C-AMPs) (covered further under Pillar 5). This will involve a comprehensive checklist of key deliverables that must be in place before a project can be implemented in terms of the IDMS processes.

Pillar 4: Transformation of the state and governance

The following are the strategic initiatives that will be the focus of the department over the next three years.

Leveraging procurement to benefit previously disadvantaged entities and individuals: Infrastructure-based programmes and projects continue to be a key catalyst for economic growth and development by leveraging the public sector's

procurement processes to benefit previously disadvantaged entities and individuals. At the heart of addressing the challenges within the procurement/supply chain management function will be continued strengthening of the centralised procurement system that will ensure that 100 per cent of all properly submitted invoices are paid within 30 days of receipt from the service provider. This process is being managed as a project by the department, with a dedicated team monitoring the payment of service providers on a weekly basis. It involves the use of the Oracle Unifier System to process payments for CAPEX projects under the management of the department.

Strengthening the contracting process by establishing SLAs with service providers will also be a key priority as this is expected to lead to better management of deliverables and their associated payments. By extension, it will also involve client departments signing MOUs to ensure that they adhere to project deliverables and payment conditions.

Infrastructure programmes/project procurement will be packaged to ensure local content, and in particular attract entities including BBBEE-owned entities, Black women owned entities, youth owned entities, people with disability owned entities, military veteran owned entities and SMMEs particularly from previously disadvantaged townships to tender for the department's contracts. The emphasis will be on creating opportunities for people with disability and military veteran owned entities, as the department has consistently battled to attract procurement from these categories of entities.

Improving human resource capacity and capability: The department has worked tirelessly to ensure that it has the right capacity and skills to provide the infrastructure delivery and management services required for its mandate and the new organisational structure in place since January 2015. Since then, the HR function has filled 2366 (84 per cent) of the 2811 posts on the organisational structure, with 2272 (81 per cent) being core and technical posts. Of these, 599 are registered build professionals, candidate engineering and related professionals, chief artisans, artisans, foremen and planners. The focus will be on increasing this pool by a further 257 professionals. Plans are also underway to enhance the number of artisans in the department by recruiting 500 artisans through the EPWP. The development and strengthening of the skill set of existing technical staff will also be prioritised through bursaries and in-house training opportunities, so that as many of them as possible can be fully registered professionals in their respective fields.

Filling the vacant funded posts will also take into account policy imperatives on employment equity (50 per cent of women in management positions and 2 per cent of people with disabilities and military veterans) within the department and will strive to ensure all vacant posts are filled (with a 10 per cent variation). The department will continue to outsource work for which it does not have the internal capacity and expertise, especially as it relies on professional service providers (PSPs) for the delivery of standalone projects and turnkey infrastructure projects. The deliberate and focused mainstreaming of issues around gender, youth, people with disabilities and military Veterans will continue to be strengthened over the medium term.

Effective and sustainable management of departmental resources: Effective and sustainable management of departmental resources is crucial for implementation of the IDMS framework. This requires implementation and compliance monitoring of appropriate financial, human resources, governance and planning management policies, procedures and systems across the department. In particular policies that deal with non-compliance and misuse of resources (financial, physical and human) will be implemented as a matter of urgency. The department has established a team to manage the process of achieving a clean audit by the end of the present medium term period. These initiatives are expected to lead to better compliance and scores in terms of the Management Performance Assessment Tool (MPAT) over the medium term.

Operationalisation of IDMS: During the 2016/17 financial year, many of the processes and systems planned by the department in terms of operationalising the IDMS model went live. These are already helping the department to address issues around poor planning, project management, contract management, infrastructure spending, proper business processes, technical capacity and SCM. The next phase will involve the value optimisation of the newly implemented processes and systems, with an increasing emphasis on technology and utilisation of data.

Utilising IT, innovation and benchmarking to stay ahead of the infrastructure delivery curve: The Oracle Primavera project management system and the Oracle Unifier payment processing system are now live within the department. A total of 434 health, education and STARS related CAPEX projects are already being planned, managed and monitored through the Primavera and Unifier systems. The inputs from the systems are linked to Oracle Business Intelligence (BI) that can generate dashboards to be utilised to make technical and operational decisions relating to CAPEX projects.

The Archibus immovable asset management system has also gone live in the department. It has enabled the department to digitalise its entire immovable asset register (IAR) for the first time. The property portfolio data, consisting of 50 961 assets for which the department is custodian, has enabled the department to develop a viable and sustainable Property Optimisation Strategy for the province that will result in better service delivery and revenue generation opportunities.

Reducing the contingent liability of the department: The department has a number of litigation cases that have arisen out of contractual disputes with project implementing contractors and from rental disputes with landlords. By providing proper legal advice in relation particularly to newly developed contracts with contractors and service providers, the aim is to ensure that such cases are resolved as quickly as possible and to prevent new cases from arising. Implementing the departmental contract management guidelines will be crucial in this context. In addition, the development of SLAs with service providers and MoUs with client departments will ensure tighter contract management. Service providers not complying with the SLAs will be monitored and dealt with speedily to reduce the impact on service delivery caused by delays and under-performance. Tighter controls and interrogation around professional indemnity (PI) cover early in the tender process will be put in place to prevent unwanted surprises later in the construction process. In addition, standardisation of contracts for specific types of construction projects is also in the pipeline.

Informing the review of norm and standards, and defining policies for infrastructure delivery and property management: The department will conduct reviews of norms and standards related to infrastructure delivery and property management with the objective of:

- Informing branches within the department of any changes to the existing norms and standards; and
- Verifying alignment of the department's project planning and design with sector-specific norms and standards.

This will involve the newly introduced Standard for Infrastructure Procurement and Delivery Management (SIPDM) as well as the National Minimum Uniform Norms and Standards for Schools.

The formulation of new policies that support the strategic direction that the department is embarking on, including precinct development and value realisation, is also on the cards. Conducting awareness campaigns on new and existing policies with department officials and external stakeholders is part of this process.

Building the image and reputation of the department: Although the department has only been existence for seven years, many of the problems it faces are based on historic challenges and issues in the delivery of infrastructure. All of the strategic initiatives highlighted above being rolled-out are intended to ensure that these historic challenges and issues are addressed and that the department is able to reposition itself as a thought leader in the infrastructure sector. This will include on-going and continuous engagement and partnerships with key stakeholders including the communities that the department serves the client departments, key suppliers and service providers, and key research institutions and sector professional bodies. Key campaigns like the #ICareWeCare campaign will be strengthened to ensure that the public property that department delivers and manages is safe-guarded by the communities it serves.

Pillar 5: Modernisation of the public service

Updating and maintaining a compliant immovable asset register: The GDID is the custodian of a significant portion of immovable assets vested with the provincial government. Until recently, it did not have access to a reliable and accurate immovable asset register (IAR). This made it extremely difficult to plan, manage and deliver infrastructure towards the service delivery priorities and revenue generation priorities of the province. The department has not only managed to put a fully compliant IAR in place but to digitalise it, ensuring that the details of these assets are maintained accurately and in accordance with the Government Immovable Asset Management Act (GIAMA) is a key strategic priority for the department.

Property Management Optimisation Plan: The benefit of having an accurate and updated electronic IAR is that for the first time it enables the department to have broad view of its property portfolio that can then be drilled down in terms of various property characteristics. The current project of updating the IAR involved conducting condition assessments for many of the facilities, based on which much more detailed information on the various property related characteristics were obtained.

Disposal of non-core and non-strategic assets: One of the key policy decisions that have resulted from the Provincial Property Management Optimisation Plan is that non-core and non-strategic assets, mainly consisting of suburban medium-sized residential properties and small-sized undeveloped land in residential areas, will be disposed of to reduce maintenance costs and generate revenue for the province. A private auctioneer has been appointed to manage the online auctioning process to dispose of those properties identified and confirmed as redundant in compliance with Treasury Regulations 16. Currently, 60 properties have been identified/earmarked by Tirhani Auctioneers as properties that could be disposed at the first auction, with further properties to be disposed of in the medium-term. In addition, the department has embarked on engagements with tertiary institutions in the GCR to understand how it can contribute to alleviating accommodation issues faced by students as raised in the recent #FeesMustFall campaign. Underused properties near universities will be identified for accommodation purposes and suitable mechanisms to transfer these properties to the Universities will be investigated in coordination with Gauteng Treasury.

High-impact precinct development: Another policy decision that has resulted from the Provincial Property Management Optimisation Plan is that all future developments must encompass elements of developing high-impact precincts. This

is based on current local and global trends that favour the development of compact, integrated multi-purpose precincts that have a significant socio-economic impact on the people working and residing in the vicinity of such precincts. The department will establish relevant frameworks and processes to enable the identification and development of suitable precincts that can then be offered for development to client departments, municipalities and the private sector.

