



# GAUTENG PROVINCE ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE 2018

Together, Moving Gauteng City Region Forward



**GAUTENG PROVINCE**  
TREASURY  
REPUBLIC OF SOUTH AFRICA





# **ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE 2018**



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The Estimate of Provincial Revenue and Expenditure 2018 is compiled using the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision

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Barbara Creecy  
MEC: Finance

## FOREWORD

The 2018 Medium-Term Expenditure Framework (MTEF) Budget is the swansong of the fifth government administration, and is geared towards fulfilling all the commitments that have been made over the past four years, particularly around the Ten-Pillar Programme of Transformation, Modernisation and Re-industrialisation.

While global economic conditions have improved markedly over the past year, the domestic economy remain sluggish. The inauguration of President Ramaphosa has spurred new hope in our country. The National Treasury has set the projections of 1 per cent growth in GDP in 2017, 1.5 per cent in 2018 and 2.1 per cent in 2019.

While these projections may benefit from improving confidence and sentiment domestically, the exhortation to “Do More with Less” in striving to deliver on the TMR Agenda remains a key plank in how the 2018 MTEF has been budgeted. The Deliverology approach, adopted by the Gauteng Provincial Government (GPG) to expedite the service delivery in the province, will drive the implementation of programmes and projects, focusing mainly on:

- Reprioritisation of resources towards core functions in order to expand and enhance service; and
- Value-for-money in the promotion of efficient, effective and economic provision of public services without compromising on quality and accessibility.

Budgetary allocations have been made with expediting the completion of high-impact deliverables, while at the same time providing for key social services such as the provision of education, health care and welfare. The deliverables that are to be prioritised over the 2018 MTEF are those that:

- Have a high impact;
- Respond to commitments made at Ntirhisano gatherings; and
- Seek to reposition Gauteng Global City Region (GGCR) as a whole.

Thus for GPG to deliver on the TMR Agenda, prudent management of the 2018 MTEF budget is a non-negotiable, requiring the elimination of wasteful practices in endeavouring to meet the expectations of the Gauteng citizenry.

The 2018 EPRE is a culmination of the sterling efforts of the entire Gauteng Provincial Treasury, ably headed by Ms Nomfundo Tshabalala, who have striven to compile this publication.

B D Creecy  
MEC for Finance

# LIST OF ABBREVIATIONS

ACSA	Airports Company South Africa
ACT	Alternate Construction Technology
AEL	Atmospheric Emissions License
AFASA	African Farmers Association of South Africa
AFCON	African Cup of Nations
AG	Auditor General
AIDC	Automotive Industry Development Centre
AMD	Acid Mine Drainage
ANA	Annual National Assessments
ANC	Antenatal Care
APAP	Agricultural Policy Action Plan
APIP	Academic Performance Improvement Plan
APP	Annual Performance Plan
AQMP	Agricultural Research Council
ARC	Agricultural Research Council
ARV	Antiretroviral
ASIDI	Accelerated School Infrastructure Development Initiative
ASP	Automotive Supplier Park
ATP	Annual Teaching Plans
AU	African Union
B2B	Back to Basics
BBBEE	Broad based Black Economic Empowerment
BCM	Budget Cycle Model
BCP	Business Continuity Plan
BI	Business Intelligence
BKB	Bontle Ke Botho
BNG	Breaking New Ground
BPO	Business Process Outsourcing
BPS	Business Process Services
BRICS	Brazil Russia India China and South Africa
C-AMP	Custodian-Asset Management Plans
CA	Consumer Affairs
CAOW	Consumer Affairs Office of Wheel
CAPEX	Capital Expenditure
CAPS	Curriculum and Assessment Policy Statements
CASP	Comprehensive Agricultural Support
CARMMA	Campaign for the Accelerated Reduction of Maternal Mortality in Africa
CBP	Community Based Planning
CBC	Community Based Centres
CBPS	Computerized Biodiversity Permit System
CBS	Community Based Site
CCMDD	Centralized Chronic Medicine Dispensing and Distribution
CCS	Compulsory Community Service
CDW	Community Development Worker
CFIs	Co-operative Financial Institutions
CFO	Chief Financial Officer
CGE	Computable General Equilibrium
CHBAH	Chris Hani Baragwanath Academic Hospital
CHC	Community Health Centre
CIC	Central Information Centre
CICSA	Climate Innovation Centre of South Africa
CIDB	Construction Industry Development Board
CIP	Committee Inquiry Process
CIP	Compulsory Induction Programme
CIPC	Companies and Intellectual Property Commission
CIPELT	Certificate In Primary English Language Teaching

CITES	Convention on International Trade in Endangered Species
CISET	Committee on International Science, Engineering, and Technology
CISELT	Certificate in Senior English Language Teaching
CMAH	Charlotte Maxeke Academic Hospital
CJS	Criminal Justice System
COE	Compensation of employees
COGTA	Cooperative Government and Traditional Affairs
COHWHs	Cradle of Human-kind World Heritage Site
COJ	City of Johannesburg
COLA	Cost Of Living Adjustment
CONSAWU	Confederation of South African Workers Union
CONTRALESA	Congress of Traditional Leaders of South Africa
COSATU	Congress of South African Trade Unions
COT	City of Tshwane
CPA	Commonwealth Parliamentary Association
CPD	Corporation of Public Deposits
CPFs	Community Policing Forums
CPI	Consumer price index
CPIX	Consumer Price inflation Index
CSF	Community safety forum
CSI	Corporate Social Investment
CSIR	Council for Scientific and Industrial Research
CWP	Community Based Planning
CYCC	Child and Youth Care Centre
CYCW	Child and Youth Care Worker
DAR	Drop All and Read
DAV	Design and Validation
DBE	Department of Basic Education
DBSA	Development Bank of Southern Africa
DBST	District Based Support Team's
DCS	Department of Community Safety
DCST	District clinical specialist team
DDG	Deputy Director General
DDI	Domestic Direct Investment
DEA	Department of Environmental Affairs
DED	Department of Economic Development
DFSDG	Durban-Free State-Gauteng
DGMAH	Doctor George Mukhari Academic Hospital
DGRMA	Dinokeng Game Reserve Management Association
DID	Department of Infrastructure Development
DIS	District Implementation Strategies
DLTC	Driving License Testing Centre
DMO	Destination Marketing Organization
DoH	Department of Health
DoRA	Division of Revenue Act
DPME	Department of Performance Monitoring and Evaluation
DPSA	Department of Public Service and Administration
DRDLR	Department of Rural Development and Land Reform
DR-TB	Drug-resistant TB
DRT	Department of Roads and Transport
DSACR	Department of Sport, Art, Culture and Recreation
DSD	Department of Social Development
DSU	Delivery Support Unit
DTA	Department of Traditional Affairs
DTDCs	District Teacher Development Centers
DTI	Department of Trade and Industry
EA	Environmental Authorizations
EAC	English Across the Curriculum
ECC	Emergency Communication Centre



ECD	Early Childhood Development
ECDI	Early Childhood Development Institute
ECE	Estimates of Capital Expenditure
ECM	Enterprise Content Management
EDL	Essential Drug List
EE	Employment Equity
EEDBS	Enhanced Extended Discount Benefit Scheme
EGRA	Early Grade Reading Assessment
e-Gov	e-Government
EHWP	Employee Health and Wellness Programme
EIA	Environmental Impact Assessment
EMF	Environmental Management Framework
EMI	Environmental Management Inspectorate
EMP	Environment Management Plan
EMS	Emergency Medical Services
EMIS	Edu Management Information System
EOI	Expression Of Interest
EP	Economic Planning
e-PMDS	Electronic Performance Management and Development System
EPRE	Estimates of Provincial Revenue and Expenditure
ePRF	electronic Patient Report Form
EPWP	Expanded Public Works Programme
ERS	Electronic Reporting System
ESSP	Extra School Support Programme
ETDP	Education, Training and Development Practices
EXCO	Executive Council
FAL	First Additional Language
FAWU	Food and Allied Workers Union
FBO	Faith Based Organisation
FDI	Foreign Direct Investment
FEDUSA	Federation of Unions of South Africa
FET	Further Education and Training
FLISP	Finance Linked Individual Subsidy Programme
FSD	Farmer support and Development
FSDM	Frontline Service Delivery Monitoring
FSW	Forensic Social Work
FTE	Full Time Equivalent
FY	Financial Year
G&P	Governance and Planning
G2B	Government to Business
G2C	Government to Community
G2G	Government to Government
GALC	Gauteng Automotive Learning Centre
GAP	Good Agricultural Practice
GAS	Gauteng Audit Services
GBN	Gauteng Broadband Network
GBV	Gender Based Violence
GCI	Gauteng Investment Center
GCR	Gauteng City Region
GCRA	Gauteng City Region Academy
GCR EDP	Gauteng City Region Economic Development Plan
GCRO	Gauteng City Region Observatory
GDARD	Gauteng Department of Agriculture and Rural Development
GDE	Gauteng Department of Education
GDED	Gauteng Department of Economic Development
GDF	Gauteng Department of Finance
GDH	Gauteng Department of Health
GDHS	Gauteng Department of Human Settlement
GDID	Gauteng Department of Infrastructure Development

GDP	Gross Domestic Product
GDRT	Gauteng Department of Roads and Transport
GDSD	Gauteng Department of Social Development
GEP	Gauteng Enterprise Proper
GET	General Education and Training
GEYODI	Gender, Youth and People with Disabilities
GEYODI&MVO	Gender, Youth and People with Disabilities and Military Veterans and Older persons
GFC	Gauteng Film Commission
GGB	Gauteng Gambling Board
GGDA	Gauteng Growth and Development Agency
GIAMA	Government Immovable Asset Management Act
GICC	Gauteng Infrastructure Co-ordinating Council
GIFA	Gauteng Infrastructure Funding Agency
GIIC	Gauteng Infrastructure Investment Conference
GIIMP	Gauteng Integrated Infrastructure Master plan
GIPPS	Gauteng Information on Police Performance Sessions
GIS	Geographic Information System
GLB	Gauteng Liquor Board
GP	Gauteng Province
GPF	Gauteng Provincial Funds
GPG	Gauteng Provincial Government
GPL	Gauteng Provincial Legislature
GPLMS	Gauteng Primary Language and Mathematics Strategy
GPT	Gauteng Provincial Treasury
GRAP	Generally Recognized Accounting Principles
GSACR	Gauteng Sport, Art, Culture and Recreation
GSDF	Gauteng Spatial Development Framework
GSDP	Gauteng Spatial Development Perspective
GSF	Gauteng Speakers Forum
GTA	Gauteng Tourism Authority
GTC	Gauteng Transport Commission
GTFR	Gauteng Transport Framework Revision Act
GTFS	General Transit Feed Specification
GTI	Gauteng Tooling Initiative
GTIP5	Gauteng Transport Integrated Plan 5
GTMI	Gauteng Tooling Manufacturing Initiative
GTSE	Gauteng Township Stock Exchange
GWIS	Gauteng Waste Information System
HAST	HIV/AIDS, STI and TB
HAZMAT	Hazardous Material
HBC	Home Base Care
HCBC	Home and Community-Base Care
HCT	HIV Counselling and Testing
HDA	Housing Development Agency
HDIs	Historically Disadvantaged Individuals
HEI	Higher Education Institutions
HIV and AIDS	Human Immunodeficiency Virus and Acquired Immunodeficiency Syndrome
HoD	Head of Department
HPV	Human Papillomavirus
HR	Human Resources
HRC	Human Science Research Council
HRD	Human Resource Development
HSDG	Human Settlements Development Grant
HWSETA	Health and Welfare Sector Training Authority
IA	Implementing Agents
IAR	Immovable Asset Register
ICS	Improvement in Conditions of Service
ICT	Information and Communication Technology
IDMS	Infrastructure Delivery Management System

IDP	Integrated Development Plan
IDZ	industrial Development Zone
IGR	Inter-Governmental Relations
IIAL	Incremental Introduction of South Africa Language
IKS	Indigenous Knowledge Systems
IPID	Independent Police Investigative Directorate
IQMS	Integrated Quality Management System
IRDP	Integrated Residential Development Programme
IS	Independent Schools
IT	Information Technology
ITMP	Integrated Transport Master Plan
ITP	Integrated Transport Plan
IYM	In-Year Monitoring
JMP	Jewellery Manufacturing Precinct
KPA	Key Performance Analysis
LAC	Language Across the Curriculum
LAN	Local Area Network
LEAs	Law Enforcement Agencies
LED	Light Electronic Development
LGBTI	Lesbian, Gay, Bisexual, Transgender and Intersex
LGMIM	Local Government Management Improvement Model
LIC	Labour Intensive Construction
LiEP	Language in Education Policy
LITNUM	Literacy and Numeracy
LSB	Legislative Services Board
LTEN	Learners with Special Educational Needs
LTA	Local Tourism Association
LTSM	Learner and teacher support materials
MDB	Municipal Democratic Board
MDGs	Millennium Development Goals
MDR-TB	Multi-Drug Resistant TB
MEC	Member of the Executive Council
MEDICOM	Medical Digital Imaging and Communication
METRO	Metropolitan
MFMA	Municipal Finance Management Act
MGSG	Matthew Goniwe School of Governance and Leadership
MIG	Municipal Infrastructure Grant
MISA	Maintenance of Internal Security Act
MMA	Maxum Media Accelerator
MMC	Medical Male Circumcision
MOA	Memorandum of Agreement
MOUs	Maternity and Obstetric Units
MPAC	Municipal Public Accounts Committees
MPAT	Monitoring and performance assessment tool
MRPA	Municipal Rate Property Act
MRW	Mobile Repair Workshop
MSA	Municipal Structure Act
MSCOA	Municipal Standard Chart of Account
MSP	Master Skills Plan
MST	Mathematics, Science and Technology
MTCT	Mother-To-Child Transmission
MTEC	Medium Term Expenditure Committees
MTEF	Medium Term Expenditure Framework
MTR	Modernisation, transformation and re-industrialisation
MTRF	Medium Term Revenue Framework
MTSF	Medium Term Strategic Framework
NAAMSA	National Association of Automobile Manufacturers of South Africa
NACTU	National Council of Trade Unions
NAEIS	National Atmosphere Emission Inventory System

NAFU	National African Farmers Union
NCOP	National Council of Provinces
NCSL	National Conference of State Legislatures
NDOH	National Department of Health
NDP	National Development Plan
NDPW	National Department of Public Works
NDT	National Department of Tourism
NEMA	National Environmental Management Act
NEPA	National Education Policy Act
NGO	Non-governmental organization
NHBRC	National Home Builder Registration Council
NHFC	National Housing Finance Corporation
NHI	National Health Insurance
NLTA	National Land Transport Act
NMT	Non-Motorised Transport
NISIS	National Integrated Social Information System
NPA	National Prosecuting Authority
NPO	Non-Profit Organisation
NQF	National Qualification Framework
NSA	National School of the Arts
NSC	National Senior Certificate
NSNP	National School Nutrition Programme
NSP	National Strategic Plan
NT	National Treasury
NYDA	National Youth Development
NYFA	National Youth Service Framework
NYS	National Youth Services
OCPOL	Oversight on Premier and Legislature
OD	Organisational Development
OD & D	Organisational Development and Design
OEM	Original Equipment Owners
OHS	Occupational Health and Safety
OoP	Office of the Premier
OPCA	Operation Clean Audit
OPSCOM	Operational Committee
ORTIA	OR Tambo International Airport
OSD	Occupation Specific Dispensation
OTC	Over The Counter
OTM	October Transport Month
PACS	Picture Archiving and Communication System
PAHC	Primary Animal Health Care
PAIA	Promotion to Access to Information Act
PAJA	Promotion of Administrative Justice Act
PAM	Personal Administration Measures
PANSALB	Pan South African Language Board
PASA	Publishers Association of South Africa
PASSOP	People Against Suffering Oppression and Poverty
PCC	Provincial Coordinating Committee
PCF	Provincial Communication Forum
PCOs	Public Participation Offices
PDE	Patient Day Equivalent
PDMC	Provincial Disaster Management Centre
PDO	Pre-Determined Objectives
PDPs	Personal Development Plans
PEBA	Programme evaluation and budget analysis
PERO	Provincial Economic Review Outlook
PERSAL	Personal and Salary Administration System
PFMA	Public Finance Management Act
PGDS	Provincial Growth and Development Strategy

PHC	Primary Health Care
PHRA-G	Provincial Heritage Resource Agency of Gauteng
PHWBC	Public Health and Welfare Sector Bargaining Council
PICC	Presidential Infrastructure Coordinating Council
PLC	Professional Learning Communities
PLG	Professional Learning Group
PME	Performance Monitoring and Evaluation
PMO	Project Management Office
PMS	Performance Management System
PMT	Project Management Team
PMTE	Property Management Entity
POA	Programme of Action
POS	Public Ordinary School
PPPs	Public-Private Partnerships
PQDS	Provincial Growth and Development Strategy
PRF	Provincial Revenue Fund
PRMG	Provincial Roads Maintenance Grant
PROBA	Remuneration of Public Office Bearers Act
PROVJOINT	Provincial Joint Operational Intelligence Structure
PSA	Public Service Act
PSPs	Professional Service Providers
PSO	Programme Support Services
PTDIs	Provincial Teacher Development Institutes
PTOG	Public Transport Operations Grant
PTP	Priority Township Programme
PTS	Public Transport Services
PwD	People with Disabilities
QA	Quality Assurance
R&D	Research and Development
RAF	Road Accident Fund
RAMP	Roads Assets Management Plan
RISFSA	Road Infrastructure Framework of South Africa
ROS	Reorganisation of School
RPIW	Rapid Process Improvement Programme
RPL	Recognition of Prior Learning
RPOBA	Remuneration of Public Office Bearers Act
RTC	Rand Transmission Company
RTIA	Road Traffic Infringement Agency
RTMC	Road Traffic Management Corporation
RUL	Remaining Useful Life
SADC	Southern African Development Countries
SAHPRA	South African Health Products Regulatory Authority
SAHRA	South African Heritage Resources Agency
SAICE	South African Institute of Civil Engineers
SAIPA	South African institute of Professional Accountants
SAL	Second Additional Language
SALGA	South African Local Government Association
SALSA	Secretaries' Association of the Legislatures of South Africa
SAMA	South African Music Awards
SANCA	South African National Council on Alcoholism
SAP	System Application Programme
SAPS	South Africa Police Service
SA-SAMS	South African School Administration Management System
SASCE	South Africa School Choral Eisteddfod
SAWIC	South African Women in Construction
SBA	School Based Assessment
SBAH	Steve Biko Academic Hospital
SCM	Supply chain management
SCOPA	Standing Committee on Public Accounts

SDG	Sustainable Development Goals
SDIP	Service Delivery Improvement Plan
SDMP	Strategic Decision Making Points
SDWR	Service Delivery War Room
SE	South East
SERO	Scio-economic Review and Outlook
SETA	Sector Education and Training Authority
SGB	School Governing Body
SIAS	Screening, Identification, Assessment and Support
SID	Severely Intellectual Disabilities
SIPDM	Standard for Infrastructure Procurement and Delivery Management
SITA	State Information Technology Agency
SLA	Service level agreement
SMME	Small, Micro, Medium Enterprises
SMS	Senior Management Service
SMT	School Management Team
SOCATT	Society of Clerks at the Table
SOM	Sector Oversight Model
SOP	Standard Operating Procedures
SOPA	State of the Province Address, June 2014
SOS	School of Specialisation
SPACE	Sports, Arts, Culture and Edutainment
SPDC	Supplier Park Development Company
SPLUM	Spatial and Land Use Management Act
SPMS	Security and Performance Monitoring Service
SPV	Special Purpose Vehicle
SRSA	Sport Recreation of South Africa
SSA	State Security Agency
SSIP	Secondary School Intervention Programme
STARS	Sports, Transport, Agriculture Rural and Social Development
STIs	Sexually Transmitted Infections
SWIS	System Wide School Improvement Strategy
TB	Tuberculosis
TBC	Teacher Development Centre
TBR	Township Business Renewal
TDM	Travel Demand Management
TEAS	Township Entrepreneur Awards
TER	Township Economic Revitalization
TIHMC	The Innovation Hub Management Company
TIMS	Tourism Information Meetings
TMR	Transformation, Modernisation and Re-industrialisation
TPM	Total Production Maintenance
TSC	Transport Services
TV	Television
U-AMP	User Asset Management Plan
UNAIDS	United Nations Program on HIV/AIDS
UNESCO	United Nations Educational, Scientific and Cultural Organization
USDG	Urban Settlement Development Grant
UTT	Universal Test and Treat
UNW	University of North West
VAIBs	Valuation Appeals Boards
VAWAC	Violence Against Women and Children
VEP	Victim Empowerment Programme
VFS	Victim Friendly Rooms
VoIP	Voice over Internet Protocol
VTs	Vehicle Testing Station
WARD	Women in Agriculture and Rural Development
WAN	Wide Area Network
WBOTs	Ward-Based Outreach Teams

WEH	Winterveldt Enterprise Hub
WiFi	Wireless Fidelity
WISN	Workload Indicators for Staffing Needs
WITS	University of Witwatersrand
WLHM	Women's Living Heritage Monument
WoP	War on Poverty
WSI	Whole School Improvement
WSP	Workplace Skills Plan
YARD	Youth in Agriculture and Rural Development







# OVERVIEW OF PROVINCIAL ESTIMATES

# 1. Socio-economic outlook

## 1.1 Introduction

Global economic growth is estimated to have improved in 2017, which is reflective of the stronger recovery in advanced and emerging markets and developing economies (EMDEs). In 2018 the global economic recovery is expected to gather pace, driven largely by upward momentum in economic activity globally and changes to the United States (US) tax policy. As shown in Table 1, the International Monetary Fund (IMF) expects global economic growth to reach 3.9 per cent in 2018 and 2019.

TABLE 1: OVERVIEW OF THE WORLD ECONOMIC OUTLOOK AND PROJECTIONS 2018 (PER CENT CHANGE UNLESS NOTED OTHERWISE)

	Difference from October 2016					
	Actual 2016	Estimates 2017	Projections		WEO Projections	
			2018	2019	2018	2019
<b>World Output</b>	3.2	3.7	3.9	3.9	0.2	0.2
<b>Advanced Economies</b>	1.7	2.3	2.3	2.2	0.3	0.4
United States	1.5	2.3	2.7	2.5	0.4	0.6
Euro Area	1.8	2.4	2.2	2.0	0.3	0.3
Japan	0.9	1.8	1.2	0.9	0.5	0.1
United Kingdom	1.9	1.7	1.5	1.5	0.0	-0.1
<b>Emerging Market and Developing Economies</b>	4.4	4.7	4.9	5.0	0.0	0.0
Russia	-0.2	1.8	1.7	1.5	0.1	0.0
China	6.7	6.8	6.6	6.4	0.1	0.1
India	7.1	6.7	7.4	7.8	0.0	0.0
Brazil	-3.5	1.1	1.9	2.1	0.4	0.1
<b>Sub-Saharan Africa</b>	1.4	2.7	3.3	3.5	-0.1	0.1
Nigeria	-1.6	0.8	2.1	1.9	0.2	0.2
South Africa	0.3	0.9	0.9	0.9	-0.2	0.1

Source: IMF, WEO 2018

The recovery in the advanced economies is expected to continue following higher-than-expected results in the third quarter of 2017 and an anticipated continuation into the fourth quarter based on business cycle indicators of most advanced economies. Gross Domestic product (GDP) in advanced economies is expected to remain unchanged at 2.3 per cent in 2018, which is 0.3 per cent higher than October 2017 forecasts. Economic activity continues to recover in the United States (US), with GDP growth expected to accelerate from 2.3 per cent in 2017 to 2.7 per cent in 2018. Growth rates increases in Advanced Asia and Europe will result from growth in global trade and investment, coupled with firmer domestic demand.

In contrast to the growth in advanced economies, the outlook for EMDEs shows a diverse range of outcomes among the various regions. The GDP growth forecast for EMDEs remains unchanged at 4.7 per cent in 2017 and 4.9 per cent for 2018 in the IMF's October issue. Brazil continues to strengthen with forecasts of 1.9 percent in 2018 and 2.1 in 2019. Similarly, the modest recovery in Nigeria gives impetus to the Sub-Saharan region which is expected to grow by 3.3 per cent in 2018, from last year's 2.7 per cent estimated growth.

The negative global and domestic developments which affected South Africa's economy last year are expected to subside. This will give a much needed boost to South Africa's economic outlook which remains fragile. A strengthening global economic environment and domestic political developments pose upside risks to the IMF forecasts of GDP growth of 0.9 per cent in 2018 and 2019 unchanged from 2017. National Treasury's 2017 GDP growth projection has been revised upward to 1 per cent from 0.7 per cent announced during the tabling of the Medium Term Budget Policy Statement (MTBPS) in October 2017. The GDP growth projection increases to 1.5 per cent in 2018 and to 2.1 per cent in 2020. Growth in wholesale and retail trade is expected to carry over into 2018, supported by household consumption expenditure, which is expected improve due to a reduced inflation outlook if the appreciation of the Rand exchange persists. Headline Consumer price inflation is forecast to average 4.9 per cent in 2018 which is within the South African Reserve Bank (SARB) target.<sup>1</sup> This may also prompt loosening of monetary policy.

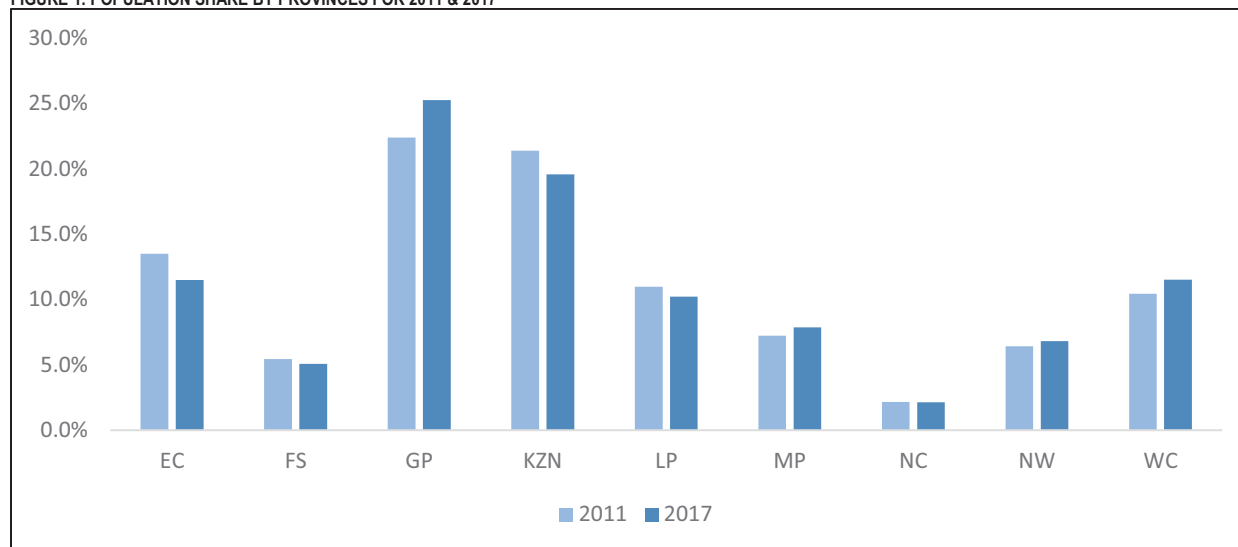
<sup>1</sup> South African Reserve Bank. (2018). *South African Reserve Bank*.

In 2017, the province's economy is estimated to have grown slower than the national economy, at 0.3 per cent and 0.9 per cent respectively.<sup>2</sup> Economic growth is estimated to have slowed in all of the province's municipalities in 2017. Both global and national factors continue to have an effect on the province's economy and therefore its revenue and expenditure objectives. Growth in the finance & business services, manufacturing and government services sectors, which have previously played a larger role in the provincial economy than in that of the country was muted in 2017.

## 1.2 Demographics

The demographic profile of a region remains vital for policy formulation and budgetary processes. The region's access to household infrastructure, health and socio economic status is key to budget allocations and planning processes. This section focuses on Gauteng and its regions' demographic profile between 2011 and 2017.

FIGURE 1: POPULATION SHARE BY PROVINCES FOR 2011 & 2017



Source: Stats SA. 2018

Note: EC=Eastern Cape, FS=Free State, GP=Gauteng, KZN=KwaZulu-Natal, LP=Limpopo, MP=Mpumalanga, NC=Northern Cape, NW=North West and WC=Western Cape.

Figure 1 indicates that Gauteng has the largest share of the country's population, followed by KwaZulu-Natal. In 2011, about 22.4 per cent of the country's population resided in the Gauteng Province and increased to 25.3 per cent by 2017, according to the mid-year population estimates. The province which has the lowest share is the Northern Cape, accounting for only 2.2 per cent in 2011 and declined to 2.1 per cent in 2017.

TABLE 2: POPULATION SIZE & DISTRIBUTION FOR GAUTENG'S MUNICIPALITIES FOR 2017

Region	Proportion of Gauteng Total			
	2011		2017	
	Number	Proportion of Total	Number	Proportion of Total
City of Ekurhuleni	3 178 046	25.99%	3 663 474	25.81%
City of Johannesburg	4 392 669	35.93%	5 163 522	36.38%
City of Tshwane	2 848 097	23.30%	3 322 644	23.41%
Sedibeng	928 139	7.59%	1 043 669	7.35%
West Rand	878 822	7.19%	998 693	7.04%
<b>Total</b>	<b>12 225 772</b>	<b>100.00%</b>	<b>14 192 002</b>	<b>100.00%</b>

Source: Quantec Easy Data, 2018

Table 2 expands from Figure 1 and shows the municipalities' shares of the total Gauteng population for 2011 and 2017. The City of Johannesburg accounted for the largest share of the province's population at 35.9 per cent and 36.4 per cent for 2011 and 2017 respectively. It is followed by the City of Ekurhuleni with 26 per cent of Gauteng population residing in the region in 2011 and declined marginally to 25.8 per cent in 2017. The West Rand accounted for 7.2 per cent of the province's total population in 2011 and this declined to just 7 per cent in 2017.

<sup>2</sup> IHS Markit. (2018). *Regional eXplorer Database*. (Assessed on 23<sup>rd</sup> January): [www.globalinsight.co.za](http://www.globalinsight.co.za).

**TABLE 3: CHANGES IN THE PROVINCIAL DEMOGRAPHICS FOR 2011-2017**

Description	Period	Effective Change
Population growth rate	2011-2017	2,6% p.a, 12,2 million to 14,3 million
Population increase	2011-2017	Increase of 2.1 million or 17,2%
Number of households	2011	3.9 million
	2017	4.5 million an increase 0.6 million or 15.4% increase

Source: Stats SA &amp; Quantec Easy Data, 2018

Table 3 shows changes in the population and the structure of the Gauteng households for 2011 and 2017. Gauteng population grew by an annual average rate of 2.6 per cent between 2011 and 2017. In 2011, there were about 3.9 million households in Gauteng and this increased to 4.5 million in 2017, an increase of 15.4 per cent or 600 000 households.

**TABLE 4: GAUTENG POPULATION BY GENDER & AGE DISTRIBUTION FOR 2017**

Age-Cohort	Male	Female	Total
00-14	1 481 428	1 483 578	2 965 006
15-29	1 817 616	1 801 180	3 618 796
30-44	1 635 829	1 440 183	3 076 012
45-59	866 562	867 794	1 734 356
60-79	347 568	412 364	759 932
80+	18 458	46 369	64 827
<b>Total</b>	<b>6 167 460</b>	<b>6 051 469</b>	<b>12 218 929</b>

Source: Stats SA, 2016

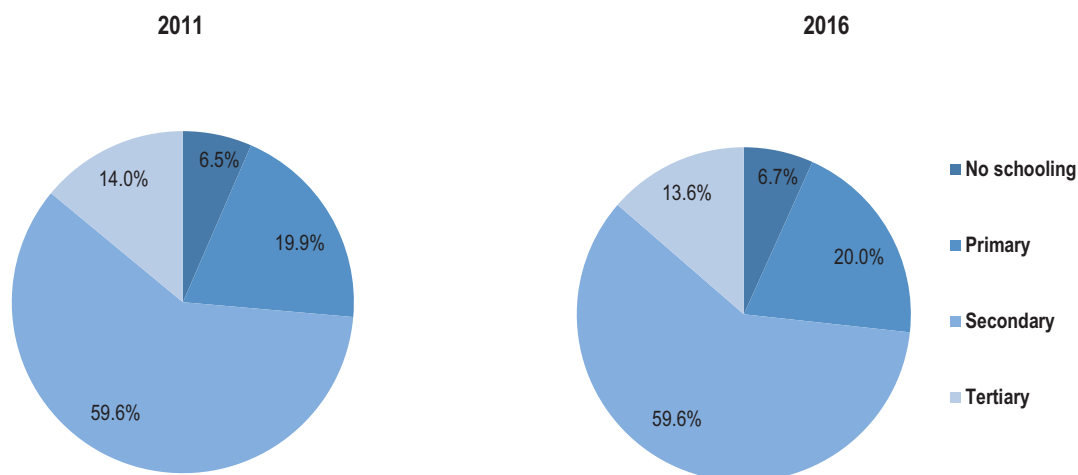
Table 4 shows the Gauteng population by gender and age cohort for 2017. There were 6.2 million males in 2017 compared to 6.1 million females for the same period. In 2017, there were 7.2 males compared to 7.1 million females during the same year. The table also indicates that the age cohort of 0-14, 15-29 and 30-44 accounted for the largest share of Gauteng's total population for both years. This indicates that a significant proportion of the region's population are within the working age population.

**FIGURE 2: AGE DISTRIBUTION OF THE POPULATION FOR 2011 & 2017**

Source: Stats SA, 2018

Figure 2 expands by showing the proportion of total Gauteng population according to age cohort for 2011 and 2017. The age cohort with the largest share of the province's population was that of 15-29 years for both review years. This also indicates that the province has a youth population bulge (a relatively high share of youth population between the ages of 15-29 years) which forms part of the working age population. With the high level of unemployment in South Africa and its regions, this reveals that most of the youth population in the province falls within the category of the unemployed.

FIGURE 3: QUALIFICATION OF PEOPLE OLDER THAN 20 YEARS FOR 2011 &amp; 2016



Source: Quantec Research, 2018

Note: latest available information was for 2016

According to the figure, the category of people with secondary education accounted for the largest share at 59.6 percent in both years. This is followed by those with primary education at 20 per cent, an increase of 0.1 percentage points between the periods. The share of those with no schooling was at 6.7 percent in 2016, an increase of 0.2 percentage points from 2011. The share of those with tertiary education was at 13.6 percent in 2016, a decline of 0.4 percentage points compared to 2011.

### 1.3 Socio-Economic Indicators

Access to basic household infrastructure continues to play a vital role in improving the living standards of South Africans and particularly in Gauteng and its increasing urban population. Basic services, provided by municipalities, are services that, if not provided, would negatively affect public health or safety. These services include electricity, water, and sanitation and refuse removal. Government also uses the provision of basic services as a means of alleviating poverty amongst poor households, providing them with free and/or subsidised services.

TABLE 5: ACCESS TO HOUSEHOLD INFRASTRUCTURE – CHANGE IN GROWTH BETWEEN 2014 AND 2016

	South Africa		Gauteng	
	2014	2016	2014	2016
Formal Housing	78,2%	78,6%	79,3%	79,7%
Sanitation	77,4%	78,9%	90,3%	90,8%
Water	83,0%	83,8%	95,2%	96,2%
Electricity	88,1%	88,5%	87,1%	86,9%
Refuse Removal	65,0%	65,3%	90,2%	90,0%

Source: IHS Markit, 2017

Note: The red numbers indicate a decline.

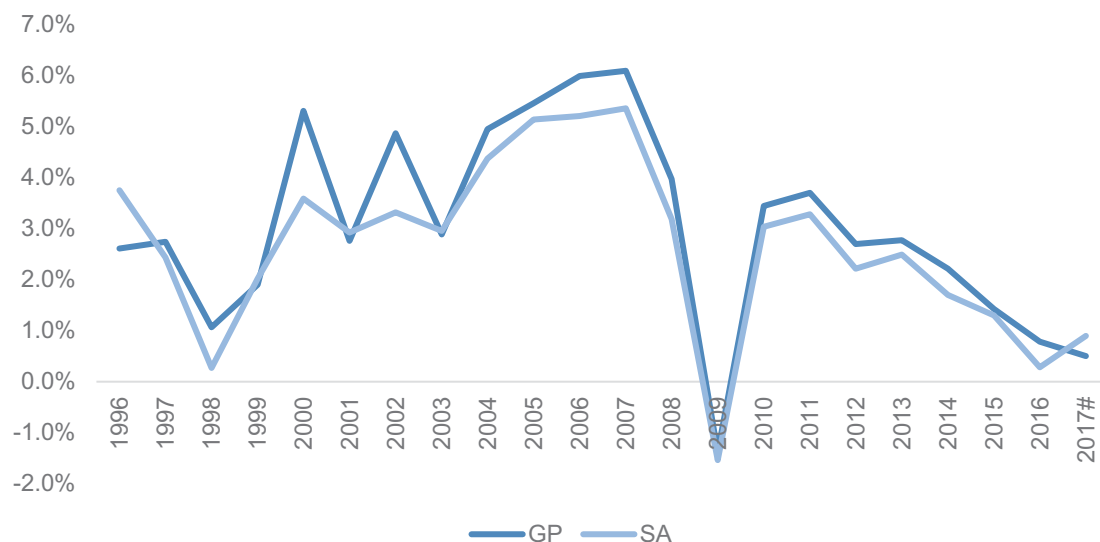
Table 5 illustrates access to basic services in South Africa and the Gauteng province for 2014 and 2016. Overall, provision of basic services has improved in the country and in the province. However, there has been a marginal decrease in the proportion of households with access to electricity and refuse removal in the province. These may be due to the rapidly increasing demand for these services because of the increase in informal settlements in the region. The demand for services outweighs what municipalities can provide, especially given the amount of inter-provincial and international migration into the province.

### 1.4 Economic Indicators

The SARB, in its January Monetary Policy Committee meeting, estimates the country's economy to have grown by 0.9 percent in 2017, compared to the 0.3 per cent recorded in 2016. However, National Treasury in the February National Budget Speech for 2018/19, estimates the country's growth for 2017 at 1 per cent, while growth for 2018 is forecast to reach 1.5 percent. IHS Markit, estimates the Gauteng economic growth rate at 0.5 per cent in 2017, down from the 1 per cent it recorded in

2016. Despite this, Gauteng province still accounts for the largest share of the country's total economic activity at 35.3 per cent.

FIGURE 4: GDP GROWTH IN GP & SA FOR 2011-2017#

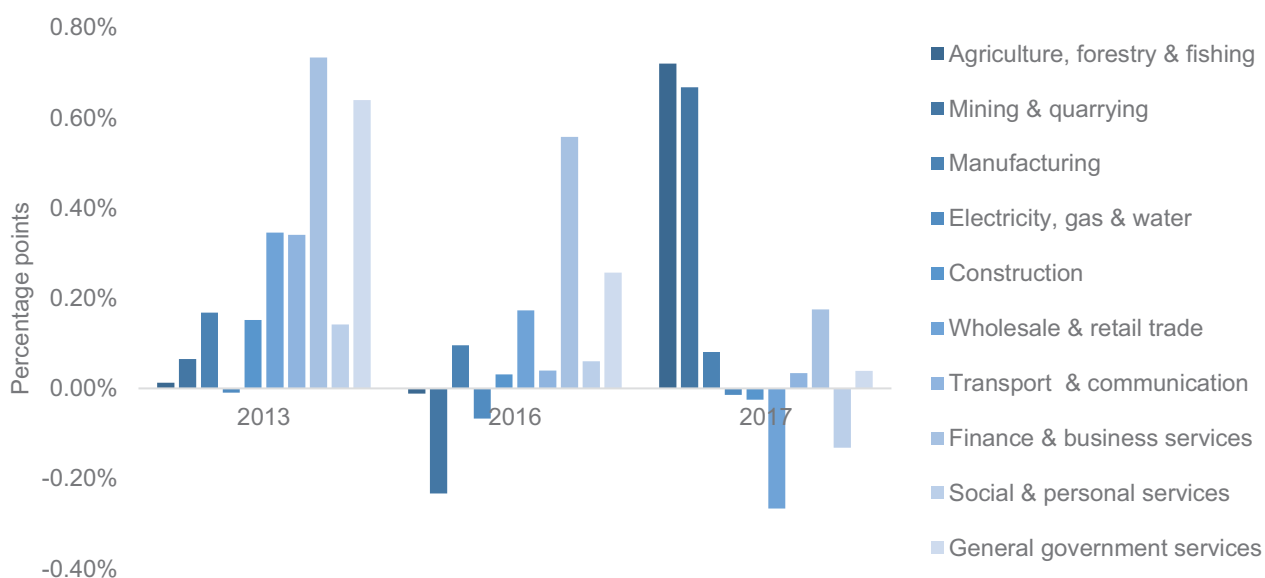


Source: Quantec Easy Data, IHS Markit & SARB, 2018

Note: # indicates estimates

Figure 4 shows the economic growth rates for Gauteng and South Africa for the period 1996 to 2017. The province's economic growth peaked at 6.1 percent in 2007 before contracting by 1.4 percent in 2009 during the global financial crisis but grew by 3.7 per cent in 2011. The province's growth is estimated to have reached 0.5 per cent 2017. South Africa's economy followed the similar trend, peaking at 5.4 per cent in 2007, contracting by 1.5 percent in 2009 before rising by 3.3 percent in 2011. The SARB estimates its growth for 2017 to have reached 0.9 per cent up from 0.3 per cent in 2016.

FIGURE 5: SECTOR CONTRIBUTION TO GAUTENG GROWTH FOR 2013, 2016 AND 2017



Source: Quantec Easy Data, 2018

Note that the 2017 contributions are for the first three quarter of the year.

Figure 5 shows contributions of sectors percentage points to Gauteng growth for 2013, 2016 and 2017. The figure indicates that the finance & business services sector dominated the region's economic activity in 2013, contributing 0.73 per cent to growth followed by government services at 0.64 percentage points. This trend continued in 2016, with finance & business services sector contributing 0.56 percentage points to the 2016 total regional growth rate, while government services contributed 0.26 percentage points. With the rebound of the agriculture, forestry & fishing sector in 2017, the sector

dominated economic activity in the region, contributing 0.72 percentage points to the average growth of the three quarters of 2017. It is followed by mining at 0.67 percentage points due to rebound in commodity prices following a slump in 2016.

TABLE 6: INCOME DISTRIBUTION FOR 2010 and 2016

Annual Income Per Household	2010		2016	
	Number of Households	Percentage of Households	Number of Households	Percentage of Households
Less than R12 000	268,920	7.40%	103,994	2.41%
R12 001 to R42 000	1,008,537	27.75%	1,064,350	24.65%
R42 001 to R96 000	891,868	24.54%	1,086,315	25.16%
R96 001 to R360 000	980,792	26.99%	1,263,533	29.26%
R360 001 to R2 400 000	478,493	13.17%	784,798	18.17%
More than R2 400 000	5,220	0.14%	15,152	0.35%
<b>Total</b>	<b>3,633,829</b>	<b>100.00%</b>	<b>4,318,143</b>	<b>100.00%</b>

Source: IHS Markit, 2018

The table above shows the income distribution of households in Gauteng for 2010 and 2016. The annual income per household that constituted the largest number of households was the R12 001 to R42 000 range in 2010. This accounted for 27.8 per cent of total households. This was followed by the R96 001 to R360 000 range, which accounted for 27 per cent of the households. The lowest percentage of households was in the highest income range of more than R2.4 million per annum and it comprised of 0.1 per cent of the households. However, in 2016, the annual income per household that constituted the largest number of households was the R96 001 to R360 000 range and accounted for 29.3 per cent of household in that range. This was followed by households in the R42 001 to R96 000 range and it accounted for 25.2 per cent of the households. The lowest percentage of households was still in the income range of more than R2.4 million, however a marginally increased percentage of 0.4 per cent.

## 2. Medium term expenditure framework and the budget process

The Medium Term Expenditure Framework (MTEF) is a transparent planning and budget formulation process within which the cabinet and the other spheres of government establish credible conventions for allocating public resources to their strategic priorities while ensuring overall fiscal discipline. The process involves two main objectives, the first aims at setting fiscal targets and the second aims at allocating resources to strategic priorities within these targets.

The allocation to strategic priorities requires determination of government-wide and portfolio-wide priorities by individual sectors. Transparency requires that the priorities of government are explained in a Budget Policy Statement wherein the intention for improving the quality of government spending and strengthening service delivery are clearly defined. The budget process takes into account both the stakeholders and inputs on which it depends and it provides a mechanism where various stakeholders participate in budget planning, negotiations and decision making. Trade-offs are made during the process after engaging and assessing progress and diverse spending proposals of departments with an ultimate goal of improving service delivery.

The Gauteng Provincial Government (GPG) has placed significant emphasis on the delivery of quality and efficient services to the people of Gauteng in order to realise value for money. The process started with the planning phase when the Provincial Executive Council (EXCO) determined the strategic direction of the province.

In preparation for the 2018 MTEF budget, the Gauteng Provincial Treasury held budget forum meetings with the provincial departments and entities in July 2017. The purpose of the budget forum meetings was to improve budget planning, implement reforms and explain budget principles to ensure alignment to the National Development Plan (NDP), 2014-2019 Medium Term Strategic Framework (MTSF), and the Ten Pillar Programme of Transformation, Modernisation and Re-industrialisation (TMR) programme. The departments and entities were informed to continue to direct funding to provincial policy priorities, and to take into account the financial implications of the 2017 wage agreement.

The 2018 MTEF budget process continues to emphasise reprioritisation, realignment of the 2017 budget baseline and realisation of efficiency gains particularly through procurement reforms. The fiscal consolidation programme continues over the 2018 MTEF focusing on inclusive growth. These budget principles were highlighted to the respective provincial departments during the Medium Term Expenditure Committee (MTEC) meetings which took place from the 26 September 2017 to 05 October 2017. During the MTEC engagements departments and entities presented their spending proposals and demonstrated alignment of their respective budgets to strategic objectives and government's priorities. The key resolutions from the MTEC meetings was captured and included for consideration in the final allocation of the budget by the Premier Budget Committee (PBC).

The legislative process includes the tabling and adoption of the 2018 MTEF budget in the Gauteng Provincial Legislature. Thereafter, departments will start spending their respective budgets in accordance with the approved plans. The monitoring

of both financial and non-financial performance takes place monthly and quarterly using the In-year Monitoring and Reporting (IYM) and the Quarterly Performance Reports (QPRs) respectively. Various stakeholders conduct assessments of these reports in order to ensure that effective service delivery is maximised. It is important that departments maintain fiscal discipline and efficiency when spending the allocated budget in order to ensure that service delivery is continuously improved

### 3. Receipts

#### 3.1 Overview of provincial receipts

Provincial receipts consist of the national transfers (equitable share and conditional grants) and the provincial generated revenue. Equitable share is an unconditional transfer designed to assist in delivery of basic services and assigned functions. Conditional grants are additional transfers from national government with conditions to address national priorities, programmes or policy imperatives. Provincial own revenue is raised by provinces, and consist of motor vehicle licences, casino taxes, patient fees, interest earned on short term investments on unspent funds and other user charges.

TABLE 7: SUMMARY OF PROVINCIAL RECEIPTS

	Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2017/18			2018/19	2019/20	2020/21
<b>Transfers from national</b>	<b>107 471 365</b>	<b>107 471 365</b>	<b>107 471 365</b>	<b>114 894 923</b>	<b>123 624 927</b>	<b>133 631 553</b>
Equitable share	86 642 989	86 642 989	86 642 989	93 384 285	100 923 135	109 092 089
Conditional grants	20 828 376	20 828 376	20 828 376	21 510 638	22 701 792	24 539 464
<b>Provincial own receipts</b>	<b>5 382 370</b>	<b>5 751 176</b>	<b>5 739 750</b>	<b>6 014 366</b>	<b>6 367 449</b>	<b>6 733 892</b>
<b>Total provincial receipts</b>	<b>112 853 735</b>	<b>113 222 541</b>	<b>113 211 115</b>	<b>120 909 289</b>	<b>129 992 376</b>	<b>140 365 445</b>
<b>Provincial payments</b>						
Current payments	82 733 441	85 841 529	87 953 096	94 969 823	100 680 090	107 264 075
Transfers and subsidies	20 268 323	15 091 454	15 393 740	16 255 798	17 293 306	18 270 277
Payments for capital assets	5 760 339	11 305 374	11 325 288	10 133 536	10 118 524	9 944 568
Payments for financial assets		11 036	31 315			
<b>Total provincial payments</b>	<b>108 762 103</b>	<b>112 249 394</b>	<b>114 703 438</b>	<b>121 359 157</b>	<b>128 091 920</b>	<b>135 478 920</b>
<b>Surplus/(deficit) before financing</b>	<b>4 091 632</b>	<b>973 147</b>	<b>(1 492 323)</b>	<b>( 449 867)</b>	<b>1 900 456</b>	<b>4 886 525</b>
<b>Financing</b>						
Direct charges	( 82 055)	( 82 055)	( 82 055)	( 77 014)	( 81 588)	( 86 435)
Financing from revenue fund		1 122 160		541 882		
Asset Financing Reserve	(3 181 118)	(2 013 252)				
<b>Surplus/(deficit) after financing</b>	<b>828 458</b>	<b>( 0)</b>	<b>(1 574 379)</b>	<b>15 000</b>	<b>1 818 867</b>	<b>4 800 089</b>

Table 6 shows a summary of provincial receipts. The transfers increase from R107.5 billion in 2017/18 to R133.6 billion in 2020/21.

The main appropriation of own receipts increases from R5.4 billion to R5.7 billion during the 2017/18 adjustments process due to certain provincial departments exceeding the appropriation for own receipt significantly within the first six months. The provincial own receipts are projected to increase by R719.5 million from R6 billion to R6.7 billion over the 2018 MTEF. The Province will continue to implement the Revenue Enhancement Strategy to optimize collection of provincial own receipts over the MTRF.

#### 3.2 Equitable share

Section 214 of the Constitution requires that there must be an Act of Parliament that determines the equitable division of revenue raised nationally among the national, provincial and local spheres of government. The Act provides for the determination of each province's equitable share of the provincial share of that revenue.

The equitable share is allocated using a formula that uses objective data about the context and demand for services in each of the nine provinces. The provincial equitable share formula is designed to ensure fair, stable and predictable revenue shares, and to address economic and fiscal disparities.

The equitable share is the main source of revenue for provinces. It provides funding for social services including education, health and social development; and for economic functions such as agriculture and roads; and for provincial governance and administration.



TABLE 8: EQUITABLE SHARE ALLOCATION FOR GAUTENG PROVINCE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Equitable share	68 811 291	74 100 214	79 599 868	86 642 989	86 642 989	86 642 989	93 384 285	100 923 135	109 092 089

Between 2014/15 and 2016/17, equitable share increased by R10.8 billion from R68.8 billion to R79.6 billion showing an annual average growth rate of 7.8 per cent. The equitable share amounted to R86.6 billion in 2017/18 and is projected to increase by R7 billion or 7.8 per cent to R93.4 billion in the 2018/19 financial year. Equitable share is anticipated to be R109.1 billion in 2020/21. In the seven financial years under review, equitable share increases by R40.3 billion or 58.5 per cent to R109.1 billion with an annual average growth rate of 9.8 per cent.

The changes to the 2018 MTEF framework reflect both fiscal consolidation, which has been kept to a minimum for provinces, as well new additions to assist provinces with the pressures they face in delivering their mandates. Such additions include social development adjustments to ensure adequate funding for service of NAWONGO court judgement, and compensation of employees adjustment to compensate for wage inflation. Furthermore, addition to the social development adjustments were made for prevention and early intervention programmes to fight the abuse of women and children.

### 3.3 Conditional grants

Conditional grants are transfers from national government to which conditions are attached. The grants have limited flexibility as they are designed to finance nationally determined priorities and to reimburse provinces for providing services. Conditional grants are designed to achieve specific objectives, and provinces must fulfil certain conditions to receive them.

There are four types of provincial conditional grants that are transferred from the national government to provinces:

- grants that supplement programmes partly funded by provinces;
- grants that fund specific responsibilities and programmes implemented by provinces;
- grants that provide in-kind allocations through which a national department implements projects in provinces; and
- grants that provide for the swift allocation and transfer of funds to a province to help it deal with a disaster.

TABLE 9: CONDITIONAL GRANTS ALLOCATION FOR GAUTENG PROVINCE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Conditional grants	16 935 292	16 582 021	18 888 640	20 828 376	20 828 376	20 828 376	21 510 638	22 701 792	24 539 464

From 2014/15 to 2016/17, the conditional grants increased by R2 billion from R16.9 billion to R18.9 billion with an average annual average growth rate of 5.8 per cent. The conditional grants were budgeted at R20.8 billion in 2017/18 and are projected to increase by R682.2 million or 3.3 per cent from R21.5 billion in 2018/19 and R24.5 billion in 2020/21 representing an increase of R3 billion from the previous financial year or 14 per cent. In the seven financial years under review, the conditional grants increase by R7.6 billion or 44.9 per cent with an average annual growth rate of 7.5 per cent.

TABLE 10: SUMMARY OF CONDITIONAL GRANTS BY VOTE

R thousand	Medium-term estimates		
	2018/19	2019/20	2020/21
<b>Health</b>	<b>10 508 176</b>	<b>11 554 987</b>	<b>12 589 919</b>
Comprehensive HIV, Aids and TB Grant	4 239 277	4 909 315	5 522 037
Of Which: Community Outreach Services Component	216 998	232 498	232 498
Hospital Facility Revitalisation Grant	874 842	864 748	912 310
Health Professions Training and Development Grant	972 759	1 027 240	1 083 738
National Tertiary Services Grant	4 390 192	4 724 843	5 041 407
Human Papillomavirus Vaccine Grant	27 312	28 841	30 427
EPWP Integrated Grant	2 324		
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	1 470		
<b>Education</b>	<b>2 306 854</b>	<b>2 255 705</b>	<b>2 463 500</b>
Education Infrastructure Grant	1 373 073	1 283 691	1 424 381
HIV and Aids (Life Skills Education) Grant	35 959	37 907	39 869
National School Nutrition Programme Grant	807 454	847 827	908 052
Maths, Science and Technology Grant	53 062	56 042	58 483
Learners with Profound Intellectual Disabilities Grant	26 451	30 238	32 715
EPWP Integrated Grant	2 480		

R thousand	Medium-term estimates		
	2018/19	2019/20	2020/21
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	8 375		
<b>Social Development</b>	<b>68 917</b>	<b>69 156</b>	<b>73 789</b>
Early Childhood Development Grant	62 777	66 287	70 728
Subsidy Component	57 762	60 993	65 079
Maintenance component	5 015	5 294	5 649
Social Worker Employment Grant	2 655	2 869	3 061
EPWP Integrated Grant	2 000		
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	1 485		
<b>Transport</b>	<b>3 055 900</b>	<b>3 072 102</b>	<b>3 270 205</b>
Provincial Roads Maintenance Grant	742 522	636 028	670 914
Public Transport Operations Grant	2 306 888	2 436 074	2 599 291
EPWP Integrated Grant	6 490		
<b>Agriculture, Forestry and Fisheries</b>	<b>130 631</b>	<b>132 297</b>	<b>140 709</b>
Comprehensive Agricultural Support Programme Grant	92 333	94 648	100 989
Ilima/Letsema Projects Grant	30 278	31 974	33 733
Land Care Programme Grant: Poverty Relief and Infrastructure Development	5 399	5 675	5 987
EPWP Integrated Grant	2 621		
<b>Sport, Arts, Culture and Recreation</b>	<b>257 475</b>	<b>269 241</b>	<b>284 981</b>
Community Library Services Grant	168 530	177 784	187 681
Mass Participation and Sport Development Grant	85 482	91 457	97 300
EPWP Integrated Grant	2 000		
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	1 463		
<b>Cooperative Governance and Traditional Affairs</b>	<b>2 000</b>		
EPWP Integrated Grant	2 000		
<b>Human Settlements</b>	<b>5 161 457</b>	<b>5 348 304</b>	<b>5 716 361</b>
Human Settlements Development Grant	5 046 583	5 236 578	5 598 471
Title Deeds Restoration Grant	105 811	111 726	117 890
EPWP Integrated Grant	9 063		
<b>Community Safety</b>	<b>1 448</b>		
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	1 448		
<b>Infrastructure Development</b>	<b>17 780</b>		
EPWP Integrated Grant	17 780		
<b>Total conditional grants</b>	<b>21 510 658</b>	<b>22 701 792</b>	<b>24 539 464</b>

Table 9 above shows a breakdown of the conditional grants allocations per department over a period of three financial years. The conditional grants will increase from R21.5 billion in 2018/19 to R22.7 billion in 2019/20 and to R24.5 billion in 2020/21. Reprioritisation and reductions were made to conditional grants with fast growth, low spending and/or where the impact was lesser on economic growth or service delivery and includes:

- Health: Health Facility Revitalisation Grant
- Arts and Culture: The Community Library Services Grant
- Education: Education Infrastructure Grant; HIV, AIDS Life Skills Education Grant; and Maths, Science and Technology Grant.
- Human Settlements: Human Settlements Development Grant
- Sports and Recreation South Africa: Mass Participation and Sports Development Grant
- Transport: Provincial Roads Maintenance Grant (PRMG); and the Public Transport Operations Grant (PTOG)

## Health

Reprioritisations were made to the **Comprehensive HIV, Aids and TB Grant** due to fast growth. The Community Outreach Services component was introduced to move towards the integration of this cadre of health workers into the health services platform given their key role in improving health access to the citizens. This component will aim to harmonise and standardise the work of the ward-based primary health care outreach teams.

The **Human Papillomavirus Vaccine Grant** was previously, a component of the National Health Insurance Indirect Grant, and it becomes a standalone direct grant to provinces in the 2018/19. Over the course of 2017, the National Department of Health worked to ensure that provincial departments were ready to take over the provision of this service and preserve the high coverage ratios that were achieved under this grant.

## Education

The baselines for the **Learners with Profound Intellectual Disabilities Grant** remained the same over the 2018 MTEF, however provincial allocations have been further revised to ensure that allocations between provinces reflect the actual burden of learners needing the services provided for by the grant.

## Agriculture, Forestry and Fisheries

Reprioritisation to the **Comprehensive Agriculture Support Programme Grant** were made for access to capital through a blended funding model in partnership with commercial and development funding institutions such as the Land and Agricultural Development Bank of South Africa.

### 3.4 Provincial own receipts

GPG own receipts collection contributes approximately 5 per cent of total budget while the national transfers constitute about 95 per cent. Provincial own receipts play an important role in supplementing the national transfers (equitable share and conditional grants).

The main revenue sources (motor vehicle licence and gambling taxes, patient fees and interest earned) are generated through Roads and Transport (DRT), Economic Development, Health and Treasury; respectively. These departments generate approximately 98 per cent of provincial receipts. The remaining 2 per cent comes from Education through exam-related fees, Community Safety through traffic fines, Agriculture and Rural Development through environmental impact assessment and nature reserves fees, and Infrastructure Development by way of property rental fees.

TABLE 11: SUMMARY OF PROVINCIAL OWN RECEIPTS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Office Of The Premier	426	467	553	500	500	551	529	558	589
Economic Development	820 463	871 325	915 004	1 016 654	1 016 653	978 918	1 043 025	1 093 910	1 147 938
Health	524 051	479 296	535 254	480 647	480 647	491 400	507 949	536 796	566 320
Education	36 040	51 408	49 089	31 056	31 056	31 056	31 971	32 770	34 572
Social Development	4 818	3 976	4 267	3 222	12 063	12 065	3 409	3 601	3 799
Cooperative Governance And Traditional Affairs	490	358	1 743	532	532	532	563	594	627
Human Settlements	4 960	37 658	10 915	4 897	4 897	5 042	5 181	5 471	5 772
Roads And Transport	3 005 863	3 278 227	3 477 137	3 473 160	3 682 909	3 690 324	3 892 911	4 110 915	4 337 016
Community Safety	42 755	44 210	40 749	29 457	29 457	36 922	34 245	35 780	37 617
Agriculture And Rural Development	2 098	8 044	16 578	15 591	15 591	15 918	16 386	17 304	18 255
Sport, Arts, Culture And Recreation	433	659	591	392	392	394	397	403	425
E-Government	2 150	1 807	556	612	828	1 058	638	665	702
Provincial Treasury	482 266	623 896	659 025	301 500	451 500	451 584	451 611	501 701	551 795
Infrastructure Development	18 845	20 273	20 108	24 150	24 150	17 382	25 550	26 981	28 465
<b>Total provincial own receipts</b>	<b>4 945 658</b>	<b>5 421 604</b>	<b>5 731 569</b>	<b>5 382 370</b>	<b>5 751 175</b>	<b>5 733 146</b>	<b>6 014 366</b>	<b>6 367 449</b>	<b>6 733 892</b>

The table above shows own receipts collected over the seven-financial year period, per department. GPG departments collected R4.9 billion in 2014/15 and this increased to R5.7 billion in 2016/17. The estimated R5.4 billion in 2017/18 was adjusted to R5.7 billion due to Provincial Treasury significantly over-collecting interest revenue in-year and Roads and Transport over-collecting motor vehicles licence fees. Over the 2018 MTRF period, total revenue will increase by R709.5 million from R6 billion in 2018/19 to R6.7 billion in 2020/21 indicating an average annual growth rate of 6 per cent.

As one of the main revenue generating departments in GPG, Roads and Transport generates its receipts mainly from motor vehicle licences, with municipalities and the South African Post Office (SAPO) acting as revenue collecting agents on behalf of the department as provided for in the Road Traffic Act (Act 93 of 1996). The Department collected a total amount of R9.8 billion between the 2014/15 and 2016/17 financial years with an average annual growth rate of 8 per cent. The Department's

revised estimates amount to R3.7 billion. Over the 2018 MTRF, the DRT anticipates to collect R3.9 billion, R4.1 billion and R4.3 billion in 2018/19, 2019/20 and 2020/21; respectively showing an average annual growth rate of 6 per cent

Economic Development is the second biggest contributor to the provincial own revenue through gambling taxes (casino and horse). The Department's entity, GGB collects the gambling taxes and in turn receives a commission to fund its operations. The Department collected R820.4 million in 2014/15, this increases to R915 million in 2016/17 with an average annual growth rate of 6 per cent. The Department has revised the 2017/18 adjusted appropriation of R1 billion to R978.9 million, a decrease of R37.7 million. The downward revised estimated is a result of decrease in gambling activities. However, the Department shows an increase from the 2017/18 adjusted appropriation of R1.016 billion to R1.043 billion in 2018/19.

The third largest contributor is Health, with its collection that consists mainly of patient fees. The Department's own revenue collection increased from R524 million to R535.3 million with R11.2 million between 2014/15 and 2016/17 showing an average annual growth rate of 1 per cent. The Department has revised its 2017/18 main appropriation from R480.6 to R491.4 due to improved payment from Health customers; RAF, North West. The Department projects to collect R507.9 million in 2018/19, R536.8 million in 2019/20 and R566.3 million in 2020/21, showing an increase of R48.4 million and an average annual growth rate of 5 per cent.

Treasury collects receipts mainly from interest generated from favourable cash balances. The Department projects to collect R451.6 million in 2018/19, R501.7 million in 2019/20 and R551.8 million in 2020/21 showing an increase of R100.2 million over the 2018 MTRF and an average annual growth rate of 11 per cent.

**TABLE 12: SUMMARY OF PROVINCIAL RECEIPTS**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Tax receipts	3 749 485	4 088 031	4 315 171	4 410 437	4 620 186	4 524 737	4 851 588	5 115 818	5 391 051
Casino taxes	759 547	828 997	870 030	944 673	944 673	880 138	1 000 864	1 049 637	1 102 485
Horse racing taxes	40 276	42 002	40 179	69 340	69 340	38 426	39 000	41 000	42 000
Liquor licences									
Motor vehicle licences	2 949 662	3 217 032	3 404 962	3 396 424	3 606 173	3 606 173	3 811 724	4 025 181	4 246 566
Sales of goods and services other than capital assets	581 173	553 896	625 741	596 212	596 121	647 128	623 612	658 206	694 382
Transfers received			30			1			
Fines, penalties and forfeits	18 184	28 114	28 394	28 284	28 284	39 176	31 331	32 420	33 647
Interest, dividends and rent on land	486 658	629 494	663 552	304 413	454 423	455 819	454 589	504 778	555 039
Sales of capital assets		26 146	15 956			7 909			
Transactions in financial assets and liabilities	110 158	95 923	82 725	43 023	52 161	58 376	53 246	56 227	59 773
<b>Total provincial own receipts</b>	<b>4 945 658</b>	<b>5 421 604</b>	<b>5 731 569</b>	<b>5 382 370</b>	<b>5 751 175</b>	<b>5 733 146</b>	<b>6 014 366</b>	<b>6 367 449</b>	<b>6 733 892</b>

The Table above reflects the summary of own revenue collected over the seven financial year period per economic classification. Over the 2018 MTEF, total revenue will be increased by R719.5 million; from R6 billion in 2018/19 to R6.7 billion in 2020/21, reflecting an average annual growth rate of 6 per cent. Tax receipts, consisting mainly of gambling taxes and motor vehicle licenses, contributes a huge percentage toward the total revenue collected in the province at 76%. Tax receipts are estimated at R4.8 billion in 2018/19, R5.1 billion in 2019/20 and R5.4 billion in 2020/21, reflecting an annual growth rate of 5.4% over the 2018 MTEF. Motor vehicle licences contribute the largest share towards tax receipts, budgeted at R3.8 billion in 2018/19, R4 billion in 2019/20 and 4.2 billion in 2020/21 reflecting an annual growth rate of 5.6%.

Sales and goods of services other than capital assets to which patient fees contribute the highest share, will increase at an annual average of 5.5 percent. Interest, dividends and rent on land includes interest generated from provincial reserves and is collected by treasury. This source will increase at an annual average growth rate of 10.5% over the MTRF. Fines, penalties and forfeits will increase by 3.6 per cent.

### 3.5 Summary of provincial additional funding

TABLE 13: SUMMARY OF PROVINCIAL ADDITIONAL FUNDING (EXCLUDING INFRASTRUCTURE)

R thousand	Medium-term estimates		
	2018/19	2019/20	2020/21
Office Of The Premier	56 107	14 613	15 195
Economic Development	4 000	4 000	5 800
Health	3 408 420	3 618 211	3 840 955
Education	1 545 841	1 644 413	1 749 444
Social Development	154 076	259 785	289 508
Cooperative Governance And Traditional Affairs			
Human Settlements	43 700	48 070	52 877
Roads And Transport			
Agriculture And Rural Development	14 517	15 839	15 068
Sport, ,Arts, Culture And Recreation	16 770	10 835	11 431
E-Government	105 400	111 197	117 313
Provincial Treasury	31 900	18 400	18 700
Infrastructure Development	230 000	244 950	260 872
<b>Total Additional Funding</b>	<b>5 610 731</b>	<b>5 990 313</b>	<b>6 377 162</b>

The additional funding allocated to departments amounts to R18 billion over the 2018 MTEF as shown in Table 5. Over this period, the Gauteng Department of Health and Gauteng Department of Education receives the largest allocation amounting to R10.9 billion and R4.9 billion, respectively. This amount includes the carry-through costs of provincial priorities allocations made during the 2017/18 adjustment budget and new allocations for the 2018 MTEF priorities. The details of allocations per department are stated below.

#### Office of the Premier

The Department receives R85.9 million over the 2018 MTEF period. The allocation is disaggregated as follows over the MTEF period: an amount of R23 million is allocated to strengthening the fight against corruption through the Integrity Management Programme; R20.5 million is allocated for the GEYODI projects which include the rollout of the military veteran action plan, implementation of the migration programme, lesbian, gay, bisexual, transgender, intersex and questioning (LGBTIQ) and the International Day for Older Persons; while in 2018/19, the Department is allocated R42.3 million of which R14.3 million is for the costs of the Alternative Dispute Resolution Special Project in respect of Life Esidimeni tragedy and R28 million is to provide for the compensation claims in respect of the Life Esidimeni tragedy.

#### Economic Development

The Department receives an additional amount of R13.8 million over the 2018 MTEF. The funds will be utilized for the development and implementation of the value adding product development; packaging; promotions; and setting up self-sustaining structures in order to link tourism nodes and grow tourism, especially in townships.

#### Education

The total addition to the Gauteng Department of Education baseline is R1.5 billion in 2018/19 and R4.9 billion over the 2018 MTEF. This amount comprises R2.9 billion to augment the budget for compensation of employees caused by the ongoing growth in learner numbers; R187.1 million for the school nutrition programme and R731.2 million for scholar transport; and R56.3 million for the procurement of school furniture. The Department also receives R753.7 million for municipal services to make provision for higher municipal tariffs.

An amount of R158.4 million is allocated to scholar transport to provide specialised and customised transport for learners with special education needs (LSEN) while R142.9 million is made available for the Department to provide subsidies to special schools to cover the running costs of special schools, learner and teacher support material and other administrative costs.

#### Health

The Gauteng Department of Health receives R3.4 billion in 2018/19 and R10.9 billion over the 2018 MTEF. The Department receives the largest allocation in the province, which constitutes 60 per cent of the total additional allocation to GPG departments.

Included in the total of R10.9 billion is R4.7 billion to augment the personnel bill of healthcare professionals in the Department, R4.8 billion for accrued liabilities under goods and services such as the NHLS, R1.2 billion for critical goods and services and R100.2 million for the improvement of Emergency Medical Services (EMS) in the City of Tshwane Metropolitan Municipality.

#### Social Development

The Department receives R703.4 million over the 2018 MTEF to make provision for key policy priority areas. Of this amount, R57.5 million is allocated for the purposes of reaching parity in the payment of subsidies to caregivers across the Department.

The Dignity Packs programme is allocated an additional amount of R156.5 million while R237.8 million is made available for the absorption of social worker graduates. To ensure that there is a conducive environment for these graduates; R5.6 million is allocated for connectivity and the tools of trade such as laptops, telephones and vehicles.

An amount of R245.9 million over the 2018 MTEF from national government caters for the expansion of the Isibindi programme that is aimed at providing a community-based care and protection intervention for vulnerable children and the prevention of violence against woman and children.

#### **Human Settlements**

The Department receives an allocation of R43.7 million in 2018/19 and a combined amount of R144.6 million over the 2018 MTEF. This is made available to deal with debts owed to municipalities in respect of the portfolio of inner-city hostels that are provincially owned.

#### **Agriculture and Rural Development**

The Department is allocated an additional R14.5 million for 2018/19 and R45.4 million over the 2018 MTEF. Out of this amount, R35.4 million is allocated for the Primary Animal Health Care compulsory community service for the appointment of veterinarians in townships along the four corridors; R5 million is allocated for the DPSA determination on interns whilst the remaining R5 million is for the ICT data centre which requires annual processing and storage upgrade.

#### **Sport, Arts, Culture and Recreation**

The Department receives an additional allocation of R16.8 million in 2018/19 financial year and R39 million over the 2018 MTEF. Of the additional budget, R32.5 million is made available to cater for the continuation of Premier's Social Cohesion Integrated Holidays Programme that is aimed at actively involving youth and unemployed adults in sport, arts, cultural and recreational activities. The balance of R6.5 million will be used for the Tri-Colour Games in July 2018 and includes funding for preparatory games.

#### **e-Government**

The allocations for the Gauteng Broadband Network project increase by R105.4 million in 2018/19 and R333.9 million over the 2018 MTEF to continue with the rollout of government sites, including the improvement of existing local area networks (LANs) to enable end-to-end connectivity.

#### **Gauteng Provincial Treasury**

The Department receives a total of R31.9 million in 2018/19 and R69 million over the 2018 MTEF of which R23.6 million over the 2018 MTEF will fund the probity audits that aim to improve transparency in government procurement processes through the open tender process. Furthermore, R29 million is allocated over the 2018 MTEF to provide for the growth in forensic requests that require investigations and for the outsourcing of forensic audit service to augment the Department's capacity.

In addition a total of R16.4 million is allocated over the 2018 MTEF for make provision for the ICT requirements of the Department. This amount includes R6 million for the programme of refreshing the ICT equipment and R1.5 million for the youth support programme in 2018/19. The balance of R8.9 million caters for the increase of space on servers hosted by Gauteng Department of e-Government on behalf of the Department and for the commissioning of three new servers.

#### **Infrastructure Development**

The Gauteng Department of Infrastructure Development is allocated an additional amount of R230 million in 2018/19 and a total of R735.8 million over the 2018 MTEF. The total is disaggregated as follows: R415.9 million over the 2018 MTEF to fund the payment of monthly leases of office accommodation occupied by the Gauteng Provincial Government (GPG) departments and R319.9 million over the 2018 MTEF to fund property rates and taxes to respond to the above inflation increases



## 4. Payments

### 4.1 Payments by vote

The provinces' core programmes for radical, transformation, modernisation and re-industrialisation continues, provincial funding is redirected towards social transformation for the betterment of the lives of all Gauteng citizens.

TABLE 14: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY VOTE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Office Of The Premier	356 976	417 689	470 326	609 310	641 354	641 354	702 694	695 548	735 712
Gauteng Provincial Legislature	497 845	562 071	606 149	674 898	674 898	674 898	715 824	761 430	806 130
Economic Development	1 060 655	1 270 844	1 359 269	1 413 792	1 425 973	1 425 973	1 510 450	1 587 355	1 676 058
Health	31 005 212	34 864 555	37 440 067	40 207 046	41 942 834	44 132 368	46 429 326	49 031 984	52 415 712
Education	31 636 240	36 296 522	39 409 926	40 843 869	41 786 542	41 786 542	45 220 540	47 780 764	50 741 196
Social Development	3 408 805	3 942 241	4 251 803	4 442 331	4 586 319	4 585 919	4 983 495	5 293 915	5 599 412
Cooperative Governance And Traditional Affairs	283 456	368 851	455 876	470 218	479 041	479 041	468 235	496 588	527 317
Human Settlements	5 026 297	4 742 709	5 957 683	6 186 359	6 255 557	6 255 557	5 888 425	6 117 655	6 534 918
Roads And Transport	5 872 084	6 259 301	7 771 989	6 832 291	6 967 638	6 957 676	7 713 818	8 269 666	7 954 125
Community Safety	629 606	693 552	632 647	678 466	739 187	738 844	719 495	759 694	805 786
Agriculture And Rural Development	615 022	811 438	771 423	916 600	971 896	971 896	957 000	1 010 840	1 036 994
Sport, Arts, Culture And Recreation	642 606	704 333	810 112	875 336	912 944	912 943	942 652	989 706	1 079 675
E-Government	1 213 739	1 154 906	1 237 378	1 356 832	1 461 059	1 461 059	1 273 826	1 342 611	1 421 333
Gauteng Provincial Treasury	482 189	555 189	616 351	712 634	654 907	654 907	796 413	831 470	882 786
Infrastructure Development	1 830 536	2 416 103	2 563 607	2 542 122	2 749 245	3 024 461	3 036 964	3 122 694	3 261 766
<b>Total payments and estimates</b>	<b>84 561 268</b>	<b>95 060 304</b>	<b>104 354 606</b>	<b>108 762 103</b>	<b>112 249 394</b>	<b>114 703 439</b>	<b>121 359 157</b>	<b>128 091 920</b>	<b>135 478 920</b>

Table 13 indicates the payments and estimates for the province per vote. The provincial spending increased from R84.6 billion in 2014/15 to R104.3 billion in 2016/17. The approved funds rollover and the provincial resources added to the allocations during the 2017/18 adjustments process increased the provincial payments by R3.5 billion to become R112.2 billion. Over the MTEF, the provincial allocation is set to increase from R121.4 to R135.5 billion. The budget allocated represents the provincial government's commitment to its citizens. Major allocations are redirected to the social sector, with Health accounting for 38 per cent and Education accounting for 37 per cent of the total budget.

Health is allocated a total of R147.8 billion over the MTEF to accelerate social transformation through the provision of quality, efficient and accessible healthcare to improve people's lives. The budget includes new funding for the dental and psychiatric hospitals as well as funding for mental health services. The budget facilitates the provision of primary health care to ensure the availability of appropriate treatment in the health and non-health institutions near the communities. The budget provides for the programmes that fight against communicable diseases at district health facilities, the rollout of the HPV vaccination and for the procurement of emergency medical equipment and EMS fleet. The funding for the Nelson Mandela Children's Hospital continues to provide specialised paediatric services in the country and the SADC region.

With regard to supporting the service delivery within Health, the budget provides funding for personnel costs; bursaries and training opportunities to increase the availability of nursing professionals, EMS staff, medical doctors and other health professionals; ward-based outreach and district clinical specialist teams; health sector's non-negotiable line items; municipal services and accruals.

The R143.7 billion allocated to Education over the MTEF provides for scholar transport to 1.5 million learners in all no-fee paying schools and selected fee-paying schools, school nutrition programme to 110 115 learners that live more than 5 km away from school, purchase of start-up kits for all new Grade R centres, education-related ICT interventions, payment of municipal services for schools and other delivery of education core service delivery.

The MTEF budget for Education continues to make provision for infrastructure development and maintenance of school buildings with the aim of eradicating the backlog of learning space and preventative maintenance. It funds the provision of therapists and social workers to schools to support learners, the implementation and maintenance of intervention strategies such as the mainstreaming of Gauteng Primary Language and Mathematics Strategy, Secondary School Improvement Programme, Teacher Development Strategy and Extra School Support Programme.

The budget for Roads and Transport accounts for 6.4 per cent of the total provincial allocation in 2018/19. The budget increases from R6.9 billion in 2017/18 to R7.7 billion in 2018/19, then increases to a further R8.2 billion in 2019/20. The R7.7

billion allocation is dedicated to the realisation of the Department's mandate of providing an integrated transport system that is reliable, accessible, safe and affordable, and has a broad range of socio-economic effects. Increases in the allocation is due the Department's growing investment in the provincial road network through the maintenance programme, upgrades and rehabilitation projects that are being implemented. Furthermore, the allocation to the Gautrain increases mainly to cater for maintenance and capacitation of the current system.

The allocation for Human Settlements decreases from R6.2 billion in 2017/18 to R5.8 billion in 2018/19; the reduction is in conditional grants allocation due to structural reforms by the National Treasury amid tight fiscal constraints. Major share of the Department's budget is allocated to the Housing Development Programme, which aims to establish sustainable human settlements where all citizens have access to housing and other social amenities. The Department's budget is dedicated to building integrated, cohesive and sustainable communities by ensuring that innovative services and infrastructure are provided to create sustainable human settlements and promote effective and efficient delivery of provincial and local housing programmes. The budget increases to R6.1 billion in 2019/20 and R6.5 billion in 2020/21.

The budget for Social Development accumulates to R15.9 billion over the MTEF and it contributes towards accelerated social transformation in the face of challenges of unemployment, poverty and inequality. The budget targets the poorest wards with the War on Poverty Programme to reduce poverty among the country's poorest citizens and with the Early Childhood Development Programme to provide mobile services, toy libraries and play groups, meals for children minor and renovations to facilities. The budget provides for the Welfare-to-Work approach and women development programme to link poor women to economic opportunities. It also provides for the expansion of the Comprehensive Social Security that will create job opportunities for community care-givers within the Home Community Based Care sites. The budget also provides for the interventions in the fight against substance abuse.

Infrastructure Development is allocated R9.4 billion over the MTEF to contribute towards the economic transformation of the province through the development of township enterprises, co-operatives and SMMEs. The budget will fund the payment of property taxes for GPG immovable assets, the creation of 7 000 work opportunities through Zivuseni Reloaded Programme and NYS Skills Development Programme, the creation of other work and training opportunities through the Extended Public Works Programme as well as the implementation of the infrastructure programme.

The R4.8 billion allocated to Economic Development over the MTEF contributes to stimulating economic growth in the province. The funds are allocated for the Youth Accelerator Programme to increase the youth's participation in the economy, the SMME support programme that provides various industrial parks and incubation centres; the Innovation Hub programmes to support township companies, the Township Economy Revitalisation (TER) programme to stimulate and sustain SMME township entrepreneurship, the Trade and Investment Facilitation programme and Gauteng Investor Centre to facilitate investment in the province as well as the tourism support programmes to promote Gauteng as a destination of choice for business and other events.

## 4.2 Payments by economic classification

TABLE 15: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>64 045 921</b>	<b>71 470 024</b>	<b>77 959 118</b>	<b>82 733 441</b>	<b>85 841 529</b>	<b>87 953 096</b>	<b>94 969 823</b>	<b>100 680 090</b>	<b>107 264 075</b>
Compensation of employees	47 047 269	51 980 231	57 845 225	60 749 154	61 990 773	63 274 863	67 748 309	72 233 737	76 870 722
Goods and services	16 995 468	19 481 525	20 109 864	21 983 568	23 817 531	24 645 107	27 220 454	28 445 351	30 392 297
Interest and rent on land	3 184	8 268	4 029	719	33 225	33 126	1 060	1 002	1 056
<b>Transfers and subsidies</b>	<b>16 196 538</b>	<b>17 421 585</b>	<b>20 438 168</b>	<b>20 268 323</b>	<b>15 091 454</b>	<b>15 393 740</b>	<b>16 255 798</b>	<b>17 293 306</b>	<b>18 270 277</b>
Provinces and municipalities	1 047 227	1 500 230	1 571 313	1 613 855	1 660 211	1 659 737	1 838 727	1 938 907	2 048 167
Departmental agencies and accounts	2 168 094	2 699 074	4 007 076	2 977 711	3 006 701	3 006 701	3 173 811	3 362 639	3 546 164
Higher education institutions	17 045	24 115	46 600	49 812	61 812	61 812	63 078	65 582	69 189
Foreign governments and international organisations									
Public corporations and private enterprises	1 931 758	1 960 610	2 342 173	2 316 847	2 316 135	2 317 353	2 476 667	2 615 700	2 788 796
Non-profit institutions	5 592 984	6 363 120	6 380 873	7 204 904	7 117 938	7 076 865	7 838 978	8 414 499	8 890 205
Households	5 439 430	4 874 436	6 090 133	6 105 194	928 658	1 271 272	864 536	895 979	927 756
<b>Payments for capital assets</b>	<b>4 150 265</b>	<b>6 126 862</b>	<b>5 882 142</b>	<b>5 760 339</b>	<b>11 305 374</b>	<b>11 325 288</b>	<b>10 133 536</b>	<b>10 118 524</b>	<b>9 944 568</b>
Buildings and other fixed structures	2 705 130	4 515 804	4 638 347	4 083 580	9 480 279	9 487 322	8 528 385	8 357 676	8 066 314
Machinery and equipment	1 277 516	1 460 347	1 188 159	1 629 088	1 752 268	1 765 569	1 570 066	1 738 432	1 846 229
Heritage Assets					80	80			
Specialised military assets									



R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Biological assets					0				
Land and sub-soil assets	41 507	9 499	23 210	36 357	46 000	46 000	17 182	1 957	12 624
Software and other intangible assets	126 112	141 212	32 426	11 315	26 747	26 317	17 903	20 459	19 401
<b>Payments for financial assets</b>	<b>168 544</b>	<b>41 833</b>	<b>75 178</b>		<b>11 036</b>	<b>31 315</b>			
<b>Total economic classification</b>	<b>84 561 268</b>	<b>95 060 304</b>	<b>104 354 606</b>	<b>108 762 103</b>	<b>112 249 394</b>	<b>114 703 438</b>	<b>121 359 156</b>	<b>128 091 920</b>	<b>135 478 920</b>

### Current payments

The province's total payments by economic classification indicates that current payments account for 79 per cent of the total provincial payments over the MTEF. The allocation for current payments increases gradually from R85.8 billion in 2017/18 to R107.3 billion in 2020/21. The allocation for compensation of employees, which increases from R62 billion in 2017/18 to R76.9 billion in 2020/21, contributes the most to the current payments. It accounts for 56 per cent of the total provincial payments over the MTEF.