Development of User-Asset Management Plans and Custodian-Asset Management Plans: In terms of GIAMA, the department has a role to play in assisting client departments (including the department itself) to develop their individual U-AMPS. Currently, the processes around the development and approval of U-AMPS are not effective and efficient enough to drive the development of a proper C-AMP that can then be submitted to the Gauteng Treasury for funding. As a result, projects implemented by client departments tend not to be aligned with U-AMP or the C-AMP, the Estimates of Capital Expenditure (ECE) or even the final client department confirmation letters. These have repeatedly impacted on the prioritisation and selection of projects to be implemented, their funding requirements and the capacity and capability requirements to implement them.

The department has embarked on a process to develop clear frameworks and guidelines that will enable and require client departments to follow the correct process of developing U-AMPS in alignment with the adopted IDMS Model. A submission to the Gauteng EXCO to approve this framework and guidelines is currently being developed and all future projects will be identified, funded and implemented based on their alignment with their respective U-AMPS. Internally, the processes and capacity to deal with U-AMPS and C-AMPS is also receiving urgent attention.

Accelerated delivery of client projects through Lutsinga Infrastructure House: One of the key tools established to accelerate the delivery of infrastructure projects on behalf of client Departments is the Lutsinga Infrastructure House, which serves as nerve centre within the Department. It will involve all key client departments and leverage the new technologies implemented within the Department to resolve and fast-track the delivery of CAPEX, maintenance and property related projects implemented on behalf of client departments.

Value optimisation of the Infrastructure Delivery Management System: The focus during the 2016/17 financial year has been on completing the foundation activities to establish detailed GDID-IDMS-aligned business processes, job aids and enabling systems. For the 2017/18 financial year and beyond, as custodian of the IDMS business processes and systems, the focus will be on embedding the use of these processes and systems across the department. This will be supported by a strong focus on data-driven monitoring and auditing to enable assessment of value realisation from implementing the IDMS framework as the key enabler for infrastructure.

Continuous improvement and monitoring of IDMS business processes and systems: Over 160 detailed business processes, more than 100 job aids and four core IDMS systems (including Primavera P6, Unifier, Archibus and Record Care) have been delivered as part of the foundational phase. The phase that follows will focus on stabilising these processes and systems. The process governance structure created during the foundational phase will be re-energised to enable continuous improvement of governance and decision making. The continuous improvement will focus on:

- Conducting scheduled engagements with business areas across the organisation and client departments impacted by the business processes and systems, to collect business requirements for further enhancement of the foundational processes and systems; and
- Conducting scheduled process audits to gauge the use of all IDMS delivery processes and systems by impacted business users. The objective is to use the process audits to identify gaps and opportunities for further enhancements of the business processes.

Provide support for the implementation of IDMS processes and systems: The close-out of the foundational phase of the processes and systems has included knowledge transfer between the Directorate Portfolio, Programme and Project Systems team and various service providers. As part of managing and providing support on the IDMS processes and system going forward, this team will be:

- Scheduling and conducting IDMS process and system training sessions for department areas and client department staff impacted by the business processes to embed knowledge; and
- Leveraging Lutsinga Infrastructure House as a support centre for system users to get assistance with queries regarding project data and functionality support.

Pillar 6: Modernisation of the Economy

Implementation of green technology solutions at GPG facilities: The department will continue with the design and construction of facilities that incorporate energy efficiency mechanisms. Six hospitals have been identified to have triggen/cogen plants installed in the 2017/18 financial year: Chris Hani Baragwanath Hospital (CHBAH) followed by Charlotte Maxeke Academic Hospital (CMAH), Dr. George Mukhari Academic Hospital (DGMH), Steve Biko Academic Hospital (SBAH), Bheki Mlangeni District Hospital and Thele Mogwerane Hospital in 2018/19. The department will target the achievement of 100

per cent of key milestones for the cogeneration/trigeneration project at the six hospitals. Sixteen health institutions will be targeted for the installation of rooftop solar PV in Phase 1. The solar PV project is managed as a PPP project and registered as such with National Treasury. The department will target the achievement of 100 per cent of key milestones for the project.

Pillar 7: Modernisation of Human Settlements and Urban Development

Infrastructure maintenance: GDID is responsible for providing good quality maintenance services to the assets under its custodianship. One of its key responsibilities is to ensure that all public health facilities in GCR are properly maintained. It does this through the roll-out of the e-maintenance strategy and e-maintenance system that have been implemented across all public health facilities. Over the medium term, increased attention will be paid to enhancing the role of maintenance of immovable assets and public health facilities under its custodianship. This follows from global studies that show a saving of at least 15 per cent if infrastructure is maintained properly as this extends its useful life (RUL) (Mckinsey, 2016).

Establishing a maintenance crack-team: This team will be responsible for identifying health facilities needing rapid and comprehensive maintenance, based on the Condition Assessment reports referred to above. A comprehensive maintenance plan is being developed based on these reports. The team will consist of all the required technical staff seconded from within the department. They will move into the identified facility and within a fixed time complete all the identified maintenance work before handing the facility back. This will be a high-performance team that is expected to set new standards and benchmarks for carrying out maintenance work. A pilot project at Orlando Clinic was completed, and new facilities will be identified for maintenance in the new financial year based on the analysis of the key learnings from the pilot project at Orlando Clinic.

Centre of Excellence (West Hoven Training Centre): The increased emphasis on maintenance of provincial facilities, and health facilities in particular, calls for additional capacity in the department to carry out this work. In addition, the formation of the Maintenance Task-team has necessitated making available additional man-power to ensure that projects are completed as rapidly as possible. Most importantly, there is a need to build a high-caliber technical workforce that utilises standardized methodologies to carry out maintenance work to reduce work cost as well timelines. This has necessitated the establishment of a state of the art Artisan Training Academy, a Centre of Excellence, at the West Hoven Regional Office. Once operational, this facility will be the key training point and source for artisans employed by the department. All EPWP beneficiaries will be expected to be trained at this Training Academy.

Strengthening the implementation of the e-maintenance strategy and system: The focus of Health Maintenance will be to continue with the implementation of the e-maintenance strategy which commits the department to attend to minor breakdowns within 24 hours and major breakdowns within 7 days, and to carry out major refurbishments within 365 days. This is to ensure that small-scale maintenance and day to day issues are resolved quickly and efficiently: without having to go through the whole procurement value chain. Through adopting a single supplier system to ensure quality and timeous delivery, removing the need for the continuous SCM processes.

Optimal procurement and storage of materials and tools of trade: One of the critical elements of the 24/7/365 strategy is to provide tools of trade to all GDID artisans, specifically toolboxes and cell-phones, to ensure that they are able to conduct their work effectively and efficiently. Ensuring the optimal procurement, storage, distribution and use of tools of trade as well materials required for maintaining health facilities is required if operational costs are to be brought down. Currently, the department has an agreement with Builders Warehouse to provide materials. Over the medium-term, the emphasis will also be bringing on board a number of smaller businesses as specialised material suppliers in addition to the existing agreement with Builders Warehouse to provide material and tools of trade for maintenance activities.

Provision of electromechanical maintenance services: The GDID conducts maintenance on electromechanical equipment at health facilities. This includes replacement and maintenance of lifts, generators, HVAC systems and laundry equipment. The statutory inspection of boilers every three years will be continued during this period. Modernisation of laundries and remote monitoring of all electromechanical equipment are key priorities for the next three years.

While significant work has been undertaken to replace lifts and boilers at health facilities, the focus over the next few years will be on ensuring they are reliable and available in terms of accepted industry benchmarks than previously.

4. REPRIORITISATION

The department continues to review its operations to identify cost savings and eliminate inefficiencies. These savings will assist the department to continue to reprioritise planning and funds towards achieving the transformation, modernisation and reindustrialisation (TMR) programme. The department will continue to implement cost-containment measures and to

reduce spending obligations on non-core items. It continues to explore less expensive technologies including prioritising the green agenda in GPG buildings. Over the 2017 MTEF the department reprioritised R392.5 million in 2017/18 and R188 million in 2017/18, the majority of the reprioritised funds occurred in the Expanded public Works programme to ensure outputs are delivered with efficiency.

The province has prioritised the establishment of the Infrastructure Delivery Management System (IDMS) to improve the delivery of infrastructure to stimulate economic growth. Infrastructure development allocation includes the tools of the trade for personnel who will be employed in the IDMS.

The department is now at a point where reprioritisation of expenditure from administrative expenditure to core operational costs is no longer yielding substantial funds to deal with the current budget pressures. The attention is now turned to reducing costs within the core business areas by working smarter and reducing wastage.

This involves strict implementation of norms relating to allowable costs per square meter relating to tenant installations for office accommodation. Client departments are forced to limit their specifications to be within the allowable amounts or pay for any excess costs.

Maintenance teams are required to share vehicles instead of procuring additional vehicles to enable them to maintain a fast incident response time. This will help to reduce the total cost of fleet required for these teams. More attention is being focussed on improving the supply chain processes to ensure value for money and cost efficiencies.

5. PROCUREMENT

Supply Chain remains a trajectory for service delivery and there have been consistent improvements in the area as a result of changes to or the introduction of new regulatory frameworks. The following are key initiatives and challenges within the supply chain environment.

Standards for Infrastructure Procurement and Delivery Management

The Standard for Infrastructure Procurement and Delivery Management (SIPDM) that covers the SCM system for infrastructure delivery came into effect on 1 July 2016. The aim of the standard is to ensure that SCM processes are executed efficiently to minimise time delays, scope creep and unproductive costs; and to mitigate the effects of uncertainty on objectives so as to maintain the value-for-money proposition formulated at the outset of the project.

To this end, the department has developed its processes in alignment with the standard to ensure efficiency in procurement and timeous project implementation.

The standard also identifies a Framework Agreement as a suitable procurement method. The department is in the preparatory stages of ensuring full compliance with the provisions of the standards. The main aim is to shorten turnaround times and have in place service providers with the necessary capacity and capability.

Open tender processes

In the 2015/16 financial year, the province introduced open tenders. These were applicable to tenders above R50 million, with the public allowed to observe tender adjudication proceedings. This was done in the interests of transparency, fairness, value for money, equity and cost-effectiveness in tender processes. The department has participated in open adjudication processes and thus far has successfully awarded tenders to the amount of R663 million to Black-owned companies through open adjudication.

Irregular expenditure

The department has implemented guidelines and a procedures manual to assist with early detection, timeous reporting and prevention of irregular, unauthorized and fruitless and wasteful expenditure. Reporting processes have been improved to ensure completeness of disclosures and investigations so that action is taken to prevent recurrence. Irregular expenditure reduced by 34.9 per cent in the 2015/16 financial year compared to 2014/15.

Achievements

The department continues to exceed its targets in the development of SMMEs, Black-owned businesses and women and youth empowerment. The department also continues to improve in township procurement and enterprise development through various training/workshops facilitated through the SCM function.

Challenges

Supply Chain Management (SCM) has a high vacancy rate. However, interviews are in progress to fill these positions and the department has filled 73.3 per cent of vacancies in SCM.

In terms of procurement targets, there has been under-achievement in the area of people living with disabilities and military veterans. Workshops, training initiatives and public engagements are being strengthened to encourage competition amongst these groups to avert underperformance.

6. RECEIPTS AND FINANCING

6.1. Summary of receipts

TABLE 15.1 : SUMMARY OF DEPARTMENTAL RECEIPTS: DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Equitable share	1 529 044	1 880 117	2 349 141	2 489 661	2 489 661	2 489 661	2 686 747	2 848 650	3 008 174
Conditional grants	3 037	5 511	9 205	17 167	17 167	17 167	19 192		
<i>Expanded Public Works Programme Incentive Grant for Provinces</i>	3 037	5 511	9 205	17 167	17 167	17 167	19 192		
Total receipts	1 532 081	1 885 628	2 358 346	2 506 828	2 506 828	2 506 828	2 705 939	2 848 650	3 008 174

Departmental receipts increased from R1.9 billion in 2014/15 to R 2.4 billion in the 2015/16 financial year, an increase of 23 per cent. The allocation in the main appropriation for 2015/16 came as a result of an increase in funds earmarked for payment of rates and taxes to municipalities. Over the 2016/17 MTEF, the department's allocation shifts from R2.5 billion in 2016/17 to R 3 billion in 2019/20.

For 2017/18, the department has been allocated an R 19 million EPWP Incentive Grant. This is to support continuous implementation of the EPWP job incentive programme.

6.2. Departmental receipts

TABLE 15.2 : SUMMARY OF DEPARTMENTAL RECEIPTS: DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Tax receipts									
Sales of goods and services other than capital assets	16 184	18 023	18 152	22 410	22 410	22 410	23 531	24 895	26 289
Transfers received									
Fines, penalties and forfeits									
Interest, dividends and rent on land	(5)	27	119			21			
Sales of capital assets									
Transactions in financial assets and liabilities	1 576	795	2 002	590	590	929	619	655	692
Total departmental receipts	17 755	18 845	20 273	23 000	23 000	23 360	24 150	25 550	26 981

The department generates income from the sales of tender documents to service providers for construction and maintenance of the government properties, leasing of commercial & residential properties and granting access to the holiday resorts for camping and fishing. On revenue performance the department, has collected 65 percent of their appropriated target of R23 million, as end of December 2016.

The revenue increased from R17.8 million in the 2013/14 financial year to R23 million in 2016/17 financial year. Over the 2016 MTEF, revenue is projected to increase from R24 million in 2017/18 to R26.9 million in 2019/20 financial year which represent a steady increase 5 per cent per annum. The department has developed Property Optimisation Strategy during the 2015-16 financial year.

The main outcome of the asset management strategy framework is a transformed spatial, social and economic landscape of the Gauteng City Region. GDID identified key themes for the asset management strategy that will drive strategies for property groups and individual properties. The following are the portfolio management themes that guide asset management activities for the portfolio:

- Utilization of large land parcels for large mixed use town centre developments with greater transformational impact.
- Redevelopment of existing facilities utilized for service delivery to modern and current environmental sustainability levels.

- Development of vacant undeveloped land and large properties for government office precincts enhancing government service delivery at national, provincial and municipal levels
- Development of vacant undeveloped land through medium to long terms land leases with private sector for mixed use integrated developments.
- Leasing of unoccupied government buildings, such as closed schools and hospitals for development initiatives that support TMR.
- Sale/disposal of vacant land parcels smaller than 1000 m2 for development by private sector
- Sale/disposal of residential properties that do not support service delivery.
- Redevelopment of land with buildings through medium to longer terms leases
- Private-Public-Partnerships for integrated mixed use developments.
- Establishment of a Property Management Entity (PMTE) for more efficient management of the portfolio and effective implementation of the asset management strategy.

7. PAYMENT SUMMARY

7.1. Key assumptions

The department will continue to provide for the infrastructure needs of the province as mandated by the provincial administration. New schools will be built, refurbishments and rehabilitations of existing buildings completed and day to day maintenance conducted on state-owned buildings.

The following elements have been taken into account when determining budgets for the 2017/18 MTEF:

Personnel: The Department will continue to fill vacant and critical positions as per the approved IDMS structure and the recruitment plan. Implementation of the current retention strategies will assist the department to retain and minimise vacancy rates of technical staff in particular. Over the MTEF, personnel costs will increase by 7.1 per cent in 2017/18, 6.9 per cent in 2018/19 and 6.6 per cent in the 2019/20 financial year. Provision has been made for 1.5 percent pay progression and performance bonus.

Goods and services: The CPI inflation projection will be used for all non-personnel items over the MTEF. The allocation includes operational costs such as security services, operating leases, precinct maintenance and EPWP training programme. This budget growth will sustain the department's activities provided that the office accommodation needs of client departments remain static and that the precinct projects starts to save on the maintenance costs of old buildings and rental payments for privately owned buildings.

7.2. Programme summary

TABLE 15.3: SUMMARY OF PAYMENTS AND ESTIMATES: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
1. Administration	205 289	313 650	442 542	419 596	449 596	468 962	325 307	314 398	337 896
2. Public Works Infrastructure	1 055 400	1 214 021	1 677 464	1 812 515	1 782 014	1 836 254	1 912 116	2 077 690	2 108 404
3. Expanded Public Works Programme	272 533	302 865	296 097	280 310	280 310	164 049	304 698	292 435	326 618
Total payments and estimates	1 533 222	1 830 536	2 416 103	2 512 421	2 511 920	2 469 265	2 542 122	2 684 523	2 772 918

7.3. Summary of economic classification

TABLE 15.4: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	1 072 394	1 299 443	1 480 663	1 585 875	1 587 873	1 586 764	1 694 822	1 789 255	1 902 692
Compensation of employees	554 981	574 716	708 008	838 189	838 187	837 461	914 901	1 015 698	1 105 773
Goods and services	514 834	724 161	766 295	746 333	748 333	748 829	779 522	772 855	796 177
Interest and rent on land	2 579	566	6 360	1 353	1 353	474	399	702	742
Transfers and subsidies to:	314 785	306 210	682 843	727 921	727 922	729 022	766 462	809 344	854 386
Provinces and municipalities	308 686	300 646	679 060	718 544	718 544	718 545	757 462	801 394	846 272
Departmental agencies and accounts		2		1	1	1		4	4
Households	6 099	5 562	3 783	9 376	9 377	10 476	9 000	7 946	8 110

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Payments for capital assets	145 495	219 732	251 898	198 625	196 125	152 327	80 838	85 924	15 840
Buildings and other fixed structures	114 584	193 548	185 480	169 825	169 325	125 164	48 838	70 924	
Machinery and equipment	30 911	25 687	28 467	28 800	26 800	27 163	32 000	15 000	15 840
Software and other intangible assets		497	37 951						
Payments for financial assets	548	5 151	699			1 152			
Total economic classification	1 533 222	1 830 536	2 416 103	2 512 421	2 511 920	2 469 265	2 542 122	2 684 523	2 772 918

The budget for IDMS implementation has been utilised for filling critical posts and also for strategic training, skills development and provision of tools of trade within the organisation. The departmental budget over the MTEF will increase from R2.5 billion to R 2.7 billion in the outer year, an average annual increase of 6 per cent. The department plans to use these funds to continue with IDMS implementation. Among other activities, this includes recruitment of skilled personnel, provision of resources, maintenance of technical resources currently used and change management.