Education contributes significantly to the personnel bill in the province. Additional funds are allocated to the budget baselines to provide for additional educators and support staff for public primary and secondary schools due to ongoing growth in learner numbers. Health receives additions to the budget to provide for health professionals, nurses and to fund the implications of the Public Service Co-ordinating Bargaining Council (PSCBC) resolutions. Social Development is allocated additional funds to appoint the social workers graduates on completion of studies and to bring parity amongst all caregivers across the Department. The budget baselines of all provincial departments provide capacity for the public service delivery. Additions to the baselines of other provincial departments over the 2018 MTEF cater for the appointment of veterinarians to provide the Primary Animal Health Care services in townships and the internship programme in Agriculture and Rural Development.

The province's total allocation for goods and services accumulates to R68.1 billion over the MTEF. The budget baselines for goods and services in Health provide for the sector's non-negotiable items such as laboratory services, blood, medical supplies and medicines. Health is allocated additional funds repay the accrued liabilities in respect of core items and services rendered by the National Health Laboratory Services and for critical goods and services over the 2018 MTEF.

The goods and services budget baseline for Education provides for the LTSM procurement for Section 20 schools, scholar transport, municipal costs for schools, allocations for school furniture and other administrative costs. The province has allocated additional funds for these cost drivers in Education over the 2018 MTEF. Funds have been added to the baseline of Education to provide for the requirements of learners with special needs to address barriers to their learning and development. These funds are for scholar transport to provide specialised and customised transport for learners with special education needs (LSEN) and they are for subsidizing the running costs of special schools; providing the learner and teacher support materials; and for other administrative costs.

The other provincial departments allocate funding to goods and services to support their core service delivery in the following manner. Roads and Transport provides for the maintenance of the provincial road network. Cooperative Governance and Traditional Affairs makes provision for property rates and taxes, training of Community Development Workers and ward counsellors, development of revenue management strategy and enhanced communication through public participation awareness campaigns. Agriculture and Rural Development allocates funds to programmes that support the food and beverage sector, agro-processing infrastructure, urban agriculture and small-scale farming, community and schools food gardens and primary animal health care.

e-Government provides for the continued rollout of the GBN project and maintenance of the provincial ICT infrastructure. Infrastructure Development makes provision for the training of beneficiaries of Zivuseni Reloaded Programme and NYS Skills Development Programme. Provincial Treasury provides for the probity audit in respect of the provincial open tender process, forensic computable general equilibrium model, and forensic audit information systems, p-card software licenses and automation of annual financial statements production for departments.

### Transfers and subsidies

The allocation for transfers and subsidies increases from R15.1 billion in 2017/18 to R18.3 billion in 2020/21. Roads and Transport provides for transfer payments to the Gautrain Management Agency to fund the maintenance and capacitation of the current system. The other transfer payments in Roads and Transport are for the bus subsidies that are funded from the Public Transport Operations Grant.

Social Development will make transfer payments to non-profit institutions to fund the school uniform programme and nutrition programme for the beneficiaries identified through departmental officials, ward committees, NPOs and household profiles. The Department also provides funding to early childhood development centres to ensure that children are taught in an environment that is conducive for learning. The other NGOs receive transfer payments for the protection of victims of violence and for the dignity packs provided to poor children.

Transfer payments in Health relate to the work that the Department carries out in partnership with sector non-profit institutions, universities, Health and Welfare-SETA and the Baneng Care Centre of Life Esidimeni to ensure delivery of services according to the set targets. The Department is also continuing with paying the community health workers directly instead of transferring the money to NGOs. The Nelson Mandela Children's Hospital receives transfer payments from the Department.

Education provision makes transfer payments to public schools to provide funds for municipal services, procurement of LTSM, school nutrition and other social upliftment programmes. The applicable norms and standards guide the determination of funding to public ordinary schools and independent schools. Education continues to transfer funds to special schools and ECD centres. Transfer payments will be made to Sci-Bono Discovery Centre and to Mathew Goniwe School of Leadership and Governance for the delivery of the LITNUM Strategy and Secondary School Improvement Programme and Training of School Management Teams.

#### Payments for capital assets

The Province allocates a total of R30.2 billion for payments for capital assets which account for 8 per cent of the total provincial payments. The allocations decrease from R11.3 billion in 2017/18 to R9.9 billion in 2020/21. The capital budget for Roads and Transport is for the rehabilitation of provincial road network. The infrastructure portfolio in Education relates to the building of additional classrooms, replacement of schools, additional special schools built and new schools built.

The budget in Health provides for the construction of new facilities and the rehabilitation, upgrade and maintenance of existing health facilities. The budget in Human Settlements is for the construction of new housing units and houses, legacy and mega projects that support the plan for Gauteng City Region towards Vision 2030.

### 4.3 Payments by policy area

TABLE 16: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY FUNCTIONAL AREA

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
General public services	4 664 741	5 474 809	5 949 687	6 366 013	6 660 504	6 935 721	6 993 956	7 250 341	7 635 044
Public order and safety	629 606	693 552	632 647	678 466	739 187	738 844	719 495	759 694	805 786
Economic affairs	7 394 186	8 137 614	9 666 035	8 922 947	9 119 665	9 106 295	9 938 771	10 590 683	10 409 042
Environmental protection	153 575	203 969	236 646	239 736	245 842	249 250	242 497	277 178	258 135
Housing and community amenities	5 026 297	4 742 709	5 957 683	6 186 359	6 255 557	6 255 557	5 888 425	6 117 655	6 534 918
Health	31 005 212	34 864 555	37 440 067	40 207 046	41 942 834	44 132 368	46 429 326	49 031 984	52 415 712
Recreation, culture and religion	642 606	704 333	810 112	875 336	912 944	912 943	942 652	989 706	1 079 675
Education	31 636 240	36 296 522	39 409 926	40 843 869	41 786 542	41 786 542	45 220 540	47 780 764	50 741 196
Social protection	3 408 805	3 942 241	4 251 803	4 442 331	4 586 319	4 585 919	4 983 495	5 293 915	5 599 412
<b>Total provincial payments and estimates by policy area</b>	<b>84 561 268</b>	<b>95 060 304</b>	<b>104 354 606</b>	<b>108 762 103</b>	<b>112 249 394</b>	<b>114 703 439</b>	<b>121 359 157</b>	<b>128 091 920</b>	<b>135 478 920</b>

The table above reflects the provincial payments by policy area. The South African economy growth rate is expected to remain constrained over the 2018 MTEF period. In order to fund new social spending priorities, the provincial budget increases whilst the fiscal consolidation programme continues over the MTEF.

Education is committed to creating a system to meet the new educational and training needs of the information age. The new curriculum attempts to respond to the demands of an information economy, where, the majority of jobs will entail knowledge economy which will require learners to master skills such as communication, problem-solving, critical thinking, and teamwork.

Health aims to provide high quality, efficient and accessible health care to transform people's lives through the implementation of accelerated social transformation. In response to this call, the Department will implement the rollout NHI in all districts to ensure universal health service coverage continues and in compliance with the National Core Standards aimed to improve the patient experience of care through the implementation of quality assurance programmes in all hospitals.

Economic affairs is mainly driven by Roads and Transport, Economic Development and Agriculture and Rural Development. The main functions of DRT, through investment in economic infrastructure and regulation of road users, is to develop and maintain a sustainable road infrastructure that contributes to increased economic growth and enhanced quality of life in

Gauteng. Agriculture and Rural Development's focus is on harnessing and maximising the economic potential of the province's agricultural sector and ensuring food security for all. Economic Development will continue with revitalisation of township economies; increase the participation of small, medium and micro enterprises (SMMEs) and co-operatives (Co-ops) in the Province's mainstream economy; and facilitate trade and investment towards radical transformation, modernisation and re-industrialisation of Gauteng's economy.

Infrastructure Development, through its investment in social infrastructure, aims to ensure that 90 per cent of projects that are implemented on behalf of the Education and Health are implemented on time and with zero-defects across all the 5 developmental Corridors; continuous improvement and monitoring of IDMS business processes and systems to establish gaps and opportunities for further enhancements of the business processes; and provincial infrastructure maintenance to ensure that the useful life of immovable assets is extended.

Human Settlements will continue with Financial Intervention Programme to assist people who do not earn enough to qualify to receive financial assistance from the financial institutions; and developing human settlements along nodal development areas to achieve maximum impact as well as economies of scale.

Social Development will continue reforming the welfare sector through legislative and policy reforms; the Department seeks to expand services by ensuring adequate numbers and training of social service professionals.

Sport, Arts, Culture and Recreation aim to provide library and archival services and ensure access, increased participation and transformation of the sport, arts, culture and recreation sectors that benefits all citizens in the province.

Community Safety will continue to enhance social crime prevention by addressing violence against women and children, mobilising youth and combatting the scourge of substance abuse and gangsterism; and reduce road fatalities by improving pedestrian safety, traffic law enforcement and road safety education.

#### 4.4 Transfers to public entities

TABLE 17: SUMMARY OF DEPARTMENTAL TRANSFERS TO PUBLIC ENTITIES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Gauteng Growth Development Agency	341 772	359 033	465 282	493 117	516 827	493 117	443 181	480 830	507 276
2. Gauteng Enterprise Propeller	136 291	290 438	236 718	214 374	239 511	214 374	300 694	309 123	323 126
3. Gauteng Tourism Authority	69 530	93 798	104 744	101 165	103 165	101 165	141 201	149 466	157 687
4. Gauteng Management Agency	1 311 748	1 561 451	2 232 089	1 833 694	1 833 694	1 833 694	1 945 268	2 058 094	2 171 289
5. Gauteng Partnership Fund	100 170	200 000	212 400	224 719	224 719	224 719	237 753	251 067	264 876
<b>Total departmental transfers to public entities</b>	<b>1 959 511</b>	<b>2 504 720</b>	<b>3 251 233</b>	<b>2 867 069</b>	<b>2 917 916</b>	<b>2 867 069</b>	<b>3 068 097</b>	<b>3 248 580</b>	<b>3 424 254</b>

The table above presents the summary of provincial transfers to public entities in Economic Development, Roads and Transport and Human Settlements. Transfers to public entities reflects an increasing trend from R2 billion in 2014/15 to R3.4 billion in 2020/21.

##### Gauteng Growth and Development Agency (Economic Development)

The transfers to the Gauteng Growth and Development Agency increased from R341.8 million in 2014/15 to R465.3 million in 2016/17. Amongst the projects that were implemented between 2014/15 and 2016/17 are the development of AIDC's second Incubation Centre, the launch of Gauteng Automotive Learning Centre and the eKasi labs programmes.

The allocation for GGDA decreases from an adjusted budget of R516.8 million in 2017/18 to R507.3 million in 2020/21. The decrease is due to the migration of functions for the Nelson Mandela Visitors Centre to GTA who will be responsible for procurement of services. However, the implementation and the delivery of the project still resides with GGDA. The allocated budget over the MTEF will cater for projects such as the refurbishment of the township industrial parks, mLab and Code Tribe Academy, completion of the Visitors Centre construction, Incubation at eKasi labs in Garankuwa, Soweto, Thembisa, Alexander, Sebokeng, Mhlakeng and Mamelodi MLab. The eKasi labs are aimed at promoting a culture of innovation within the township economy. The key outcomes from the programme include the creation of new generation of entrepreneurship, high impact/ high tech products and services, skills development and job opportunities for the local communities.

##### Gauteng Enterprise Propeller (Economic Development)

Transfers made to the entity increased from R136.3 million in 2014/15 to R236.7 million in 2016/17 due to a focus on providing support and training to informal businesses, SMMEs and cooperatives. Over the MTEF, the allocation increases from R301 million in 2018/19 to R323.1 million in 2020/21. To support the Gauteng City Region (GCR) Economic Plan, deliverology targets and in support of the Tshepo 1 million programme, GEP will play a fundamental role in transforming the Gauteng township economy by focusing on the implementation of the following key projects in 2018/19: The continuation

of the Booster Pitching Programme which provides township-based SMMEs access to adequate business knowledge and skills to ensure their proposals are viable and investment ready; Youth Accelerator Programme which strives to enhance job creation opportunities for the unemployed youth, reduce poverty and increase the potential of youth to become active participants in the Gauteng economy; and supporting informal businesses.

#### **Gauteng Tourism Authority (Economic Development):**

Transfers made to the GTA amounted to R69.5 million in 2014/15 and R104.7 million in 2016/17. Over the 2018 MTEF, the allocation increases from R141 million in 2018/19 to R158 million in 2020/21. Included in the augmented allocation is the transfer of function for the procurement of services for the Nelson Mandela Visitors Centre which stems from GGDA. Moreover, the MTEF allocation caters for projects such as the bidding hosting events. The entity continues to provide for registration of tourist guides, tour operators, couriers, accredited training providers in the tourism industry, hotels, conference centres, restaurants, designated tourism amenities and other accommodation establishments and possible future functions relating to these categories; and to provide for the promotion and sustainable development of tourism in Gauteng.

#### **Gautrain Management Agency (Roads and Transport)**

The expenditure between 2014/15 and 2016/17 increased from R1.3 billion to R2.2 billion because the GMA had to settle legal claims that became due in 2016/17. The budget is expected to grow from R1.9 billion in 2018/19 to R2.2 billion in 2020/21 mainly for the maintenance and capacitation of the current system. The Gautrain II project is still being assessed in terms of the financial resource requirement.

#### **Gauteng Partnership Funding (Human Settlements)**

The aim of the Gauteng Partnership Fund (GPF) is to facilitate or mobilise funding for affordable housing and to support Gauteng Human Settlements, to facilitate private sector participation and mobilise appropriate funding for social housing and integrated projects.

The GPF receives contributions from the Gauteng Department of Human Settlements from time to time but the entity funds itself mainly from the interest revenue earned from the original and subsequent recapitalisation of the GDHS transfer. The GPF receives interest from loans that were issued to borrowers. The transfers amounted to R100 million in 2014/15 and R212 million in 2016/17. The transfers received amounted to R224.7 million in 2017/18 to assist in strengthening the strategic objective of increasing and leveraging private sector funding for affordable housing in Gauteng with the ultimate aim of increasing the rate of delivery of sustainable human settlements in the province. The funding is expected to increase to R237.7 million in 2018/19 and R264.9 million in the outer year of the MTEF.

### **4.5 Transfers to trading entities and government component**

TABLE 18: SUMMARY OF DEPARTMENTAL TRANSFERS TO TRADING ENTITIES AND GOVERNMENT COMPONENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Cradle of Humankind	37 736	71 377	63 583	70 706	64 522	64 522	73 454	77 768	83 625
2. Dinokeng	62 616	53 570	43 576	43 202	36 498	36 498	39 056	41 635	43 925
3. Gauteng Liquor Board	18 157	25 327	40 669	28 030	23 029	23 029	25 021	26 702	28 171
4. Gauteng Infrastructure Funding Agency	75 000	70 000	102 650	55 335	55 335	55 335	58 544	61 940	65 347
<b>Total departmental transfers to public entities</b>	<b>193 509</b>	<b>220 274</b>	<b>250 478</b>	<b>197 273</b>	<b>179 384</b>	<b>179 384</b>	<b>196 075</b>	<b>208 045</b>	<b>221 068</b>

Transfers to trading entities are presented in the table above. The transfers relate to three entities of Economic Development (namely Cradle of Humankind, Dinokeng and Gauteng Liquor Board) and one entity of the Gauteng Provincial Treasury, the Gauteng Infrastructure Financing Agency. Transfers to trading entities reflect a fluctuating trend from R193.5 million in 2014/15 to R221.1 million in 2020/21.

The transfers to Cradle of Humankind increased from R37.7 million in 2014/15 to R64.5 million in 2016/17. The transfers were made to fund the infrastructure development, natural resources management, operations of Maropeng and Sterkfontein Caves as well as community development projects such as Sponsored School Visits to the Cradle of Humankind World Heritage Site (COHWHS) and specific public meetings. The MTEF budget increases from R73.4 million in 2018/19 million to R83.6 million in 2020/21 due to additional allocation of R13.8 million for the implementation of Tourism routes in Gauteng. The 2018 MTEF will see a renewed effort in implementing critical tourism development objectives as per the Economic Development Implementation Plan within the Global City Region context with a Management of the COHWHS Community Trust.

Transfers made to Dinokeng Trading Entity amounted to R62.6 million in 2014/15, R53.6 million in 2015/16 before decreasing to R44 million in 2016/17. Over the MTEF, the allocation increases from R39 million in 2018/19 to R43.6 million in 2020/21. Among the projects to be implemented are: Working on Fire Programme, operational funding for the Dinokeng Game Reserve as well as the establishment of the Dinokeng Community Development Trust.

Transfers to the Gauteng Liquor Board (GLB) increased from R18.1 million in 2014/15 to R40.7 million in 2016/17 due to low revenue collection from GLB which compelled the Department to increase its funding to assist the GLB to fund operational costs. Over the 2018 MTEF, the allocation increases from R25 million in 2018/19 to R28.2 million in 2020/21 to fund some of the following projects/ programmes: the verification project to determine the total number of liquor outlet in the province; the submission of liquor license applications; processing liquor license applications; and renewal of licenses.

The expenditure for Gauteng Infrastructure Financing Agency during the 2014/15 financial year increased from R75 million to R102.6 million in 2016/17 due to the re-establishment of the agency and the provision for the project preparation facility. Over the MTEF, the transfer increases from R58.5 million in 2018/19 to R65.3 million in 2020/21 to ensure a sustainable pipeline of strategic infrastructure projects that are catalysts for socio-economic development in the province.

#### 4.6 Infrastructure payments

For more information on infrastructure payments refer to 2018 Estimates of Capital Expenditure (ECE).

#### 4.7 Personnel costs

TABLE 19: SUMMARY OF DEPARTMENTAL PERSONNEL COSTS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Office Of The Premier	200 836	235 738	256 909	292 158	292 474	292 475	307 088	341 264	360 035
Provincial Legislature	231 742	258 011	280 869	318 120	318 120	318 120	356 885	348 044	375 105
Economic Development	134 813	165 315	184 718	244 145	213 772	206 908	258 306	275 871	293 802
Health	18 654 909	20 648 000	23 289 574	23 815 004	24 965 403	25 342 631	26 706 147	28 383 068	30 201 183
Education	23 734 110	25 981 867	28 660 401	30 247 916	30 484 224	31 401 688	33 738 301	36 025 798	38 359 896
Social Development	1 018 431	1 233 601	1 332 444	1 382 797	1 410 625	1 410 393	1 519 821	1 662 370	1 759 682
Cooperative Governance And Traditional Affairs	222 104	247 479	275 335	302 359	302 359	302 359	319 895	341 648	363 855
Human Settlements	341 232	355 623	382 000	418 510	418 511	418 511	448 432	472 830	503 564
Roads And Transport	488 559	549 027	595 813	647 972	647 972	650 822	702 514	750 285	799 053
Community Safety	356 292	396 289	418 120	494 596	480 494	459 946	526 204	559 565	595 436
Agriculture And Rural Development	330 853	382 200	399 165	436 286	442 714	442 714	479 214	514 554	547 388
Sport, Arts, Culture And Recreation	174 633	183 836	214 855	263 637	244 681	244 545	307 713	340 594	362 433
E-Government	251 813	270 891	310 087	422 434	392 837	392 837	454 148	482 442	512 141
Provincial Treasury	332 226	364 346	406 205	548 319	461 688	460 337	590 162	629 631	670 558
Infrastructure Development	574 716	708 008	838 730	914 901	914 900	930 577	1 033 479	1 105 773	1 166 591
<b>Total personnel payments and estimates</b>	<b>47 047 269</b>	<b>51 980 231</b>	<b>57 845 225</b>	<b>60 749 154</b>	<b>61 990 773</b>	<b>63 274 863</b>	<b>67 748 309</b>	<b>72 233 737</b>	<b>76 870 722</b>

The table above reflects the Gauteng provincial department's personnel budget over the seven-year period. The personnel costs increased by 22.9 per cent from R47 billion in 2014/15 to R57.8 billion in 2016/17. In 2018/19 financial year, the budget allocated amounts to R67.7 billion and over the two outer years the budget increases to R72.2 billion in 2019/20 and R76.9 billion in 2020/21 financial year.

The 2018 MTEF personnel budget is allocated to provincial departments to cater for salary related costs and the filling of critical post.

Year on year the significant portion of the compensation of employees budget is evident in Education which is allocated R33.7 billion in 2018/19. This is followed by Health at R26.7 billion, Social Development R1.5 billion as well as Infrastructure Development with R1 billion, consecutively.

In the 2018 MTEF period, Health will accelerate the process of reducing CoE, by employing various interventions. The assessment of non-core post and retirement's contracts that was approved in 2015/16 expires in 2018/19, resulting in such contracts not being renewed except for exceptional cases. A committee was established to monitor compensation of employees. The purpose of the committee is to assist in identifying gaps, leaks and abnormal appointments, with the main focus on reducing and close monitoring of compensation of employees.

Departments like Social Development, Infrastructure Development and Roads and Transport budgeted to cover the anticipated increase in the cost of living adjustments and carry-through effects over the 2018 MTEF period.



## 4.8 Payments on training

**TABLE 19: SUMMARY OF DEPARTMENTAL PAYMENTS ON TRAINING**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Office Of The Premier	1 595	2 075	2 721	3 805	3 805	3 805	1 685	2 241	2 364
Provincial Legislature	3 074	3 880	1 461	4 011	4 011	4 011	5 403	5 531	5 835
Economic Development	4 044	2 245	2 306	3 474	3 474	3 474	3 673	3 879	4 092
Health	30 633	29 689	17 901	60 240	58 921	58 921	65 347	103 482	163 661
Education	378 088	488 255	318 215	392 523	385 852	339 178	413 501	440 842	465 088
Social Development	12 287	11 937	9 861	13 846	13 019	13 019	12 054	14 400	15 194
Cooperative Governance And Traditional Affairs	11 501	3 188	3 804	3 024	3 024	3 024	3 199	3 416	3 604
Human Settlements	1 325	3 686	3 547	3 980	5 818	5 818	5 868	6 273	6 617
Roads And Transport	7 600	11 535	12 295	12 363	12 363	12 363	13 080	13 813	14 572
Community Safety	5 591	1 381	11 578	11 329	11 329	11 329	13 986	14 737	15 547
Agriculture And Rural Development	5 579	3 805	3 594	4 901	4 901	4 901	5 212	5 536	5 840
Sport,Arts,Culture And Recreation	1 719	1 840	3 605	4 157	4 157	4 157	4 517	4 908	5 177
E-Government	3 155	1 637	4 958	2 737	2 695	2 838	3 029	3 235	3 558
Provincial Treasury	3 756	4 889	8 471	5 706	4 836	9 699	5 979	6 318	6 634
Infrastructure Development	19 842	23 810	20 827	22 910	22 910	22 910	25 201	26 612	28 076
<b>Total payments on training</b>	<b>489 789</b>	<b>593 852</b>	<b>425 144</b>	<b>549 006</b>	<b>541 115</b>	<b>499 447</b>	<b>581 734</b>	<b>655 223</b>	<b>745 859</b>

The table above illustrates the summary of payments on training by provincial departments. The provincial expenditure on training increased by R105 million from R490 million in 2014/15 to R594 million in 2015/16 financial year, the expenditure then decreased in 2016/17 to R425 million due to erroneously inclusion of the budget for bursaries in Education. The allocation is significantly increased to R541 million during the 2017/18 adjustment budget process. Over the MTEF the allocation is further increased from R582 million in 2018/19 to R655 million in 2019/20 and to R746 million in 2020/21 respectively.

Health's training programme accounts for the second largest allocation. The expenditure trends reflects and upward and downward movement from R31 million in 2014/15 to R30 million in 2015/16. The allocation further increases during the adjustment budget process to R359 million. The Department will also continue to train clinical engineers and address staff shortages especially in obstetrics and gynaecology, accident and emergency, PHC, ICU and advanced midwifery. The increase of the allocation over the MTEF will cater for training of community health workers, medical and support staff, who will be appointed under the HIV and AIDS programme. The Department will partner with Wits University on training managers from Support functions, HR, Finance, Infrastructure, legal and ICT and all other corporate functions on Health Systems and NHI as preparation for the roll out.

Education accounts for the most significant allocation. An upward trend is evident between 2014/15 and 2015/16 from R378 million to R488 million respectively. This is due establishment of the Provincial Teacher Development Institutes (PTDIs) and the District Teacher Development Centres (DTDCs) as well as the implementation of the Supply of Driven and Demand Driven Programmes. The allocation is further augmented in 2017/18 during the adjustment budget process by an amount of R339 million. Over the MTEF, the allocation increases from R414 million in 2018/19 to R441 million in 2019/20 and to R465 million in the last year of the MTEF to cater for development of youth through learnerships and internships, which provide experiential learning in order to increase the number of skills development opportunities for the youth. The Department will further offer bursaries to enable the employees to obtain partial or full qualifications.

Social Development budget focuses on the continuous professional development of social services professionals as required by the professional body as well as the implementation of management development programs over the MTEF. The expenditure trend during 2014/15 and 2016/17 financial year decreased from R12 million to R10 million due to decrease in the number of internal bursaries offered by the Department, drop-out rates, bursary audits as well as the costing attached to study fees. Over the MTEF, the allocation is increased from R12 million in 2018/19 to R14 million in 2019/20 and R15 million in 2020/21 to cater for the demand within the Department and sector through the supply of social work graduates in offering bursary and scholarship schemes on an annual basis.

Cooperative Governance and Traditional Affairs budget is inclusive of the budget of annual workplace skills plan that is informed by staff members' performance plans annually, and also awards bursaries to qualifying employees. This is due to the demand for skilled employees in the Department and to ensure that there is continuity in developing employees on the latest trends. The high expenditure of R11.5 million for training in 2014/15 was informed by training of CDW's and ward Counsellors. CDW's support government programmes through advocacy initiatives and participatory processes, in particular

with the IDP process, ward committees and izimbizo. The expenditure trend decreased from R11.5 million in 2014/15 to R3 million in 2017/18. Over the MTEF the allocation stabilises to R3 million.

Roads and Transport follow an upward trend from R8 million in 2014/15 to R12 million in 2016/17 due to an increase in the number of bursaries. The Department conducted bursary audits which informs the increase as well as the costing attached to study fees. In addition, the Department grants internal departmental bursaries based on the number of applications received per annum and the costs attached to them. The increase in allocation is also evident over the MTEF, from R13 million in 2018/19 to R15 million in 2020/21 in order to cater for the internship programme to youth graduates country wide, in line with government's drive to achieve the aspirations of a developmental state.

Community Safety illustrates an increasing trend from R6 million to R16 million during the seven year period. This significant increase over the MTEF is due to the development of Workplace Skills Plan (WSP) annually which is informed by the performance development plans of the staff members. The WSP ensures a constant supply of skilled employees and that employees are continuously developed in the latest trends in their particular functions. The training offered in the Department varies from skills programmes and short courses to bursaries. The training is extended to unemployed graduates in a form of internship programmes.

Infrastructure Development training programme focuses on the annual Workplace Skills Plan to enable employees to efficiently perform their duties and improve the performance of the Department. The increase in the budget allocation over the MTEF from R25 million in 2018/19 to R28 million in 2020/21 is for the provision of new recruits, competency assessments for all project managers and technical staff to improve the competency levels of the core business employees. Project management and Infrastructure delivery management system (IDMS) training as well as systems, contract management and construction procurement training.



# **ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE**



# VOTE 1

## OFFICE OF THE PREMIER

To be appropriated by vote in 2018/19	R 702 694 000
Responsible Executing Authority	Premier of the Gauteng Provincial Government
Administering Department	Office of the Premier
Accounting Officer	Director-General

### 1. OVERVIEW

#### Vision

Leadership for an integrated city-region, characterised by social cohesion and economic inclusion; the leading economy on the continent, underpinned by sustainable socio-economic development.

#### Mission

In achieving its vision, the Office of the Premier (OoP) defines its mission (aim) as follows:

- Providing strategic leadership and direction to government and society;
- Ensuring the transformation and modernisation of the public service;
- Improving government performance and service delivery through enhanced planning, coordination, monitoring and evaluation of government performance;
- Driving effective communication and stakeholder interfaces with communities and key sectors of society;
- Providing strategic and operational support in fulfilling constitutional and legal obligations;
- Actively advancing gender equality, women's empowerment, youth development and the rights of people with disabilities, older persons and military veterans; and
- Securing domestic and foreign partnerships that support the development agenda.

#### Strategic goals

The strategic goals of the OoP to 2020 are as follows:

- Driving greater policy and planning coherence in government and achieving service delivery outcomes;
- Building a transformed Gauteng public service with the capacity to drive change and modernisation
- Promoting and facilitating effective communication between government and the people of Gauteng
- Forging strategic partnerships that advance the national and provincial development agenda
- Advancing gender equality, women's empowerment, youth development and the rights of people with disabilities, older persons and military veterans and promoting socio-economic inclusion.

During planning period between the 2018/19 and 2019/20 financial years, the Strategic Plan for the five-year period 2015-2020 will be revised. There will be no changes to the legislative mandate or any significant changes in the operational environment of the OoP. The two programmes that will be added are Tshepo 1 Million and the Delivery Support Unit. The adoption of the Deliverology concept will significantly transform the manner in which Gauteng Province manages, implement, monitor and report on Priority (Apex) Projects. As the programme to transform, modernise and reindustrialise the Gauteng City Region (GCR) gathers implementation and execution momentum, the focus for the 2018/19 Annual Performance Plan (APP) shifts to implementation and alignment.

The strategic posture for the province is resolute, through the vision of building Gauteng into a seamlessly integrated, economically inclusive, socially cohesive and globally competitive City Region; a leading economy on the African continent with smart, innovation-driven, knowledge-based and ecologically sustainable industries of the future; an activist, accountable, responsive and clean government; and an active citizenry.

Informed by adjustments to the Sub-Programme structure, revisions to certain of the Strategic Objectives have been made. While still aligned to the relevant (5) Strategic Goals listed above, the Strategic Objective numbering convention has been

adjusted to better align with the revised Sub-Programme structure. Certain Strategic Objectives have been shifted between Programmes and Sub-Programme in the APP to ensure alignment.

## **Core functions and responsibilities**

### **Overall leadership of government and society**

As the apex institution of the Gauteng Provincial Government (GPG), the OoP provides overall leadership to government and society. Particular emphasis is placed on research, strategic analysis and policy development. The OoP intervenes in key sectors to unlock growth and employment potential and revitalise township economies with the aim of radically transforming the overall economy. It also targets the transformation of society by improving education, modernising health institutions, upgrading the quality of health care and tackling urban poverty and social development challenges. It is also responsible for innovation in public transport as a means of effecting spatial transformation and for building new, sustainable and integrated human settlement and cities.

### **Transformation and modernisation of the public service**

The responsibilities of the OoP with regard to transforming and modernising the public sector involve building developmental state capabilities through better organisation and professionalization, particularly in financial management, budgeting and supply chain management. These responsibilities include stimulating activist, purpose driven and results-based government, and promoting an active citizenry through sectoral engagement and community mobilisation. The OoP fulfils an inclusive transversal role that is significant for the realisation of strategic and political objectives, including providing transversal human resources capacity, cabinet secretariat services, legal and legislative drafting services, communication services, service delivery improvement and change management and security, threat and risk management services for government buildings and management of the residences of political office bearers.

### **Planning, monitoring and evaluation (coordination and integration)**

The core function of the OoP is to improve government performance and service delivery. This will be achieved through enhanced planning, coordination, monitoring and evaluation of government performance. The results of survey showed the huge migration to Gauteng province that requires centralised and spatial planning capability, performance monitoring and evaluation (PME) and strategic planning and agenda setting to ensure that the needs of citizens are adequately addressed.

### **Delivery Support Unit**

Gauteng Premier, in his State of the Province Address of 2016, pronounced the decision to adopt the concept of “Deliverology” for the GPG as part of the measures to accelerate and improve service delivery in the current term of office. In particular, it will enable significant improvement in the manner in which the Apex Priority are managed, implemented, monitored and reported on. Priority Projects are defined as bold, focused priority interventions, designed to unlock visible, innovative solutions to intractable problems and new opportunities. Deliverology’s point of departure is that governments often spend the majority of time on creating policies as the key way to deliver change. While policies are critical to lay the pathway to change, it is often the case that implementation of these policies are merely an afterthought. Thus successful delivery and change is substantially about implementation.

At the Executive Council Lekgotla on 19-20 September 2016, Gauteng pronounced that the following areas should be defined as the Apex priorities for Gauteng: Education; Economic Development; Community Safety; Human Settlements; Health; and Public Transport. Furthermore, Premier directed that the work of the eight other departments in the province should use the same methodology to define and track their priorities.

The Delivery Support Unit (DSU) was established within the Gauteng Planning Division (GPD) in the OoP headed also by GPD head. The deliverology methodology comprises two distinct phases, namely planning and implementation. In terms of the planning phase, departments are required to develop their goal statement and strategies that will enable it to achieve the goal, for the remaining period until the end of the political term in 2019.

The Delivery concept is based on the Ten-Pillar Programme of Transformation, Modernisation and Reindustrialisation (TMR) of the GCR. The DSU has continued its ongoing engagements with departments on planning, monitoring and implementation support of the provincial priorities. In this regard, delivery goals, strategies and targets to be achieved by 2019 were finalised during stocktakes with the Premier for 14 departments. These documents were then transcribed into Delivery Agreements and submitted to EXCO for approval. The Premier has signed Delivery Agreements with all six Apex Priority Departments as well as the eight Secondary Priority Departments. Substantial work has taken place on both Apex Priority departments and Secondary Priority departments on the “Delivery” process. The Delivery Agreements also include cross-cutting commitments that MECs need to deliver on.

### **Communication and stakeholder interface for sectors of society**

The OoP ensures effective communication and stakeholder interfaces with communities and key sectors of society by building public confidence in government through:

- Sustained awareness of government progress and good work and programmes to address challenges;
- Improved responsiveness;

- Sustained engagement with stakeholders; and
- A programme of public participation linked to building public confidence in government and improved access to information.

### **Support for the Premier and Executive Council**

The OoP provides strategic and administrative support to the Premier and Cabinet in fulfilling their mandate, constitutional and legal obligations and in realising the policy priorities and political imperatives of the fifth administration. The OoP will ensure the development of the legislative agenda for the province and provide strategic support and advice to the Premier and Executive Council (EXCO). The Cabinet Secretariat will provide support to the EXCO and Clusters to ensure optimal integration and coordinated policy development, policy implementation and action. The OoP will ensure effective and efficient implementation of the 2015-20 Medium Term Strategic Framework (MTSF) mandate.

### **Inter-governmental relations**

Building sustainable intergovernmental relations between the three spheres of government, across the province and among provinces is key to ensuring achievement of common goals in the spirit of the GCR. Securing partnerships that support the national and provincial development agenda, and ensuring proper coordination and partnership on joint programmes, will contribute to maintaining good inter-governmental relations.

### **Mainstreaming issues of gender, youth, people with disabilities, elderly persons and military veterans**

The OoP promotes socio-economic inclusion and actively advances gender equality, women's empowerment, youth development and the rights of people with disabilities, of older persons and of military veterans. It also coordinates and drives the development and implementation of the gender, youth, disability, military veterans and older persons (GEYODI&MVO) policy framework and the annual programme of action. Lastly, it facilitates capacity building and the institutionalisation of GEYODI & MVO rights.

The Tshepo 500 000 Programme is a comprehensive youth empowerment initiative launched in 2014, but with a restructured operational design being phased in from January 2017 onwards. The Project was re-launched on 15 June 2017 and is now called Gauteng Tshepo 1 Million. The re-launched Tshepo 1 Million seeks to grab the opportunity presented of over 2.7 million young people in the Gauteng province that are not in school or active in any form, that is either involved in skills development or training. The programme uses a comprehensive clearing house system to channel youth with a range of different skill levels and profiles into four types of opportunities, grouped under 4 pillars, defined as follows; a) Demand-led learning: the focus of this pillar is training and skills development linked to verifiable market demand; b) Transition placement: the focus of this pillar is paid work done on a temporary basis aimed at developing work experience and/or sector specific skills; c) Decent jobs: the focus of this pillar is paid work on contract at or above sectoral minimum rates for full time work in the sector in question, preferably permanent; and d) SMME/ entrepreneurship: the focus of this pillar is the facilitation of young entrepreneurs establishing and operating new enterprises/franchises.

These 4 pillars, under the new operational design, are treated not as isolated interventions, but as components in an ecosystem, in the sense that Pillar 1 serves to enable pools of candidates that can take up opportunities under Pillars 3 and 4.

### **Service delivery interventions**

The OoP facilitates a responsive, efficient, effective development orientated Gauteng public service through service delivery improvements. It aims to create service delivery intervention that is able to respond quickly to concerns or failures. Through the Cabinet Secretariat, the OoP will ensure that the Premier and the members of the EXCO are at the forefront of service delivery which will be the hallmark of the fifth administration. The rollout of the Premier's Ntirhisano outreach programme will continue in the 2018/19 financial year. As part of the rollout of the Service Delivery War Room (SDWR), a Central Command Centre has been established and human resources have been deployed. Central information Centre analysts and the Rapid Response Team are currently using manual processes as engagements with GCR departments. The dashboard and reporting systems are in the finalisation process. The aim of the Central information Centre is to enhance government responsiveness to citizen complaints and queries.

### **Main services**

The main services of the OoP are:

- Provision of leadership to the entire government and society;
- Overseeing the effective functioning of the entire provincial administration and fast-tracking delivery of the policy priorities of this term of office, and implementing the National Development Plan (NDP) Vision 2030;
- Long term planning, policy coordination, monitoring and evaluation of government performance on priorities;
- Communication and interface with communities and key sectors of society;
- Provision of strategic and administrative support to the Premier and Cabinet in fulfilling their mandate, constitutional and legal obligations and realizing the policy priorities and political imperatives of the fifth administration; and
- Mainstreaming gender, youth, disability and elderly people's government programmes.

### **Programme of Transformation, Modernisation and Reindustrialisation**

The vision of the fifth administration - “an integrated city-region, characterised by social cohesion and economic inclusion; the leading economy on the continent, underpinned by sustainable socio-economic development” - caused a review of the role and strategic direction of the OoP. The OoP plays a leading role in Gauteng’s service delivery, which is now driven by Ten-Pillar transformation, modernisation and reindustrialisation (TMR) programme pronounced in 2014. The TMR programme aims to transform, modernise and re-industrialise the province through focusing on the basics of service delivery: good governance, building integrated human settlements, unlocking key sectors of growth, promoting innovation and providing opportunities for employment and development.

### **National Development Plan**

The National Development Plan (NDP) Vision 2030, which was adopted by the National Executive in 2012, is the visionary blueprint of government and society (including business, labour, faith-based organisations, youth, women, elderly and the disabled). It is a collaborative partnership aimed at reducing poverty and unemployment and building an inclusive, national democratic society by 2030. Giving effect to this long range plan is a series of MTSFs. That of 2015–2020 was the first of three such Frameworks and identifies the critical actions to be prioritised in the first five years of the NDP Vision 2030.

### **External activities and events relevant to budget decisions**

External activities in the OoP relate to engagement with governmental and non- governmental institutions, including the private sector, to realise the outcomes outlined above. Based on the decisions of EXCO Makgotla that relate to the outcomes, budgets reflect the channelling of funding to the identified priority areas.

### **Acts, rules and regulations**

- Intergovernmental Relations Framework Act, 2005 (Act No. 13 of 2005);
- Broad-Based Black Economic Empowerment Act, 2003;
- National Youth Policy Development Framework, 2002-2008;
- Public Service Regulations, 2001 as amended;
- Preferential Procurement Policy Framework, 2000;
- Promotion of Access to Information Act, 2000;
- Promotion of Administrative Justice Act, 2000;
- Promotion of Equality and Prevention of Unfair Discrimination Act, 2000;
- South African National Policy Framework for Women Empowerment and Gender Equality, December 2000;
- Public Finance Management Act, 1999;
- Employment Equity Act, 1998;
- Skills Development Act, 1998;
- Basic Conditions of Employment Act, 1997;
- National Programme of Action for Children Framework (NPA), launched in 1996;
- Labour Relations Act, 1995 as amended;
- South African Qualifications Authority Act, 1995;
- Public Service Act, 1994 as amended;
- Occupational Health and Safety Act, 1993;
- National Development Strategy;
- White Paper on the National Youth Service Programme; and
- White Paper on Transforming Public Service Delivery (Batho Pele White Paper).

### **Provincial legislation**

The OoP derives its mandate primarily from the Constitution, the Public Service Act (PSA) and its regulations, the Public Finance Management Act (PFMA), policy directives and the overall mandate of government. The most important provisions are that:

- The Premier has executive, policy, legislative, intergovernmental and ceremonial functions and responsibilities as defined in Chapter 6 of the Constitution of the Republic of South Africa
- The Premier, as the political head of the Provincial Government, is responsible for the implementation of Chapter 3 of the Constitution. Section 41(1) defines the relationship and principles underlying co-operation between the various spheres of government.
- In terms of Section 125(2) of the Constitution the Premier exercises the executive authority of the province together with other members of the EXCO. The Premier appoints these members and assigns their functions and responsibilities and delegate powers to them.
- The Premier, with the EXCO, exercises Executive power by:
  - Implementing provincial legislation;
  - Implementing all applicable national legislation;
  - Developing and implementing provincial policy;

- Coordinating the functions of the provincial administration and its departments;
- Performing any other function assigned to the Provincial Executive in terms of the Constitution or an Act of Parliament; and
- Implementing new national policies introduced by the Department of Performance Monitoring and Evaluation in the Presidency which relate to the outcomes-based approach to improving the performance of government, frontline service delivery monitoring, the introduction of a management performance assessment tool and a national evaluation policy framework.