The Public Works programme is the core business programme of the department and houses the Health, Education & other and Immovable Asset Management components. It is allocated approximately 70 per cent of the total equitable share of the Vote.

The compensation of employee's budget has increased significantly as a result of filling of critical posts and implementation of the IDMS. It will increase over the MTEF from R 914 million to R 1.1 billion as the Land administration function is in the process of being assigned to GDID from the Department of Human Settlements.

Goods and services will increase by 4 percent per annum over the MTEF. This allocation decreases from R 780 million in 2017/18 to R772 million in 2018/19 as the IDMS project is anticipated to be complete in 2016/17. It will increase to R 796 million in 2019/20 financial year due to inflation. It provides for EPWP training, tools of trade for new appointments, the Maintenance Turn Around strategy budget for the e-Maintenance implemented by the Health Branch, and other commitments such as property leases, utilities and security services.

Leasing of privately owned office space has been costly for government over the past decade and these costs will continue to put pressure on the budget allocation of the department. Through the implementation of the Kopanong Public Private Partnership (Kopanong PPP), government will reduce the cost of property leasing as the government owned buildings will be rehabilitating and refurbished to house all government departments. The costs of property leasing and rehabilitation will be used to fix and rehabilitated the owned buildings.

Approximately 97 per cent of the transfers and subsidies budget relates to devolution of rates and taxes and is paid to various municipalities. The balance of 3 per cent is for leave gratuities and non-employees' bursaries.

The payment for capital assets allocation is for refurbishments at the Old Natalspruit and Kopanong Precincts. It also covers registration and upgrades of project management and administrative software.

7.4 Infrastructure payments

7.4.1 Departmental infrastructure payments

For details of infrastructure payments, refer to the 2017 Estimates of Capital Expenditure (ECE).

7.4.2 Departmental Public-Private-Partnership (PPP) projects

The department has registered the Kopanong Precinct Project as a Public Private Partnership (PPP) for refurbishment including the design, construction, operation, maintenance and finance of the head office accommodation for the Gauteng Provincial Government.

The department wishes to provide the public with a cost-effective and efficient services and related activities and requires the Services of an experienced Transactional Advisor (TA) in bringing the project through feasibility approval, competitive bidding and award to actual execution.

In September 2016, through the Gauteng Infrastructure Financing Agency (GIFA), the department has appointed a TA who will assist the department in conceptualising this project.

7.5 Transfers

7.5.1. Transfers to public entities

N/A

7.5.2. Transfers to other entities

N/A

7.5.3. Transfers to local government

TABLE 15.5: SUMMARY OF DEPARTMENTAL TRANSFERS TO LOCAL GOVERNMENT BY CATEGORY: :INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
Category A	272 847	244 565	566 223	615 938	615 938	630 388	647 532	681 285	719 437
Category B	35 840	56 111	105 178	102 606	102 606	78 416	109 930	120 109	126 835
Category C			7 658			9740			
Unallocated	(1)		1			1			
Total departmental transfers	308 686	300 676	679 060	718 544	718 544	718 545	757 462	801 394	846 272

Transfers refer to devolution of rates and taxes and are made in favour of local government for payments of utilities for schools and other buildings owned by the province. Spending was R308 million in 2013/14 and R301 million in 2014/15. This decrease was due to delays in submission of claims by municipalities. The amount increased to R718 million in 2016/17 after National Treasury ensured that all accruals would be cleared with the municipalities. Over the MTEF, the allocation increases from R757 million in 2017/18 to R846 million in 2019/20.

The department has seen an increase in expenditure over recent years, resulting in invoices being accrued to the following financial year due to the number claims submitted by municipalities. It is continuously investigating the claims received from the municipalities to ensure that they are for devolved properties only.

8. PROGRAMME DESCRIPTION

PROGRAMME 1: ADMINISTRATION

Programme description

The purpose of this programme is to provide strategic leadership to the department and supports the core programmes as they implement the department's mandate. The programme provides strategic and operational support services to the MEC and HoD, financial management and SCM services, corporate support services including HRM, information systems management, internal and external communications, strategic planning, monitoring and evaluation, legal services, security management, internal audit and organisational risk management services. There are no changes to the purpose of the programme.

Programme objectives

The key objectives of this programme are the following:

- To contribute towards the growth and development of Broad-Based Black Economic Empowerment (BBBEE) owned enterprises owned by Previously Disadvantaged individuals by setting aside specific percentages of the total procurement budget;
- To create an enabling environment for the development and promotion of Small, Medium and Micro Enterprises (SMME's) and Co-Operatives by setting aside specific percentage of the total procurement budget;
- To improve the Financial Management System in order to enable service providers to be paid within 30 days of the receipt of proper invoices;
- To improve the Human Resource Capacity and Capability that will ensure that the Departmental vacancy rate is maintained at a rate of 10 per cent or below; and
- To ensure effective and sustainable management of Departmental resources to ensure an unqualified audit, with less matters of emphasis each financial year

Key Policies, Priorities and Outputs

- Leveraging procurement to benefit previously disadvantaged entities and individuals;
- Improving human resource capacity and capability;

- Effective and sustainable management of departmental resources;
- Operationalisation of IDMS;
- Utilising IT, innovation and benchmarking to stay ahead of the infrastructure delivery curve;
- Reducing the contingent liability of the department;
- Informing the review of norm and standards, and defining policies for infrastructure delivery and property management; and
- Building the image and reputation of the department.

TABLE 15.6: SUMMARY OF PAYMENTS AND ESTIMATES : ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
1. Office Of The MEC	12 794	10 695	9 789	8 770	8 770	6 791	7 919	8 246	8 707
2. Corporate Support	179 604	292 217	427 911	401 447	431 447	451 390	306 142	294 484	316 869
3. Management Of The Department	12 891	10 738	4 842	9 379	9 379	10 781	11 246	11 668	12 320
Total payments and estimates	205 289	313 650	442 542	419 596	449 596	468 962	325 307	314 398	337 896

TABLE 15.6: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION : ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
Current payments	182 067	287 418	398 680	383 242	415 242	433 035	287 308	293 227	315 820
Compensation of employees	84 336	117 485	160 195	167 044	167 044	180 125	192 064	195 708	206 668
Goods and services	97 715	169 513	232 263	215 198	247 198	252 672	95 044	97 169	108 781
Interest and rent on land	16	420	6 222	1 000	1 000	238	200	351	371
Transfers and subsidies to:	3 189	2 735	2 221	7 554	7 554	7 612	6 000	6 171	6 236
Provinces and municipalities									
Households	3 189	2 735	2 221	7 554	7 554	7 612	6 000	6 171	6 236
Payments for capital assets	20 033	23 346	40 943	28 800	26 800	27 163	32 000	15 000	15 840
Buildings and other fixed structures									
Machinery and equipment	20 033	22 849	25 709	28 800	26 800	27 163	32 000	15 000	15 840
Heritage Assets									
Software and other intangible assets		497	15 234						
Payments for financial assets		151	698			1 152			
Total economic classification	205 289	313 650	442 542	419 596	449 596	468 962	325 307	314 398	337 896

The allocation for the programme increased from R205 million in 2013/14 to R 449.5 million in the 2016/17 financial year. The allocation over the 2017 MTEF will decrease to R 325 million in 2017/18 financial year and R314 million in the 2018/19 financial year. The reduction indicated that the department is prioritising funds to core programmes: Public Works Infrastructure and EPWP. The allocation will increase to R337 million in 2019/20 to take account of inflation.

The allocation for compensation of employees increased from R84 million in 2012/13 to R167 million in 2016/17. Over the MTEF, it increases to R192 million in 2017/18 and R206 million in 2019/20.

The allocation for goods and services increased from R97.1 million in 2013/14 to R247 million in 2016/17 financial year. This was for the implementation of the change management programme. The allocation decreases to R95 million in the 2017/18 financial year as it is anticipated that the IDMS project implementation will have been completed in 2016/17. Also funding for Security Services is reallocated to Immovable Asset Management where the core function of property management is based. Thereafter the budget slightly increases to R97 million and R108 million in the 2018/19 and 2019/20 financial years respectively.