### **Good governance legislation**

Good governance in the OoP is ensured, inter alia, by guidance from and compliance with a number of policies and with the legislative framework governing the functioning of the OoP and the Premier as the head of the provincial government. A cooperative governance and stakeholder engagement framework forms the basis of interaction with a range of stakeholders including the citizens of Gauteng.

The governance framework is built as a tool to ensure a strong governance environment and as a mechanism to strengthen accountability. The OoP has established structures and/or mechanisms to ensure accountability and participative governance.

## **2. REVIEW OF THE CURRENT FINANCIAL YEAR (2017/18)**

The Annual Performance Plan (APP) for 2017/18 financial year and the Medium Term Expenditure Framework (MTEF) took into consideration the solid foundations of the first three years of the fifth administration with service delivery continuing to be the distinguishing feature of the provincial government.

The APP for 2017/18 was prepared taking into consideration the poor global economic environment and its impact on the South African economy. OoP is aware that the economic situation has been insulated from the global financial crisis because of the austerity measures the government put in place, the fiscal discipline and application of good corporate governance measures.

The implementation of the Outcomes Based Approach formed the basis of the targets and indicators agreed to in the 2017/18 APP. In our pursuit of radical economic transformation in South Africa, the government is bound to significantly modernise and transform the manner in which government conducts its business to achieve a better life for all South Africans and in particular for the Gauteng City Region. It is against this background that the OoP convened its strategic planning session with the Executive Management Team on 20 June 2016 and its Broad Management Team on 11 July 2016 to amongst others, review the strategic posture and ensure the alignment of our plans in line with the directives of the fifth administration.

In the 2017/18 financial year, OoP is further strengthening planning, monitoring and evaluation across the provincial government, ensuring the integrity and accountability of public institutions and improve the OoP's systems of communication by increasing investment in external communication with an intention of enhancing the exchange of information between government and the residents of Gauteng. The Ntirhisano Outreach Programme led by the Premier continues to address a myriad of service delivery complaints in communities. The Deliverology Project continues to serve as monitoring and tracking instrument of key government service delivery programmes and deliverables emanating from the State of the Province Address, Resolutions from the Executive Council Lekgotla, Premier's Political Report and Commitments from the Ntirhisano Outreach programme.

Building on the foundations of the prior years, the Office of the Premier continues to fulfil its role as the political management nerve centre and apex of the provincial government by responding positively to the demands placed on the Office of the Premier by the Executive Council, national government and civil society.

The OoP has made significant strides in addressing the challenges referred to in the economic and social overview above. There is evidence of improvements in access to basic services such as water, sanitation, electricity, refuse removal, public health care, education, housing, transport and social amenities. However, government recognises that many challenges still remain and that radical socio-economic transformation is required to further address poverty, unemployment and inequality. Therefore, government initiatives cannot continue to operate in a manner that is indicative of Business as Usual.

While the performance environment has not fundamentally shifted since the beginning of the current term of office in 2014, a number of contextual factors need to be taken into account in planning for the 2017/18 financial year. South Africa's weak economic outlook places further constraints on government spending and points to the need to pay further attention to improving the impact of expenditure on government programmes. In addition to continued increases in Gauteng's population, low economic growth prospects tend to further increase the social pressures, particularly on disadvantaged individuals, households and communities and increase demand for access to quality public services. Further, heightened levels of political contestation are evident, particularly in the context of the local government election in August 2016.



### **Ten-pillar programme of transformation, modernisation and re-industrialisation**

The revised Strategic Plan for 2015-2020 reaffirms the ten-pillar programme of TMR as the blueprint for ensuring rapid economic and social transformation for the Gauteng Province. The TMR programme is informed by the NDP, 2030, the MTSF, 2014-2019 and the electoral mandate of the fifth administration. The overriding vision of building a sustainable and inclusive globally competitive Gauteng City Region (GCR) remains firmly on track.

As the TMR programme to transform, modernise and reindustrialise the Gauteng City Region gathers implementation and execution momentum, the focus for the 2017/18 Annual Performance Plan (APP) shifts to implementation and alignment.

The OoP contributes to the TMR pillars and is specifically accountable for the Pillars relating to decisive spatial transformation, transformation of state and governance and modernisation of the public service. It also ensures that the ten pillars are integrated into the plans of all Gauteng provincial departments and that their implementation is monitored, evaluated and reported on.

To transform the state and governance, the OoP focuses on state capacity, reduction of fraud and corruption and activist, responsive, participatory governance. A key deliverable in 2017/18 is to transform and modernise the OoP to deliver as required by the TMR programme. By the financial year-end, the SDWR will have been institutionalised as a central location from which service delivery interventions are coordinated across the province and all spheres of government.

The OoP contributes to the modernisation of the public service through automated systems. A key deliverable is to provide oversight and technical support in implementing provincial projects that will boost the OoP's integrated planning function.

November 2016 marked the mid-term of the current five-year term of office. The purpose of this Mid-term Review of GPG performance from 2014 to 2016 is to critically review and reflect on the evidence regarding the progress made to date as well as the challenges in implementing the TMR Programme and in building a province in which every resident lives in dignity and has a decent quality of life. The review further provides the basis for prioritisation as well as policy and programme adjustments to achieve better results for citizens going forward to the end of term in 2019.

In delivering in terms of its roles and functions, as the apex institution of the GPG, the OoP relies on a number of strategic thrusts that drive service delivery. These thrusts were determined through a process of strategic conversations and engagements amongst the political and administrative structures within OoP. The focus of each thrust is summarised below:

#### **Active monitoring, evaluation and rapid response capability and mechanisms for service delivery intervention.**

Performance monitoring and evaluation as the key driver in implementing the Ten-Pillar Programme of the Gauteng Government has been increasingly geared towards the coordination, management and monitoring of the Delivery Agreements as the primary instrument and mechanism for integrated planning and enhancing service delivery; the provision of early warning notifications of service delivery failures. This includes effective Frontline Service Delivery Monitoring (FSDM), as well as close monitoring of departments and municipalities; MPAT reporting and the timeous reporting of areas of below par performance pertaining to the performance objectives and indicators of the GPG and conducting performance and service delivery quality evaluations and reporting in order to facilitate a rapid response of corrective actions.

To enhance GCR-wide planning and policy coherence, an important project was initiated by the Extended EXCO Lekgotla to align provincial and municipal planning and monitoring instruments with the Sustainable Development Goals (SDG), the African Union Agenda 2063, the National Development Plan (NDP) and the TMR programme. The process resulted in the development of a GCR indicator framework, which is to be taken into account in the short, medium and long-term plans of provincial government departments and municipalities in Gauteng.

Progress has been made in relation to six planned evaluations. A formative evaluation of the Tshepo 500 000 (now 1 Million) programme and the PME Diagnostics Evaluation were completed. The TMR Evaluation Inception Report and the Gauteng Anti-Substance Abuse Strategy Evaluation Inception Report were also completed in the period under review. Terms of Reference were researched and completed and Evaluation Steering Committees were established for a further three evaluations, on the Gauteng Broadband Network, the Twenty Prioritised Townships Programme and the Gauteng SMME Strategy, to be finalised in 2017/18.

A variety of projects have been initiated to contribute to the modernisation of performance monitoring and evaluation systems and capacity. Key among these are the PME Diagnostic and the PME system automation projects. The Diagnostic seeks to provide an objective assessment of the Provincial Government's capabilities regarding strategic planning and monitoring and evaluations policies and systems. The findings and recommendations of the study will provide the basis for the development of a new PME Policy Framework for Gauteng. The PME automation project to develop an automated system and dashboard for PME systems was handed over to the Department of e-Government in 2017/18.

The implementation of the Management Performance Assessment Tool (MPAT) 1.6 went smoothly with all of Gauteng's fourteen departments submitting, within the agreed timeframes, departmental self-assessments as agreed in departmental management meetings, together with the relevant evidence. The results for MPAT 1.6 were released by DPME in March 2017. The Office of the Premier is the highest performing department in the GPG with 86 percent achievement for MPAT 1.6. MPAT

1.6 results showed great improvement in GPG's overall results. Peer review workshops and improvement workshops were held to share good practices and identify interventions to correct poor performance. MPAT 1.6 Improvement plans on all KPA's were developed. The implementation of MPAT 1.7 went smoothly with all Gauteng's 14 Departments submitting within the agreed timeframes their departmental self-assessments as agreed in Departmental senior management meetings, together with the relevant evidence. The preliminary results for MPAT 1.7 will be released by DPME at the end of February 2018 for the Challenge Period.

Linked to the TMR priority of building a more activist and responsive government, in 2016/17 the FSDM programme was repositioned to ensure greater alignment with the Ntirhisano Outreach Programme. This served to help drive improvements and resolve problems in public facilities as identified by local residents as part of the Ntirhisano programme. A total of 245 key community-wide service delivery concerns are being tracked for progress.

### **Service delivery interventions**

The Ntirhisano Service Delivery Rapid Response System is a key area of work for this cluster to ensure quicker response times to service delivery issues and strengthening of IGR governance.

The OoP is a central location for coordinating the intervention across the province and across all spheres of government. The intention being to intervene on a particular service delivery matter for a finite period until sufficient progress has been made to place the matter back to the relevant government department or public entity. The necessary capability and capacity around early warning systems and rapid response has been developed and the SDWR is operational. To date, 5 Metro/ District War Room structures are functional; 25 Regional/ Local War Room structures and 465 Ward Level War Room structures are fully functional.

The SDWR plays a significant role in enabling a more proactive and interventionist government, and requires that data be collated from various sources, processed and acted on towards monitoring service delivery across the province. Service delivery intelligence is available through multiple sources such as Community Workers, Ward Programmes, and the Provincial Hotline etc. Ntirhisano tracking and monitoring system has been introduced as part of the Ntirhisano Outreach Programme and regular reports are developed and tabled in the EXCO system. Commitments are tracked to a point of resolution, and key issues emanating from the visits are integrated within planning and budgeting processes.

The predominant call drivers reported through the Hotline were accounts payable, supplier's payment, RDP housing, electricity and vendor management. The Ntirhisano Outreach Programmes to communities in the GCR continues to provide platforms of citizen to government on important service delivery issues. This is evidenced by a total number of 1 065 Ntirhisano service calls logged, with 620 of these cases resolved. This equates to a 58 percent resolution rate for the Ntirhisano Outreach Programmes individual community commitments by government.

### **Proactive and targeted communication of government priorities and the programme of action**

Communication services in the Province have been transformed and modernised to enable the effective communication of the rollout of the Gauteng Government priorities. The focus moved from reactive to proactive communication and in addition to traditional communication and media platforms, social media channels of communication and direct engagement with communities took higher prominence.

Key considerations of the GCR Communications Strategy are a radical shift away from personality linked branding and marketing, towards institutional branding and positioning of Gauteng as a province and as a government, a multi-pronged approach to communicating the ten-pillar programme of the Gauteng government, with regular and proactive updates. This includes integrated planning and coordination, monthly and quarterly communications forums, improving communications capacity across all spheres of the Gauteng Government, community engagements and the effective handling of legislature questions and responses. The five pillars of the communications framework are; stakeholder relations; media relations; brand activation; and reputation management.

As part of SOPA 2017, a live broadcast of SOPA was facilitated, with more than fifteen media houses taking the feed of the Premier's Address live in various languages. It is estimated that more than 10 million listeners and viewers were reached. The Office of the Premier rolled out an outdoor campaign to further promote the importance of a collaborative programme to improve service delivery and develop communities.

### **Transformation and modernisation of the state**

Under the overarching theme of radical transformation and modernisation of the Public Service, the branches of the OoP have been restructured to ensure full alignment to the ten-pillar programme.

Due to the ever-increasing complexity and changes of the GCR and the process leading to the development of the OoP Strategic Plan in 2014, and the need to give effect to the ten-pillar strategic programme of transformation, modernisation and reindustrialisation, the Office of the Premier recognised the need to review the 2012 structure and functions in relation to the three approved budget programmes to best support its new posture and to fully deliver on its mandate. The triggers for change included, amongst others, the establishment of a Service Delivery War Room, the introduction of a number of apex projects and the migration of staff from the Gauteng Department of Economic Department and the former Gauteng

Department of Finance. The Premier approved the organisational structure in 2016, and the DPSA approved the structure during 2017/18 financial year.

The implementation and operationalisation of the Promotion of Access to Information Act (PAIA) and Promotion of the Administrative Justice Act (PAJA) was seen as accountable citizenship. Awareness sessions to increase the implementation of PAIA and PAJA with particular emphasis on the request for information and the increase of section 32 reports were finalised. The improvement of systems and processes necessitated the review of the Supply Chain Management (SCM) framework to place emphasis on business opportunities for youth, women and people with disabilities. The revised framework was approved and controls for demand management and acquisition management were tightened without compromising delivery of services. A Business Continuity Plan (BCP) has been developed and is being implemented.

In modernising the public service, the province continued to invest in the ICT infrastructure through the Gauteng Broadband Network (GBN) which provides connectivity that enables broadband access to government buildings and that connects Thusong centres, twenty priority townships, urban renewal and key economic zones to e-government services.

The Gauteng Anti-Corruption Strategic Framework is being implemented to fight corruption and promote ethical behaviour and integrity in the public service, and OoP continues to monitor and respond to cases referred from the National Anti-Corruption Hotline. The Integrity Management Office has been established and key staff members within the Integrity Management Office have been appointed. The primary purpose of the Office is to review the integrity management framework and work towards a corruption free government and improved disclosure framework, to eliminate the practice of public servants doing business with government. The proposed Integrity Promotion and Anti-Corruption Advisory Committee is being constituted to provide oversight of integrity management. As at end of March 2017, 1 801 of 2 064 NACH cases received were resolved. The rate of resolution is at 87 percent. The OoP, in collaboration with the GCRA, conducted ethics training.

The goal of the OoP is to ensure that all departments in the province receive unqualified audit reports. This vision is also supported by the Auditor General, who continues to make technical teams available to assist departments to achieve clean audit reports. The OoP has set the benchmark for all government departments with a clean audit reports and unqualified audit reports. A shift to an APP, which is more outcome-driven and therefore in greater alignment with the TMR priorities of the province, the PoA, as well as the pronouncements by the Premier in SOPA was developed, adopted and implemented in the period under review.

Arrays of new programmes have been implemented to assist targeted groups to access socio-economic opportunities, including military veterans through business skills development training. Workshops focused on equipping older persons with information regarding physiological and psychological changes that occur due to ageing were held in the year under review.

Tshepo 500 000 (now 1 Million) has been reconceptualised with a new PMO established and capacitated to continue the work started by DID. The PMO will finalise a review of proposed partnerships for consideration by the steering committee and EXCO; finalise the review of flagship programmes with the departments and conceptualisation of new flagship programmes; the conceptualisation of programmes to be implemented in partnership with the municipalities in line with the approved GPG economic development strategy; translation of engagements with priority sectors into detailed action plans for growing opportunities; and finalisation and sign off of action plans for growing BPO opportunities and digital jobs.

The EXCO approved the GCR International Relations Strategy, which, amongst others, positions Gauteng as a Gateway to Africa as well as Africa's financial and services hub. The GCR International Relations Strategy proposes strategic trade and investment relations with SADC and other African and Global regions.

### **Integrated planning and coordination**

The province has adopted the GCR Spatial Development Framework 2030. This Framework promotes a balance of various interests that recognises people, the environment, socio-economic dynamics and space. It outlines a need to change the apartheid spatial economy and settlement patterns in order to integrate economic opportunities, transport linkages and housing opportunities as key elements of radical economic and decisive spatial transformation. This vision will decisively transform the apartheid spatial pattern in the City Region and ensure social cohesion, shared growth and a better quality of life.

In summary, the spatial vision of the GCR is to: build Gauteng for all through equitable, responsible and efficient development. The spatial vision focuses on a new paradigm for spatial planning in the GCR. The Framework will enable us to build a more integrated and sustainable human settlements and communities that are inclusive and diverse, moving away from settlements characterised by socio-economic separation and physical fragmentation, imposing a high cost on households and the economy. In addition, steps have been taken to implement Spatial and Land Use Management Act (SPLUMA) in the city region. The Executive Council and Premier Coordinating Forum have adopted the GCR Implementation Plan for SPLUMA. This implementation plan will advance spatial configuration and land use in Gauteng, through better and coordinated land use management and spatial development. There is a commitment that all role players in the development space of the city region ensure that a new built environment and inclusive spatial landscape emerges across the GCR.



The Apex Priority Programme Office in the Gauteng Planning Division provides oversight and management of catalytic projects which are designed to change the face of Gauteng. The Aerotropolis is a key apex priority programme which is included in this cluster. The Aerotropolis project includes twenty-nine (29) industrial initiatives to revitalise manufacturing, aviation, transport and logistics industries linked to the OR Tambo International Airport. Through investment in all commercial functions surrounding the airport, ORTIA will be transformed from being a city airport to an airport city. Using this space more strategically, offering businesses located near or with good access to the airport with speed connectivity to suppliers, customers and partners nationally and worldwide, will provide a strategic approach to advancing both municipal and provincial prosperity. Other examples of apex priority projects which are work in progress include; Township Economy Revitalisation; Gauteng E-Government; Gautrain extensions and expansion; Corridors of Freedom; West Capital Development; African Gateway Development; Lanseria / Lion Park development; Vaal River City development; Savannah City development; Sedibeng Regional Sanitation Scheme and Zuurbekom Regional Sanitation Scheme.

As part of the implementation of the GCR IIMP, the Gauteng Planning Division has worked with the Gauteng Department of Infrastructure Development (DID) and Gauteng Infrastructure Funding Agency, towards the realisation of the Kopanong Precinct. Kopanong Precinct is one of the priority projects of the GCR IIMP. The Feasibility Study, led by GDID, has been completed and with careful planning, the government-led precinct can potentially support the objectives of TMR in the Central Corridor and serve to stimulate private sector investment in the Johannesburg Central Business District.

Work has already begun with GDID on developing an approach towards an improvement of provincial infrastructure coordination, in line with the February 2017 EXCO Lekgotla resolutions. The outcomes of this exercise will be tabled at the inaugural meeting of the EXCO Political Committee on infrastructure.

#### **Delivery Support Unit**

A Delivery Support Unit (DSU) was established in the OoP in order to drive and facilitate the implementation of identified provincial priorities in line with the EXCO-approved Deliverology Approach. A preparatory session took place on 13 July with the Head of the GPD and the Deliverology team. The Draft OoP Goal, strategies, impact, baseline and risks were developed. A workshop proposal for OoP to finalise Deliverology plan was held on 18 July 2017 with the Premier, Extended Management Team members as well as all Deliverology stakeholders. The session concentrated on the development of the Goal statement and measurement, as well as the alignment on strategies. Additional sessions were held 03 and 06 October 2017 to finalise the OoP Deliverology Plan. For 2017-19 OoP stakeholders will report on a weekly basis to the OoP Strategy and Operational support team. The OoP Strategy and Operational support team will report weekly to the Delivery Support team.

### **3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2018/19)**

The NDP Vision 2030 remains the blueprint of government and informs the strategic direction of the GPG. It requires a collaborative partnership to poverty and unemployment, and build a national democratic society that is socially inclusive by 2030. Giving effect to this long-range plan is a series of Medium-Term Strategic Frameworks (MTSFs). That of 2015-2020 is the first of three such Frameworks and identifies the critical actions to be prioritised in the first five years of the NDP Vision 2030.

The 2018 MTEF budget is aligned to focus on priority areas to ensure that available resources are spent on strategic priorities.

The OoP is responsible for the coordination of all fourteen national outcomes and the NDP, but is primarily responsible for the implementation of Outcomes 11, 12 and 14 of the NDP and the MTSF.

The revised Strategic Plan for 2015-2020 reaffirms the ten-pillar programme of TMR as the blueprint for ensuring rapid economic and social transformation for the province. The TMR programme is informed by the NDP 2030, the MTSF, and 2014-2019 electoral mandate of the fifth administration. The overriding vision of building a sustainable and inclusive globally competitive GCR remains firmly on track. OoP will continue to provide political and strategic leadership over the GCR and to the Premier and the EXCO, with enhanced service delivery continuing to be the distinguishing feature of the provincial government.

Building on the foundations of the prior years, the OoP will continue to fulfil its role as the political management nerve centre and apex of the provincial government by responding positively to the demands placed on the OoP by the EXCO, national government and civil society.

In the 2018/19 financial year, we will further strengthen monitoring and evaluation across the provincial government, towards ensuring the integrity and accountability of public institutions and improve our systems of communication by increasing investment in external communication with an intention of enhancing the exchange of information between government and the residents of Gauteng. The Ntirhisano Outreach Programme, led by the Premier, will continue to address a myriad of service delivery complaints in communities.

The OoP will continue to support and mainstream the targeted groups, such as Gender, Youth, People with Disability and Older Persons and Military Veterans. A PoA dealing with Military Veterans will be implemented in collaboration with other

provincial departments. In addition, the Gauteng Tshepo 500 000 has been reconceptualised and expanded to Tshepo 1 Million. It is a bold initiative and intervention, intended to give hope and enable the unemployed youth, women, people with disabilities and children born of military veterans to participate in the mainstream of Gauteng economy through training and skills development, sustainable jobs and entrepreneurship development opportunities.

In the 2018/19 planning period, the tenets and methodology of “Deliverology”, as pronounced by Gauteng Premier in the State of the Province Address in 2017, will continue to be implemented as part of the measures to accelerate and improve service delivery in the current term of office. In particular, “Deliverology” will enable significant improvement in the manner in which the Apex Priorities are managed, implemented, monitored and reported on.

The implementation of the new approach to international engagements abroad and in Africa will be accelerated in the coming year in an effort to ensure that GPG is taking the lead in Africa’s industrial revolution.

A summary of the key deliverables is outlined below.

### **Executive Council System**

The business of the Executive Council is reinforced by a Cluster approach to its response to the TMR. This means that matters affecting Social Transformation; Economic Development and Governance and Planning programmes are deliberated on first within the relevant Social; Economic or Governance and Planning Executive Council Clusters before being concluded on by a full meeting of the Executive Council. The same approach is supported throughout the Gauteng Provincial Government’s interaction with both local and national spheres of government.

The three EXCO Clusters, aligned to the ten-pillar programme are the Economic, Social and Governance and Planning Clusters. They will continue to provide technical support to HODs and MECs as well as EXCO in strategic matters and to deliver on the radical transformation agenda.

### **Active monitoring, evaluation and rapid response capability and mechanisms for service delivery intervention**

Performance monitoring and evaluation of the implementation of the ten-pillar programme of the GPG needs to be increasingly geared towards the coordination, management and monitoring of the Deliverology concept of delivering or making good on what was promised. It revolves around translating strategy into delivery in the public sector with an emphasis on access to reliable data on progress. Critical success factors for delivery include delineating the focus on just a few priorities at a time; regular stock taking with politicians including political heads and senior public servants; and having good data for measurement and transparency.

Performance monitoring and evaluation will continue to be prioritised and planning is to be linked to province-wide outcomes-based performance management. Early warning systems (EWSs) will inform swift interventions in areas of sustained under-performance. These monitoring interventions will support our initiative to conduct unannounced visits and provide rapid responses to community issues and concerns.

The key OoP Deliverology planning priorities informing the 2018/19 APP include monitoring and support of all provincial departments and entities to achieve by 2019 targets by driving delivery of 80 per cent of targets set for March 2019 achieved for all six apex priority departments and 90 per cent of targets set for March 2019 achieved for all eight secondary priority departments.

### **Service delivery interventions**

The Ntirhisano Service Delivery Rapid Response System is a key area of work for this cluster to ensure quicker response times to service delivery issues and strengthening of IGR governance. The OoP is a central location for coordinating the intervention across the province and across all spheres of government. The intention being to intervene on a particular service delivery matter for a finite period until sufficient progress has been made to place the matter back to the relevant government department or public entity.

The SDWR plays a significant role in enabling a more proactive and interventionist government, and requires that data be collated from various sources, processed and acted on towards monitoring service delivery across the province. Service delivery intelligence is available through multiple sources such as Community Workers, Ward Programmes, and the Provincial Hotline etc. Ntirhisano tracking and monitoring system has been introduced as part of the Ntirhisano Outreach Programme and regular reports are developed and tabled in the EXCO system. Commitments are tracked to a point of resolution, and key issues emanating from the visits are integrated within planning and budgeting processes, by March 2019 OoP targets to resolve 80 per cent of short-term GPG Ntirhisano commitments and 60 per cent of short-term municipality commitments. The target set to respond to escalated and received cases has been reduced to 45 days.

The establishment of fully functional Central War Room and CIC is underway, including a dashboard on War Room systems. The Ntirhisano Community Outreach Programme will continue to be the platform that allows communities to raise their issues and concerns, encourages participation and enables communities to be part of the solution in responding and resolving queries and complaints.

### **Proactive and targeted communication of government priorities**

Communication services in the Province have been transformed and modernised to enable the effective communication of the rollout of the Gauteng Government priorities and the Deliverology Project. The focus moved from reactive to proactive communication and in addition to traditional communication and media platforms, social media channels of communication and direct engagement with communities took higher prominence.

Key considerations of the GCR Communications Strategy are a radical shift away from personality linked branding and marketing, towards institutional branding and positioning of Gauteng as a province and as a government, a multi-pronged approach to communicating the 10-pillar programme of the Gauteng government, with regular and proactive updates. This includes integrated planning and coordination, monthly and quarterly communications forums, improving communications capacity across all spheres of the Gauteng Government, community engagements and the effective handling of legislature questions and responses. The five pillars of the communications framework include stakeholder relations, media relations, brand activation, and reputation management inclusive.

### **Transformation and modernisation of the state**

The 2018/19 planning period will focus on implementation and the realisation of targeted results.

The OoP will continue to monitor the implementation of the organisational structures of the GPG departments and the finalisation of disciplinary cases on a monthly and quarterly basis across GPG. Implementation of the Human Resources Framework developed in 2014 will continue to be monitored to ensure technical capacity, strengthen departmental organisational capacity, reduce the funded vacancy rate including the reduction of the average time to conclude disciplinary hearings, and achieve employment equity targets (women in SMS positions 50 per cent; and people with disabilities 2 per cent). The Human Resources Development Strategy will be enhanced to ensure that effective institutional capacity is built and the state expenditure is reduced.

In modernising the public service, the province will continue to invest in the ICT infrastructure through the GBN to provide a platform for e-government services and cost effective public services.

The G&P Cluster will explore alternative sources of revenue generation to enable sustainable funding for the TMR Programme.

With the aim to ensure an effective and ethical public service through the reduction of corruption, the Gauteng Anti-Corruption Strategic Framework will continue to be implemented to fight corruption and promote ethical behaviour and integrity in the public service. These will continue monitoring and responses to cases referred from the National Anti-Corruption Hotline (NACH). To strengthen integrity and stop corruption through prevention, detection and prosecution of those involved, the following targets have been set for achievement by March 2019; 80 percent reported fraud and corruption cases investigated and finalised the complex cases take longer to finalise; 100 per cent of officials found guilty of corruption disciplined; 100 per cent of financial misconduct and economic crime cases estimated to R100 000 reported to LEA's for investigation and 100 per cent of cases of financial misconduct and economic crimes concluded and reported to AFU for recovery.

The Tshepo 1 million Project Management Office will continue to build partnerships with private sector in delivering some of the targets set for the programme and transitional placement. The alignment process of matching resources from the various Sectoral Education and Training Authorities with sectoral opportunities, led in conjunction with GCRA, will continue in 2018/19. Through the recently signed MOAs with private sector the Tshepo 1 Million programme will increase the number of employment opportunities towards the set target as these are covered as work streams that were implemented from July 2017.

In enabling youth employment and livelihoods to improve access to socio-economic opportunities by removing barriers for all citizens, through the Tshepo 1 Million young people will be able to earn an income and better escape poverty over course of the term as follows: 25 000 young people placed in jobs (20 000 in full time permanent or long-term contractors) and (5000) enabled to run their own functioning new businesses; 115 000 young people placed in internships, learnerships and short-term work experience contracts transitional; 110 000 young people trained in skills that can get them jobs or help them start their own business and 400 000 young people be able to find employment and earn more through being certified as competent on Microsoft Office tools by March 2019.

In addition, with an array of programmes being implemented to assist targeted groups to access socio-economic opportunities, including military veterans through business skills development training, targets set to be achieved by March 2019 are: 1 000 military veterans who accessed economic opportunities (jobs and business opportunities); 1 000 military veterans allocated houses; 150 military veterans and their dependants access to bursaries; 1 000 of military veterans accessed training opportunities; 40 per cent of GPG budget spend on women owned companies and 5 per cent people with disabilities who accessed economic opportunities.

### **Integrated planning and coordination**

Fragmented planning is detrimental to the developmental needs of the province and results in a fragmented and visibly inefficient rollout of capital and service delivery programmes. A centralised and integrated planning capability that pulls together and coordinates a multitude of planning initiatives across the province is a critical ‘engine’ of the OoP. The planning horizon is long-term, medium-term and short-term; and, alongside strategic planning, includes spatial and development planning coordinated across the municipal boundaries of the GCR. The planning priorities are long term planning. Through the implementation of the Gauteng Spatial Development Framework (GSDF) Implementation Plan, coordination of GCR-wide spatial development and land use management will be monitored.

Guided by TMR, the GCR Integrated Infrastructure Master Plan (GCR IIMP) approved by the EXCO in March 2016 will continue to guide on key infrastructure investment in the city region, enhancing an integrated approach to infrastructure planning, development, maintenance and financing, in accordance with the economic and social needs of the city region up to 2030.

In terms of the Deliverology approach, the OoP will focus on 2019 delivery to improve the citizen experience of the GPG through the establishment of a developmental, transformed, integrated, capable and modernised public service in Gauteng, underpinning the achievement of the GCR vision of a strong, globally competitive and integrated city region.

## **4. REPRIORITISATION**

In order to deliver on its mandate of leading provincial departments in improving public service delivery and of playing a central role in the planning and oversight functions, the department reprioritised the budget baselines over the 2018 MTEF to focus on priority areas to ensure that the available resources are spent on strategic priorities.

In aggregate, Programme 1: Administration receives R5.4 million that has been reprioritised from the other two programmes (namely: R5 million from Programme 2: Institutional Development and R401 000 from Programme 3: Policy and Governance). These funds have been reprioritised from goods and services towards compensation of employees and payments for capital assets. The transversal functions such as Development Planning; Performance, Monitoring and Evaluation PME; Cabinet Support Services; and Institutional Support Services benefit from the reprioritisation of goods and services.

A net amount of R14.5 million is reprioritised mainly from the budget for consultants to augment the budget for compensation of employees by R9.4 million and to provide for personnel requirements as per the new organisational structure. The balance of R5.1 million that is reprioritised from the budget for consultants is reallocated to payments for capital assets mainly to provide for the centralisation of a geographic information system (GIS) under one roof on behalf of the entire province and to provide for the replacement of computer hardware according to the three-year obsolescence model.

In 2018/19, the major change in goods and services reflects in Programme 3: Policy and Governance that decreases by R13.6 million. The projects that support the Premier and EXCO are located in this programme. The major changes in compensation of employees reflect in Programme 2: Institutional Development that decreases by R9.4 million and in Programme 3: Policy and Governance that increases by R12.6 million. The major change in payments for capital assets reflects in Programme 1: Administration that increases by R6.2 million.

## **5. PROCUREMENT**

The department has end-to-end procurement processes from the demand planning cycle, acquisitions and finally processing of payments to suppliers in order to attain efficiencies and optimise performance. For the 2018/19 financial year, the procurement of goods and services will be centred on ensuring implementation of the TMR and assisting the provincial government to achieve the objectives of the GCR including enhancing township economies. The procurement of communication services will be maintained and enhanced to ensure better communication with the citizenry; proactive support and policy advisory to the EXCO; and ensuring that the performance of provincial departments is monitored and evaluated promptly. All these activities will be embraced by using SMMEs, particularly in previously disadvantaged communities.

## 6. RECEIPTS AND FINANCING

### 6.1 Summary of receipts

TABLE 1.1: SUMMARY OF RECEIPTS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Equitable share	386 040	488 917	529 811	609 310	641 354	641 354	702 694	695 548	735 712
<b>Total receipts</b>	<b>386 040</b>	<b>488 917</b>	<b>529 811</b>	<b>609 310</b>	<b>641 354</b>	<b>641 354</b>	<b>702 694</b>	<b>695 548</b>	<b>735 712</b>

The department is funded from the equitable share allocation. The department's budget amounted to R386 million in 2014/15 and it increased by 27 per cent to R488.9 million in 2015/16 due to the shift of Public Service Hotline function from the Department of e-Government and the shift of the Provincial Performance Monitoring and Evaluation to the OoP. The causes of increase in budget to R529.8 million in 2016/17 included the retrospective function shift of Tshepo 1 Million project from the Department of Infrastructure Development, the function shifts from e-Government transversal Employee Health and Wellness Programmes and inflationary increases.

The budget increased from R529.8 million in 2016/17 to R609.3 million in 2017/18 mainly to provide for introduction of the Deliverology project and a further rollout of Tshepo 1 Million project. The budget increased further to R641.4 million during the adjustments budget due to receipt of research projects from the Department of Economic Development and the allocation of additional funds to provide for costs of the fire accident in the OoP premises, state funerals declared in the province, province's interventions in respect of Department of Health's litigation cases and the Life Esidimeni Alternative Dispute Resolution project.

The budget increase from R702.7 million to R735.7 million over the MTEF is largely driven by earmarked funds specifically allocated for Integrity Management as well as GEYODI projects. The budget baselines include funds allocated for the compensation claims in respect of Life Esidimeni tragedy, continuation of projects such as the Deliverology project for expediting service delivery in the province and the Tshepo 1 Million project for creating opportunities for young people to enter the labour market and access skills and entrepreneurial development has also contributed to the increase over the MTEF.

### 6.2 Departmental receipts

TABLE 1.2: SUMMARY OF DEPARTMENTAL RECEIPTS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Tax receipts									
Sales of goods and services other than capital assets	243	315	448	324	324	324	330	348	367
Transfers received									
Fines, penalties and forfeits									
Interest, dividends and rent on land	10	3	4	16	6	6	10	11	12
Sales of capital assets		1							
Transactions in financial assets and liabilities	173	148	101	160	170	221	189	199	210
<b>Total departmental receipts</b>	<b>426</b>	<b>467</b>	<b>553</b>	<b>500</b>	<b>500</b>	<b>551</b>	<b>529</b>	<b>558</b>	<b>589</b>

Revenue collection increased from R426 000 in 2014/15 to R553 000 in 2016/17, largely due to better collection methods utilised in collecting revenue. Furthermore, revenue sources such as parking fees, debt recoveries, and application fees on the establishment of townships and interest charged on debts have and will continue to be main sources of collection. Revenue collection is projected to increase from R551 000 in 2017/18 through the MTRF period to R589 000 in 2020/21 as the economy is anticipated to steadily improve.



## 7. PAYMENT SUMMARY

### 7.1 Key assumptions

The following key assumptions were taken into consideration when compiling the budget:

- Personnel is the main cost component in line with previous years and provision for inflation over the MTEF;
- Guiding decisions were made from research conducted through the Gauteng Planning Division; GCRO; University of the Witwatersrand (Wits) transfers; and PME systems;
- Finalisation of the infrastructure master plan in line with TMR (radical transformation and industrialisation of the GCR)
- Implementation of service delivery interventions and continuous communication with the people of Gauteng through various media;
- The Tshepo 1 Million project youth employment accelerator programme; and
- The Deliverology Project Office

### 7.2 Programme summary

TABLE 1.3: SUMMARY OF PAYMENTS AND ESTIMATES BY PROGRAMME: OFFICE OF THE PREMIER

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Administration	88 567	101 054	107 648	119 391	133 498	133 498	161 526	128 708	121 958
2. Institutional Development	181 931	208 842	209 239	228 793	239 167	239 167	245 138	252 154	266 560
3. Policy & Governance	86 478	107 793	153 439	261 126	268 689	268 689	296 030	314 686	347 194
<b>Total payments and estimates</b>	<b>356 976</b>	<b>417 689</b>	<b>470 326</b>	<b>609 310</b>	<b>641 354</b>	<b>641 354</b>	<b>702 694</b>	<b>695 548</b>	<b>735 712</b>

### 7.3 Summary of economic classification

TABLE 1.4: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: OFFICE OF THE PREMIER

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>332 598</b>	<b>385 087</b>	<b>436 422</b>	<b>466 902</b>	<b>493 028</b>	<b>492 919</b>	<b>553 415</b>	<b>540 827</b>	<b>572 481</b>
Compensation of employees	200 836	235 738	256 909	292 158	292 474	292 475	307 088	341 264	360 035
Goods and services	131 762	149 349	179 513	174 744	200 554	200 445	246 327	199 563	212 446
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>14 753</b>	<b>19 156</b>	<b>19 996</b>	<b>130 876</b>	<b>133 025</b>	<b>133 099</b>	<b>138 716</b>	<b>146 815</b>	<b>154 890</b>
Provinces and municipalities		500							
Departmental agencies and accounts	47								
Higher education institutions	14 397	18 505	19 000	19 950	21 950	21 950	21 306	22 542	23 782
Non-profit institutions				110 926	110 926	110 926	117 410	124 273	131 108
Households	309	151	996		149	223			
<b>Payments for capital assets</b>	<b>9 453</b>	<b>13 445</b>	<b>13 898</b>	<b>11 532</b>	<b>15 301</b>	<b>15 328</b>	<b>10 563</b>	<b>7 906</b>	<b>8 341</b>
Buildings and other fixed structures									
Machinery and equipment	9 448	13 445	13 836	11 532	15 301	15 328	10 563	7 906	8 341
Software and other intangible assets	5		62						
<b>Payments for financial assets</b>	<b>172</b>	<b>1</b>	<b>10</b>			<b>8</b>			
<b>Total economic classification</b>	<b>356 976</b>	<b>417 689</b>	<b>470 326</b>	<b>609 310</b>	<b>641 354</b>	<b>641 354</b>	<b>702 694</b>	<b>695 548</b>	<b>735 712</b>

The department's expenditure increases from R357 million in 2014/15 to R470.3 million in 2016/17 mainly due to the transfer of the functions of the Gauteng Public Service Hotline and Transversal Human Resources from the e-Government to the OoP, the transfer of the PME function from the GPT and normal compensation of employees salary adjustment in respect of the cost of living standard. Budget allocation increased to R641.4 million in 2017/18 due to function shift of the Employee Health and Wellness Programme (EHWP) received from e-Government and Tshepo 1 Million project taken over from Infrastructure Development.

The budget increases from R702.7 million in 2018/19 to R735.7 million over the MTEF mainly because of the Deliverology project introduced for expediting service delivery in the province, the Tshepo 1 Million project for creating opportunities for

young people to enter the labour market and access skills and entrepreneurial development and also to fund the Integrity Management Office to assist reduce fraud in Government.

In terms of economic classification, compensation of employees is the main cost driver. The takeover of functions from the provincial departments over the years increased the staff compliment in the Office of the Premier and thus an upward trend in personnel expenditure from R200.8 million in 2014/15 to R292.5 million in 2017/18. Over the MTEF, the budget increases from R307.1 million in 2018/19 to R360 million in 2020/21 to cater for the requirements of the new organisational structure that the DPSA approved in 2017/18.

Expenditure on goods and services increases from R131.8 million in 2014/15 to R179.5 million in 2016/17. The expenditure was driven by the service delivery ingenuities such as the Ntirhisano service delivery war room and Central Information Centre and once-off costs incurred in respect of official state funerals declared in the province. The increase from the main budget of R174.7 million to the adjusted budget of R200.5 million in 2017/18 provides for the province's arbitration project in respect of Life Esidimeni tragedy, fire accident damage, cost of provincial state funerals and the province's interventions to address litigation in Health. In 2018/19 the budget increases to R246.3 million to make provision mainly for the Alternative Dispute Resolution to compensate families in respect of Life Esidimeni tragedy. This decreases to R199.6 million in 2019/20 after the planned completion of the Life Esidimeni project in 2018/19.

Increase in capital payment by R4 million in 2017/18 from R11.5 million to R15.5 million was mainly to cater for damage resulting from fire accident at 30 Simmonds street, allocation over the MTEF is mainly for inflationary price increases.

## 7.4 Infrastructure

N/A

## 7.5 Transfers to other entities

TABLE 1.5: SUMMARY OF DEPARTMENTAL TRANSFERS TO OTHER ENTITIES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
GCRO-WITS	14 397	28 505	19 000	19 950	19 950	19 950	21 306	22 499	23 736
HARAMBEE				110 926	110 926	110 926	117 410	124 273	131 108
<b>Total departmental transfers</b>	<b>14 397</b>	<b>28 505</b>	<b>19 000</b>	<b>130 876</b>	<b>130 876</b>	<b>130 876</b>	<b>138 716</b>	<b>146 772</b>	<b>154 844</b>

The amounts transferred to GCRO increased from R14.4 million in 2014/15 to R19 million in 2016/17. The department entered into an agreement with higher education institutions to assist GPG with research to advance the goals of the GCR. The allocation for GCRO research increases to R19.9 million in 2017/18 and R23.8 million in 2020/21. There is a new transfer commencing in 2017/18. This will fund the non-profit organisation, Harambee, involved in the implementation of the Tshepo 1 Million project for accelerating youth employment in the province following the transfer of this project from the DID. The allocations increase from R117.4 million in 2018/19 to R131.1 million in 2020/21.

# 8. PAYMENT SUMMARY

## PROGRAMME 1: ADMINISTRATION

### Programme description

The programme is responsible for overall strategic management and support to the Premier and the Director-General in fulfilling their statutory and political mandates. It is also responsible for providing financial management and other corporate support services including security management services to the OoP.

### Programme objectives

- Effective public administration which is more responsive, convenient and accountable to the public;
- A high-performance culture across the GPG;
- Disciplined financial management across the OoP; and
- A safe and secure working environment across the GPG.

TABLE 1.6: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Premier's Support	13 084	18 415	16 287	22 220	23 971	23 971	21 957	24 908	26 278
2. Executive Council Support	5 968	7 953	7 324	10 934	7 750	7 750	11 683	12 257	12 931
3. Director General	32 221	33 725	37 511	35 868	44 522	45 656	78 752	39 421	27 761
4. Financial Management	34 980	38 415	42 955	48 919	53 313	52 179	47 587	50 498	53 275
5. Programme Support	2 314	2 546	3 571	1 450	3 942	3 942	1 547	1 624	1 713
<b>Total payments and estimates</b>	<b>88 567</b>	<b>101 054</b>	<b>107 648</b>	<b>119 391</b>	<b>133 498</b>	<b>133 498</b>	<b>161 526</b>	<b>128 708</b>	<b>121 958</b>

TABLE 1.7: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>81 717</b>	<b>92 436</b>	<b>97 528</b>	<b>110 919</b>	<b>121 511</b>	<b>121 445</b>	<b>154 798</b>	<b>124 480</b>	<b>117 498</b>
Compensation of employees	48 925	54 494	59 370	67 435	65 965	65 965	68 681	75 626	79 786
Goods and services	32 792	37 942	38 158	43 484	55 546	55 480	86 117	48 854	37 712
<b>Transfers and subsidies to:</b>	<b>107</b>	<b>288</b>			<b>14</b>	<b>72</b>			
Provinces and municipalities									
Households	107	288			14	72			
<b>Payments for capital assets</b>	<b>6 664</b>	<b>8 617</b>	<b>9 822</b>	<b>8 472</b>	<b>11 973</b>	<b>11 973</b>	<b>6 728</b>	<b>4 228</b>	<b>4 460</b>
Buildings and other fixed structures									
Machinery and equipment	6 659	8 617	9 760	8 472	11 973	11 973	6 728	4 228	4 460
Software and other intangible assets	5		62						
<b>Payments for financial assets</b>	<b>79</b>	<b>1</b>	<b>10</b>			<b>8</b>			
<b>Total economic classification</b>	<b>88 567</b>	<b>101 054</b>	<b>107 648</b>	<b>119 391</b>	<b>133 498</b>	<b>133 498</b>	<b>161 526</b>	<b>128 708</b>	<b>121 958</b>

The total expenditure increased from R88.6 million in 2014/15 to R107.6 million in 2016/17. In the 2017/18 financial year, the budget allocation increases to R119.4 million. The general increase of the expenditure from 2015/16 to 2017/18 related mainly to price increases of municipal utilities costs, centralised procurement of furniture and other office equipment distributed from this programme to the rest of the other programmes. Over the 2018 MTEF period, the allocation decreases from R161.5 million in 2018/19 to R122 million in 2020/21 mainly due to discontinuation of Life Esidimeni dispute resolution costs in the two outer years of MTEF.

Expenditure on compensation of employees, which is the main cost driver in this programme, increased from R48.9 million in 2014/15 to R59.4 million in 2016/17 and subsequently increases to R66 million in 2017/18. Over the MTEF, the allocation increases from R68.7 million in 2018/19 to R79.8 million in 2020/21.

Expenditure on goods and services increased from R32.8 million in 2014/15 to R38.2 million in 2016/17. In 2017/18, the adjusted allocation increased to R55.5 million due to incorporation of the centralised budget for the business units transferred from the Department of e-Government and largely driven by Life Esidimeni arbitration process amounting to R11.6 million which is anticipated to have financial implication until 2018/19 given the budget decrease from R86.1 million to R37.7 million in 2020/21.

Machinery and equipment expenditure and budget cater for the centralised items such as the lease of Government Garage vehicles, procurement of office furniture and other capital items. The expenditure increased from R6.7 million in 2014/15 to R9.8 million in 2016/17. In 2017/18, the department reprioritised funds from the programme which reduced the main budget to R8.4 million. However, the budget was subsequently increased during the adjustments budget process to fund the fire accident damage at 30 Simmonds Street building. The budget decreases to R6.7 million and R4.5 million in the outer year of the MTEF period.

## PROGRAMME 2: INSTITUTIONAL DEVELOPMENT

### Programme description

The Institutional Development Programme is responsible for leading, facilitating, coordinating and supporting a skilled, ethical and performance oriented GCR; ICT leadership and guidance across the GPG; ICT related auxiliary support to the OoP towards modernising the public service; support to the Premier and EXCO with legal advice and support; and promoting and facilitating effective communication between government and the people of Gauteng.



### Programme objectives

- A high performance culture across the GPG;
- ICT governance maturity improved across the OoP;
- Effective legal support contributing to a more resilient provincial litigation response capability; and
- An informed and empowered public, and a responsive government;
- Promoting and facilitating effective communication between government and the people of Gauteng; and;
- Resolved service delivery issues by engaging communities through different communication channels.

**TABLE 1.8: SUMMARY OF PAYMENTS AND ESTIMATES: INSTITUTIONAL DEVELOPMENT**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Strategic Human Resources	52 609	67 584	70 943	77 121	86 072	86 072	85 225	80 655	85 093
2. Information Communication	7 096	12 062	15 270	11 490	14 132	14 691	12 783	14 169	15 483
3. Legal Services	7 409	9 807	10 041	12 028	12 942	15 300	13 129	13 483	14 225
4. Communication Services	81 383	83 233	72 408	80 398	82 380	79 463	85 921	90 294	95 261
5. Programme Support	1 446	1 629	1 737	2 072	2 118	2 118	2 210	2 324	2 452
6. Service Delivery Intervention	31 988	34 527	38 840	45 684	41 523	41 523	45 870	51 229	54 046
<b>Total payments and estimates</b>	<b>181 931</b>	<b>208 842</b>	<b>209 239</b>	<b>228 793</b>	<b>239 167</b>	<b>239 167</b>	<b>245 138</b>	<b>252 154</b>	<b>266 560</b>

**TABLE 1.9: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: INSTITUTIONAL DEVELOPMENT**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>178 866</b>	<b>203 892</b>	<b>205 959</b>	<b>226 933</b>	<b>235 746</b>	<b>235 731</b>	<b>241 943</b>	<b>248 777</b>	<b>262 997</b>
Compensation of employees	110 409	128 542	136 191	152 722	154 509	154 509	161 844	168 468	177 734
Goods and services	68 457	75 350	69 768	74 211	81 237	81 222	80 099	80 309	85 263
<b>Transfers and subsidies to:</b>	<b>183</b>	<b>122</b>	<b>495</b>		<b>93</b>	<b>108</b>			
Departmental agencies and accounts	47								
Non-profit institutions									
Households	136	122	495		93	108			
<b>Payments for capital assets</b>	<b>2 789</b>	<b>4 828</b>	<b>2 785</b>	<b>1 860</b>	<b>3 328</b>	<b>3 328</b>	<b>3 195</b>	<b>3 377</b>	<b>3 563</b>
Buildings and other fixed structures									
Machinery and equipment	2 789	4 828	2 785	1 860	3 328	3 328	3 195	3 377	3 563
Software and other intangible assets									
<b>Payments for financial assets</b>	<b>93</b>								
<b>Total economic classification</b>	<b>181 931</b>	<b>208 842</b>	<b>209 239</b>	<b>228 793</b>	<b>239 167</b>	<b>239 167</b>	<b>245 138</b>	<b>252 154</b>	<b>266 560</b>

The increase in expenditure during the first three years under review results from the function shift of two transversal HR units from the Department of e-Government to the OoP. The total expenditure over the MTEF period increases to accommodate inflation pressure.

The Provincial Communication, Strategic HR and Service Delivery Intervention functions are the main cost drivers within the programme. The Provincial Communication constitutes 36 per cent, followed by Strategic HR with 32 per cent, and Service Delivery Intervention with 21 per cent of the total programme. The allocations are based on the nature of activities that take place on a day-to-day business in the OoP and on the service delivery that is required to support the entire GPG.

The programme spent R181.9 million in 2014/15, the amount that will increase to an estimated R239.2 million in 2017/18. The budget of R239.2 million in 2017/18 financial year provides for the functions that migrated from the Department of e-Government, expenditure incurred for the state funerals declared in the province. Over the 2018 MTEF period, the budget allocation increases from R245.1 million in 2018/19 to R266.6 million in 2020/21.

Expenditure on compensation of employees increased from R110.4 million in 2014/15 to R154.5 million in 2017/18 due to migration of functions from other provincial departments to the OoP to streamline service delivery functions in the province. The budget grows over the MTEF from R161.8 million in 2018/19 to R177.7 million in 2020/21 in line with the approved new staff establishment and the annual increases salary increases in the public sector.

Goods and services expenditure increased from R68.5 million in 2014/15 to R81.2 million in 2017/18 financial year. The increase in goods and services in 2017/18 provides for the once-off state funerals cost and the activities such as the stakeholder engagements. The inflation-related adjustments inform the amounts allocated over the MTEF.

Expenditure on machinery and equipment increased from R2.8 million in 2014/15 to R4.8 million in 2015/16. This is due to the need to procure IT equipment on the basis of a three-year obsolescence model. The expenditure was scaled down to R1.8 million in 2017/18 as the department planned to replace only the old office computers and the balance of the budget catered for the procurement of hardware and software system. The capital budget was adjusted upwards in 2017/18 to R3.3 million to replace the assets that were damaged during the fire incident. The capital budget decreases in 2018/19 due to cost cutting measures. The lower budget will cater for the upgrade of software and hardware. Increase in the outer year is mainly due to the expected replacement and acquisition of computers and other working tools in line with their lifespan.

## SERVICE DELIVERY MEASURES

## PROGRAMME 2: INSTITUTIONAL DEVELOPMENT

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
INDICATOR				
Strategic Human Resources				
Number of assessments on implementation of TMR Master Skills Plan (MSP)	HRD Strategy and Implementation Plan aligned to MSP approved	HRD Strategy and Implementation Plan aligned to MSP approved	* 2	* 2
Number of assessments on the implementation of approved GPG Performance Management and Development Framework (PMDF)	* 2	* 2	* 2	* 2
Number of assessments on the implementation of the framework for financial and non-financial rewards across the province	* 2	* 2	* 2	* 2
Percentage compliance on performance contracts for all SMS members finalised across the GPG	100%	100%	100%	100%
Percentage of disciplinary cases resolved within 90 days from awareness at SMS (Level 13-16)	90%	90%	90%	90%
Percentage of disciplinary cases resolved within 90 days from awareness at below SMS (Level 01-12)	90%	90%	90%	90%
Number of interventions implemented to assist departments in achieving EE targets		New indicator	6	6
Number of interventions to address the top GPG risk trends across EHWP pillars	6	6	7	8
Number of assessment reports on the HR Capacity of the 14 GPG Departments produced		2	4	4
Information and Communication Technology				
Average percentage systems uptime maintained across the OoP		99%	99%	99%
Legal Services				
Number of analysis reports on Provincial litigation liability focussing on progress in the resolution of cases	2	2	2	2
Annual Legislative Programme tabled at EXCO in Q1		1 Legislative Programme tabled	Annual Legislative Programme tabled at EXCO in Q1	Annual Legislative Programme tabled at EXCO in Q1
Percentage of strategic legal advice and support provided within 20 working days of request		Strategic legal advice and support provided to the Premier, EXCO, LGB, PCF and Departments when required within 20 working days	1	1
Communication Services				
Number of assessments on the level of Implementation of the GCR-wide Communication Programme aligned to GPG Provincial Communications Framework	4	4	4	4
Percentage of people who feel meaningfully engaged with government	40%	50%	60%	70%
Percentage of people who are aware of government policies and programmes	30%	40%	50%	60%
Percentage of people who feel that government is responsive	40%	50%	60%	70%
Number of monthly reports on the analysis of media coverage	12	12	12	12
Service Delivery Interventions Office				
Number of working days to respond to escalated or received cases		60	45	45
Number of Ntirhisano War Room structures assessed at Metro, District and Local Level		Approved War Room Functionality Framework Matrix for assessment of functionality finalised. 70 of the 487 War Room Structures assessed for functionality, with recommendations improvements	210 of the 487 War Room Structures assessed for functionality, with recommendations for improvements	350 of the 487 War Room Structures assessed for functionality, with recommendations for improvements

## PROGRAMME 3: POLICY & GOVERNANCE

### Programme description

The purpose of the Policy and Governance Programme is to support the Premier and EXCO with policy advice, research support, international and inter-governmental relations, integrated cooperative governance, and effective management of the Executive Council Cluster system; drive province-wide outcomes-based planning, performance monitoring and evaluation so as to improve government performance towards enhanced service delivery and GCR development impacts/outcomes; develop, implement and monitor the GCR-wide customer-centric service delivery response system including regulatory and reward frameworks; lead planning for sustainable development in the Gauteng City Region; lead, facilitate, coordinate and support the active advancement of gender equality, women's empowerment, youth development and the rights of people with disabilities, older persons and military veterans and lead, facilitate, coordinate and support the implementation of the Integrity Management Programme in the GCR.

### Programme objectives

- Effective coordination and management of the Executive Council Cluster System;
- An integrated policy and planning regime for the Gauteng City Region;
- Improved service delivery in key priority areas through ongoing monitoring and reporting;
- A public service driven by integrity and ethics;
- Realisation of the rights and qualitative equity of target groups across the GCR;
- Advancing gender equality, women's empowerment, youth development and the rights of people with disability, older persons and military veterans and promoting socio-economic inclusion;
- Effective governance and administration supported through improved outcomes-based planning, monitoring and evaluation;
- Forging strategic partnerships that advance the National and Provincial development agenda both locally and internationally;
- Regional and international partnerships that enhance the achievement of the GCR and TMR agenda; and
- Intergovernmental relations that support cooperative governance in the GCR.

TABLE 1.10: SUMMARY OF PAYMENTS AND ESTIMATES: POLICY & GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Inter-Governmental Relations	12 242	15 493	17 563	27 923	30 248	30 248	42 385	37 404	47 558
2. Provincial Policy Management	72 433	90 367	133 872	230 859	235 881	235 881	251 148	274 653	296 862
3. Programme Support	1 803	1 933	2 004	2 344	2 560	2 560	2 497	2 629	2 774
<b>Total payments and estimates</b>	<b>86 478</b>	<b>107 793</b>	<b>153 439</b>	<b>261 126</b>	<b>268 689</b>	<b>268 689</b>	<b>296 030</b>	<b>314 686</b>	<b>347 194</b>

TABLE 1.11: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: POLICY & GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>72 015</b>	<b>88 759</b>	<b>132 935</b>	<b>129 050</b>	<b>135 771</b>	<b>135 743</b>	<b>156 674</b>	<b>167 570</b>	<b>191 986</b>
Compensation of employees	41 502	52 702	61 348	72 001	72 001	72 001	76 563	97 170	102 515
Goods and services	30 513	36 057	71 587	57 049	63 770	63 742	80 111	70 400	89 471
<b>Transfers and subsidies to:</b>	<b>14 463</b>	<b>19 034</b>	<b>19 213</b>	<b>130 876</b>	<b>132 918</b>	<b>132 919</b>	<b>138 716</b>	<b>146 815</b>	<b>154 890</b>
Provinces and municipalities		500							
Higher education institutions	14 397	18 505	19 000	19 950	21 950	21 950	21 306	22 542	23 782
Non-profit institutions				110 926	110 926	110 926	117 410	124 273	131 108
Households	66	29	213		42	43			
<b>Payments for capital assets</b>			<b>1 291</b>	<b>1 200</b>		<b>27</b>	<b>640</b>	<b>301</b>	<b>318</b>
Buildings and other fixed structures									
Machinery and equipment			1 291	1 200		27	640	301	318
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>86 478</b>	<b>107 793</b>	<b>153 439</b>	<b>261 126</b>	<b>268 689</b>	<b>268 689</b>	<b>296 030</b>	<b>314 686</b>	<b>347 194</b>

The expenditure of the programme increases from R86.5 million in 2014/15 to a projected amount of R268.7 million in 2017/18. The increase is informed by a number of the department's initiatives to improve the service delivery in the province during the current term of governance. This includes the streamlining and reallocation of service delivery functions as the

Tshepo 1 Million project from DID, establishment of the service delivery war room, the Deliverology Support unit. Over the MTEF, the budget increases from R296 million in 2018/19 to R347.2 million in 2020/21.

The increase in expenditure on compensation of employees from R41.5 million in 2014/15 to R61.3 million in 2016/17 includes personnel requirements of the PME function that migrated from the Gauteng Provincial Treasury in 2015/16. The increase in the main budget for compensation of employees from R61.3 million to R72 million in 2017/18 provides for the HR requirements of the Deliverology project which was established in the 2016/17 financial year and the requirements of other business units as per the new organisational structure. Over the MTEF, the budget increases from R76.5 million in 2018/19 to R102.5 million in 2020/21 to cater for the inflationary increase in respect of cost of living adjustments.

The increase in expenditure on goods and services from R30.5 million in 2014/15 to R71.6 million in 2016/17 mainly provided for the completion of the research project regarding the development of land use scheme and spatial development policies in all municipalities across Gauteng in 2016/17; the procurement of enterprise GIS software in 2016/17; the development of Gauteng policy on transformation centred on mainstreaming approach of vulnerable groups; and Tshepo 1 Million project. Over the MTEF, the budget increases from R80.1 million and R89.5 million to provide for the requirements of the Deliverology Support Unit; development of the Enterprise Geographic Information System; drafting of municipal land use schemes; and the high-profile IGR programme.

Expenditure on transfers and subsidies increased from R14 million in 2014/15 to R19 million in 2016/17 to increase the research capacity in the province that would support the consultation of the current administration with the public. The GCRO partnered with institutions of higher education in the province to carry out research projects. In 2017/18 the Tshepo 500 000 project was re-launched as the Tshepo 1 Million and the funds provided for the project for boosting youth employment initiatives increased the main budget in 2017/18 to R130.8 million on transfers and subsidies, of which R19.9 million is allocated for the research projects (GCRO) and R110.9 million for the Tshepo 1 Million project. Over the MTEF period, the budget for transfers increases from R138.7 million in 2018/19 to R154.9 million in 2020/21. Of this budget, R21.3 million is allocated for transfers to higher education institutions and R117.4 million for the implementation of Tshepo 1 Million project.

## SERVICE DELIVERY MEASURES

### PROGRAMME 3: POLICY AND GOVERNANCE

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
GEYODI & MVO				
Number of military veterans accessing socio-economic opportunities	New	1 000	1 500	2 000
Consolidated annual report on the assessment of the level of compliance to universal design and access by GPG Departments, with corrective measures, produced	New	Consolidated annual report on the assessment of the level of compliance to universal design and access by GPG Departments, with corrective measures, produced in Q4	Consolidated annual report on the assessment of the level of compliance to universal design and access by GPG Departments, with corrective measures, produced in Q4	Consolidated annual report on the assessment of the level of compliance to universal design and access by GPG Departments, with corrective measures, produced in Q4
Number of Commemorative Days facilitated	New	6	6	6
Number of assessments on level of alignment of GEYODI & MVO Policies with Sector policies, Departmental Strategic plans, budget & programmes	New	4 Quarterly assessments	4 Quarterly assessments	4 Quarterly assessments
Tshepo 1 Million				
Pillar 1 : Number of economically excluded young people accessing training and skills development linked to verifiable market demand	New	80 000	28 000	20 000
Pillar 2 : Number of economically excluded young people accessing paid work done on a temporary basis aimed at developing work experience and/or sector specific skills	New	80 000	36 000	20 000
Pillar 3 : Number of economically excluded young people accessing paid work on a long-term, full-time contract at or above sectoral minimum for full time work in the sector in question, preferably permanent	New	4 000	15 000	20 000
Pillar 4 : Number of economically excluded young people enabled and assisted to establish and operate a new enterprise/ franchise	New	1 000	4 000	5 000
Service Delivery Compliance and Integrity Management Office				
Percentage submission of Senior Manager disclosures across the Gauteng Government	100%	100%	100%	100%
Percentage of corruption cases resolved across the GPG	90%	95%	95%	95%
Percentage of officials found doing business with organs of state disciplined	100%	100%	100%	100%

Percentage of officials found guilty of fraud, corruption and unethical behaviour receiving commensurate sanctions	100%	100%	100%	100%
Number of assessments on progress in the implementation of International Relations Strategy	2	2	2	2
Number of structured international relations engagements coordinated to promote the TMR and African Agenda	4	4	4	4
Intergovernmental Relations and Stakeholder Management				
Number of consolidated reports on resolutions impacting on the province from Inter-governmental Relations meetings	4	2	2	2
Cluster Management				
Number of Executive Council meeting decision matrices developed	4 Quarterly EXCO meetings	4 Quarterly EXCO meetings	3 Quarterly and 1 Annual consolidated EXCO meetings	3 Quarterly and 1 Annual consolidated EXCO meetings
Number of reports on questions in the Legislature	4	4	4	4
Development Planning				
Multi-year assessment of the Gauteng Spatial Development Framework (GSDF) 2030	New	3 provincial plans assessed for alignment with the approved GSDF 2030	Consolidated GSDF 2030 Implementation Assessment developed	GSDP as a concept for GSDF 2030 review approved
Number of regional spatial development policies approved	1 draft	1 developed	1 final policy developed and 1 Inception Report for Vaal RSDF	1 final policy developed and 1 Inception Report for Vaal RSDF
GCR spatial planning response to the "New Urban Agenda" (UN Habitat)	New	New	GCR Electronic Land Use Application (e-Application system developed)	GCR Electronic Land Use Application (e-Application System piloted)

## 9. OTHER PROGRAMME INFORMATION

### 9.1 Personnel numbers and costs

Actual				Revised estimate				Medium-term expenditure estimate				Average annual growth over MTEF					
2014/15		2015/16		2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21			
R thousands	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Filled posts	Additional posts	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel growth rate	Costs growth rate	% Costs of Total
Salary level																	
1 – 6	67	10 568	58	11 810	92	50 695	51		54	11 347	54	12 351	55	13 031	2.5%	7.0%	3.6%
7 – 10	254	83 098	295	99 893	289	111 561	313		318	131 070	319	139 234	323	146 892	1.1%	3.9%	42.0%
11 – 12	57	35 004	70	46 692	68	29 901	87		92	72 417	98	85 181	102	89 867	5.4%	15.2%	23.5%
13 – 16	42	70 354	74	73 634	52	69 635	81		84	92 254	86	104 498	88	110 245	2.8%	6.1%	30.9%
Other			1														
Total	420	199 024	498	232 029	501	261 792	532		548	307 088	557	341 264	568	360 035	2.2%	7.2%	100.0%
Programme																	
1. Administration	104	48 925	114	54 494	114	59 370	107		110	68 681	110	75 626	115	79 786	2.4%	6.5%	22.3%
2. Institutional Development	240	110 409	319	128 542	294	136 191	347		348	161 844	348	168 468	350	177 734	0.3%	4.8%	50.4%
3. Policy & Governance	76	41 502	65	52 702	93	61 348	78		90	76 563	99	97 170	103	102 515	9.7%	12.5%	27.3%
Direct charges																	
Total	420	200 836	498	235 738	501	256 909	532		548	307 088	557	341 264	568	360 035	2.2%	7.2%	100.0%

The staff establishment grew from 420 in 2014/15 to 501 in 2016/17 while expenditure grew from R200 million to R256.9 million over the same period due to organisational structure changes, thus reflecting a correlation. The total headcount increases from 501 as at March 2017 to 532 as at March 2018 due to expansion of organisational structure. The personnel numbers grow from 548 in 2018/19 to 568 in 2020/21 driven by creation of additional subprogrammes that include units such as LGBTI Desk, Military Veterans Desk and Migrant Desk in the OoP with the expenditure increasing from R307.1 million to R360 million to services the compensation of employees. The programme with the highest number of personnel over the MTEF is Programme 2: Institutional Development with 348 posts in 2018/19 and 350 posts in 2020/21, followed by Programme 1: Administration with 110 posts in 2018/19 and 115 posts in 2020/21 and Programme 3: Policy and Governance with 90 posts in 2018/19 and 103 posts in 2020/21, and the cost for department grows consistently with the personnel numbers.

Over the MTEF, on average 51 employees per annum on salary level 1 to 6 will be trained. This is crucial as fundamental literacy and capacity are required at the entry levels. Between salary levels 7-10, in 2017/18 287 employees will be trained and increases to 301 in 2020/21. These levels accommodate 58 per cent of the total staff establishment. The remaining salary levels are 11-12 and 13- 16, which will accommodate 83 and 77 employees respectively over the MTEF

## 9.2 Training

TABLE 1.13 INFORMATION ON TRAINING: OFFICE OF THE PREMIER

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Number of staff	420	498	501	532	532	532	548	557	568
Number of personnel trained	155	160	207	240	240	240	240	240	254
of which									
Male	70	60	82	100	100	100	100	100	106
Female	85	100	125	140	140	140	140	140	148
Number of training opportunities	200	245	160	168	168	168	178	189	200
of which									
Tertiary	40	45	55	58	58	58	61	65	69
Workshops	5	7	9	9	9	9	10	11	12
Seminars									
Other	155	193	96	101	101	101	107	113	119
Number of bursaries offered	35	40	55	60	60	60	65	70	74
Number of interns appointed	30	35	40	45	45	45	47	50	53
Number of learnerships appointed			2	4	4	4	6	6	6
Number of days spent on training	225	240	255	268	268	268	283	299	315
<b>Payments on training by programme</b>									
1. Administration	230								
2. Institutional Development	830	2 075	2 721	3 805	3 805	3 805	1 685	2 241	2 364
3. Policy & Governance	535								
<b>Total payments on training</b>	<b>1 595</b>	<b>2 075</b>	<b>2 721</b>	<b>3 805</b>	<b>3 805</b>	<b>3 805</b>	<b>1 685</b>	<b>2 241</b>	<b>2 364</b>

The Public Services Regulations and legislation require government departments to set aside a minimum of 1.5 per cent of the compensation budget for training. Training of employees is an important priority in order to build human capital competency so that service delivery can be driven effectively and efficiently. The tables above provide detailed information on payments for training by programme. The training programme is managed centrally by the Internal Human Resources Development which compiles a department training plan with specific developmental areas for each unit and officials. On the basis of this, training is sourced.

The training expenditure increased from R1.6 million in 2014/15 to R2.7 million in 2016/17. The expenditure increased sharply in 2017/18 to R3.8 million driven largely by increased number of bursaries awarded for staff members and short term training for interns. The subsequent expenditure decreases to R1.7 million in 2018/19 and further rise to R2.4 million in 2020/21 to make provision for the increasing education fees.

## 9.3 Reconciliation of structural changes

N/A



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

TABLE 1.14: SPECIFICATION OF RECEIPTS: OFFICE OF THE PREMIER

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates	
	2014/15	2015/16	2016/17				2018/19	2020/21
<b>Tax receipts</b>								
Casino taxes								
Horse racing taxes								
Liquor licences								
Motor vehicle licences								
<b>Sales of goods and services other than capital assets</b>	<b>243</b>	<b>315</b>	<b>448</b>	<b>324</b>	<b>324</b>	<b>324</b>	<b>330</b>	<b>367</b>
Sale of goods and services produced by department (excluding capital assets)	243	315	448	324	324	324	330	367
Sales by market establishments	243	315	448	324	324	324	330	367
Administrative fees								
Sales of scrap, waste, arms and other used current goods (excluding capital assets)								
<b>Transfers received from:</b>								
Other governmental units								
Households and non-profit institutions								
<b>Fines, penalties and forfeits</b>								
<b>Interest, dividends and rent on land</b>	<b>10</b>	<b>3</b>	<b>4</b>	<b>16</b>	<b>6</b>	<b>6</b>	<b>10</b>	<b>12</b>
Interest	10	3	4	16	6	6	10	12
Dividends								
Rent on land								
<b>Sales of capital assets</b>		<b>1</b>						
Land and sub-soil assets		1						
Other capital assets								
<b>Transactions in financial assets and liabilities</b>	<b>173</b>	<b>148</b>	<b>101</b>	<b>160</b>	<b>170</b>	<b>221</b>	<b>189</b>	<b>210</b>
<b>Total departmental receipts</b>	<b>426</b>	<b>467</b>	<b>553</b>	<b>500</b>	<b>500</b>	<b>551</b>	<b>529</b>	<b>589</b>

TABLE 1.15: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: OFFICE OF THE PREMIER

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>332 598</b>	<b>385 087</b>	<b>436 422</b>	<b>466 902</b>	<b>493 028</b>	<b>492 919</b>	<b>553 415</b>	<b>540 827</b>	<b>572 481</b>
Compensation of employees	200 836	235 738	256 909	292 158	292 474	292 475	307 088	341 264	360 035
Salaries and wages	177 068	206 114	227 692	262 791	261 116	261 117	274 028	307 001	323 888
Social contributions	23 768	29 624	29 217	29 367	31 358	31 358	33 060	34 263	36 147
Goods and services	131 762	149 349	179 513	174 744	200 554	200 445	246 327	199 563	212 446
Administrative fees	36	124	170	201	340	355	166	227	240
Advertising	24 997	31 710	30 512	20 793	27 826	27 967	29 559	24 658	27 452
Minor assets	660	585	1 631	1 302	6 370	6 270	2 196	1 883	2 432
Audit cost: External	2 213	3 136	2 145	2 901	3 624	3 725	6 847	7 079	11 507
Bursaries: Employees	519	1 126	1 183	700	890	890	1 461	784	827
Catering: Departmental activities	5 692	5 370	3 490	7 091	8 367	8 367	7 758	9 310	11 238
Communication (G&S)	6 292	8 174	7 265	6 298	5 374	7 231	4 667	7 055	7 444
Computer services	2 304	1 943	11 635	16 636	14 315	13 414	17 350	18 802	20 370
Consultants and professional services: Business and advisory services	19 868	19 458	31 910	39 658	42 013	40 259	43 406	38 468	42 854
Legal services	1 200	1 321	909	1 199	5 299	5 978	44 314	1 643	(11 777)
Contractors	2 152	2 878	4 594	8 416	10 494	11 042	9 803	9 418	11 154
Agency and support / outsourced services	10 384	766	25 209	70	3 500	4 051		78	82
Entertainment	26	27							
Fleet services (including government motor transport)	3 717	3 136	2 966	3 336	2 629	2 752	3 491	3 736	3 942

Consumable supplies	516	3 018	1 852	2 062	1 983	1 983	1 865	2 312	2 439
Consumable: Stationery, printing and office supplies	13 844	19 333	5 359	3 374	4 901	5 047	4 267	4 047	4 548
Operating leases	3 196	6 343	6 208	4 072	3 189	3 633	3 661	4 561	4 812
Property payments	9 271	12 266	12 008	7 789	7 874	6 140	7 956	8 724	9 204
Transport provided: Departmental activity	1 763	1 914	1 635	2 420	2 738	2 776	3 870	3 666	4 772
Travel and subsistence	4 381	11 075	6 487	14 545	16 931	16 654	17 123	16 517	17 663
Training and development	1 071	1 434	2 721	3 805	4 495	4 495	2 605	2 241	2 365
Operating payments	491	435	7 725	14 327	10 256	10 147	13 242	16 047	16 930
Venues and facilities	17 169	13 776	11 899	13 749	17 146	17 269	20 720	18 307	21 948
Rental and hiring		1							
Interest and rent on land									
Interest									
Rent on land									
<b>Transfers and subsidies</b>	<b>14 753</b>	<b>19 156</b>	<b>19 996</b>	<b>130 876</b>	<b>133 025</b>	<b>133 099</b>	<b>138 716</b>	<b>146 815</b>	<b>154 890</b>
Provinces and municipalities		500							
Municipalities		500							
Municipalities		500							
Departmental agencies and accounts	47								
Provide list of entities receiving transfers	47								
Higher education institutions	14 397	18 505	19 000	19 950	21 950	21 950	21 306	22 542	23 782
Non-profit institutions				110 926	110 926	110 926	117 410	124 273	131 108
Households	309	151	996		149	223			
Social benefits	309	151	841		149	223			
Other transfers to households			155						
<b>Payments for capital assets</b>	<b>9 453</b>	<b>13 445</b>	<b>13 898</b>	<b>11 532</b>	<b>15 301</b>	<b>15 328</b>	<b>10 563</b>	<b>7 906</b>	<b>8 341</b>
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	9 448	13 445	13 836	11 532	15 301	15 328	10 563	7 906	8 341
Transport equipment	5 304	6 364	8 046	3 600	5 880	8 588	4 918	4 228	4 460
Other machinery and equipment	4 144	7 081	5 790	7 932	9 421	6 740	5 645	3 678	3 881
Software and other intangible assets	5		62						
<b>Payments for financial assets</b>	<b>172</b>	<b>1</b>	<b>10</b>			<b>8</b>			
<b>Total economic classification</b>	<b>356 976</b>	<b>417 689</b>	<b>470 326</b>	<b>609 310</b>	<b>641 354</b>	<b>641 354</b>	<b>702 694</b>	<b>695 548</b>	<b>735 712</b>

TABLE 1.16: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>178 866</b>	<b>203 892</b>	<b>205 959</b>	<b>226 933</b>	<b>235 746</b>	<b>235 731</b>	<b>241 943</b>	<b>248 777</b>	<b>262 997</b>
Compensation of employees	110 409	128 542	136 191	152 722	154 509	154 509	161 844	168 468	177 734
Salaries and wages	95 936	111 216	119 170	137 297	136 231	136 392	145 841	151 569	159 906
Social contributions	14 473	17 326	17 021	15 425	18 277	18 117	16 003	16 899	17 828
Goods and services	68 457	75 350	69 768	74 211	81 237	81 222	80 099	80 309	85 263
Administrative fees	1	1		10	30	45	50	12	13
Advertising	24 184	30 511	29 545	20 098	25 899	25 899	26 970	22 511	23 749
Minor assets	222	127	307	390	457	357	158	437	461
Bursaries: Employees	519	1 126	1 183	700	890	890	1 461	784	827
Catering: Departmental activities	1 939	2 712	1 618	4 546	4 578	4 578	2 279	5 090	5 370
Communication (G&S)	1 976	4 158	3 673	2 477	2 507	4 364	2 454	2 775	2 928
Computer services	2 258	674	4 190	5 939	5 440	4 502	6 594	6 652	7 553
Consultants and professional services: Business and advisory services	3 830	1 292	4 100	9 513	10 202	8 548	9 424	10 655	11 242

Legal services	1 200	1 321	909	1 199	1 920	3 465	1 680	1 343	1 417
Contractors	746	1 635	1 991	4 976	4 499	4 027	4 394	4 404	4 646
Agency and support / outsourced services	10 326	711	6		3 400	3 499			
Consumable supplies	11	1 370	101	514	474	474	259	577	609
Consumable: Stationery, printing and office supplies	10 437	16 717	2 194	706	840	840	663	792	835
Operating leases		34	1 865						
Property payments	1 292	5 098	4 128	1 880	1 860	1 860	2 484	2 106	2 222
Transport provided: Departmental activity	755	533	774	800	800	800	1 250	895	944
Travel and subsistence	194	633	547	1 658	1 406	1 130	1 076	1 856	1 958
Training and development	952	1 189	1 948	3 545	3 399	3 399	1 955	1 950	2 058
Operating payments	375	60	7 588	12 705	9 161	9 090	11 177	14 230	15 013
Venues and facilities	7 240	5 447	3 101	2 555	3 475	3 455	5 771	3 240	3 418
Rental and hiring		1							
Interest and rent on land									
Interest									
Rent on land									
<b>Transfers and subsidies</b>	<b>183</b>	<b>122</b>	<b>495</b>		<b>93</b>	<b>108</b>			
Departmental agencies and accounts	47								
Provide list of entities receiving transfers	47								
Households	136	122	495		93	108			
Social benefits	136	122	495		93	108			
Other transfers to households									
<b>Payments for capital assets</b>	<b>2 789</b>	<b>4 828</b>	<b>2 785</b>	<b>1 860</b>	<b>3 328</b>	<b>3 328</b>	<b>3 195</b>	<b>3 377</b>	<b>3 563</b>
Machinery and equipment	2 789	4 828	2 785	1 860	3 328	3 328	3 195	3 377	3 563
Transport equipment									
Other machinery and equipment	2 789	4 828	2 785	1 860	3 328	3 328	3 195	3 377	3 563
<b>Payments for financial assets</b>	<b>93</b>								
<b>Total economic classification</b>	<b>181 931</b>	<b>208 842</b>	<b>209 239</b>	<b>228 793</b>	<b>239 167</b>	<b>239 167</b>	<b>245 138</b>	<b>252 154</b>	<b>266 560</b>

TABLE 1.17: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: INSTITUTIONAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>178 866</b>	<b>203 892</b>	<b>205 959</b>	<b>226 933</b>	<b>235 746</b>	<b>235 731</b>	<b>241 943</b>	<b>248 777</b>	<b>262 997</b>
Compensation of employees	110 409	128 542	136 191	152 722	154 509	154 509	161 844	168 468	177 734
Salaries and wages	95 936	111 216	119 170	137 297	136 231	136 392	145 841	151 569	159 906
Social contributions	14 473	17 326	17 021	15 425	18 277	18 117	16 003	16 899	17 828
Goods and services	68 457	75 350	69 768	74 211	81 237	81 222	80 099	80 309	85 263
Administrative fees	1	1		10	30	45	50	12	13
Advertising	24 184	30 511	29 545	20 098	25 899	25 899	26 970	22 511	23 749
Minor assets	222	127	307	390	457	357	158	437	461
Bursaries: Employees	519	1 126	1 183	700	890	890	1 461	784	827
Catering: Departmental activities	1 939	2 712	1 618	4 546	4 578	4 578	2 279	5 090	5 370
Communication (G&S)	1 976	4 158	3 673	2 477	2 507	4 364	2 454	2 775	2 928
Computer services	2 258	674	4 190	5 939	5 440	4 502	6 594	6 652	7 553
Consultants and professional services: Business and advisory services	3 830	1 292	4 100	9 513	10 202	8 548	9 424	10 655	11 242
Legal services	1 200	1 321	909	1 199	1 920	3 465	1 680	1 343	1 417
Contractors	746	1 635	1 991	4 976	4 499	4 027	4 394	4 404	4 646
Agency and support / outsourced services	10 326	711	6		3 400	3 499			
Fleet services (including government motor transport)									
Inventory: Fuel, oil and gas									

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Consumable supplies	11	1 370	101	514	474	474	259	577	609
Consumable: Stationery, printing and office supplies	10 437	16 717	2 194	706	840	840	663	792	835
Operating leases		34	1 865						
Property payments	1 292	5 098	4 128	1 880	1 860	1 860	2 484	2 106	2 222
Transport provided: Departmental activity	755	533	774	800	800	800	1 250	895	944
Travel and subsistence	194	633	547	1 658	1 406	1 130	1 076	1 856	1 958
Training and development	952	1 189	1 948	3 545	3 399	3 399	1 955	1 950	2 058
Operating payments	375	60	7 588	12 705	9 161	9 090	11 177	14 230	15 013
Venues and facilities	7 240	5 447	3 101	2 555	3 475	3 455	5 771	3 240	3 418
Rental and hiring		1							
Interest and rent on land									
Interest									
Rent on land									
<b>Transfers and subsidies</b>	<b>183</b>	<b>122</b>	<b>495</b>		<b>93</b>	<b>108</b>			
Departmental agencies and accounts	47								
Provide list of entities receiving transfers	47								
Households	136	122	495		93	108			
Social benefits	136	122	495		93	108			
Other transfers to households									
<b>Payments for capital assets</b>	<b>2 789</b>	<b>4 828</b>	<b>2 785</b>	<b>1 860</b>	<b>3 328</b>	<b>3 328</b>	<b>3 195</b>	<b>3 377</b>	<b>3 563</b>
Machinery and equipment	2 789	4 828	2 785	1 860	3 328	3 328	3 195	3 377	3 563
Transport equipment									
Other machinery and equipment	2 789	4 828	2 785	1 860	3 328	3 328	3 195	3 377	3 563
<b>Payments for financial assets</b>	<b>93</b>								
<b>Total economic classification</b>	<b>181 931</b>	<b>208 842</b>	<b>209 239</b>	<b>228 793</b>	<b>239 167</b>	<b>239 167</b>	<b>245 138</b>	<b>252 154</b>	<b>266 560</b>

TABLE 1.18: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: POLICY &amp; GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>72 015</b>	<b>88 759</b>	<b>132 935</b>	<b>129 050</b>	<b>135 771</b>	<b>135 743</b>	<b>156 674</b>	<b>167 570</b>	<b>191 986</b>
Compensation of employees	41 502	52 702	61 348	72 001	72 001	72 001	76 563	97 170	102 515
Salaries and wages	37 316	47 430	55 521	64 801	65 872	65 712	68 492	87 349	92 154
Social contributions	4 186	5 272	5 827	7 200	6 129	6 289	8 071	9 821	10 361
Goods and services	30 513	36 057	71 587	57 049	63 770	63 742	80 111	70 400	89 471
Administrative fees		69	133	146	259	259	71	164	173
Advertising	522	1 199	967	695	1 927	1 999	2 589	2 147	3 703
Catering: Departmental activities	3 148	1 790	1 164	1 506	2 611	2 611	3 639	3 058	4 643
Communication (G&S)			1	60			100	68	72
Computer services			6 737	7 700	8 000	8 000	7 613	8 624	9 098
Consultants and professional services: Business and advisory services	14 396	14 996	23 834	28 444	28 510	28 410	31 716	25 907	29 601
Contractors	84	651	2 238	2 679	4 973	4 973	4 810	4 161	5 608
Agency and support / outsourced services	58	55	20 224	70				78	82
Entertainment		15							
Consumable supplies	15	150	749	345	90	90	145	388	409
Consumable: Stationery, printing and office supplies	1 698	422	985	128	608	608	290	410	712
Operating leases		3 478							
Property payments	119		2 998						

Transport provided:									
Departmental activity	1 008	1 381	832	1 620	1 938	1 976	2 620	2 771	3 828
Travel and subsistence	1 215	5 489	3 511	4 649	6 445	6 445	7 579	5 435	5 973
Training and development	9	183	773	260	1 096	1 096	650	291	307
Operating payments	52	316	107	1 420	980	942	1 877	1 591	1 679
Venues and facilities	8 189	5 863	6 334	7 327	6 333	6 333	11 866	10 736	13 961
Interest and rent on land									
Interest									
Rent on land									
<b>Transfers and subsidies</b>	<b>14 463</b>	<b>19 034</b>	<b>19 213</b>	<b>130 876</b>	<b>132 918</b>	<b>132 919</b>	<b>138 716</b>	<b>146 815</b>	<b>154 890</b>
Provinces and municipalities		500							
Municipalities		500							
Municipalities		500							
Municipal agencies and funds									
Higher education institutions	14 397	18 505	19 000	19 950	21 950	21 950	21 306	22 542	23 782
Non-profit institutions				110 926	110 926	110 926	117 410	124 273	131 108
Households	66	29	213		42	43			
Social benefits	66	29	213		42	43			
Other transfers to households									
<b>Payments for capital assets</b>			<b>1 291</b>	<b>1 200</b>		<b>27</b>	<b>640</b>	<b>301</b>	<b>318</b>
Machinery and equipment			1 291	1 200		27	640	301	318
Transport equipment									
Other machinery and equipment			1 291	1 200		27	640	301	318
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>86 478</b>	<b>107 793</b>	<b>153 439</b>	<b>261 126</b>	<b>268 689</b>	<b>268 689</b>	<b>296 030</b>	<b>314 686</b>	<b>347 194</b>

# VOTE 2

## GAUTENG PROVINCIAL LEGISLATURE

To be appropriated by vote in 2018/19	R 715 824 000
Responsible Executing Authority	Speaker
Administering Department	Gauteng Provincial Legislature
Accounting Officer	Secretary to the Gauteng Provincial Legislature

### 1. OVERVIEW

#### Vision

A modern and transformative legislature that fosters public pride and confidence in democracy and enhances service delivery to the people of Gauteng.