Transfers and subsidies in terms of households include the allocation for bursaries for non-employees and leave gratuities. In the 2016/17 financial year, there was a large increase due to accrued expenditure relating to registration costs for the academic year that started in the fourth quarter of 2015/16 financial year. The allocation decreases to R6 million in the 2017/18 financial year as it will need to cover only the costs for one year. It will then increase to R6.2 million in the 2019/20 financial year

SERVICE DELIVERY MEASURES

PROGRAMME 1: ADMINISTRATION

Performance measures	Estimated Annual targets		
	2017/18	2018/19	2019/20
Revenue collected	R 24 150	R 25 550	R 26 981
Number of vacant critical posts filled	70 vacant critical posts filled	70 vacant critical posts filled	
Payment of rates and taxes	R 718 544	R 757 462	R 846 272
Number of employees trained based on skills audit	1 560 employees trained and developed	1 560 employees trained and developed	1 560 employees trained and developed

PROGRAMME 2: PUBLIC WORKS INFRASTRUCTURE

Programme Description

This Programme is responsible for providing the core services that are mandated to the Department. This includes being the only implementer of infrastructure and maintenance projects on behalf of all GPG Departments. Maintenance projects include renovations, refurbishments and upgrading. In the case of the Provincial Department of Health, it also includes the implementation of day-to-day, routine/preventative and emergency maintenance at all Health Facilities in the Province with the exception of Jubilee Hospital and ODI Hospital that is maintained by the Provincial Department of Health.

The GDID manages the construction procurement projects for Provincial departments and issues framework/term contracts for day-to-day, routine/preventative maintenance, when required, for all Provincial departments. This also includes the maintenance and estate management services provided for shared offices, the Premiers residence and offices used by GDID itself. The Department is also responsible for managing immovable assets of the GPG as the Provincial Custodian. It manages and plans for effective and efficient utilisation of immovable assets, management of leases, estates and payment of creditors for allocated areas, management of acquisition and disposal of immovable properties and facilitation of property development."

Programme Objectives

The objectives of programme two are the following:

- To contribute towards the re-generation of the inner city by establishing the Kopanong Precinct by 2018;
- To contribute to the Gauteng City Region (GCR) through the delivery of educational, health and STARS infrastructure projects;
- To leverage the Provincial Immoveable Assets Portfolio to generate revenue and meet service delivery requirements;
- To update and maintain an Immoveable Asset Register that results in compliance to the Government Immoveable Asset Management Act (GIAMA);
- To contribute towards a green Gauteng City Region (GCR) by implementing renewable energy solutions that include roof-top solar PVs, cogeneration/trigeneration plants and the supply of gas to health facilities in Gauteng; and
- To provide high quality and consistent maintenance services to client Departments through statutory, condition based, preventative maintenance and the replacement of aged and obsolete electromechanical plant and equipment to ensure uninterrupted service delivery.

TABLE 15.8: SUMMARY OF PAYMENTS AND ESTIMATES : PUBLIC WORKS INFRASTRUCTURE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
1. Construction	60 980	74 650	324 391	319 521	289 521	293 316	149 226	168 959	103 526
2. Maintenance	347 212	335 451	404 092	405 938	405 939	466 423	531 261	596 584	663 170
3. Immoveable Asset Management	647 208	803 920	948 981	1 087 055	1 086 554	1 076 515	1 231 629	1 312 147	1 341 708
Total payments and estimates	1 055 400	1 214 021	1 677 464	1 812 515	1 782 014	1 836 254	1 912 116	2 077 690	2 108 404

TABLE 15.9: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION : PUBLIC WORKS INFRASTRUCTURE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	704 159	812 517	804 707	922 428	892 427	989 689	1 102 816	1 203 709	1 260 376
Compensation of employees	393 323	389 852	455 115	487 495	487 494	547 378	632 722	706 421	779 175
Goods and services	308 273	422 519	349 454	434 633	404 633	442 075	469 895	496 937	480 830
Interest and rent on land	2 563	146	138	300	300	236	200	351	371
Transfers and subsidies to:	311 582	303 399	680 622	720 262	720 262	721 401	760 462	803 057	848 028
Provinces and municipalities	308 686	300 646	679 060	718 544	718 544	718 545	757 462	801 394	846 272

TABLE 15.9: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION : PUBLIC WORKS INFRASTRUCTURE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Departmental agencies and accounts		2		1	1	1		4	4
Households	2 896	2 751	1 562	1 717	1 717	2 855	3 000	1 659	1 752
Payments for capital assets	39 659	98 105	192 134	169 825	169 325	125 164	48 838	70 924	
Buildings and other fixed structures	28 934	95 267	185 480	169 825	169 325	125 164	48 838	70 924	
Machinery and equipment	10 725	2 838	2 743						
Software and other intangible assets			3 911						
Payments for financial assets			1						
Total economic classification	1 055 400	1 214 021	1 677 464	1 812 515	1 782 014	1 836 254	1 912 116	2 077 690	2 108 404

Expenditure on this programme increased from R1.1 billion in 2013/14 to R1.8 billion in 2016/17. The increase may seem minimal; however, the department has seen improvements in the manner in which infrastructure projects are implemented. In addition, payment of rates and taxes to the municipalities has resulted in an increased allocation due to the increase in the number of properties deemed and registered as State assets. Over the 2017 MTEF, the allocation increases from R1.9 billion in 2017/18 to R2.1 billion in 2019/20, an average annual increase of approximately 6 percent.

The department saw an increase in the appointment of registered engineers and technical staff over the 2015/16 MTEF. Of the 225 officials appointed, approximately 85 per cent are technical engineers. The department is anticipating a reduction in payment of overtime but an increase in subsistence and travelling claims due to site visits and management of projects. Over the MTEF, the compensation allocation will increase from R633million in 2017/18 to R779 million in the outer year of 2019/20.

Good and services in this programme consist of operational costs such as protective clothing, operating leases, utilities, cleaning services, travelling costs, G-fleet rentals, security services and maintenance of buildings. The maintenance turn-around strategy is also located under this programme, with an amount of R11.6 million in the 2016/17 financial year growing to R12.2 million in the 2016/17 financial year and by a 5.4 per cent increase to R12.9 million in 2018/19 financial year. Over the 2017 MTEF, the allocation is R470 in 2017/18 with slight increases to R 497 million in 2018/19 and slight decreases to R481 million in 2019/20. The decrease in budget relates to the anticipated cost reduction of leased fleet services and telephone costs.

As part of its goods and services budget, the department has been allocated R256.6 million in relation to GIAMA implementation over the 2017/18 MTEF. In 2017/18, it receives R80 million and R85.5 million in 2018/19, an increase of 6 per cent. The allocation in the final year of the MTEF is R91.4 million, a 7 per cent budget increase compared with 2017/18. These allocations are for updating and maintaining the Immovable Assets Register. Based on the modified accounting standards issued in December 2015, departments are mandated to implement the standard principle of ensuring that all assets with R1.00 values are valued as at 31 March 2017. This principle requires that, over and above the municipal valuation roll, the department will be compelled to undertake further accurate and complete valuations in instances where properties still do not have values.

The second and related activity that the department will engage in speaks to the ownership verification process. This entails conveyancing, vesting and deeds rectification. Another pivotal action planned by the department is compilation of the Gauteng Asset Management Plan. In line with Pillar 5, this involves amongst other things space planning and technical condition assessment for the purpose of planning and budgetary control of projects.

The department's obligation to provide office accommodation has increased the cost of security services. Annual inflationary adjustments have also increased these costs. Expenditure in 2015/16 was R84 million excluding invoices accrued to the following financial year. For 2016/17, the department anticipates spending at least R106 million by year end due to these contracts being on a month to month basis. The department is in the process of appointing service providers to ensure continuous provision of security services for six new office spaces being leased. This will result in the costs incurred in 2016/17 being reduced.

Devolution of rates and taxes expenditure increased from R308 million in the 2013/14 financial year to R679 million in the 2015/16 financial year. Over the 2017 MTEF, the allocation increases from R 757 million in 2017/18 to R 846 million in the 2019/20 financial year.

The allocation for payments for capital assets increased from R39.6 million in the 2013/14 financial year to R192 million in 2015/16 and to R169 million in the 2016/17 financial year. Over the 2017 MTEF, the allocation is R48.8 million in 2017/18

and R71 million in 2018/19. The decrease results from the anticipated completion of construction projects over the 2017 MTEF.

SERVICE DELIVERY MEASURES

PROGRAMME 2: PUBLIC WORKS INFRASTRUCTURE

Performance measures	Estimated Annual targets		
	2017/18	2018/19	2019/20
Design/ Planning			
Number of infrastructure designs ready for tender	65	10	7
Construction			
Number of capital infrastructure projects completed within the agreed time period	44	13	13
Number of capital infrastructure projects completed within agreed budget	44	13	13
Number of planned maintenance projects awarded	70	90	110
Number of planned maintenance projects completed within the agreed contract period	70	85	95
Number of planned maintenance projects completed within agreed budget.	50	70	90
Number of immovable assets verified in the Immovable Asset Register (IAR) in accordance with the mandatory requirements of National Treasury	7 000	7 000	7000
Number of Market related Rental leases concluded for residential properties	20	20	20

PROGRAMME 3: EXPANDED PUBLIC WORKS PROGRAMME

Programme Description

The purpose of Expanded Public Works Programme (EPWP) is to manage the implementation of programmes and strategies that lead to the development and empowerment of communities and contractors. This includes the provincial management and co-ordination of the Expanded Public Works Programme. The EPWP is a nationwide programme aimed at the reorientation of the public sector spending in favour of projects that create more work opportunities.