#### Mission

In observing our constitutional obligations, Gauteng Provincial Legislature (GPL):

- Is a modern and dynamic African legislature of the 21st Century;
- Is a caring, responsive, activist and transformative legislature;
- Reflects the values, aspirations and cultures of the South African people;
- Is the most competent, accessible, transparent and accountable legislature;
- Fosters ethical and good governance;
- Attracts, develops, and retains skilled and professional staff; and
- Recognises staff contributions, rewards their achievements and provides a stimulating environment.

#### Strategic goals

To be a responsive legislature that fosters public confidence.

#### Strategic objectives

- Improved accountability by the Executive to the Legislature in respect of service delivery;
- Improved and meaningful public involvement in Legislature business;
- Increased responsiveness of laws to meet the needs of the people of Gauteng;
- Fostered and coordinated legislative sector;
- Enhanced public confidence in the governance and leadership of the Legislature; and
- Modernised business practices that support the functions of the Legislature.

#### Core functions and responsibilities

The core functions of the Gauteng Provincial Legislature are clearly defined in Section 114 of the Constitution of the Republic of South Africa. The afore-mentioned Act gives the GPL powers to exercise Oversight over the executive and the organs of the state and to facilitate Law-making through considering, passing, amending or rejecting any Bill before the Legislature, including initiating and preparing legislation (with the exception of the Money Bills). In terms of Section 118 the GPL must also ensure public participation in the legislative processes by ensuring that the public have access to and involvement in the legislative processes.

#### Main services

In ensuring effective implementation of the constitutional mandate of the GPL, the following responsibilities will continue to shape the work of the GPL to ensure delivery of services to the people of Gauteng:

- Making laws for the province that are just and responsive to the people's needs;
- Overseeing the provincial government by ensuring that departments deliver on service delivery priorities and promises, hold them accountable for their functions, conduct and performance;
- Mobilising and involving stakeholders to participate in the Legislative processes including:
  - Conducting Public education workshops with the aim of informing and educating citizens about the processes of the Legislature;
  - Educating the public about the budget process and encouraging them to participate;

- Holding Bua le Sechaba campaigns that aim to create dialogue sessions for generating ideas, providing feedback and responding to all public questions and concerns;
- Holding sector parliaments as part of channelling issues and interests with different sectors of society such as Youth, Children, Women, Lesbians, Gay, Bi-sexual, Transgender and Intersex (LGBTI) Workers, the Disabled, Seniors citizens and interfaith groups;
- Holding public hearings on matters of interest and laws introduced; and
- Receiving and responding to all petitions sent and submitted by the citizens.

### **Programme of Transformation, Modernisation and Reindustrialisation**

Central to the development of the GPL 2018 MTEF budget is the Presiding Officers Lekgotla and other key policy documents such as the National Development Plan (Vision 2030), the Legislative Sector's Strategic Framework for the 5<sup>th</sup> Term (2014-2019) and State of the Nation and Province Address amongst others.

The Presiding Officers' Lekgotla was undertaken in April 2017 to review the status quo in terms of the implementation of the 2014-2019 adopted strategy, to identify new emerging priorities and to consolidate and agree on key priority outcomes for the upcoming financial year. The Lekgotla remain committed to the Transformation, Modernisation and Re-engineering of the legislative processes in order to ensure the successful implementation of the activist legislative sector. These pillars of an activist and transformative legislature remained the same as in 2014-19 Strategic Plan and these were derived in line with the Gauteng government's Transformation, Modernisation and Re-industrialisation (TMR) priority pillars.

#### **Pillar 1: Transformation of the Legislature's governance processes**

The GPL must enhance public confidence in the governance and leadership of the Legislature by being the most accountable and responsible legislature. The GPL must also improve the effectiveness of the oversight function for enhanced service delivery.

#### **Pillar 2: Modernisation of the legislature business of oversight, public participation and law making practices**

The GPL must take advantage of the technologies at its disposal to modernise the legislature business to an e-legislature environment.

#### **Pillar 3: Re-engineered public participation beyond slogans**

The GPL public participation processes must be more meaningful and should increase the confidence of the people in their public representatives. Public participation processes must assist the people of Gauteng to use democratic governance processes to improve their lives, resolve their problems, and hold their elected public representatives accountable.

#### **Pillar 4: Transformation of the legislative sector in the context of integrated global city region and connected government**

The GPL must work closely with municipal councils in Gauteng in a manner that promotes one provincial government serving the same community and thereby achieving a connected legislative arm of government in the Province that is able to plan jointly and subsequently achieve Province-wide government accountability, transparency and public involvement. The GPL public participation, oversight and law making processes must be the same throughout the Province and legislative business processes must connect with the legislative processes of the municipalities in Gauteng.

#### **Pillar 5: Transformation of the legislature's law-making processes**

The GPL must do more to achieve a transformative legislative framework that must propel the democratic developmental state to achieve its objectives. This include actively seeking appropriate legal instruments to facilitate for accelerated implementation of the programmes of the government. Oversight and public participation should also be used to identify gaps in existing laws and policies.

#### **Pillar 6: Consolidating the Legislature's oversight practices**

Oversight visits must involve the people affected by the services and the GPL must intensify the use of field-based oversight approaches and explore avenues through which constituency issues could be raised and processed in the House for the legislature to reinforce its representational and oversight role.

#### **External activities and events relevant to budget decisions**

Committees are an integral part of the implementation of the constitutional responsibilities of GPL and similarly the GPL budget is continuously aimed at supporting Committee work. Accordingly, the GPL budget is also informed by departments' performance plans that guide committees law-making and oversight processes with the aim of scrutinising legislation and ensuring that departments' service delivery outputs are executed and reaching the intended beneficiaries.

It is equally important that the people of Gauteng are actively involved in the work of the GPL and as such a substantial portion of the GPL budget is driven by public participation processes. The GPL has taken a stance on active interaction and engagements with the public by encouraging and facilitating public participation in the processes of Legislature such as sector parliaments and the Taking Parliament to the People programme. The GPL budget is similarly influenced by the use of radio



and television broadcasts, campaigns, publications and newsletters with the aim of reaching out to communities and promoting the work of the GPL.

### **Acts, rules and regulations**

Section 114 of the Constitution of the Republic of South Africa clearly states the responsibility of the Gauteng Provincial Legislature. This section entrusts the GPL with the responsibility to pass, amend and reject any bill before it, including initiation or preparation of legislative bills. The Act further extend the responsibilities of the GPL to oversee the Executive over the implementation of their departments' mandate. The GPL also has the responsibility to facilitate the involvement of the public in the legislative and other processes of the legislature and its committees in line with Section 118 of the Constitution.

The following are key legislative mandates that further outline the GPL responsibilities and requirements:

- Financial Management of Parliament and Provincial Legislatures Act, 2009;
- Political Party Fund Act, 2007;
- Preferential Procurement Framework Act, No 5 of 2000;
- The Promotion of Access to information Act, No 2 of 2000;
- Public Finance Management Act, No 1 of 1999;
- Constitution of the Republic of South Africa, Act No. 108 of 1996 (Chapter 3 and Sections 114, 118 and 142 of the Constitution);
- The Gauteng Provincial Legislature Service Act, No.5 of 1966; and
- Treasury Regulations.

## **2. REVIEW OF THE CURRENT FINANCIAL YEAR (2017/18)**

The Gauteng Provincial Legislature is endlessly striving to contribute to the improvement of quality of life for the people of Gauteng through law-making, oversight over the executive and facilitating public participation in legislative processes. The service delivery outputs for 2017/18 emanates from the 2014-2019 adopted strategy including emerging priorities that were identified during the budget implementation and quarterly review. Progress in the implementation of the 2017/18 plans is summarised below under the constitutional mandate of law-making, oversight over the Executive and public participation:

### **Facilitating Law Making**

The Constitution of South Africa gives powers to the legislature to facilitate law-making by considering, passing, amending or rejecting any Bill before the Legislature, including initiating and preparing legislation with the exception of the Money Bills. This function must be executed in an unbiased and responsive manner in order to address the people's needs. In this regard, the GPL has made strides to ensure that laws are responsive to the needs of the people of Gauteng.

The institution is currently conducting feasibility study on the Money Bills Amendment Procedure and Related Matters Bill. In terms of Section 120(3) of the Constitution the GPL has an obligation to establish a provincial Act that must provide for a procedure by which it may amend money bills that have been initiated by a Member of the Executive Council responsible for financial matters. The Money Bills Amendment Procedure and Related Matters Bill intends to empower the GPL's budgetary powers over the executive thereby ensuring that the most urgent public policy priorities in the province are funded. The amendments to money bills will be motivated by concerns identified and documented during the Legislatures' oversight work.

The GPL also continued to develop and implement laws that create an enabling environment to better the lives of the people of Gauteng through consultation processes or public hearings, by consolidating law making processes and all the feedback from citizens.

During the period under review, the Legislature had six Amendment Bills that were referred for engagements by various House Committees, i.e. the Division of Revenue Amendment Bill, Traditional Leadership and Governance Framework Amendment Bill, Plant Improvement Amendment Bill, Gautrain Amendment Bill, Gauteng Provincial Adjustment Bill, Plant Breeder's Rights Bill as well as the Mineral and Resources Development Amendment Bill. Of these Bills, the Gautrain Amendment Bill, and the Gauteng Provincial Adjustment Appropriation Bill were tabled and adopted by the House in October and November 2017, after a consultative process with the public through public hearings.

### **Oversight over the executive and the organs of the state**

The GPL has the responsibility to ensure that provincial departments deliver on their promises to the citizens of Gauteng through exercising its constitutional mandate of oversight over the executive. Committees continued to use tools and methodologies that have been adopted by the South African Legislative sector when interrogating departments' reports to ensure that legislative oversight is effective. These include the Sector Oversight Model (SOM), the Budget Cycle Model and the Programme Evaluation and Budget Analysis (PEBA) model.

During the period under review, all Sector Oversight Model (SOM) imperatives in support of Committee work were achieved. During the third quarter ending on 31 December 2017, all Committees Oversight reports for the first and second quarter of 2017/18 and Focussed Intervention Studies (FIS) Reports were tabled and adopted by the House. In addition, Premier's

Political Report, was tabled and adopted in the house in October 2017. In April 2017, committees conducted oversight visits to South African Social Security Agency beneficiary payments points around the province to ensure uninterrupted service to the old and disadvantaged who rely on government social grants for their livelihood. Education Committee also conducted both unannounced and announced oversight visits to various schools in the Province. These oversight visits are conducted to identify and investigate problems, and establish processes to resolve these problems at a policy level including reporting back to the House with recommendations.

In October 2017 the Petitions Committee coordinated one internal and two external public hearings to deal with various petitions.

The Institution also continued to oversee the Executive through oral and written motions on matters of service delivery and thus ensuring that the Executive is accountable on the effective utilisation of public funds.

For the remaining period, House and its committees will continue with the monitoring of departments through PEBA model consistent with SOM imperatives in pursuit of oversight over the executive.

### **Public participation**

The GPL has increasingly sought innovative ways for effective implementation of its constitutional mandate of promoting public access and involvement in the legislative processes of the institution. In an effort to enhance the existing public participation mechanisms, the Re-engineering of Public Participation project is currently ongoing and so far the literature review has been completed on the evaluation of sector parliaments and Bua le Sechaba public participation mechanisms. More work is still to continue in relation to extensive research and consultations with relevant stakeholders and organs supporting democracy to ensure meaningful public participation. The promotion of an informed and active citizenry through 80 per cent implementation of the Citizens Responsibility Campaign (CRC) Annual Plan is also in progress.

Finance Portfolio Committee held budget hearings on the Division of Revenue Bill 2017/18 at the Vereeniging City Hall and Johannesburg City Hall on 08 and 18 April 2017 respectively. Public meetings and education workshops were also successfully held during the period under review.

Notable improvements have also been made in creating various platforms for public participation to encourage citizens to directly voice their concerns and views, and partake in Legislature programmes. These platforms include sector parliaments that are aimed at creating a platform for meaningful engagement between public representatives and the related sectors. In this regard, the GPL has successfully implemented the following sector parliaments:

Workers Indaba was held on 13 and 14 June 2017 in Germiston in City of Ekurhuleni Metropolitan Municipality. The aim of the Indaba was to provide a platform to deliberate on challenges faced by workers, as well as promoting workers' rights in society. These included discussions on issues related to reindustrialisation with the specific reference to manufacturing, textile industries in Gauteng and workers' beneficiation, racism in the workplace and the implementation and enforcement of the minimum wage. The two-day session was in partnership and collaboration with Gauteng Premier, federations representing workers around the Gauteng region such as the Congress of South African Trade Unions (COSATU), The Federation of Unions of South Africa (FEDUSA), The National Council of Trade Unions (NACTU), academics and representatives of institutions of higher learning, the Institute of Race Relations, the African Peer Review Mechanism (APRM), the Commission for Conciliation, Mediation and Arbitration (CCMA), Department of Labour, Department of Economic Development, the Labour Court and Gauteng Enterprise Propeller (GEP).

Youth Parliament was successfully held on 15 June 2017 at the Nasrec Expo Centre in Johannesburg. The purpose of the Youth Parliament is to strengthen the existing partnership between the Gauteng Provincial Legislature and youth of Gauteng and to create a platform for the youth to raise their challenges and suggest solutions that contribute to a more productive and prosperous Gauteng Province. The Parliament focused on issues of Youth Then and Now, the right to education and the youth constitutional rights.

Children's Parliament was held on 11 July 2017 at Vereeniging Banquet Hall and was led by the Education Committee. The sector parliament focused on issues related to the right to education and the fight against abuse, children living on the streets, the role of government as a protector and Bill of rights in terms of the provision of social services and protection against exploitation. The main aim of the Children's Sector Parliament is to empower children to participate in democratic processes and to encourage them to play their role in decision-making processes. This was also a platform for interaction between children and their democratically elected representatives and to voice out their challenges.

Women's Indaba was undertaken on 31 August 2017 in Boksburg. The indaba was led by Chairpersons of Committees and was aimed at providing a platform to advance the women agenda, particularly regarding their economic emancipation and basic human rights which continue being disregarded through gender-based violence. The Indaba also intended to strengthen the links between GPL and organisations that advocate women's rights.

Senior Citizens' Parliament was held on 17 October 2017 at San Kopano Community Centre, in Alexandra. The dialogue aimed at providing a platform to empower the elderly persons of Gauteng to directly engage with both the GPL and the Gauteng

government on various service delivery and social empowerment issues as stipulated in the Older Persons Act (Act 13 of 2006). Topics that were discussed ranged from how can senior citizens participate in the economy, how they can access the quality of health care and services; and improvement of safety standards for elders who live alone as well as the review mechanism of the home-based care services amongst others.

Lesbians, Gays, Bisexual, Transgender and Intersex (LGBTI) feedback session took place on the 20 October 2017, the focus was to give feedback on resolutions taken in 2016.

The Commercial Sex Workers feedback session took place on 10 November 2017 and it was aimed at providing feedback on passed resolutions taken in 2016.

People with Disability Parliament was convened on 7 December 2017 to address issues of designated groups.

The GPL has also made use of advertisements and marketing through media platforms such as radio programmes and broadcasts, television broadcasts, campaigns, advertorials, publications and newsletters amongst others, to communicate and educate the people about the mandate of the GPL and to promote public participation. Stakeholders attended all committee meetings and submitted verbal and written submissions. As part of GPL's efforts to "Take the Legislature to the People," portfolio committees held public meetings in various communities around the province with the aim of affording people of Gauteng a platform to give input on the performance reports given by the provincial departments. As service recipients to whom provincial departments must account for service delivery, it is crucial that the people of Gauteng be afforded a platform to provide input on the services they receive. Public education workshops were also held in the period under review to promote meaningful public participation in support of committees.

### **Stakeholder Relations**

The GPL continued to join forces and partner with different organs such as municipalities in public participations and engagements initiatives. The GPL continued to work together with Public Participation Offices (PCOs), Non-Government Organisations (NGOs), the Constitutional Hill, Gender Commission and Congress of the Traditional Leaders of South Africa (CONTRALESA) and other bodies supporting democracy to promote public involvement and solicit public concerns for tabling and debating in the House.

The GPL participated in Legislative sectors such as the Secretaries' Association of the Legislatures (SALS), the Commonwealth Parliamentary Association (CPA) and the Gauteng Speakers Forum (GSF) to improve the implementation of the memorandum of understanding through a customised co-operative governance framework that governs the legislature's engagement with organs of state. The GSF was held in June 2017 and included the review of the implementation of Memorandum of Understanding (MoU) signed with municipalities for the electoral term of municipalities 2011-2016 and the signing of the new MoU for electoral term 2017-2021. The review focused on progress in the implementation of areas of cooperation agreed upon and entered into by Speaker of Gauteng Provincial Legislature and Speakers of Municipal Councils. The Gauteng Speakers forum is the highest policy-making body and determines the framework within which the Provincial Sector operates. The GSF has also commissioned the Citizen Responsibility Campaign that encourages communities to work together with their local municipalities to address problems facing the society and to instil a good understanding of the constitutional obligation of citizens and compliance to the rule of law.

## **3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2018/19)**

The 2018/19 budget will see the consolidation of the progress made in the implementation of the 2014-2019 adopted strategy. Robust work will still be undertaken to finalise outstanding priorities before the end of the term to ensure achievement of the priority pillars as outlined in the 2014-2019 strategy. In this regard, the GPL will continue with the execution of its mandate of law-making, oversight over the executive and facilitation of public participation in legislative processes.

### **Facilitating law making**

The GPL will continue to develop, facilitate and implement laws that are in the best interest of Gauteng citizens to ensure that an enabling environment is created for improving the lives of its citizens. The involvement of the people of Gauteng in law-making processes continues to be important through public hearings, by consolidating all the feedback from citizens, as well as by reviewing the impact of laws passed on the lives of the citizens. The GPL will create an environment that identifies and initiate laws where necessary and develop and enact legislation that facilitate the implementation of the TMR vision to ensure improved budgetary oversight and consideration of laws by the GPL.

### **Oversight over the executive and the organs of the state**

The GPL is assigned with the constitutional mandate of monitoring and overseeing the Executive and organs of the state over the delivery of services promised to the citizens of Gauteng, therefore ensuring that quality of life for the citizens is improved. The GPL will continue to identify and implement mechanisms for improving its oversight role over the Executive and thereby ensuring synergy within government.

The GPL will continuously improve and strengthen the implementation of PEBA provisions by committees and the resolution tracking system, the implementation of the defined analytical parameters in undertaking research as well as committees' compliance with guidelines for assessing service delivery matters detailed in the resolutions passed.

Oral and written motions on matters of service delivery will be enhanced to oversee the Executive and thus ensuring that the Executive is accountable to taxpayers, civil organisations and citizens of Gauteng on how funds are spent to increase accountability, transparency, public trust and confidence in the government.

### **Public participation**

The mandate of the GPL is predominantly at the centre of the citizens and as such the GPL aims to strengthen engagements and public participation initiatives of reaching out to communities and ensuring that the people's voices are heard and implemented. The GPL has increasingly been at the forefront of pioneering excellent practices that enable effective implementation of its constitutional mandate of promoting public access and involvement in the processes of the Legislature. The GPL will continue to use Public Participation Strategy and the comprehensive conceptual framework for re-engineering public participation beyond slogans to enhance public access, engagements and involvement in the Legislature business. Sector parliaments, public education workshops and Taking the legislature to the people programmes will continue to create different platforms for public participation to encourage citizens to directly voice their concerns and views and receive feedback report from the GPL for ensuring improved Legislature programmes.

Committees will continue to place more emphasis on addressing challenges faced by communities and reporting back on matters raised by them through increased public engagements and education workshops. The GPL's mandate and work will be reinforced and communicated to Gauteng citizens through constant use of media initiatives.

Sector parliaments will also be undertaken to mobilise communities in support of the transformation, modernisation and re-engineering imperatives and Gauteng vision. In support of the above, the GPL will continue to hold the following sector parliaments in 2018/19:

- Youth Parliament;
- Children's Parliament;
- Women's Parliament;
- Senior Citizens' Parliament;
- Workers Parliament;
- LGBTI Parliament;
- People with Disability Parliament;
- Interfaith Parliament; and
- Commercial sex workers Parliament.

The GPL will strive to intensify Bua le Sechaba campaigns and public education workshops to promote meaningful public participation including dialogue sessions that aim to generate ideas and address issues of importance.

The petitions systems will be utilised to provide citizens with a legal platform to raise their service delivery concerns directly to government and to demand answers. The process gives citizens the power to hold government accountable through a peaceful and constitutional means.

### **Stakeholder Relations**

Interactions and participation between other Legislative sectors such as the Secretaries' Association of the Legislatures (SALS), the Commonwealth Parliamentary Association (CPA) and the Gauteng Speakers Forum (GSF) will be strengthened to ensure implementation of the memorandum of understanding through a customised co-operative governance framework that governs the legislature's engagement with organs of state. The CPA is a body that exists for empowering African Legislatures through sharing of best practices in law-making, oversight and other legislature work. The GSF's vision is to deepen democracy, enhance good governance, improve government accountability and create laws that are just and fair for the people of Gauteng.

Collaborations and partnerships with different organs will also be strengthened to foster co-operative governance and to deliver public participations initiatives and programmes to the Gauteng community. These include municipalities, Public Participation Offices (PCOs), Non-Government Organisations (NGOs), the Constitutional Hill, Gender Commission and Congress of the Traditional Leaders of South Africa (CONTRALESA) and other bodies supporting democracy.

## **4. REPRIORITISATION**

The GPL has an inclusive budget process in which all key relevant stakeholders and budget holders are responsible for the crafting of the budget. During the 2018/19 budget preparations the GPL implemented the adopted Budget Management Practice Guide which include a number of cost-efficiency measures that aim to curtail budgeting for non-essentials such as accommodation, internal catering, business class travel and the use of external commercial venues amongst others. The

introduction of the Budget Management Practice Guide during costing assisted the GPL in redirecting funds to core service delivery outputs. However, despite the implementation of the practice guide, the GPL was still faced with competing priorities against limited allocated resources and that necessitated the implementation of stringent measures and unpopular trade-offs. The process is undertaken by Budget Councils through interrogation and assessment of budgets bids of programmes to ensure and determine alignment to institutional priorities, capacity to spend, the credibility of costing, implementation of cost-efficiency measures and ultimately the affordability of the plans.

The Legislature has reprioritized an amount of R18.5 million from Programme 1: Leadership and Governance (R18.1 million) and Programme 4: Core Business (R440 000). The budget for Programme 2: Office of the Secretary increased by R276 000, Programme 3: Corporate Support Services increased by R16 million and Programme 5: Office of the CFO increased by R2.2 million.

The funds from Programme 1: Leadership and Governance and Programme 4: Core business have been reallocated to Programme 2: Office of the Secretary in respect of transversal mainstreaming initiatives. Programme 3: Corporate Support Services increase is to ensure that all contractual obligations are fully funded. The increase under Programme 5: Office of the CFO is mainly driven by compensation of employees to ensure that the personnel structure is adequately funded.

## 5. PROCUREMENT

The GPL will continue to identify reforms and strategies that are aimed at improving procurement processes and reducing inefficiencies. The GPL will regularly review the Supply Chain Management (SCM) policy to ensure alignment to the SCM Regulations applicable to all Legislatures therefore ensuring enhanced supply chain management standards. The Delegation of Authority will also be reviewed regularly to ensure appropriate levels of delegation and to improve operational efficiencies. In improving the supply and demand value chain and ensuring improved facilitation of requisitions, demand plans for goods and services above the R500 000 threshold are prepared prior to the beginning of the new financial year to facilitate requisitions for goods and services and to reduce delays in procurement of these goods and services. The Legislature Adjudication Council (LAC) also meets regularly to ensure adherence to SCM principles and to adjudicate on tenders evaluated by the Tender Evaluation Committee.

Vendor management for suppliers of goods and services will continuously be improved including the vetting of vendors on the GPL database. On an annual basis, the GPL conducts workshops with service providers and with programmes within the GPL to educate and create awareness around supply chain management processes and policies. The GPL will continue to strengthen and sustain relationships with all these relevant stakeholders.

In response to the GPL imperative of taking the Legislature to the people, the GPL will continue to prioritise the allocation of business to local and township service providers. Enhanced initiatives will also be applied in the next financial year to improve application of the preferential procurement strategy and thus ensuring that Highly Disadvantaged individuals, women, youth and People with Disabilities are also given preference.

## 6. RECEIPTS AND FINANCING

### 6.1 Summary of receipts

TABLE 2.1: SUMMARY OF RECEIPTS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Equitable share	521 769	600 473	649 557	674 898	674 898	674 898	715 824	761 430	806 130
<b>Total receipts</b>	<b>521 769</b>	<b>600 473</b>	<b>649 557</b>	<b>674 898</b>	<b>674 898</b>	<b>674 898</b>	<b>715 824</b>	<b>761 430</b>	<b>806 130</b>

The main source of revenue for the GPL is the equitable share which is allocated as prescribed by the Constitution of South Africa. The budget allocation increases from R521.8 million to R715.8 million between 2014/15 and 2018/19 financial years, with a further increase to R806.1 million in 2020/21. The 2018/19 budget allocation makes provision for personnel costs of GPL, personnel costs of support staff of political parties, House sittings, increased committee activities including public outreach programmes and sector parliaments as well as existing contractual obligations and operational costs.

In 2016/17, the allocation increased to R649.6 million from R521.8 million in 2014/15 in order to fund operational costs, political parties and personnel requirements.

Over the MTEF period, the budget increases from R674.9 million in 2017/18 to R806.1 million in 2020/21. The increase caters for annual salary increases and the projected inflationary adjustments on goods and services and transfer payments.



## 6.2 Departmental receipts

TABLE 2.2: SUMMARY OF DEPARTMENTAL RECEIPTS COLLECTION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Sales of goods and services other than capital assets	2 961	2 132	2 855	3 326	3 326	3 326	2 923	3 085	3 257
Transfers received									
Fines, penalties and forfeits									
Interest, dividends and rent on land	4 396	8 438	11 569	10 135	12 726	12 726	13 998	15 398	16 938
Sales of capital assets									
Transactions in financial assets and liabilities									
<b>Total departmental receipts</b>	<b>7 357</b>	<b>10 570</b>	<b>14 424</b>	<b>13 461</b>	<b>16 052</b>	<b>16 052</b>	<b>16 921</b>	<b>18 483</b>	<b>20 195</b>

The GPL collects revenue in the form of interest earned on investments, leasing out of parking space, City Hall bookings and other sales of goods and services such as memorabilia and disposed assets. Between 2014/15 and 2016/17 financial years, the GPL collected a total amount of R32.4 million, with the highest revenue been collected in 2016/17 from interest on investments.

During 2017/18, the GPL projects to collect a total amount of R16.1 million.

In 2018/19, the GPL anticipates to collect R16.9 million, representing an increase of 5 per cent on average from 2017/18. Over the MTEF, own revenue collection is expected to increase to R20.2 million, depicting an increase of 9 per cent on average over three years.

## 7. PAYMENT SUMMARY

### 7.1 Key assumptions

The 2018 MTEF expenditure estimates were mainly informed and guided by Presiding Officers priorities, Committees and support functions from the Administration. Furthermore, the development of the budget was informed by the following key inputs:

- The organisational structure and the estimated salary adjustments for 2018/19 comprising of cost of living adjustments, pay progression, 13<sup>th</sup> cheque, performance bonuses, overtime and funeral benefits to determine total personnel costs;
- The number of estimated House sittings and committee activities to determine the support to be provided by Administration;
- Public education workshops and sector parliaments;
- Key strategic and operational projects;
- Operational costs including existing contractual obligations;
- Transfers to political parties; and
- Capital assets requirements.

### 7.2 Programme summary

TABLE 2.3: SUMMARY OF PAYMENTS AND ESTIMATES BY PROGRAMME: PROVINCIAL LEGISLATURE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Programmes</b>									
1. Leadership And Governance	22 249	39 160	40 170	51 701	51 701	51 701	36 914	54 104	57 160
2. Office Of The Secretary	13 694	14 867	17 127	23 373	20 576	20 576	25 310	25 964	27 451
3. Corporate Support Services	261 751	283 771	303 330	300 180	302 232	302 232	338 073	355 346	375 140
4. Core Business	165 572	186 148	202 799	243 595	244 340	244 340	259 094	267 815	283 684
5. Office Of The Cfo	34 579	38 125	42 723	56 049	56 049	56 049	56 433	58 201	62 696
<b>Total</b>	<b>497 845</b>	<b>562 071</b>	<b>606 149</b>	<b>674 898</b>	<b>674 898</b>	<b>674 898</b>	<b>715 824</b>	<b>761 430</b>	<b>806 130</b>
<b>Direct charge on the Provincial Revenue Fund</b>									
Members remuneration	72 782	65 566	84 130	79 748	79 748	79 748	74 664	79 144	83 893

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Departmental receipts not surrendered to Provincial Revenue Fund  (Amount to be financed from revenue collected in terms of Section 13 (2) of the PFMA)	7 357	10 570	14 424	13 461	16 052	16 052	16 921	18 483	20 195

### 7.3 Summary by economic classification

TABLE 2.4: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PROVINCIAL LEGISLATURE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>391 610</b>	<b>443 667</b>	<b>481 538</b>	<b>553 468</b>	<b>553 468</b>	<b>553 468</b>	<b>592 545</b>	<b>628 804</b>	<b>666 111</b>
Compensation of employees	231 742	258 011	280 869	318 120	318 120	318 120	356 885	348 044	375 105
Goods and services	159 868	185 656	200 669	235 348	235 348	235 348	235 660	280 760	291 006
<b>Transfers and subsidies to:</b>	<b>94 734</b>	<b>97 911</b>	<b>110 585</b>	<b>114 907</b>	<b>114 907</b>	<b>114 907</b>	<b>121 572</b>	<b>128 623</b>	<b>135 697</b>
Provinces and municipalities									
Non-profit institutions	94 734	97 911	110 585	114 907	114 907	114 907	121 572	128 623	135 697
Households									
<b>Payments for capital assets</b>	<b>11 501</b>	<b>20 493</b>	<b>14 026</b>	<b>6 523</b>	<b>6 523</b>	<b>6 523</b>	<b>1 707</b>	<b>4 003</b>	<b>4 322</b>
Buildings and other fixed structures	652	12 165	9 823						
Machinery and equipment	10 681	8 328	4 203	6 523	6 523	6 523	1 707	4 003	4 322
Software and other intangible assets	168								
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>497 845</b>	<b>562 071</b>	<b>606 149</b>	<b>674 898</b>	<b>674 898</b>	<b>674 898</b>	<b>715 824</b>	<b>761 430</b>	<b>806 130</b>

The Legislature's spending increased from R497.8 million in 2014/15 to R606.1 million in 2016/17. A significant portion of the expenditure can be attributed to Programme 3: Corporate Support Services and Programme 4: Core Business. Programme 4 supports the House and its Committees in making laws for the Province, conducting oversight over the Executive and facilitating public participation in legislative processes. Programme 3 performs the GPL's administration functions, including making allocations to political parties.

In 2017/18, the budget remains at R674.9 million. Funds were redirected between programmes where areas of reprioritisation and cost-saving measures were identified and implemented.

In 2018/19, the GPL estimates that spending will increase from R674.9 million in 2017/18 to R715.8 million in 2018/19 and to R715.8 million and R806.1 million in the two outer years. The increase is noticeable in compensation of employees, goods and services and transfers to political parties. In addition, a substantial portion of the 2018/19 expenditure estimates is also allocated to Programme 3: Corporate Support Services and Programme 4: Core Business at R338.1 million and R259.1 million respectively. Programme 3: Corporate Support Services budget is mainly driven by support functions to members as well as transfers to political parties in order to enable members to fulfil their constitutional obligations. The budget for Programme 4: Core Business is informed by committee activities and outreach programmes, as well as public participation initiatives that aims to respond to the GPL's commitment to enhance active interaction and engagements with the public by encouraging and facilitating public participation in the processes of Legislature and strengthening the involvement of Gauteng citizens as crucial patrons of the GPL work. In addition, Committees act as the engine of the Legislature by scrutinising legislation and playing an oversight role of ensuring that the departments' service delivery outputs are executed in line with their plans. The budget for Programme 4: Core Business is similarly influenced by the use of radio and television broadcasts, publications and newsletters with the aim of reaching out to communities and promoting the work of the GPL.

The remuneration of public office bearers (POBs) increased from R72.8 million in 2014/15 to R84.1 million in 2016/17. Over the MTEF period, remuneration of POBs will increase from R79.7 million in 2017/18 to R83.9 million in 2020/21 to take account of projected inflation.

Compensation of employees grew by 10 per cent on average from R231.7 million in 2014/15 to R280.9 million in 2016/17 due to a growing staff compliment and implementation of annual salary adjustments. In 2017/18, compensation of employees increases from R280.9 million in 2016/17 to R318.1 million in 2017/18 to cater for salary adjustments, such as cost of living



adjustments, pay progression, funeral benefits performance bonuses and 13<sup>th</sup> cheque. Over the MTEF, compensation of employees is expected to increase from R318.1 million in 2017/18 to R375.1 million in 2020/21.

Expenditure on goods and services increased from R159.9 million in 2014/15 to R200.7 million in 2016/17, an average annual increase of 12 per cent. During 2017/18, the GPL projects to remain within R235.3 million on goods and services. In 2018/19, the expenditure for goods and services is expected to increase from R235.3 million in 2017/18 to R235.7 million. The growth is due to increase on committees' activities, House sittings, public outreach programmes, operational costs and members benefit tickets. Over the MTEF period, goods and services increases by 12 per cent on average from R235.7 million in 2018/19 to R291 million in 2020/21 in order to be in line with the expected increase in committees' activities and outreach programmes.

Transfer payments to political parties increased from R94.7 million in 2014/15 to R110.6 million in 2016/17. In 2018/19, transfer payments to political parties have increased by 6 per cent on average from R114.9 million in 2017/18 to R121.6 million. Over the MTEF, transfers are expected to grow at a rate of 6 per cent on average from R121.6 million in 2018/19 to R135.7 million in 2020/21. Transfers to political parties comprise of constituency allowance and political party funding and enable members to fulfil their constitutional obligations and thus reducing dependency on private funding and enhancing multi-party democracy.

Payments for capital assets increased from R11.5 million in 2014/15 to R14 million in 2016/17. The major increase is evident in 2015/16 as a result of implementation of projects such as the SAGE building project, rehabilitation of heating ventilation and air-condition installation in the main building as well as procurement of office furniture, laptops, motor vehicles, and members touch screens as well as the X-ray searching devices and walk through detector. In 2017/18, payments for capital assets remained constant at R6.5 million the budget the allocation includes the replacement of obsolete auditorium video wall and procurement of House sitting chairs and laptops for staff and Members. In 2018/19, payments for capital assets decrease to R1.7 million from R6.5 million in 2017/18 due to the anticipated finalisation of projects in 2017/18. The allocation for 2018/19 is earmarked for laptops and desktops that are due for replacement and for new employees. Over the MTEF period, capital payments are expected to increase from R1.7 million in 2018/19 to R4.3 million in 2020/21 to accommodate those assets that will require replacement in line with the assets policy and for the newly elected members following the national elections.

## 7.4 Infrastructure payments

N/A

### 7.4.1 Departmental infrastructure payments

N/A

## 7.5 Transfers

### 7.5.1 Transfers to public entities

N/A

### 7.5.2 Transfers to other entities

TABLE 2.5: SUMMARY OF DEPARTMENTAL TRANSFERS TO OTHER ENTITIES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Constituency Allowance	30 618	30 660	38 544	38 544	38 544	38 544	40 780	43 145	45 518
Political Party Funding	64 116	67 251	72 041	76 363	76 363	76 363	80 792	85 478	90 179
<b>Total departmental transfers</b>	<b>94 734</b>	<b>97 911</b>	<b>110 585</b>	<b>114 907</b>	<b>114 907</b>	<b>114 907</b>	<b>121 572</b>	<b>128 623</b>	<b>135 697</b>

Between 2014/15 and 2016/17 financial years, transfer to political parties have increased from R94.7 million to R110.6 million in 2016/17. During 2017/18, transfers will remain at R114.9 million.

In 2018/19, transfers are expected to increase by 6 per cent on average from R114.9 million in 2017/18 to R121.6 million. Over the MTEF, transfers to political parties increase from R114.9 million in 2017/18 to R135.7 million in 2020/21, representing a growth of 5 per cent on average to mitigate against the projected inflationary increase.

Transfers to political parties comprise of constituency allowance and political party funding. Section 236 of the Constitution promotes multi-party democracy and in particular requires national legislation to provide for the funding of political parties participating in provincial legislatures on an equitable and proportional basis. The Gauteng Political Party Fund Act, 2007 was promulgated to provide funding for political parties participating in the Legislature and further to provide for accountability

and disclosure by parties. The objective of the constituency allowance is to enable political parties to establish and maintain an infrastructure to serve the interests of constituents and to enable its members to render services to the public. Party funding in the Provincial Legislature is aimed at assisting to enhance democracy and promote active citizenry as Political Parties are seen as vital public institutions to enhance citizens' participation in their own governance and in democracy.

### 7.5.3 Transfers to local government

N/A

## 8. PROGRAMME DESCRIPTION

### PROGRAMME 1: LEADERSHIP AND GOVERNANCE

#### Programme description

The purpose of the Leadership and Governance Programme is to provide strategic leadership and overall management to the Institution, thereby enabling the Institution to exercise its constitutional responsibility of conducting oversight over the Provincial Executive, making and passing laws for the Province, meaningfully involving the people of Gauteng in all Institutional processes and facilitating of Cooperative Governance. The Programme is also responsible for:

- The alignment of institutional processes to the Strategic Plan for the term 2014-2019;
- The strategic political management of Presiding Officers and Office Bearers; and
- The strategic management of committees to ensure achievement of the provincial priorities is also given effect to through this programme.

#### Programme objectives

- Ensure the development and implementation of the institutional strategy, budget and legislative programme;
- Ensure that the business of the house functions optimally;
- Ensure further development and implementation of standing rules;
- Ensure that the Legislature Services Board functions optimally;
- Ensure development and maintenance of Inter-institutional relations, partnerships and Cooperative Governance;
- Ensure the promotion of Nation building and good governance;
- Mobilisation of civil society to participate in the GPL and especially public participation programmes;
- Participatory law-making process and effective oversight on the governance of the Province; and
- Ensure the development and implementation of a training and development programme for members to:
  - Pass effective laws;
  - Oversee government effectively;
  - Enhance and ensure public participation;
  - To play a productive and effective role in the future South Africa.
  - Strategic Management of Committees and programmes;
  - Political Management of Committee of Chairpersons and Committees;
  - Ensure implementation of Committee Enquiries;
  - Ensure implementation of PEBA;
  - Ensure implementation of the Ministerial Accountability; and
  - Ensure the strategic coordination of NCOP.

TABLE 2.6: SUMMARY OF PAYMENTS AND ESTIMATES: LEADERSHIP AND GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Office Of The Executive Director	13 845	14 584	15 464	22 197	22 489	22 489	23 270	22 181	23 871
2. Administrative Operations	7 681	17 952	12 323	3 506	3 630	3 630	3 860	3 524	3 700
3. Inter-Legislature Relations				8 415	8 137	8 137	7 964	9 018	9 239
4. Oversight And Liaison	723	6 624	12 383	17 583	17 445	17 445	1 820	19 381	20 350
<b>Total payments and estimates</b>	<b>22 249</b>	<b>39 160</b>	<b>40 170</b>	<b>51 701</b>	<b>51 701</b>	<b>51 701</b>	<b>36 914</b>	<b>54 104</b>	<b>57 160</b>

TABLE 2.7: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: LEADERSHIP AND GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>22 249</b>	<b>39 160</b>	<b>40 170</b>	<b>51 701</b>	<b>51 701</b>	<b>51 701</b>	<b>36 914</b>	<b>54 104</b>	<b>57 160</b>
Compensation of employees	13 845	14 584	15 464	21 955	21 955	21 955	22 256	21 911	23 586

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Goods and services	8 404	24 576	24 706	29 746	29 746	29 746	14 658	32 193	33 574
<b>Transfers and subsidies to:</b>									
Provinces and municipalities									
Households									
<b>Payments for capital assets</b>									
Buildings and other fixed structures									
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>22 249</b>	<b>39 160</b>	<b>40 170</b>	<b>51 701</b>	<b>51 701</b>	<b>51 701</b>	<b>36 914</b>	<b>54 104</b>	<b>57 160</b>

The programme's expenditure increased from R22.2 million in 2014/15 to R40.2 million in 2016/17. Over the past three years, compensation of employees accounted for 43 per cent of the total expenditure whilst goods and services accounted for 57 per cent. Goods and services expenditure is mainly driven by committees' study tours and international conferences, as well as continued programme participation in the Legislature Sector and various conferences such as the regional and international CPA, National and Provincial Speakers' Forums and National Conference of State Legislatures (NCSL). With regard to compensation of employees, increased staff compliment and annual adjustments in staff salaries contributed to the increased expenditure.

In 2017/18, the programme's budget remains constant at R51.7 million.

In 2018/19, the budget is expected to decrease by 28 per cent on average, from the main budget of R51.7 million in 2017/18 to R36.9 million in 2018/19 due to implementation of cost-efficiency measures on non-essential items and anticipated reduction in committees travelling in preparation for the upcoming national elections.

Compensation of employees increase from R22 million in 2017/18 to R22.3 million in 2018/19, representing an increase of 1 per cent on average. The increase include provisions for cost of living adjustments, pay progression, and other benefits such as funeral cover, performance bonuses and 13<sup>th</sup> cheque. The increase is minimal due to the expected reduction in the cost of living adjustments and overtime claims. Over the MTEF period, compensation of employees increases by 3 per cent on average from R22.3 million in 2018/19 to R23.6 million in 2020/21.

Goods and services reflect a decrease of 50 per cent on average from R29.7 million in 2017/18 to R14.6 million in 2018/19 due to expectation that travelling by committees will be curtailed in preparation for the national elections. Over the MTEF, goods and services increases from R14.6 million in 2018/19 to R33.6 million in 2020/21 to ensure continued implementation of the programme's functions. The allocation for the MTEF period include committees international study tours and conferences, National and Gauteng Speakers forum, annual ethics seminar.

## PROGRAMME 2: OFFICE OF THE SECRETARY

### Programme description

The Secretary's Office serves as the custodian of the development and implementation of the strategy and provides strategic, tactical and operational Leadership to GPL administration for the achievement of the institutional mandate of Oversight and Scrutiny, Law Making, Public Participation and co-operative governance. The Office is also accountable for the institutional strategic planning, reporting, monitoring, contract management and evaluation and project management.

### Programme objectives

- To ensure implementation of Legislature Programme;
- To identify best practice parliaments on oversight;
- To ensure compliance to oversight requirements by the Executive;
- To develop and sustain relations with civil society organisations for public participation;
- To provide tactical, strategic and operational leadership and direction to the Secretariat and its Sub-Committees;
- Lead integrated support services to law-making, oversight, public participation and co-operative governance;
- Implement the Institutional Leadership Model and charter;
- Implement the Monitoring & Evaluation Framework for the GPL; and
- Ensure that all revenue, expenditure, assets and liabilities of the Legislature are managed efficiently, effectively and transparently.

TABLE 2.8: SUMMARY OF PAYMENTS AND ESTIMATES: OFFICE OF THE SECRETARY

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Office Of The Secretary	13 677	14 813	17 080	23 159	20 362	20 362	25 079	25 720	27 197
2. Office Of The Integrity Commissioner	17	54	47	214	214	214	231	244	254
<b>Total payments and estimates</b>	<b>13 694</b>	<b>14 867</b>	<b>17 127</b>	<b>23 373</b>	<b>20 576</b>	<b>20 576</b>	<b>25 310</b>	<b>25 964</b>	<b>27 451</b>

TABLE 2.9: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: OFFICE OF THE SECRETARY

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>13 694</b>	<b>14 867</b>	<b>17 127</b>	<b>23 373</b>	<b>20 576</b>	<b>20 576</b>	<b>25 310</b>	<b>25 964</b>	<b>27 451</b>
Compensation of employees	8 519	9 503	11 004	14 685	14 685	14 685	16 006	15 876	17 011
Goods and services	5 175	5 364	6 123	8 688	5 891	5 891	9 303	10 088	10 440
<b>Transfers and subsidies to:</b>									
Provinces and municipalities									
Households									
<b>Payments for capital assets</b>									
Buildings and other fixed structures									
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>13 694</b>	<b>14 867</b>	<b>17 127</b>	<b>23 373</b>	<b>20 576</b>	<b>20 576</b>	<b>25 310</b>	<b>25 964</b>	<b>27 451</b>

The programme's expenditure increased from R13.7 million in 2014/15 to R17.1 million in 2016/17, depicting an increase of 12 per cent on average. Of the total expenditure over the past 3 years, compensation of employees accounted for 64 per cent and goods and services for 36 per cent. Goods and services expenditure mainly relates to the Transversal Mainstreaming activities including multi-party women caucus, participation in the South African Legislative sector (SALS), CPA conference and the African Youth Parliament.

During 2017/18, the programme budget has been adjusted downwards to R20.6 million due to implementation of cost-efficiency measures on foreign travelling.

In 2018/19, the programme expenditure is estimated to increase to R25.3 million from R20.6 million in 2017/18, representing an average increase of 23 per cent. The increase is evidently on both compensation of employees and goods and services. Compensation of employees' increase of 9 per cent makes provision for annual salary increases and benefits, whilst goods and services increase include Multi-Party Women Caucus, Transversal mainstreaming, the printing and publication of the institutional Annual Report and Citizens Annual Report and Leadership development training programme. The Multi-Party Women Caucus is a forum constituting the GPL Women Parliamentarians from across party lines, who are united by a common interest in respect of the economic and socio-political wellbeing of women in Gauteng. In addition, the budget caters for continued participation in the Legislative sector such as the CPA, Society of Clerks at the Table (SoCATT), SALS and NCSL.

Over the MTEF, the estimated expenditure grows by 7 per cent on average from R25.3 million in 2018/19 to R27.5 million in the outer year. The growth is mainly attributed to annual personnel costs adjustments and provision made for inflationary increase on goods and services.

### PROGRAMME 3: CORPORATE SUPPORT SERVICES

#### Programme description

The purpose of the Corporate Support Services is to give support to all stakeholders internally within areas of Human Resources, Information and Technology, Safety and Security, Building Management, Administration; Transport and Logistics, Member's Affairs and Relations through provision of systems, policies and processes that enables and facilitates service provision in the most effective, efficient and professional manner.

#### Programme objectives

- To ensure that there is an effective system for tracking resolutions of Oversight committee, Legislative Services Board (LSB), subcommittees of the LSB, and Secretariat as well as its Sub-committees;
- To ensure that the business requirements are catered for through ICT support on Business Solutions (e.g. SAP), appropriate training, licensing, maintenance and access to required reports;

- To develop a system for effective integration processes and practices with internal and external stakeholders (Participation in the Events Coordinating Committee, SALS, Speaker's Forum processes);
- To develop a system for effective stakeholder resourcing (Resource model);
- Develop a culture of leadership that promotes diversity, work life balance, transparency and accountability;
- To ensure that Members are provided with the necessary support that is responsive and relevant to their needs;
- Ensure the provision of the IT and office space infrastructure to enable staff and members to execute their functions;
- Ensure the provision of the administrative support; and
- Manage and control the provision of communication services.

**TABLE 2.10: SUMMARY OF PAYMENTS AND ESTIMATES: CORPORATE SUPPORT SERVICES**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Ed Corporate Support Services	74 360	84 239	90 165	97 917	98 197	98 197	113 788	112 653	121 169
2. Members Affairs	104 913	104 678	118 955	127 854	125 684	125 684	131 839	143 069	150 865
3. Institutional Support Services	26 086	30 425	31 631	21 156	24 942	24 942	38 851	32 682	33 316
4. Operational Support Services	37 265	56 438	48 752	38 587	38 587	38 587	39 459	48 926	50 872
5. It And Technology	19 127	7 991	13 827	14 666	14 822	14 822	14 137	18 016	18 917
<b>Total payments and estimates</b>	<b>261 751</b>	<b>283 771</b>	<b>303 330</b>	<b>300 180</b>	<b>302 232</b>	<b>302 232</b>	<b>338 073</b>	<b>355 346</b>	<b>375 140</b>

**TABLE 2.11: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: CORPORATE SUPPORT SERVICES**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>158 590</b>	<b>166 595</b>	<b>180 259</b>	<b>185 273</b>	<b>187 325</b>	<b>187 325</b>	<b>216 501</b>	<b>226 723</b>	<b>239 443</b>
Compensation of employees	74 218	83 968	89 439	97 719	97 719	97 719	112 956	112 270	120 768
Goods and services	84 372	82 627	90 820	87 554	89 606	89 606	103 545	114 453	118 675
<b>Transfers and subsidies to:</b>	<b>94 734</b>	<b>97 911</b>	<b>110 585</b>	<b>114 907</b>	<b>114 907</b>	<b>114 907</b>	<b>121 572</b>	<b>128 623</b>	<b>135 697</b>
Provinces and municipalities									
Non-profit institutions	94 734	97 911	110 585	114 907	114 907	114 907	121 572	128 623	135 697
Households									
<b>Payments for capital assets</b>	<b>8 427</b>	<b>19 265</b>	<b>12 486</b>						
Buildings and other fixed structures	652	12 165	9 823						
Machinery and equipment	7 607	7 100	2 663						
Software and other intangible assets	168								
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>261 751</b>	<b>283 771</b>	<b>303 330</b>	<b>300 180</b>	<b>302 232</b>	<b>302 232</b>	<b>338 073</b>	<b>355 346</b>	<b>375 140</b>

The programme's expenditure has increased from R261.8 million in 2014/15 to R303.3 million in 2016/17 largely on transfers to political parties and followed by goods and services and compensation of employees. Goods and services expenditure relates to operational costs comprising maintenance costs, ICT infrastructure, telecommunication, rent and municipal rates and taxes and Members benefits tickets. Spending on capital assets mainly relates to SAGE building projects, procurement of office furniture, laptops and motor vehicles as well as installation of Members touch screens and air-con chillers.

In 2017/18, the programme's budget has been adjusted upwards to fund the implementation of the SAGE building refurbishment project.

In 2018/19, the programme's estimated expenditure is expected to increase by 12 per cent on average from an amount of R302.2 million in 2017/18 to R338 million in 2018/19. Compensation of employees increases by 16 per cent on average from R97.7 in 2017/18 million to R113 million in 2018/19. The increase is due to estimated annual salary adjustments, employee benefits, funded vacancies and inclusion of political support staff and learner ship programmes.

Goods and services are expected to increase by 16 per cent on average from R89.6 million in 2017/18 to R103.5 million in 2018/19. The budget accommodates contractual obligations and operational costs such as private security services, insurance, ICT, rent, municipal rates and taxes as well as other costs like training and development, staff and members bursaries and recruitment.

Transfers to political parties increase from R114.9 million in 2017/18 to R121.6 million in 2018/19, representing an increase of 6 per cent on average.

Over the MTEF, the programme's overall budget is expected to increase by 9 per cent on average from R338 million in 2018/19 to R375.1 million in 2020/21 to take account of inflation.

## PROGRAMME 4: CORE BUSINESS

### Programme description

The purpose of the programme is to support the House and its Committees to make laws for the Gauteng Province, conduct oversight over the Executive and facilitate cooperative governance for aligned decision-making in the Province. Core Business also supports public participation in the operations of the Legislature by the people of Gauteng, through public participation initiatives, ensuring that platforms are created for their effective participation.

### Programme objectives

The programme operates in the area of Communications, Parliamentary Business and Information and Knowledge Management and the key functions are:

- To coordinate and drive the execution of the core mandate of the GPL;
- Effective and efficient coordination of support functions to the Committees and the House;
- Professional and procedural support to committees of the House;
- Develop and deliver strategic projects which are organized through directorates;
- Monitoring and evaluation of the key deliverables on law-making, oversight and public participation;
- Improve internal processes, inter-directorate planning, planning and accountability;
- Provision of research services to committees of the House and the Institution;
- Provision of analysis during oversight activities of the Legislature;
- Coordination of interface between the Legislature and the National Council of Provinces;
- Provision of legal services to committees of the House during national and provincial law making activities of the institution;
- Coordination of committee activities including scheduling (programming) of committee business;
- Coordination of interface between the office of the Speaker and committees of the House;
- Coordination of provincial law making processes;
- To promote information and knowledge sharing to support GPL business processes, retention of institutional memory, and embedding of knowledge management to business processes that support the GPL mandate;
- Provides document management services to the House and committees, printing services, document registration services, interpretation translation services, recording of House and Committee proceedings, transcription services and provision of information services to support GPL business and Service Officers Services;
- Provide the Sergeant-at-arms function;
- Profile the GPL through Public education workshops; media; publications; branding/marketing/advertising; and
- To promote and facilitate public participation in all Legislative Processes.

TABLE 2.12: SUMMARY OF PAYMENTS AND ESTIMATES: CORE BUSINESS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Ed Core Business	115 732	124 371	133 083	147 348	148 048	148 048	164 125	157 460	170 026
2. Parliamentary Business	18 714	24 580	26 454	34 388	34 388	34 388	33 451	40 047	42 102
3. Information And Knowledge Management	10 293	11 852	13 912	14 915	14 915	14 915	19 609	16 597	17 159
4. Communication	20 833	25 345	29 350	46 944	46 989	46 989	41 909	53 711	54 397
<b>Total payments and estimates</b>	<b>165 572</b>	<b>186 148</b>	<b>202 799</b>	<b>243 595</b>	<b>244 340</b>	<b>244 340</b>	<b>259 094</b>	<b>267 815</b>	<b>283 684</b>

TABLE 2.13: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: CORE BUSINESS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>165 557</b>	<b>186 148</b>	<b>202 799</b>	<b>243 595</b>	<b>244 340</b>	<b>244 340</b>	<b>259 094</b>	<b>267 815</b>	<b>283 684</b>
Compensation of employees	109 508	118 701	131 307	144 802	144 802	144 802	162 302	156 561	169 082
Goods and services	56 049	67 447	71 492	98 793	99 538	99 538	96 792	111 254	114 602
<b>Transfers and subsidies to:</b>									
Provinces and municipalities									
Households									
<b>Payments for capital assets</b>	<b>15</b>								
Buildings and other fixed structures									
Machinery and equipment	15								



R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Software and other intangible assets									
Payments for financial assets									
<b>Total economic classification</b>	<b>165 572</b>	<b>186 148</b>	<b>202 799</b>	<b>243 595</b>	<b>244 340</b>	<b>244 340</b>	<b>259 094</b>	<b>267 815</b>	<b>283 684</b>

Between 2014/15 and 2016/17 the expenditure increased from R165.6 million to R202.8 million. Compensation of employees accounted for 65 per cent of the total expenditure due to increase in staff compliment and implementation of annual salary adjustments. The programme play a crucial role in supporting the execution of the GPL Constitutional mandate by providing professional support for the House and Committees including facilitating communication and public participation amongst others, hence the large number of staff and huge personnel costs. Goods and services expenditure accounted for 35 per cent of the total expenditure which is mostly driven by committees' activities and outreach programmes, public education workshops, House sittings and the annual Opening of the Legislature.

During 2017/18, the expenditure is expected to increase from R243.6 million to R244.3 million to fund the Baseline Assessment Study which has been incorporated into the Re-engineering of Public Participation under the programme.

The programme estimated expenditure for 2018/19 is R259.1 million compared with the 2017/18 revised estimates of R244.3 million, representing an increase of 6 per cent on average. The increase can be ascribed to provision made for inflationary salary adjustments and benefits. Similarly, the budget include committees' activities and outreach programmes, public education workshops, sector parliaments, public participation as well as other initiatives supporting committee activities through radio and television broadcasts, advertorials, newsletters and publications amongst others. In addition, the allocated budget includes NCOP taking Parliament to the people, public hearings and Hansard outsourcing in support of House sittings and committee programmes, Voter education and the opening of the Legislature.

Over the MTEF, the expenditure is estimated to increase by 8 per cent on average from R259.1 million in 2018/19 to R283.7 million in 2020/21 to augment against the expected inflation.

## SERVICE DELIVERY MEASURES

### PROGRAMME 4: CORE BUSINESS

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of Sector Oversight Model (SOM) imperative reports produced	66	88	88	88
Percentage of resolution processed by the House	100%	100%	100%	100%
Percentage of questions processed by the House	100%	100%	100%	100%
Percentage of motions processed by the House	100%	100%	100%	100%
Percentage of petitions processed in accordance with the relevant legislation	100%	100%	100%	100%
Percentage increase in the people of Gauteng who participate in the business of the GPL	5%	10%	10%	10%
Percentage of Bills processed by the GPL in line with the prescripts of the Constitution	0%	0%	0%	0%
Level of satisfaction of the people of Gauteng with the Legislature	100%	100%	100%	100%

### PROGRAMME 5: OFFICE OF THE CFO

#### Programme description

The purpose of the programme is to provide professional financial, risk and supply chain management services to stakeholders for the realisation of the Institutional strategic goals and objectives. The Office strives to raise financial resources equitably to ensure adequate funding for the implementation of the Institutional strategic plan whilst promoting effective financial management in respect of revenue, expenditure, assets and liabilities.

The Office promotes effective and efficient management of all financial resources through the implementation of best business practices by linking strategic planning, budgeting and reporting. The Office is also responsible to ensure continuous implementation of all relevant financial legislation to enhance the fiscal stability, accountability and integrity of the GPL.

#### Programme objectives

- To coordinate and prepare reports on the implementation of the Institutional strategic plan and budget;
- Execution of payroll for both members and staff in line with relevant acts and policies on prescribed dates;
- Ensuring a three year internal audit plan is approved by the Audit & Risk Committee and executed within the respective timeframes,



- Ensuring that an annual external audit plan is approved by the Audit & Risk Committee and external audit reports finalised within five months after the financial year-end in pursuance of an unqualified audit opinion; and
- Ensure effective fraud prevention plans are implemented through the Implementation of the Anti-fraud and Corruption policy and Fraud Prevention Plan.

TABLE 2.14: SUMMARY OF PAYMENTS AND ESTIMATES: OFFICE OF THE CFO

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Chief Financial Officer	28 310	34 473	39 530	44 025	44 025	44 025	46 786	46 040	49 503
2. Finance	503	127	239	214	192	192	476	240	250
3. Supply Chain Management	4 129	2 236	1 875	10 361	10 383	10 383	7 722	10 299	11 256
4. Audit, Risk And Governance	1 637	1 289	1 079	1 449	1 449	1 449	1 450	1 622	1 687
<b>Total payments and estimates</b>	<b>34 579</b>	<b>38 125</b>	<b>42 723</b>	<b>56 049</b>	<b>56 049</b>	<b>56 049</b>	<b>56 433</b>	<b>58 201</b>	<b>62 696</b>

TABLE 2.15: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: OFFICE OF THE CFO

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>31 520</b>	<b>36 897</b>	<b>41 183</b>	<b>49 526</b>	<b>49 526</b>	<b>49 526</b>	<b>54 726</b>	<b>54 198</b>	<b>58 374</b>
Compensation of employees	25 652	31 255	33 655	38 959	38 959	38 959	43 365	41 426	44 658
Goods and services	5 868	5 642	7 528	10 567	10 567	10 567	11 361	12 772	13 716
<b>Transfers and subsidies to:</b>									
Provinces and municipalities									
Households									
<b>Payments for capital assets</b>	<b>3 059</b>	<b>1 228</b>	<b>1 540</b>	<b>6 523</b>	<b>6 523</b>	<b>6 523</b>	<b>1 707</b>	<b>4 003</b>	<b>4 322</b>
Buildings and other fixed structures									
Machinery and equipment	3 059	1 228	1 540	6 523	6 523	6 523	1 707	4 003	4 322
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>34 579</b>	<b>38 125</b>	<b>42 723</b>	<b>56 049</b>	<b>56 049</b>	<b>56 049</b>	<b>56 433</b>	<b>58 201</b>	<b>62 696</b>

The expenditure increased from R34.6 million in 2014/15 to R42.7 million in 2016/17. The major portion of the expenditure has been spent on compensation of employees, accounting for 78 per cent of the total expenditure. Goods and services accounted for 16 percent due to payment of internal and external auditors, valuation of GPL artwork and impairment of assets. Capital payments accounted for 6 per cent of the total expenditure mainly for procurement of office furniture in line with the increasing number of new employees in the Institution.

During 2017/18, the expenditure remains unchanged at R56 million with compensation of employees accounting for R39 million, goods and services for R10.6 million and capital assets for R6.5 million. Goods and services budget include the shifting of the inventory function as well as audit fees from Programme 3: Corporate Support Services to Programme 5: Office of the CFO. Capital assets allocation caters for office furniture, replacement of House sitting chairs and auditorium video wall as well as laptops for members and staff.

The 2018/19 expenditure is expected to increase by less than 1 per cent on average from R56 million in 2017/18 to R56.4 million. Compensation of employees increases from R39 million to R43.4 million or 11 per cent on average. The increase make provision for annual salary increases and benefits. Goods and services increase from R10.6 million in 2017/18 to R11.4 million in 2018/19 due to the centralisation of all inventory and assets. The allocation include internal and external audit fees, inventory, business continuity plan and assets impairments. Capital assets decreases from R6.5 million in 2017/18 to R1.7 million in 2018/19 due to anticipated completion of the replacement of House sitting chairs and auditorium video wall projects. Capital budget include laptops and desktops that are due for replacement.

Over the MTEF, the expenditure is expected to increase by 9 per cent on average from R56.4 million to R62.7 million to mitigate against the impact of inflation and to ensure that the centralised inventory and assets are accommodated over the MTEF period.

## **9. OTHER PROGRAMME INFORMATION**

### **9.1 Personnel numbers and costs**

**TABLE 2.16: PERSONNEL NUMBERS AND COSTS: GAUTENG PROVINCIAL LEGISLATURE**

R thousands	Actual				Revised estimate			Medium-term expenditure estimate				Average annual growth over MTEF					
	2014/15		2015/16		2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21		
	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Filled posts	Additional posts	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel growth rate	Costs growth rate	% Costs of Total
Salary level																	
1 – 6																	
7 – 10																	
11 – 12																	
13 – 16																	
Other	476	231 742	493	258 011	487	280 869	520		520	318 120	522	348 044	522	375 105	0.1%	5.6%	100.0%
Total	476	231 742	493	258 011	487	280 869	520		520	318 120	522	348 044	522	375 105	0.1%	5.6%	100.0%
Programme																	
1. Leadership And Governance	20	13 845	25	14 584	21	15 464	22		22	21 955	22	21 911	22	23 586		2.4%	6.5%
2. Office Of The Secretary	16	8 519	13	9 503	12	11 004	16		16	14 685	16	15 876	16	17 011		5.0%	4.6%
3. Corporate Support Services	174	74 218	179	83 968	190	89 439	202		202	97 719	204	112 270	204	120 768	0.3%	7.3%	31.8%
4. Core Business	219	109 508	223	118 701	214	131 307	226		226	144 802	226	156 561	226	169 082		5.3%	45.2%
5. Office Of The Cfo	47	25 652	53	31 255	50	33 655	54		54	38 959	54	41 426	54	44 658		4.7%	12.0%
Direct charges																	
Total	476	231 742	493	258 011	487	280 869	520		520	318 120	522	348 044	522	375 105	0.1%	5.6%	100.0%

The number of personnel employed by the GPL has increased over the years from 476 in 2014/15 to 487 in 2016/17. In 2017/18 the staff compliment sits at 522 and is expected to remain constant over the MTEF period. The number of staff depicted in the table above includes both GPL employees and political parties' support staff.

The number of staff employed in Programme 4: Core Business has increased from 214 in 2014/15 to 226 in 2016/17 or as at 31 March 2017. The staff number is expected to remain the same over the MTEF. The programme supports the House and committees' for the implementation of the core mandate of the Institution. Programme 3: Corporate Support Services depict a growing staff compliment from 174 in 2014/15 to 202 in 2017/18 and the personnel include the political parties support staff. Programme 3: Corporate Support Services provides administrative support to the Institution such as ICT, human resources, management of members' facilities, security and maintenance.

The Institution will also continue to fast-track the process of filling all critical and funded vacant positions that already form part of the structure. Similarly, the increase in compensation of employees caters for the annual salary increases, pay progression, performance bonuses and funeral benefits.

## 9.2 Training

TABLE 2.17: INFORMATION ON TRAINING: PROVINCIAL LEGISLATURE

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Number of staff	476	493	487	520	520	520	522	522	522
Number of personnel trained	360	400	400	370	370	414	418	425	435
of which									
Male	160	200	190	170	170	190	190	190	190
Female	200	200	210	200	200	224	228	235	245
Number of training opportunities	330	280	383	360	360	423	424	440	458
of which									
Tertiary	90	80	145	85	85	148	149	150	152
Workshops	240	200	203	240	240	240	240	253	267
Other			35	35	35	35	35	37	39
Number of bursaries offered	77	80	85	85	85	85	85	90	95
Number of interns appointed	15	25	25	27	27	32	32	32	32
Number of learnerships appointed	10	10		10	10		20	20	20
Number of days spent on training	317	300	250	250	250	250	250	264	279
<b>Payments on training by programme</b>									
1. Leadership And Governance	155	194	101	194	194	194	194	200	211
2. Office Of The Secretary	91	117	44	117	117	117	117	121	127
3. Corporate Support Services	897	1 164	657	1 200	1 200	1 200	1 700	1 751	1 847
4. Core Business	1 560	1 939	466	2 000	2 000	2 000	2 892	2 950	3 112
5. Office Of The Cfo	371	466	193	500	500	500	500	510	538
<b>Total payments on training</b>	<b>3 074</b>	<b>3 880</b>	<b>1 461</b>	<b>4 011</b>	<b>4 011</b>	<b>4 011</b>	<b>5 403</b>	<b>5 531</b>	<b>5 835</b>

Between 2014/15 and 2016/17 financial years, the number of staff trained has increased from 360 to 400. Of the total personnel trained in the outcome period, above 50 per cent were female. The majority of the training opportunities created were in the form of workshops, followed by tertiary education.

The number of bursaries offered during the outcome period has increased considerably from 77 in 2014/15 to 85 in 2016/17 to improve skills and competence of both staff and Members of the Legislature. The number of bursaries will increase to 95 in the outer year of the MTEF period and will be awarded to registered employees and Members in order to accommodate the increasing demand for financial assistance.

During 2017/18 the number of interns is expected to increase from 27 to 32 and is expected to remain the same over the MTEF. The interns will be allocated across all programmes and in various fields to create an opportunity for practical work experience and broaden their knowledge. The GPL has increased the internship programme from one to two years and will continue to contribute to youth skills development initiatives. Similarly, the GPL will continue to have learnership opportunities each year and over the MTEF to promote a structured learning environment for undergraduates who need to gain theoretical knowledge and practical skills in the workplace to obtain their qualifications.

The Institution has spent a total amount of R8.4 million on staff training over the outcome years. Of this total amount spent, 2015/16 accounted for a larger portion of tuition payments. Programme 4: Core Business accounted for 47 per cent of expenditure in 2015/16 and followed by Programme 3: Corporate Support Services at 32 per cent. This could be attributable to the greater number of staff employed in both programmes, as well as payment of tuition for Members and Political Support staff training who are in Corporate Support Services. Both programmes also account for the major portion of funds spent on training in 2016/17.

During 2017/18, the GPL continue to invest in skills development by increasing the budget for training to R4 million from R1.5 million in 2016/17. The increase can also be credited to the increased number of interns from 27 to 32 as well as the monthly stipend. Over the MTEF period, the amount is expected to increase to R5.8 million in 2020/21 to enhance members and staff knowledge and competency levels. More than half of this budget can be ascribed to both Programme 3: Corporate Support Services and Programme 4: Core Business to ensure that members are fully capacitated and trained on areas of law-making, oversight and public participation.

### **9.3 Reconciliation of structural changes**

N/A



# VOTE 3

## DEPARTMENT OF ECONOMIC DEVELOPMENT

To be appropriated by vote in 2018/19	R 1 510 450 000
Responsible Executing Authority	MEC for Economic Development
Administering Department	Department of Economic Development
Accounting Officer	Head of Department

### 1. OVERVIEW

#### Vision

To transform, modernise and re-industrialise the economy in Gauteng which leads to decent work, economic inclusion and equity.

#### Mission

The mission of the Department of Economic Development is to:

- Ensure radical transformation, modernisation and re-industrialisation of the Gauteng economy;
- Provide an enabling policy and legislative environment for equitable economic growth and development;
- Develop and implement programmes and projects that will:
  - Revitalise Gauteng's township economies;
  - Build new smart, green, knowledge-based economy and industries;
  - Ensure decent employment and inclusion in key economic sectors;
  - Facilitate radical economic transformation, modernisation and re-industrialisation;
  - Include the marginalised sectors of women, youth and persons with disabilities in mainstream economic activities; and
  - Establish appropriate partnerships for delivery and ensure that DED effectively delivers on its mandate.

#### Strategic Goals

The strategic outcome oriented goals of DED are:

- Transform Gauteng's economy radically;
- Re-industrialise Gauteng's economy; and
- Capacitate the Department for efficient and effective delivery.

#### Core functions and responsibilities

- Revitalisation of township economies;
- Increase the participation of small, medium and micro enterprises (SMMEs) and cooperatives (coops) in the Province's mainstream economy;
- Support the growth and development of the 11 identified sectors (agro processing, automotive, manufacturing, ICT, tourism, pharmaceuticals, creative industries, construction, real estate, finance and mineral beneficiation);
- Provide research-based information to support planning, decision-making and optimal resource utilisation in respect of radical economic transformation and re-industrialisation interventions;
- Provide transversal, centralised and collaborative provincial strategic economic infrastructure projects;
- Facilitate trade and investment towards radical transformation, modernisation and re-industrialisation of Gauteng's economy;
- Promote and stimulate the demand for Gauteng as a destination of choice among domestic and international visitors (destination marketing, bidding, hosting and visitor services); and Promote the socio-economic development and competitiveness of Gauteng in targeted sectors through innovation

#### Main services

##### Enterprise Development

- Include SMMEs, township enterprises and cooperatives into the value of the 11 identified sectors;



- Build the capacity of SMMEs, township enterprises and cooperatives to participate in mainstream economic activities; and
- Revitalise and modernise township economies.

#### **Regional and Local Economic Development**

- New, smart, green, knowledge-based economy and industries;
- Green technologies, processes and industries;
- Township economies; and
- Energy security and project management support.

#### **Trade and Investment Promotion**

- Attract domestic direct investment (DDI) and foreign direct investment (FDI);
- Increase trade, investment and export opportunities in Africa and globally; and
- Invest in strategic economic infrastructure.

#### **Sector Development**

- Support high-growth, competitive and labour-absorbing sectors;
- Support local manufacturing;
- Stimulate competitiveness and the transformation of identified sectors;
- Radically transform the energy sector;
- Revitalise and modernise old industries; and
- Support tourism and the creative industries.

#### **Liquor affairs**

- Effective governance and regulation of the liquor industry;
- Ensure ethical business practice and empowered stakeholders;
- Promote and maintain an effective and efficient regulatory system for the liquor industry;
- Maximise the benefits derived from the liquor industry and minimise its potential negative impact; and
- Generate revenue from the industry and the regulation services offered for socio-economic development of the Province.

#### **Consumer affairs**

- Ensure awareness of consumer rights through education and awareness programmes;
- Ensure consumer protection and compliance by business with applicable consumer legislation; and
- Provide secretarial support to the Consumer Affairs court.

#### **National Development plan (NDP)**

The NDP is the major blueprint for government and society at large. It aims to eradicate poverty and unemployment and build a national democratic society that is socially inclusive by 2030. The NDP gives birth to the Medium Term Strategic Framework which identifies significant actions to be prioritised in the first five years of the NDP. The NDP assumes that about 90 per cent of jobs in 2030 will be created through SMMEs. This presents an opportunity for Gauteng to create and develop productive and manufacturing skills to produce decent and sustainable jobs. The Department will continue its efforts to develop and increase Gauteng's Provincial Supplier Development database to enhance SMME participation in the economy so that they benefit from the 30 per cent set aside for township businesses. There will be a strong focus on products designated for township businesses (bakery, meat and milk products).

#### **Ten Pillar Programme of Transformation, Modernisation and Re-industrialisation (TMR)**

GPG has adopted a 10 Pillar Programme to ensure radical socio-economic transformation of the Province. GDED supports the following seven TMR pillars:

- Pillar 1: Radical economic transformation;
- Pillar 2: Decisive spatial transformation;
- Pillar 4: Transformation of the state and governance;
- Pillar 5: Modernisation of the public service;
- Pillar 6: Modernisation of the economy;
- Pillar 9: Re-industrialisation of Gauteng; and
- Pillar 10: Taking the lead in Africa's new industrial revolution.

#### **Acts, rules and regulations**

- National Tourism Act No. 24, 2014;
- National Tourism Sector Strategy 2011;
- Consumer Protection Act, 2008 ;
- Gauteng Tourism Act No. 3, 2006;

- Gauteng Enterprise Propeller Act, 2005;
- National Credit Act, 2005;
- National Environmental Management: Biodiversity Act, 2004;
- National Environmental Management: Protected Areas Act, 2003;
- Gauteng Liquor Act, 2003;
- National Protected Areas Act, 2003;
- Blue IQ Investment Holding Act, 2003;
- Gauteng Gambling Act, 1995, 1996, 2001;
- Engineering Professions Act, 2000;
- Promotion of Access to Information Act, 2000;
- Administration of Justice Act, 2000;
- Preferential Procurement Policy Framework Act, 2000;
- Municipality Systems Act, 2000;
- Public Finance Management Act (PFMA), 1999;
- National Heritage Resource Act, 1999;
- Skills Development Act, 1998;
- Employment Equity Act, 1998;
- National Water Act, 1998;
- Convention Concerning the Protection of the World Cultural and Natural Heritage (adopted 1997);
- Intergovernmental Fiscal Relations Act, 1997;
- Extension of Security of Tenure Act, 1997;
- Gauteng Consumer Affairs (Unfair Business Practices) Act, 1996;
- Constitution of the Republic South African Act 108 of 1996;
- Restitution of Land Rights Act, 1994;
- Public Service Act, 1994;
- Business Act, 1991;
- Environment Conservation Act, 1989;
- Nature Conservation Ordinance, 1983;and
- Conservation of Agricultural Resources Act, 1983.

## 2. REVIEW OF THE CURRENT FINANCIAL YEAR (2017/18)

### PILLAR 1: Radical Economic Transformation

#### Sector and Industry

##### Manufacturing

The Gauteng Tooling Initiative (GTI) is a dedicated development initiative of the GDED in response to Radical Transformation, Modernisation, and Re-industrialisation (TMR). The key focus area of the GTI is firm-level interventions targeting 20 manufacturing SMMEs to arrest the de-industrialisation. Also targeted are: the re-industrialisation, facilitation of three manufacturing cluster development across the GCR Economic Development Plan corridors; customisation of the manufacturing sector skills development and supporting the catalyst programmes such as Black Industrialist; Automotive Industry Development Centre (AIDC) AIDC; and the West Rand Manufacturing Economic Development Plan. Gauteng Tooling Manufacturing Initiative (GTMI) has been positioned as a solid technical manufacturing expertise to support the emerging manufacturing SMMEs, labour absorption and upscaling the localisation in the manufacturing value chain across the Gauteng City Region.

For the period under review 11 SMMEs were supported through enterprise development programme across various manufacturing sectors, namely the Mining, Automotive, Fabricated Metals, Machinery and Equipment and Construction. Since its inception, over 70 companies have benefitted from the initiative.

##### Tertiary Services

The Gauteng Township Stock Exchange (GTSE) Project has been identified as a platform where SMMEs and Township Enterprises (TEs) could access finance, with the objective of stimulating and improving economic growth of the SMMEs and TEs by developing and exploiting innovative capital markets. The South African Financial Exchange (SAFE) has been appointed as a strategic partner of GDED in establishing the GTSE. During the period under review the Department's key emphasis was on issuing adverts with the aim of attracting and informing the different stakeholders (SMMEs and investors) about the project and its products, conducting roadshows to create a platform to educate and interact with potential SMMEs, investors and other stakeholders about Over The Counter (OTC) and GTSE operations and prerequisites to participate on both platforms and shortlist 25 SMMEs to be listed on the Over The Counter platform.

To date the following have been achieved for the GTSE:

- Hosted a Financial Securities Services Seminar with the objective of exploring private and public initiatives of stimulating economic growth and deliberate feasible solutions in capital markets to be considered for SMMEs and Township Enterprise funding;
- Developed a GTSE framework based on the outcome of the study (GTSE Feasible);
- Developed a project plan for the GTSE;
- Issued an Expression of Interest (EOI) inviting the private sector to express their interest in designing and implementing the project;
- Appointed a partner based on the recommendations of the DD;
- Formulated and signed the Memorandum of Agreement (MOA) with the partner; and
- Formulated the Service Level Agreement (SLA) between GDED and SAFE.

The GDED is envisaged in establishing a Gauteng State-Owned Bank (GSOB). The bank will correct market failures and provide resources to the underserved or high-priority sectors of the economy, thus facilitating equitable economic growth. The key focus areas are to appoint a service provider to perform a risk and review assessments on all possible risks and returns on establishing a State-Owned Provincial Bank, works hopping the results of the assessments with all the key relevant stakeholders, gathering constructive inputs that will ensure effective and efficient deliverance of the project.

Progress to date for the GSOB includes the following:

- The Gauteng Department of Economic Development (GDED) commissioned a study in June 2015. The objective of the study was to conduct a “feasibility study” to assess the feasibility of Gauteng establishing a state owned-bank (SOB).
- The study was completed in 2016 and presented to Executive Council (EXCO), and EXCO resolved that the Economic cluster should critically analyse the outcomes of the study with the objective of strengthening the study to bring it to a post-feasibility level that will assist the Province in making its decision towards developing the bank.
- GDED initiated the Request for Information (RFI) process for the establishment of Gauteng State-Owned Bank. The RFI was advertised and six RFI submissions were received.
- Following the outcome of the RFI process the GDED issued an RFQ to appoint a service provider to strengthen the feasibility study. The RFQ was issued and a total of five bids were received.
- A service provider has been appointed for the risk and review assessment of the feasibility study. The service provider commenced with the risk and review of the GSOB on 24 January 2017.

The Business Process Services (BPS) sector has been identified as one of the priority sectors to be developed in the Industrial Policy Action Plan 2016-2017-2018-2019. The industry presents an opportunity for sustainable job creation and skills development within the townships. During the period under review, the GDED partnered with a call centre company (one of the biggest BPS Service Providers) and the priority is to recruit, train and place previously disadvantaged, unskilled, unemployed youth in Soweto. The GDED will also attract investment opportunities to locate BPS satellite offices in all five corridors. The Call Centre Industry (CCI) Company as a strategic partner to GDED will be locating BPS satellite office within the Soweto Township. The CCI Company anticipates creating over 300 decent, beneficial and sustainable jobs in Soweto to accelerate inclusive youth employment during this agreement.

### Primary Resources

The Township Furniture Manufacturing project is an intervention aimed at promoting radical economic Transformation, The Township Furniture Manufacturing Project is an intervention aimed at promoting radical Economic Transformation, Modernisation and Re-Industrialisation (TMR). The key focus of the Township Furniture Manufacturing Project (during 2017/18 financial year) is targeting enterprise training, support and business development through the FURNTECH incubation and cluster or hub enterprise solutions. The 45 SMMEs and cooperatives will be spread across the five corridors of the Gauteng City Region Economic Development Plan (GCR EDP).

The objective of this intervention is to create an enabling macro-environment for the development of sustainable, productive, competitive and fast-growing black-owned furniture manufacturing enterprises to enhance the competitiveness of the industry in local, regional and global markets. The programme supports the DTI Industrial Policy Action Plan (IPAP) designation of the domestic furniture sector as a critical sector in addressing unemployment, poverty and inequality owing to its labour absorption capabilities. To date no major developments have occurred as the Gauteng Enterprise Propeller (GEP) is yet to finalise the appointment of the service provider who will do the training and development of furniture manufacturers.

Mining is still an important economic sector in the West Rand in terms of both production and employment and its influence in the economy of Gauteng, in particular that of the West Rand, will still be felt for years to come. Therefore, it is critical that the mining sector be used as a catalyst for developing other economic activities within the region.

Currently there are several mining activities, dormant mines and exploited mining deposits evident in the West Rand. However, in most cases between 5 and 40 per cent of mined metal is lost to waste lying in old mining dumps because mining waste is usually dumped rather than treated or recycled.