Programme Objectives

The objectives of this programme are:

- To contribute towards poverty alleviation and reducing unemployment by providing work opportunities and skills development opportunities through the Expanded Public Work Programme;
- To contribute towards the development and implementation of interventions to support the coordination of the four provincial sectors within Expanded Public Work Programme; and
- To ensure the construction sector acts as a catalyst for the development of skills, the creation of jobs and the development of sustainable communities by supporting individual beneficiaries and enterprises

TABLE 15.10 : SUMMARY OF PAYMENTS AND ESTIMATES: EXPANDED PUBLIC WORKS PROGRAMME

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19	2019/20
1. Programme Support CBP	101 873	132 218	181 900	128 098	127 898	113 114	78 753	201 597	230 694
2. Community Development	170 660	170 647	114 197	152 212	152 412	50 935	225 945	90 838	95 924
Total payments and estimates	272 533	302 865	296 097	280 310	280 310	164 049	304 698	292 435	326 618

TABLE 15.11 : SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION : EXPANDED PUBLIC WORKS PROGRAMME

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16			2016/17	2017/18	2018/19	2019/20
Current payments	186 168	199 508	277 276	280 205	280 204	164 040	304 698	292 319	326 496
Compensation of employees	77 322	67 379	92 698	183 649	183 649	109 958	90 115	113 570	119 930
Goods and services	108 846	132 129	184 578	96 502	96 502	54 082	214 583	178 749	206 566
Interest and rent on land				53	53				
Transfers and subsidies to:	14	76		105	106	9		116	122
Households	14	76		105	106	9		116	122
Payments for capital assets	85 803	98 281	18 821						
Buildings and other fixed structures	85 650	98 281							
Machinery and equipment	153		15						

TABLE 15.11 : SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION : EXPANDED PUBLIC WORKS PROGRAMME

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
Software and other intangible assets			18 806						
Payments for financial assets	548	5 000							
Total economic classification	272 533	302 865	296 097	280 310	280 310	164 049	304 698	292 435	326 618

The department has been implementing the Zivuseni project since November 2013. The project has recruited more than 9 000 beneficiaries over the years. This is in addition to the NYS programme for which the department has recruited approximately 2 500 beneficiaries. These youth are placed in projects implemented directly by the department and those implemented on behalf of client departments. This initiative contributes to job opportunities for the youth in the province. A new intake will take place during the 2017/18 financial year for approximately 2 500 beneficiaries.

In 2016/17, the department received R17.2 million in incentives grants related to NYS programme. This will be increased over the MTEF period based on the performance. The allocated budget for the 2017/18 financial year is R19.2 million. These funds are released to the department based on performance against set targets.

Compensation of employees was R77 million in 2013/14, decreasing to R67 million in 2014/15 due to the high rate of NYS absenteeism and increasing to R183 million in the 2016/17 financial year. Over the MTEF, the allocation decreases to R 90 million in 2017/18 and increases R120 million in the 2019/20 financial year.

Goods and services under this programme are mainly training for NYS and Zivuseni beneficiaries and also for payment of stipends to Zivuseni beneficiaries. Goods and services expenditure increased from R109 million in the 2013/14 financial year to R186 million in 2015/16 and decreased in 2016/17 to R 154 million due to non-attendance by the beneficiaries and delays in training. Over the MTEF, the allocation increases to R 215 million in the 2017/18 financial year and decreases to R207 million in the 2019/20 financial year.

The Tshepo 500k programme that was implemented and managed by DID since 2015/16 financial year has been transferred to the Office of the Premier (OOP) effective from the 2017/18 financial year. The budget that was allocated over the 2017/18 MTEF to DID, has also been transferred to OOP to follow the function. In 2015/16 financial year an amount of R55 million was allocated but due to contracts only being signed in the 3rd quarter of the financial year, this resulted in only R1.9 million being spent during the that year. In 2016/17 financial year an amount of R92 million has been spent as at the end of the 3rd quarter of the financial year.

SERVICE DELIVERY MEASURES

PROGRAMME 3: EXPANDED PUBLIC WORKS PROGRAMME

Performance measures	Estimated Annual targets		
	2016/17	2017/18	18/19
Number of EPWP work opportunities created by GDID	6 500	6 500	6 500
Number of full time equivalents (FTEs) created by GDID	2 543	2 543	2 543
Number of public bodies reporting on EPWP targets within the province	19	19	19
Number of interventions implemented to support public bodies in the creation of targeted number of work opportunities in the Province (4 sectors: Infrastructure, Social, Environment & Non-State)	4	4	4
Number of Beneficiary Empowerment Interventions	3	3	3

9. OTHER PROGRAMME INFORMATION

9.1 Personnel numbers and cost by programme

TABLE 15.12: PERSONNEL NUMBERS AND COSTS BY PROGRAMME

Personnel numbers	As at 31 March 2014	As at 31 March 2015	As at 31 March 2016	As at 31 March 2017	As at 31 March 2018	As at 31 March 2019	As at 31 March 2020
1. Administration	270	312	258	321	365	395	413
2. Public Works Infrastructure	2 006	1 677	1 662	1 838	1 959	2 072	2 184
3. Expanded Public Works Programme	120	48	29	29	31	31	31
Direct charges							
Total provincial personnel numbers	2 396	2 037	1 949	2 188	2 355	2 498	2 628
Total provincial personnel cost (R thousand)	554 981	574 716	708 008	837 461	914 901	1 015 698	1 105 773
Unit cost (R thousand)	232	282	363	383	388	407	421

TABLE 15.13: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS BY COMPONENT

[illegible]

Through implementation of the IDMS programme, the department saw an increase in filing of vacant through new appointments and promotions. In 2016/17 financial year, the department has appointed 683 employees of which 506 employees are new appointments whilst 132 are promotions. This figure excludes the number of resignations and deceased employees. The intake increased the number of engineers and technical staff critical to the maintenance and construction of the province's infrastructure. To curb the possibility of loss of skills to the private sector:

- The department pays for training and development opportunities for engineers and related technical occupations to obtain Continuous Professional Development (CPD) points needed to renew their annual professional registration with the relevant Councils.
- The department pays for annual professional registrations with relevant Councils for engineers and related technical occupations. Such employees have to serve the department for the year in which professional registration costs are paid.

The department received a function shift from Human settlements for the Land use management. This function is moving as a directorate with a structure and warm bodies of 11 personnel. Therefore the departments' structure within the Immoveable asset Management branch will include one more directorate with 11 personnel. The budget that is allocated has been linked to the specific posts and notches of those individuals.

9.2 Training

TABLE 15.14: INFORMATION ON TRAINING: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
Number of staff	2 396	2 037	1 949	2 188	2 188	2 188	2 355	2 498	2 628
Number of personnel trained	1 878	1 310	810	1 510	1 510	1 510	1 610	1 710	1 806
<i>of which</i>									
Male	985	603	49	695	695	695	741	787	831
Female	893	707	761	815	815	815	869	923	975
Number of training opportunities	1 464	1 040	1 070	1 490	1 490	1 490	1 230	1 350	1 370
<i>of which</i>									
Tertiary	55	60	70	80	80	80	80	90	100
Workshops	44	328	334	470	470	470	130	140	150
Seminars	74	326	333	470	470	470	110	120	130
Other	1 291	326	333	470	470	470	910	1 000	990
Number of bursaries offered	223	100	150	100	100	100	150	100	150
Number of interns appointed	98	110	120	130	130	130	130	140	150
Number of learnerships appointed	93	60	70	80	80	80	100	120	140
Number of days spent on training									
Payments on training by programme									
1. Administration	7 555	5 652	6 782	5 934	5 934	5 934	6 528	7 181	7 583
2. Public Works Infrastructure	6 869	8 305	9 966	8 720	8 720	8 720	9 592	10 551	11 142
3. Expanded Public Works Programme	81	5 885	7 062	6 173	6 173	6 173	6 790	7 469	7 887
Total payments on training	14 505	19 842	23 810	20 827	20 827	20 827	22 910	25 201	26 612

The department's HRD department heads the training and development of employees to enable them to perform their duties efficiently and improve the performance of the department. New intakes come with other costs such as tools of the trade, training and provision of transport for technical staff. This has an impact on training costs and budget.

Employees such as tradesman aid, boiler assistants, handymen and storeman are currently being reskilled through the departmental artisan development programme. The intention is to reskill these employees to become qualified artisans. The department has awarded bursaries to employees currently deemed to be in excess of the establishment/structure of the department. This means that they could not be given suitable positions when the new structure was approved. These are the employees that are who could not be placed in posts due to either their post has been abolished on the new structure or they do not possess the necessary qualification for that post. Through this process, these employees are being reskilled in line with GDID occupational categories. Employees awarded bursaries are expected to serve one year in government after successful completion of the qualification.

9.3 Reconciliation of structural changes

N/A

ANNEXURES TO ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE

TABLE 15.15: SPECIFICATION OF RECEIPTS: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Tax receipts									
Sales of goods and services other than capital assets	16 184	18 023	18 152	22 410	22 410	22 410	23 531	24 895	26 289
Sale of goods and services produced by department (excluding capital assets)	16 184	18 023	18 152	22 410	22 410	22 410	23 531	24 895	26 289
Sales by market establishments	16 184	18 023	18 152	22 410	22 410	22 410	23 531	24 895	26 289
Interest, dividends and rent on land	(5)	27	119			21			
Dividends	(5)	27	119			21			
Transactions in financial assets and liabilities	1 576	795	2 002	590	590	929	619	655	692
Total departmental receipts	17 755	18 845	20 273	23 000	23 000	23 360	24 150	25 550	26 981

TABLE 15.16: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	1 072 394	1 299 443	1 480 663	1 585 875	1 587 873	1 586 764	1 694 822	1 789 255	1 902 692
Compensation of employees	554 981	574 716	708 008	838 189	838 187	837 461	914 901	1 015 698	1 105 773
Salaries and wages	554 981	571 751	639 492	749 868	749 866	757 947	809 329	927 290	1 012 396
Social contributions		2 965	68 516	88 321	88 321	79 514	105 572	88 409	93 377
Goods and services	514 834	724 161	766 295	746 333	748 333	748 829	779 522	772 855	796 177
Administrative fees	684	880	180	406	406	237	200	200	211
Advertising	10 466	11 259	8 273	9 229	9 230	3 217	2 099	3 000	3 168
Minor assets	4 539	919	3 015	5 841	1 640	2 779	3 000	4 001	4 224
Audit cost: External	7 451	7 717	5 579	15 000	15 000	6 119	7 500	8 200	10 900
Bursaries: Employees	1 784	3 929	4 873	3 500	3 500	2 063	2 200	2 949	5 000
Catering: Departmental activities	4 004	7 737	9 374	1 501	1 801	2 128	399	100	106
Communication (G&S)	12 075	11 679	12 882	7 203	7 204	14 027	13 200	21 000	22 176
Computer services	3 299	6 162	5 718	5 700	7 700	15 282	10 500	10 600	11 193
Consultants and professional services: Business and advisory services	10 335	32 248	15 460	12 830	12 830	27 512	13 000	3 100	3 274
Legal services	39 824	42 349	46 059	51 000	51 000	50 303	24 999	20 000	21 120
Contractors	24 567	33 441	11	1 809	1 809	143			
Agency and support / outsourced services	88 544	243 146	248 501	223 017	222 508	206 827	282 156	255 423	288 646
Entertainment	41	62		(9)					
Fleet services (including government motor transport)	68	5 246	38 691	20 795	29 911	27 978	36 000	36 500	41 152
Inventory: Clothing material and accessories	3 194	1 165	6 279	130	130	440	5 500		
Inventory: Food and food supplies		297	44	130	130	10	73	30	32
Inventory: Fuel, oil and gas		48				2			
Inventory: Learner and teacher support material			1						
Inventory: Materials and supplies	7 173	4 242	260			66	50		
Inventory: Medical supplies		26							
Consumable supplies	3 053	2 622	4 567	24 322	19 021	1 756	7 201	3 663	3 869

Outcome				Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
<i>Consumable:</i>									
<i>Stationery, printing and office supplies</i>	7 141	7 716	10 215	18 663	16 462	5 875	8 000	11 476	12 119
<i>Operating leases</i>	143 419	192 005	203 021	213 000	213 000	217 031	284 393	303 550	275 500
<i>Property payments</i>	89 530	70 510	120 221	109 475	109 975	144 162	57 905	62 000	65 472
<i>Transport provided:</i>									
<i>Departmental activity</i>		55	1 003	300	300	82			
<i>Travel and subsistence</i>	41 970	22 587	10 458	12 792	14 276	10 668	10 000	15 671	16 547
<i>Training and development</i>	6 501	7 646	9 035	9 000	9 000	7 119	8 544	10 000	10 000
<i>Operating payments</i>	838	1 194	909	200	846	856	950	800	845
<i>Venues and facilities</i>	4 334	7 274	1 666	500	654	2 147	1 653	590	623
<i>Rental and hiring</i>									
Interest and rent on land	2 579	566	6 360	1 353	1 353	474	399	702	742
Interest	2 579		6 222	1 353	1 353	474	399	702	742
Rent on land		566	138						
Transfers and subsidies	314 785	306 210	682 843	727 921	727 922	729 022	766 462	809 344	854 386
Provinces and municipalities	308 686	300 646	679 060	718 544	718 544	718 545	757 462	801 394	846 272
Provinces			1						
Provincial Revenue Funds									
Provincial agencies and funds			1						
Municipalities	308 686	300 646	679 059	718 544	718 544	718 545	757 462	801 394	846 272
Municipalities	308 686	300 646	679 059	718 544	718 544	718 545	757 462	801 394	846 272
Municipal agencies and funds									
Departmental agencies and accounts		2		1	1	1		4	4
Social security funds									
Provide list of entities receiving transfers		2		1	1	1		4	4
Non-profit institutions									
Households	6 099	5 562	3 783	9 376	9 377	10 476	9 000	7 946	8 110
Social benefits		3 858	1 713	2 876	2 877	3 720	4 000	2 946	3 110
Other transfers to households	6 099	1 704	2 070	6 500	6 500	6 756	5 000	5 000	5 000
Payments for capital assets	145 495	219 732	251 898	198 625	196 125	152 327	80 838	85 924	15 840
Buildings and other fixed structures	114 584	193 548	185 480	169 825	169 325	125 164	48 838	70 924	
Buildings	114 584	193 548	185 480	169 825	169 325	125 164	48 838	70 924	
Other fixed structures									
Machinery and equipment	30 911	25 687	28 467	28 800	26 800	27 163	32 000	15 000	15 840
Transport equipment									
Other machinery and equipment	30 911	25 687	28 467	28 800	26 800	27 163	32 000	15 000	15 840
Software and other intangible assets		497	37 951						
Payments for financial assets	548	5 151	699			1 152			
Total economic classification	1 533 222	1 830 536	2 416 103	2 512 421	2 511 920	2 469 265	2 542 122	2 684 523	2 772 918

TABLE 15.17: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION : ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	182 067	287 418	398 680	383 242	415 242	433 035	287 308	293 227	315 820
Compensation of employees	84 336	117 485	160 195	167 044	167 044	180 125	192 064	195 708	206 668
Salaries and wages	84 336	117 485	143 855	148 710	148 710	160 132	171 467	173 915	183 655
Social contributions			16 340	18 334	18 334	19 993	20 598	21 792	23 013
Goods and services	97 715	169 513	232 263	215 198	247 198	252 672	95 044	97 169	108 781
Administrative fees	686	180	180	406	406	237	200	200	211
Advertising	5 265	8 940	7 629	9 230	9 230	3 082	2 000	3 000	3 168
Minor assets	1 081	853	2 604	1 388	1 388	1 161	1 000	1 000	1 056
Audit cost: External	7 451	7 717	5 579	15 000	15 000	6 119	7 500	8 200	10 900
Bursaries: Employees	1 648	3 929	4 873	3 500	3 500	2 063	2 200	2 949	5 000
Catering: Departmental activities	2 917	6 728	9 179	1 501	1 501	1 843	100	101	106
Communication (G&S)	6 930	3 294	6 374	2 204	2 204	4 132	8 199	15 000	15 840
Computer services	3 202	5 904	5 703	5 700	7 700	15 274	10 000	10 000	10 560
Consultants and professional services: Business and advisory services	10 335	10 187	15 303	12 830	12 830	24 970	13 000		
Legal services	26 084	29 593	46 059	21 000	51 000	50 303	20 000	20 000	21 120
Contractors	19			1 809	1 809	143			
Agency and support / outsourced services	1 706	60 456	97 468	104 209	104 200	118 293	2 467		
Entertainment				(9)					
Fleet services (including government motor transport)	33	915	7 905	4 095	4 563	6 092	7 200	9 000	12 112
Inventory: Clothing material and accessories	45	38		130	130				
Inventory: Food and food supplies		161	13	130	130	9	70	30	32
Inventory: Fuel, oil and gas		47							
Inventory: Learner and teacher support material			1						
Inventory: Materials and supplies	14	8				30		1	
Inventory: Medical supplies		13							
Consumable supplies	2 012	1 737	859	1 720	1 720	558			
Consumable: Stationery, printing and office supplies	5 304	5 492	6 638	12 863	12 863	4 610	6 262	6 609	6 978
Operating leases	1 386	2 157	2 912	3 000	3 000	2 912	3 000	6 550	6 917
Property payments						205			
Transport provided: Departmental activity		55	760	300	300	82			
Travel and subsistence	10 311	5 530	1 637	4 492	3 976	1 396	2 600	3 638	3 841
Training and development	6 476	7 646	9 035	9 000	9 000	7 119	8 544	10 000	10 000
Operating payments	816	663	138	200	236	203	200	300	317
Venues and facilities	3 994	7 270	1 414	500	512	1 836	503	590	623
Rental and hiring									
Interest and rent on land	16	420	6 222	1 000	1 000	238	200	351	371
Interest	16		6 222	1 000	1 000	238	200	351	371
Rent on land		420							
Transfers and subsidies	3 189	2 735	2 221	7 554	7 554	7 612	6 000	6 171	6 236
Households	3 189	2 735	2 221	7 554	7 554	7 612	6 000	6 171	6 236
Social benefits		1 031	151	1 054	1 054	977	1 000	1 171	1 236
Other transfers to households	3 189	1 704	2 070	6 500	6 500	6 635	5 000	5 000	5 000