The Department seeks to incubate 50 businesses towards the creation of 600 jobs in the mining sector over a period of three years. To date engagements with the mining house Shanduka have been held to facilitate the incubation programme.

### **Economic Planning**

Economic planning (EP) continues to provide thought leadership to inform the transformation and re-industrialisation agenda for the Gauteng City Region economy through:

- On-going tracking of both global and local economic developments and their likely impact on the Gauteng economy;
- Development of evidence-based macro-policies and strategies; and
- Coordination of employment and youth programmes.
- 

The current efforts are focused on updating the tool to allow timely access to information. Like the barometer, the intelligence reports also focus on provision of information for decision-making. EP has initiated township surveys to understand the dynamics of township business communities in Gauteng. To this effect, enterprise surveys have been rolled out in Duduza, Kwa-Thema, and Tsakane, Tembisa and Toekomsrus between the financial years 2016/17 and 2017/18.

For 2017/18, the focus was on the review of the Gauteng SMME and Cooperative strategies given that SMMEs and cooperatives are at the centre of the Gauteng's provincial township revitalisation agenda. EP has commenced monitoring the implementation of the Gauteng City Region Economic Development Plan.

EP continued to facilitate the job creation tracking and reporting for the provincial government. Monthly reports were consolidated to reflect on the jobs created by the Province and EP works together with the Econometric Modelling Programme to enhance the technical aspect of impact assessment studies.

### **Inclusive Economy**

The Inclusive Economy remains an anchor regarding monitoring and implementation of programmes with transformative intent and bias. All programmes are implemented with the two main strategic guidelines [i.e. BBBEE Strategy and Township Economy Revitalisation]. Most of the Gauteng population still lives in townships or communities confined to the periphery both socially and economically by apartheid policies. Although these policies ceased to exist post 1994, their impact has permeated every aspect of the society which includes entrepreneurship. Most township entrepreneurs still struggle to access information to enter the market successfully.

Inclusive Economy continues to conduct economic opportunities workshops wherein enterprises were informed about the public procurement opportunities, especially regarding basic compliance to the tendering processes. Moreover, enterprises were also linked to the funding opportunities through the government agencies [i.e. GEP and IDC]. At the project level, a TER intergovernmental Working Committee is convened monthly to track project implementation progress in line with the TER strategy.

Programmes being implemented to create a conducive environment for viable township enterprises include Cooperative Banks Growth and Modernisation Programme and consumer cooperatives. The Department continues to assist registered and non-registered Cooperative Financial Institutions (CFIs) through technical training and workshops as well as coaching and mentoring. In the current 2017/18 financial year, three CFIs are being mentored to ensure sustainable and self-sufficiency. Regarding consumer cooperatives, four have been established to date and the Department is providing hands-on support focusing on community activations, stimulating market access for locally produced goods as well as collaborating with international experts as a way of establishing networks with local cooperatives.

### **Gauteng Enterprise Propeller (GEP)**

In the 2017/18 financial year GEP's focus remained on the provision of financial and non-financial support to SMMEs and cooperatives in key sectors such as manufacturing, agriculture, services and retail, ICT and agro processing. Interventions included financial support, training and mentorship, access to markets, productive and technical skills development opportunities and the provision of support aimed at enhancing the investment. A total of 2 652 SMMEs and 562 cooperatives benefitted from these interventions. The rand value of financial support to be provided to SMMEs and co-ops by the end of 2017/18 is approximately R60 million. The Agency's contribution towards the implementation of the Gauteng Informal Business Upliftment Strategy has resulted in 797 township-based informal businesses having benefited non-financially through business development support interventions aimed at formalising their businesses. The support provided to township businesses would ensure that GEP continues to broaden its reach to previously underserved regions, thus increasing their economic output and job creation potential.

### **Gauteng Tourism Authority (GTA)**

The role of the GTA is to implement projects aimed at marketing Gauteng as a destination for growing visitor economy, by deliberating on the following objectives:

- Provide a wide-range of world-class, customer-focused and vibrant visitor experiences located throughout the Province which appeal to the diverse needs of increasing numbers of overseas, African and domestic visitors;

- Being a destination of choice for global, regional, national and local events;
- Partnering with public, private and communities to achieve goals;
- Focusing on sustaining and creating temporary jobs through a (continued) growing contribution to the provincial economy; and
- Contributing to transforming the industry sectors that act responsibly for the benefit of the economy, environment, employees, communities and society.

The GTA implements its mandate through three core programmes, namely, Destination Marketing Communications, Bidding and Hosting (Gauteng Convention Bureau) and, Leisure, Trade and Visitor Services. The three programmes share a purpose, i.e. to promote destination Gauteng. Destination Marketing Communications promote destination Gauteng through media, digital, and branding. Bidding and Hosting supports events and it is through the supported events the GTA leveraged for promotional activities aimed at promoting destination Gauteng. Leisure, trade and visitor services implement promotional projects at domestic and international platforms and provide information required by the tourists, including implementation of safety programmes.

Some of the projects that the GTA implement cut across different units, nonetheless, the GTA's 2017/18 APP focused on the following projects:

Some of the projects that the GTA implements cut across different units, nonetheless, the GTA's 2017/18 APP focused on the following projects:

SMMEs support – to promote township SMMEs tourism products. The Agency assists township SMMEs to promote their products through the GTA's digital system and showcase their products in events and exhibitions that the GTA supports.

Destination promotion activities – to stimulate tourism demand, the Agency promote destination Gauteng through social networks, the GTA website, Gauteng Travel Guide App, branding materials, and strategic partnership with media as marketing channels for telling a story about different Gauteng products and experiences at local and international platforms. The Agency leverages on exhibitions, including events, and other platforms to promote Gauteng at domestic and international markets. Visitor information services also play role in promoting destination marketing through roadshows, exhibitions, and visitor information services.

Tourism safety - the agency works with strategic partners to implement tourism-safety programmes.

Events support – aimed at stimulating tourism demand, the agency implements events support programme by working with strategic partners to secure events in implementing the Gauteng Events Strategy thus generating economic benefit, such as rand value, jobs, etc.

SMMEs support - through Gauteng Convention Bureau, the Agency identifies and collaborates with strategic partners to bid for, and support in, hosting international, regional, local, community, and township events, and leverages on the supported events to promote destination Gauteng. Within the broader scope of the event support programme, the Agency implement township events by collaborating with event's organisers. The agency uses events as a leverage platform for tourism attraction, community activations and for job creation opportunities. Adding to events support, the Agency implements leisure and trade projects to promote destination Gauteng at domestic and international platforms through exhibitions and events.

The GTA has signed three memorandum of agreements with strategic partners, i.e., Airlift Strategy-ACSA (Airports Company of South Africa), N12, and Lanseria Airport. This provides the GTA with opportunities to engage with organisations that play a central role in the industry. For example, the signing of the Airlift Strategy Agreement paves the way for increasing visitor's number through direct flights into the Province and the expansion of existing routes. The N12 memo is signed with N12 Association to promote and develop businesses along the N12 route and to include marginalised communities in the development of the route. Through the relationship with Lanseria, the GTA will be opening a visitor centre to serve tourist with relevant information.

Six media partnerships were implemented where the target was nine. Despite the failure to achieve cumulative the Quarter 3 target, the GTA overachieved in hosting key influencers and journalist. Media familiarisation tours and hosting of key influencers and journalists are strategic activities as these contribute towards implementing the mandate of the organisation. The GTA works with media for to generate content and key influencers to promote products and experiences, by telling stories about products and experiences in Gauteng.

The GTA overshot the cumulative targets of the digital marketing and brand awareness programme as follows: 34 digital marketing projects against a target of nine and 23 brand awareness projects against a target of 15. The GTA leverages on events that the Agency support to implement these projects. The overachievement can be attributed to the success in supporting events. Digital marketing appears to be the future in destination marketing as people use websites and social media to perform research. Branding, whether on a physical space or on digital, plays a significant role in portraying the destination brand values.



The GTA supported 16 signature, regional and township events in which five were regional events namely Sedibeng Summer Cup; Spring Jump-Off, Township Music Legends; Makhelwane Festival.

Forty-four Meetings, incentives, conferences and event (MICE) events were supported, which was the targeted number. The events generate rand value, jobs, and give platform to the SMMEs to showcase their products and experiences. The preliminary report shows that R2.2 billion and 13 766 jobs were generated, with more than 50 SMMEs supported through event. Out of the jobs generated, 4 106 were youth and 3 012 women.

Through Leisure Projects, destination Gauteng was promoted to a total of seven African markets, namely Mozambique, Zambia, Swaziland, Angola, Malawi, Tanzania and Zimbabwe and the promotion was seen by a total of 14 932 people in those countries. The Agency succeeded to promote destination Gauteng to two BRICS market, namely, India and Brazil as well as other key international source markets such as the Netherlands, France, Switzerland, London, Italy, Australia and other countries. The initial approach is that these projects are implemented through international exhibitions and events at different source markets where the GTA participates.

Owing to budget cuts during the beginning of the financial year, the GTA could not meet the set targets as planned, which resulted in the revision on the annual targets. The projects above are the core businesses of the organisation. For the organisation to ensure that the programme proceeds, as a result, the GTA subscribed to the giant international social network, to assist the Agency in promoting destination Gauteng. Furthermore, the Agency uses partnership with DIRCO to promote destination Gauteng on behalf of the Agency. However, this implementation approach does not give the GTA opportunities to establish partnerships from different source markets. Through Leisure, ninety-seven SMMEs were given market platforms to showcase their products against the target of 80.

Through visitor services projects, the GTA hosted/participated in 39 tourism information-sharing workshops/exhibitions/roadshows against the target of 44. The Agency managed to handle 100 per cent of the reported tourists' incidents.

### **Gauteng Growth and Development Agency (GGDA)**

#### **Automotive Industry Development Centre (AIDC) skills development and training programme**

The Supplier Park Development Company (SPDC) trading as AIDC was established to support the automotive industry in Gauteng through the provision of economic infrastructure and sector development interventions. The Automotive Supplier Park (ASP), the Winterveldt Enterprise Hub, the incubation centres in Silverton and Rosslyn, the Gauteng Automotive Learning Centre (GALC) and the Incubation Centres in Silverton and Rosslyn are some of the infrastructure projects developed. A total of 1 701 people were trained during the three quarters of 2017/18.

#### **AIDC Supplier Efficiency Programme**

The objective of this programme is to improve the competitiveness of companies in the Gauteng automotive component industry and related industries to enable them to participate at an international supply chain level. The programme is aimed at addressing key issues of quality, cost reduction, productivity improvement and manufacturing/supply stability. A total of 25 companies were enrolled in the programme during the period under review and 25 gap analyses for these companies were completed.

#### **Winterveldt Enterprise Hub (WEH)**

The aim of project is to train and mentor SMMEs from the Winterveldt area to enable them to grow their businesses into entities that possess the required accreditations. The facility lost approximately over 180 production days during 2017/18 financial year from the numerous operational disturbances and shut-downs caused by community unrests which may result in the planned target of 100 vehicles not be met at year-end.

The new SMMEs recruitment was initiated during the second quarter specifically targeting those residing in ward 19. Five SMMEs have expressed interest and have signed agreements to return to the Hub during the last quarter of the financial year. Regular engagements with key stakeholders such as the local community in Winterveldt, political structure, civic organisations in the area are ongoing to improve cohesion and facilitate a structured partnership.

#### **The Innovation Hub (TIH)**

The TIH was established with a view to enhance the development of smart industries (high-technology sectors) in Gauteng. The primary sectors for TIH are information and communications technology, biosciences and green economy (renewable energy and low-carbon-economy technologies). A secondary sector is industrials, which addresses innovations falling outside the primary sectors.

TIHMC Enterprise Development programmes consist of incubation programmes, the Maxum Incubator, the Climate Innovation Centre (CIC) and mLab. These programmes offer incubation support to entrepreneurs to develop sustainable businesses. The short-term outcome expected from these programmes is the increased number of commercialised innovations within TIHMC's targeted sectors, with the intent to enable the entrepreneurs to form sustainable businesses that create knowledge-based jobs.

### Commercialisations

During the period under review the incubation programmes were offered support to attain sustainable and high-growth enterprises. A total of 56 companies were provided with commercialisation support (i.e. with investment readiness, access to market, among others) where these companies managed to sell their products locally and outside the South African borders. These companies were assisted with training for investment readiness, linkages and networks.

### Exported technologies

At the end of the reporting period, a BioPark company exported its products to the Lesotho market to the value of R2.3 million. Another company successfully exported its products (audiometers) to Mozambique, the United States of America, New Zealand and Hong Kong. These exports amounted to a value of R296 000.

### Graduations

A total of 6 companies demonstrated sustainable cash flow in the past six months and were graduated from Maxum Core incubation.

### Open Innovation pilot projects

The Open Innovation Solutions Exchange Platform is TIHMC's initiative to engage the open innovation market to find solutions for challenges posed by regional innovation seekers (government, academia, large and small business and community), as well as provide a window for innovations looking for markets. The programme is leading a growing movement that delivers tangible solutions to real challenges posted by solution seekers in government and the private sectors and connects leading researchers and entrepreneurs with new opportunities to commercialise their innovations. Contracting for five pilot projects were concluded by the end of the reporting period. The pilots in question are:

- Innovations around the utilization of the Braamfontein Spruit area: Johannesburg City Parks and Zoo.
- Innovations around the utilization or eradication of alien invasive plant species: Johannesburg City Parks and Zoo.
- Green energy, water, sanitation and building technologies – Gauteng Department of Infrastructure Development.
- Novel approaches for the analysis of the composition of spent foundry sand for potential regeneration: Department of Science and Technology & National Foundry Technology Network

CSIR was contracted in March 2017 for a pilot project entitled "ColiSpot Early Warning System", a low cost, user-friendly, early warning system for E. coli and faecal coliforms in water/effluent sources. The pilot project was executed in collaboration with the City of Tshwane and piloted at the Daspoort Waste Water Treatment Works. The primary objective of the pilot project was to illustrate that the ColiSpot system addresses the shortcomings of conventional methods and the more recent Colilert method.

### EkasiLabs

The eKasi Labs Programme is TIHMC's vehicle to promote the culture of innovation and entrepreneurship in the townships in line with Township Economy Revitalisation (TER) economic policies of the Gauteng Provincial Government. The Programme is focused on new innovative output as well as innovative entrepreneurship in these communities through business incubation. The programme is aimed at increasing entrepreneurial outputs in the township in terms of the number of new township-based entrepreneurs and new innovative products and services coming from the townships. During the financial year 2017/18 eKasi Labs expanded its operations to three more sites bringing to a total of 10 sites in the five corridors of Gauteng. A total of 96 start-ups were recruited across the various labs.

### Skills Development

#### CoachLab

This is Leadership Development Programme for ICT post-graduates aimed at bridging the gap between academia and the demands of industry. The objective of CoachLab is to instil the business principles and the value of innovative and entrepreneurial thinking among the participating post-graduate students through mentorship by programme partners. The curriculum includes personal, leadership and professional development. The participants of the leadership development programme were introduced to the project-based learning where the focus is on exposure and the application of project management principles in a real-time project environment.

TIHMC and SITA signed a MoA in support of the CoachLab Programme for the development and empowerment of the youth to the value of R15 million over the next three years. These programmes are aimed at developing unique and scarce skills to bridge the gap between academia and the business world. The recruited ICT students will develop cost-effective solutions to existing challenges within government Departments and municipalities:

- Leadership Development Programme targeted at postgraduate students – NQF 7;
- ICT Innovation; and
- Research and development.



### Industry Exposure Internship Programmes

The programme is aimed at unemployed graduates who require experience to enhance their acquired knowledge or wish to improve their current skills. This programme is based on a methodology rooted over a decade of experience and designed to deliver work-ready individuals who can support industry in providing high-quality exposure, while affording graduates meaningful experience to make the graduates more marketable and employable. The internship programmes are offered over a 12-month duration and are designed to deliver work-ready individuals who can support host employers in providing high-quality exposure.

By the end of the reporting period, a total number of 160 youth were exposed to the workplace development skills (these include amongst others; business principles and innovative and entrepreneurial thinking). Of these, 100 were recruited on the CodeTribe Programme and 18 from CoachLab. MLab Southern Africa upped the skills of unemployed graduates and youth in Android coding and SCRUM agile methodologies as well as provided digital start-up support through its business accelerator programme.

### Nissan Incubation Centre

The AIDC Nissan simulator located at Nissan SA is being operationalised, with the recruitment of incubates, operator staff and the installation of the required production equipment. The physical layout of the Incubation facility has been finalised and production equipment has been specified for the pre-incubation phase. Procurement and installation of the equipment was initiated in quarter one of the 2017/18 financial year. Layouts for the first two commodities were finalised, i.e. these two companies will be responsible for trim kitting and logistics and the other will manufacture bumpers. A total of eight incubates were appointed at the end of the previous financial year of which six will move into full incubation. Ten people were trained.

### Bio Park Facility Project

The Bio Park Facility Park facility was established as an incubation centre for SMMEs and small manufacturers in the pharmaceutical and bio-chemicals industries. The aim of the Biosciences Park is to provide a nurturing environment for biotechnology start-ups to develop, thrive and eventually become important commercial players and contribute to economic growth. The establishment of the second phase of the facility was initiated in the 2015/16 financial year.

### Industrial Development Zone (IDZ)

The Gauteng IDZ's work is focused on the development of "phase 1" of its programme and the identification of opportunities that can be considered for expansion of its programme ("expansion phase"). Implementation of both the phases is underway, with phase 1 being at the infrastructure development and investor attraction stages. The expansion phase is at the investigative stage where a feasibility of other export-driven subsectors of the economy that have catalytic impact and can utilise both air and land freight in their operating model are being undertaken. Furthermore, the expansion phase focuses on the identification of opportunities within the air freight value chain as well as those with linkages to the Aerotropolis Development Framework developed for the Eastern Corridor of the Province.

### JMP Bulk Infrastructure

The Gauteng IDZ is presently developing, a Jewellery Manufacturing Precinct (JMP) on land identified for such purposes within the OR Tambo International IDZ. Bulk infrastructure construction for greenfield development reached 97 per cent completion by the end of the second quarter. The status as end quarter 3 of 2017/18 is still 97 per cent as the contractor repudiated/terminated.

### Industrial Parks

The Township Enterprise Hub programme is a turnkey solution to address the objectives of the Township Economies Revitalization Strategy. The aim of the proposed refurbishment programme is to enhance the effectiveness of the SMMEs role in growing the township economy. During the 2017/18 FY, the implementation of the TER programme has been allocated a budget of R52.5 million wherein 5 state owned industrial parks are to be refurbished across the development corridors.

The procurement process was completed by end of the second quarter with an award of four of the five sites issued during quarter three. The Alex ICT site was abandoned owing to the community rejecting the initiative. Other sites are:

- Pennyville phase 2 (Central corridor) – 10 per cent refurbishment completed;
- Khutsong industrial park (Western corridor) – 37 per cent refurbishment completed;
- Vosloorus phase 2 (Eastern corridor) – 45 per cent refurbishment completed; and
- Chamdor training centre (Western corridor) – 45 per cent refurbishment completed.

### Trade and Investment Facilitation

#### Foreign Direct Investment (FDI)

The annual target for FDI for 2017-18 has increased by R500 million from the previous year and now stands at R2.5 billion. During the period under review, one FDI project was successfully concluded and an investment of R528 million was made in the Province. The phase of investment was for the expansion of their assembly factory in Springs. The company assembles

semi-knockdown minibuses and offers low-cost rentals to taxi operators. In addition, an amount R183 million was paid and recognised during quarter 3.

### **Domestic Direct Investment (DDI)**

In terms of Domestic Direct Investment facilitation, the annual target has also been increased by R500 million to R1.5 billion for 2017-18. An amount of R198 million was invested.

### **Gauteng Investment Centre**

The Gauteng Investment Centre (GIC) is successful in promoting its offerings to the attention of the various foreign agencies and embassies that seek to work closely with the GGDA specially to create access for businesses originating from their countries keen on doing business in the Province. By the end of the reporting period, a total of 2 161 clients made use of the services at the GIC. Of these approximately 2 013 queries were lodged and resolved.

### **Gauteng Infrastructure Investment Conference**

The GGDA and the Gauteng Provincial Government hosted the second Gauteng Infrastructure Investment Conference (GIIC), in July 2017. The GIIC brought together the private sector and government, to share information on the Gauteng City Region Infrastructure needs and plans for the next 15 years. It also showcased current and planned infrastructure plans and capabilities in the Gauteng City Region, while serving as a platform for investors to explore investment opportunities in our Provincial Infrastructure Master Plan, 2030.

### **Trade facilitation and Export Development**

The strategic focus of the unit is to assist Gauteng companies to globalise through trade and export activities. The unit's objective is to assist companies with access into new markets and training to be export ready. The unit's 2017/18 performance targets of R400 million will be realised through facilitation of projects in both established and emerging exporters as the way to entrenching developmental and transformation in the Province. To date an amount of R49 million worth of trade has been facilitated.

The unit has identified five specific areas through which this will be achieved:

- Local buyers programmes;
- International expos and outward trade missions;
- Company-specific projects seeking Gauteng interventions; and
- Expansions into Africa by Gauteng-based companies.

### **Export Development**

The Unit's Export Development's objective is to diversify the export basket and introduce new companies to exporting. For 2017/18 target is 240 companies to be trained.

Export development training took place and 247 companies were successfully enrolled and trained during a three-day training programme. The focus of the workshop was on: export to United State of America (USA) using African Growth and Opportunity Act (AGOA), participating and applying for Global Exporter Passport Programme, applying for Department of Trade and Industry (DTI) National Pavilions, missions and ITIs, the dti's incentive schemes Export Marketing & Investment Assistance Scheme (EMIA), export preparation and readiness. The programmes were hosted in two metros starting with Ekurhuleni and Johannesburg. The remainder will be done in the remaining metros and districts in the next quarter.

### **Consumer Affairs (CA)**

The aim of this sub-programme is to increase the level of consumer protection and improve consumer awareness through relevant programmes. The main campaigns for this year (2017/18) are focused on small businesses, the Elderly, Youth, Women's Month, and Disability Month. The total number of workshops and outreach events conducted for 2017/18 is 325, and a total of four television (Speak Out) and 27 radio interviews were held.

For the period under review, the Department conducted three campaigns: Spend Wisely Campaign, Second Hand Motor Industry Compliance Monitoring Campaign and the Borrow Wisely Campaign. These campaigns were conducted in partnership with other Regulatory Authorities and the National Consumer Commission. Consumer Affairs also participated in the GPG Transversal-Financial Literacy Project and received requests to host sessions of the School Olympiads Competition, ConHill Debating Competition, Ntirhisano Outreach events and the Qondisishishini Lakho campaign.

### **Gauteng Liquor Board (GLB)**

Gauteng Liquor Board is mandated to create a seamless business regulation and good governance environment that promotes ethical conduct, transforms the liquor industry, realises sustainable revenue generation and contributes towards radical economic pillar. The Entity is currently finalising and implementing projects for records management and the automation system for the Gauteng Liquor Board business processes.

Progress has been made in the Automation Project, the Gauteng Liquor Board automated system. It was launched in October 2017 with the training of critical users and testing for functionality and monitoring challenges associated with the system roll-

out. The Records Management Project is in progress, files are being scanned onto Livelink, and the project is intended to automate GLB's records management system. The Physical Verification of Licences Project has been rolled out. The West Rand Region was used as a pilot. Since then the project has been rolled out to Tshwane and will soon cover the remaining regions (Sedibeng, Johannesburg and Ekurhuleni). The project was initiated to consolidate the statistics of liquor premises within Gauteng, both licenced, to enhance the credibility of the database, improve the regulatory and compliance function, improve on revenue collection potential and to create a provincial baseline for the liquor premises in Gauteng.

A total of approximately R47 million revenue has been collected by GLB, in relation to liquor regulation processes cumulatively this financial year (2017/18). The entity is implementing its revenue management strategies to enhance its revenue-collection potential. A total number of 1 946 liquor applications have been received while 1 052 were approved. Moreover, regarding inspections, the Gauteng Liquor Board has conducted 1 357 pre-inspections and 1 507 compliance inspections. A total of 143 liquor awareness activities have been conducted and two media-based awareness activities.

#### **Cradle of Humankind World Heritage Site (COHWHS)**

The COHWHS has continued to focus on the management of the fossil deposits and fossil sites that are found within the demarcated core area of the site through regular inspections undertaken with the South African Heritage Resources Agency (SAHRA). These inspections were completed in the current financial year. The entity also continues with its water-monitoring programme and ensures compliance and enforcement initiatives in terms of land-use development to address land fragmentation within COHWHS environment through consultations with the Department of Environmental Affairs (DEA). This is to ensure that there is no threat to the Outstanding Universal Value (OUV) of the site, the site is well managed and protected for future generations. State of Conservation reports are submitted periodically to UNESCO as and when requested.

The 13 reports emanating from the second round of inspections are anticipated to be finalised and submitted to the South African Heritage Resources Agency in March 2018. The inspection of the fossil sites is a critical aspect of the work of the Management Authority for the site. In relation to the monitoring of the water resources in the COHWHS, an open tender process was undertaken and the Council for Scientific and Industrial Research (CSIR) have been appointed to undertake this important and critical work for the site over the next three years.

Regarding the sponsored schools programme, the project for the current financial year has just been completed, which identified 2 000 learners from underprivileged schools being sponsored to visit the COHWHS Official Visitor Centres of Maropeng and Sterkfontein Caves. The visitor centres are an important resource for teachers and learners alike as fossil studies and evolution is part of the National Curriculum. The learners have begun to understand the importance of World Heritage management through these excursions. Increase in visitation to Maropeng has improved substantially in the current financial year primarily because of management efficiencies being implemented as well as new exhibitions on offer.

There are numerous other projects being implemented in the World Heritage site ranging from implementation of an extension to the already constructed mountain bike trail, the maintenance thereof as well as numerous infrastructure projects being implemented at Maropeng, the official visitor centre in the COHWHS. The Human Impact picnic site has been completed as one of the new offerings at Maropeng.

The finalisation of the appointment of the Management Authority for the COHWHS in December 2017 - the MEC GDED - has meant that a greater focus will be given by the team managing the site to take the project forward considering this important appointment. A first round of stakeholder engagements has already taken place and more are planned in March 2018 to give impetus to this all-important appointment.

#### **Dinokeng Project**

The Dinokeng Project has provided non-financial support to 20 SMMEs and nine cooperatives. Various training schedules were undertaken with all the SMMEs and cooperatives. In addition, the appointed service providers, having conducted an operational assessment and developed Standard Operational Procedures for each SMME as part of the interventions planned, has completed this assignment and is giving feedback to each SMME and identifying areas of gaps and areas of strength.

Moreover, the Dinokeng Project identified two community-based project (the Beeline and the Laundromat projects) for support in the area. Feasibility studies are being conducted to determine their viability

#### **A skilled and capable workforce to support inclusive growth path**

A partnership with GaRankuwa Hotel School was reached to provide training to 50 members of the community in Dinokeng. The target is anticipated to be achieved before the end of the current financial year.

#### **Visitor experience: Information improvement**

Four Tourism Information Meetings (TIMs), which are used as stakeholder engagement platform, whereby the Dinokeng Project provides feedback on progress for implementation of projects and solicits views from stakeholders to ensure alignment of plans and budgets were planned in the current financial year. To date two Tourism Information Meeting have already been held. The remaining two meetings will still be held as planned before the end of 2017/18 financial year.

**Protect and enhance our environmental assets and natural resources**

The Dinokeng Project has planned to conduct vegetation management over 4124 ha of land in the Dinokeng Game Reserve (DGR). There were unforeseen delays in the appointment of a suitable service provider to implement this project. None of the proposals received on both occasions met the minimum technical threshold. On the third attempt, two proposals were received but both failed the administrative compliance.

Through the partnership between Dinokeng Project and the DGR Management Association, essential obligations of the Natural Resource Management were undertaken at no charge to Dinokeng Project. This project is a legal obligation for Duty of Care to prepare and maintain firebreaks as per the National Veld and Forest Fire Act 101 of 1998.

**An efficient, competitive and responsive economic infrastructure network**

The plan is to complete designs for the upgrades of picnic sites and ablution facilities as well as designs for the riverboat cruise operation facility in Roodeplaat. There were delays in finding potential service providers to do these pieces of work. A service provider for the development of designs for the picnic sites and ablution facilities has now been appointed. It is anticipated that the designs will be completed by the end of the fourth quarter of the current financial year. No appointment has been made yet to develop designs for the riverboat cruise operation. This was because there were no responses to the initial advertisement. The plan to design a feasibility study for the development of an Anti-Chemical and Biological Warfare Museum in Roodeplaat will no longer be implemented as this project was not approved citing that it was not aligned to the TMR programme.

In Cullinan, in support of the radical economic transformation, the Dinokeng Project plans to construct two gateways. These gateways will give a sense of arrival to the town of Cullinan and the township of Refilwe. The gateways are expected to transform and modernise the public space.

**Market competitiveness and diversification**

The Dinokeng Project will be marketing the plans to include setting up a Local Tourism Association (LTA) for Dinokeng, developing a Dinokeng Brand Strategy as well as implementing Dinokeng brand-specific exhibitions and campaigns. Marketing of the other two hubs will be intensified as soon as the infrastructure work has been completed. The plan is to work closely with the Gauteng Tourism Authority to promote and market the Dinokeng Game Reserve as a preferred destination of choice, using the tagline of the only “free-roaming big five game reserve in the Province”. A Local Tourism Association has been established. Procurement of a service provider to do the brand strategy is being done.

**Visitor experience”: Enhance destination sites through cleanliness, safety and security and information Improvement**

The plan is to bring 12 schools to Dinokeng as part of a broader plan to bolster the Dinokeng brand as well as to ensure that visitation to the area is increased. So far, a total of 18 schools visited the Dinokeng.

**Gauteng Gambling Board (GGB)**

The Gauteng Gambling Board achieved 186 compliance audits against a target of 135 and 509 inspections were achieved against a target of 508 for the third quarter of 2017/2018 financial year. The slight overachievement on audits is owing to the reallocation of Betting Audits among Compliance Auditors resulting in more audits conducted in the betting environment. The tax revenue distributed to GDED at the end of the third quarter of 2017/18 is R800 million against a target of R808.9 million. This is only 1 per cent under collection year to date. There has been an overachievement in relation to the number of people reached with responsible gambling message because of the high number of persons reached through social media.

**3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2018/19)****Sector and Industry****Manufacturing**

The need for a Gauteng Technical Manufacturing Initiative (GTMI) stems from the necessity to revitalise SMME manufacturing in Gauteng.

The intention during 2018/19 financial year is to concentrate better Gauteng’s existing pool of industrial experience and skilled people in a GTMI to support 90 manufacturing SMME firm-level interventions. The GTMI would therefore have to harness the skills which are otherwise beyond the reach of SMMEs to create opportunities for existing and new SMMEs through creation of five clusters in the manufacturing clusters including the West Rand Gold Ore laboratory and chemicals cluster.

**Tertiary Services****Township Stock Exchange**

During the 2018/2019 financial year, suitable Small Medium Micro Enterprises (SMME) which applied to be listed will be shortlisted to list on the OTC platform. The Over the Counter (OTC) platform will be utilised as the benchmark platform for the GTSE and will be piloted with 25 SMMEs suitable to list and raise capital. Upon completion of the shortlisting process,

SMMEs will be taken through an incubation process. It consists of a shared services programme which will assist the shortlisted SMMEs to ready themselves to list on the OTC platform. The shared services platform will assist the SMMEs with prior to listing on the platform. The OTC platform will be used as a pilot phase to minimise the general listing risks that would normally exist in a main exchange board. Twenty-five SMMEs would be used to pilot the GTSE project.

The department will also be undertaking the following projects for 2018/2019 with the following objectives;

- Gauteng BPS Value Proposition - develop a clear and compelling value proposition to attract investors to Gauteng;
- Business Process Services Satellite Office - facilitate the establishment of Business Process Services satellite office, to train and place unemployed youth from the township in the BPS center;
- Gauteng Micro Insurance diagnostic study – to develop a guiding document for the sector that will also outline short-medium objectives, and assist the Province in the development of the micro-insurance framework;
- ICT e-waste Input study - Establish an ICT Electronics and Assembly resource center, that is to promote local productions, and new tech innovations. The focus is through electronic waste and local ICT input components.

### **Primary Resources**

Over the past decade, the domestic furniture manufacturing sector has suffered a tremendous decline in competitiveness. The DTI IPAP has identified a lack of competitiveness as a serious challenge facing the sector. Factors underpinning the lack of competitiveness include:

- Lack of technological innovation;
- Lack of skills and technical capabilities;
- Poor innovation and product design often leading to heavy reliance on reverse engineering;
- Lack of research and development;
- Cheap imports from Asia and other low-cost producers;
- High cost of raw materials and equipment leading to inability to acquire large volume orders to achieve economies of scale; and
- Limited access to furniture retail and public sector markets.

The intention for the 2018/2019 financial year is to build on and strengthen support for 45 furniture Manufacturing SMMEs and cooperatives through the FURNTECH incubation and cluster or hub enterprise solutions including design studios to enhance competitiveness and create employment opportunities.

In facilitating the development of the mining sector development, the Department shall be continuing the development of businesses in the mining value chain, of which the objectives of the programme shall include:

- The development of the business skills and technical capabilities of black-owned businesses already within the local supply chains with a view to assisting in the growth of these businesses and improving their customer diversity and resulting sustainability;
- The recruitment of existing black-owned businesses with the objective of developing their technical capabilities and business skills to meet local supply chain requirements. The focus will once again also be on assisting these businesses in diversifying their customer base and improving their sustainability;
- The support of businesses which are already a part of DED's supply chain; and
- The identification of entrepreneurs within the local communities who have the capability to create new sustainable businesses or grow their existing businesses on a sustainable basis.

The Department seek to incubate 50 businesses towards the creation of 600 jobs in the mining sector over a period of three years. To date engagements with the Mining house Shanduka have been held to facilitate the incubation programme.

### **Tertiary Services**

During 2018/2019 financial year, suitable SMMEs who applied to list on the OTC platform will be shortlisted. The OTC platform will be utilised as the benchmark platform for the GTSE and will be piloted with 25 SMMEs suitable to list and raise capital. Upon completion of the shortlisting process, SMMEs will be taken through an incubation process consisting of a shared services programme which will assist the shortlisted SMMEs to ready themselves to list on the OTC platform. The shared services platform will assist the SMMEs with prior to listing on the platform. The OTC platform will be used as a pilot phase to minimise the general listing risks that would normally exist in a main exchange board. Twenty-five SMMEs will be used to pilot the GTSE project.

### **Economic Planning**

Economic planning will continue to undertake township enterprise surveys to build the information and knowledge base.

### **Inclusive Economy**

The Department will increasingly focus on supporting and developing cooperatives mainly because of the potential to broaden economic participation for the Gauteng region. To date, 13 Financial Cooperatives have been supported which in turn provides financial support to their members. The unit will further promote CFI legislative framework focusing on



organised informal savings group such as Stokvels and Burial Societies. In addition, the Department is currently facilitating establishment of consumer cooperatives in all the development corridors of the Province. Four consumer cooperatives have been established to date and the Department will continue to provide these with training and financial support. The fifth consumer cooperative will be established during the 2018/19 financial year in the Sedibeng Corridor.

The Chief Directorate will also continue to coordinate implementation of the TER programme targeting township enterprises especially using collective public spending to create market access opportunities.

### **Gauteng Enterprise Propeller**

In line with the continued GDED drive to graduate SMMEs from being consumers of goods and services to becoming productive centres that can supply locally manufactured goods to township and external markets, GEP will establish a Construction Ecosystem Centre and Township Local Producer Incubation site in the Eastern corridor in 2018/19. The agency aims to unlock the barriers to entry into various sectors of the economy and increase ownership, especially to the previously marginalised section of the society whilst also contributing to job creation.

Priority sectors targeted to be led by GEP are wholesale and retail as well as the construction and building materials sectors. The construction Ecosystem Centre to be developed by the Agency will house all construction manufacturing competencies with a focus on Township Contractor development and support (e.g. accreditation and formalisation of construction SMMEs). Part of these manufacturing competencies will assist with the production of products such as bricks, nails, steel products including doorframes, window frames and gates amongst others. Offtake agreements will be finalised with the respective Departments, municipalities and the private sector and GEP envisages the incubation of 20 SMMEs within the construction industry. The project will positively contribute to the transformation of the Construction Sector and assist SMMEs at the lower level to graduate to higher construction levels (4-6) as well as to enable SMMEs to compete at various levels of development. Upon completion, the project has a potential to create a minimum of 10 jobs per SMME with the potential of 30 jobs at maximum capacity of the business. This will in turn change the current domination of a few businesses within the infrastructure space. Most of the SMMEs solely benefiting through outsourcing would get an opportunity to drive bigger projects post-incubation. It is envisaged that more than 2 000 direct jobs will be created during the implementation and replication of this programme to other corridors of the Gauteng City Region.

GEP will provide financial support to 550 SMMEs, in line with the TER Strategy with a targeted 330 of these enterprises being based in townships. These businesses will mostly be funded through Loans, the Community Fund and the Township Business Renewal programme. The rand value of financial support to be provided to SMMEs and co-ops in 2018/19 will be total R67.3 million. Non-financial support interventions will be provided to 3 370 SMMEs and of these businesses 700 are to be assisted through formalisation of their Informal businesses. Such support interventions will contribute towards the GEP objective of providing non-financial support services that propel enterprises into the mainstream economy, revitalise township economies and grow the key economic sectors.

### **Gauteng Tourism Authority**

The GTA's drive for its 2018/19 programmes is 'Partnerships', which is also a central theme of the Gauteng City Region Economic Development Plan. The Agency will continue to implement its programmes in the context of the current priorities treasured in the NDP, TMR, TER, GCREDs, and other priority plans, including the newly adopted National Tourism strategy known as 5-in-5. The objective of 5-in-5 strategy is to bring additional four million international tourists into the country and stimulate local tourism with a target of increasing local tourists by one million. As a leading Province in tourist arrivals, Gauteng has been given a bigger responsibility in terms of contributing to the five million target. This calls for new or additional strategies in the implementation of Tourism programmes. The GTA will be partnering with the South African Tourism (SAT) towards achieving the target above.

The GTA continues to strive for accelerating the growth of the tourism sector in Gauteng through Destination Marketing by strengthening its current competitive and comparative advantages relating to market capture and diversification, destination image creation, attractive and package offerings, business tourism, events hosting, and trade linkages, with the Agency's adoption of an Integrated Destination Marketing Strategy. The strategy articulates and communicates the values, vision and competitive attributes of destination Gauteng to a wide audience for the tourism sector to create jobs opportunities and prosperity for Gauteng in every region of the Province, more especially in townships, neighbourhoods and hubs.

Historically, the GTA has been engaging informally with Tourism strategic partners. In line with its Integrated Stakeholder Engagement strategy, the Agency's 2018/19 programme emphasises formal engagement with strategic partners.

The Agency's current approach to implementing its trade strategy is a reactive approach, where projects are implemented by participating in other organisations' projects. Furthermore, there is no formal engagement with regions, specifically Johannesburg, and Tshwane, regarding travel trade and product partnership opportunities. The GTA will institutionalise a forum for the GTA and regions to have a comprehensive Travel trade work-stream item into a broader GTA stakeholder agreements with the regions.

The Gauteng City Region is the first route to beginning a journey to Southern African Business leisure “Bleisure” experience. This means that the Gauteng Region has several tourism offerings for business and leisure purposes and thus the concept “Bleisure” emerged. Although it is situated at the bottom of the African continent, Gauteng is well positioned as an access and trade centre for globalised activities. The operating model will continue to balance the implementation of its core programmes, i.e., Destination Marketing and Promotions, Bidding and Hosting, and Leisure and Visitor Services for realising “Bleisure”.

### **Destination Communications and Integrated Marketing**

The GTA will continue to implement destination marketing and promotion programmes to market destination Gauteng by focusing on urban tourism and Township tourism promotion. A Global Media Relations Programme will be implemented to influence editorial content that encourages travel and contribute towards increased visitation to the city region. The Agency will continue to use #GPLifestyle as its promotions drive. #GPLifestyle is the agency’s core marketing strategy. It acts as an events promotions drive, showcasing lifestyle, sporting, adventure and entertainment with the purpose of using these events to generate editorial content that strive to increase visitation to the destination. Destination marketing will focus on improving marketing of attractions and products across different multi-media channels, implementing several joint marketing initiatives with key strategic and tactical partners in marketing destination Gauteng, and rolling out dedicated and sector-based marketing campaigns.

Niche markets are therefore increasingly responsible for driving the growth of tourism in both rural and urban areas. The GTA will utilise a niche tourism approach that appears to offer greater opportunities and a tourism sector that is more sustainable, less damaging and - more importantly - more capable of attracting high-value tourists. Areas of potential niche tourism for Gauteng include: Sports Tourism, Health, Wellness and Spa, Bird Watching, Cycling, Golf, Festivals, Big Five: Dinokeng Game Reserve offers an opportunity to see the big five, Adventure: Soweto, Vaal River and Hartbeespoort provide several exciting adventure activities, Agri-tourism and experiences.

### **Bidding and Hosting**

In the 2017/18 financial year, the GTA approved a revised strategic plan with the aim of focusing on outcomes-based approaches. Bidding and hosting is one of the areas that is crucial for measuring outcomes, with events support bearing tangible fruits, such as SMMEs supports, job creation, rand value and other social, economic, and environmental values. The GTA will continued to promote the events sector by supporting event’s organisers in bidding and hosting events. The agency’s 2018/19 programme planned at increasing the number of events created, and rand value generation, including the number of SMMEs supported through events.

### **