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2013/14	2014/15	2015/16		2016/17		2017/18	2018/19	2019/20
Payments for capital assets	20 033	23 346	40 943	28 800	26 800	27 163	32 000	15 000	15 840
structures									
Machinery and equipment	20 033	22 849	25 709	28 800	26 800	27 163	32 000	15 000	15 840
Transport equipment									
Other machinery and equipment	20 033	22 849	25 709	28 800	26 800	27 163	32 000	15 000	15 840
Heritage Assets									
Software and other intangible assets		497	15 234						
assets		151	698			1 152			
Total economic	205 289	313 650	442 542	419 596	449 596	468 962	325 307	314 398	337 896

TABLE 15.18:SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PUBLIC WORKS INFRASTRUCTURE

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2013/14	2014/15	2015/16		2016/17		2017/18	2018/19	2019/20
Current payments	704 159	812 517	804 500	922 428	892 427	989 689	1 102 816	1 203 709	1 260 376
Compensation of employees	393 323	389 852	455 115	487 495	487 494	547 318	632 722	706 421	779 600
Salaries and wages	393 323	389 852	404 591	438 137	438 135	489 924	554 807	656 680	726 600
Social contributions			50 524	49 358	49 359	57 454	77 914	49 740	52 543
Goods and services	308 273	422 519	349 454	434 633	404 633	442 075	469 895	496 937	480 000
Administrative fees	(2)								
Advertising	3 448	2 319	22	(1)		110			
Minor assets	3 458	66	411	4 453	252	1 618	2 001	3 000	3 168
Bursaries: Employees	127								
Catering: Departmental activities	47	19	5			1			
Communication (G&S)	4 025	6 434	4 379	4 999	5 000	5 000	5 000	6 000	6 336
Computer services	97	258	15			8	500	600	633
Consultants and professional services: Business and advisory services		12 402	157			2 542			
Legal services		10 451		30 000			5 000		
Contractors	24 548	33 441	11						
Agency and support / outsourced services	6 778	71 894	53 371	45 608	45 108	41 395	78 607	85 520	91 421
Entertainment	41	62							
Fleet services (including government motor transport)	35	4 192	29 005	12 700	21 348	20 801	27 600	26 500	27 984
Inventory: Clothing material and accessories	933	985	5 481			440	500		
Inventory: Food and food supplies		136	31			1	3		
Inventory: Fuel, oil and gas		1				2			
Inventory: Materials and supplies	253	72	260	(1)		36	50		
Inventory: Medical supplies		13							
Consumable supplies	1 036	885	3 181	6 300	1 299	1 198	2 201	2 532	2 674
Consumable:									
supplies	1 796	2 068	3 495	3 800	1 599	1 063	1 538	2 859	3 020
Operating leases	142 033	189 848	120 109	210 000	210 000	214 119	281 393	297 000	268 583
Property payments	89 440	70 510	120 221	109 475	109 975	143 957	57 905	62 000	65 472
Transport provided: Departmental activity									
Travel and subsistence	29 815	15 956	8 493	7 300	9 300	8 990	6 700	10 427	11 011

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
<i>Training and development</i>	3								
<i>Operating payments</i>	22	507	771	1	610	653	750	500	528
<i>Venues and facilities</i>	340		36		142	141	150		
<i>Rental and hiring</i>									
Interest and rent on land	2 563	146	138	300	300	236	200	351	371
Interest	2 563			300	300	236	200	351	371
Rent on land		146	138						
Transfers and subsidies	311 582	303 399	680 622	720 262	720 262	721 401	760 462	803 057	848 028
Provinces and municipalities	308 686	300 646	679 060	718 544	718 544	718 545	757 462	801 394	846 272
Provinces			1						
Provincial Revenue Funds									
Provincial agencies and funds			1						
Municipalities	308 686	300 646	679 059	718 544	718 544	718 545	757 462	801 394	846 272
Municipalities	308 686	300 646	679 059	718 544	718 544	718 545	757 462	801 394	846 272
Municipal agencies and funds									
Departmental agencies and accounts		2		1	1	1		4	4
Social security funds									
Provide list of entities receiving transfers		2		1	1	1		4	4
Non-profit institutions									
Households	2 896	2 751	1 562	1 717	1 717	2 855	3 000	1 659	1 752
Social benefits		2 751	1 562	1 717	1 717	2 734	3 000	1 659	1 752
Other transfers to households	2 896					121			
Payments for capital assets	39 659	98 105	192 134	169 825	169 325	125 164	48 838	70 924	
Buildings and other fixed structures	28 934	95 267	185 480	169 825	169 325	125 164	48 838	70 924	
Buildings	28 934	95 267	185 480	169 825	169 325	125 164	48 838	70 924	
Other fixed structures									
Machinery and equipment	10 725	2 838	2 743						
Transport equipment									
Other machinery and equipment	10 725	2 838	2 743						
Heritage Assets									
Software and other intangible assets			3 911						
Payments for financial assets			1						
Total economic classification	1 055 400	1 214 021	1 677 464	1 812 515	1 782 014	1 836 254	1 912 116	2 077 690	2 108 404

TABLE 15.19: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION : EXPANDED PUBLIC WORKS PROGRAMME

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
Current payments	186 168	199 508	277 276	280 205	280 204	164 040	304 698	292 319	326 496
Compensation of employees	77 322	67 379	92 698	183 649	183 649	109 958	90 115	113 570	119 930
Salaries and wages	77 322	64 414	91 046	163 021	163 021	107 891	83 055	96 694	102 109
Social contributions		2 965	1 652	20 628	20 628	2 067	7 060	16 876	17 821
Goods and services	108 846	132 129	184 578	96 502	96 502	54 082	214 583	178 749	206 566
Administrative fees		700							
Advertising	1 753		622			25	100		
Bursaries: Employees	9								
Catering: Departmental activities	1 040	990	190		300	284	300		
Communication (G&S)	1 120	1 951	2 129			4 895			

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
<i>Consultants and professional services: Business and advisory services</i>		9 659					3 100		3 274
<i>Legal services</i>	13 740	2 305							
<i>Contractors</i>									
<i>Agency and support / outsourced services</i>	80 060	110 796	97 662	73 200	73 200	47 139	201 082	169 903	197 225
<i>Fleet services (including government motor transport)</i>		139	1 781	4 000	4 000	1 085	1 200	1 000	1 056
<i>Inventory: Clothing material and accessories</i>	2 216	142	798				5 000		
<i>Inventory: Materials and supplies</i>	6 906	4 162							
<i>Consumable supplies</i>	5		527	16 302	16 002		5 000	1 131	1 195
<i>Consumable: Stationery, printing and office supplies</i>	41	156	82	2 000	2 000	202	200	2 008	2 121
<i>Operating leases</i>			80 000						
<i>Property payments</i>	90								
<i>Transport provided: Departmental activity</i>			243						
<i>Travel and subsistence</i>	1 844	1 101	328	1 000	1 000	282	700	1 606	1 695
<i>Training and development</i>	22								
<i>Operating payments</i>		24							
<i>Venues and facilities</i>		4	216			170	1 000		
<i>Rental and hiring</i>									
Interest and rent on land				53	53				
Interest				53	53				
Rent on land									
Transfers and subsidies	14	76		105	106	9	116	122	
Non-profit institutions									
Households	14	76		105	106	9	116		122
Social benefits		76		105	106	9	116		122
Other transfers to households	14								
Payments for capital assets	85 803	98 281	18 821						
Buildings and other fixed structures	85 650	98 281							
Buildings	85 650	98 281							
Other fixed structures									
Machinery and equipment	153		15						
Transport equipment									
Other machinery and equipment	153		15						
Software and other intangible assets			18 806						
Payments for financial assets	548	5 000							
Total economic classification	272 533	302 865	296 097	280 310	280 310	164 049	304 698	292 435	326 618

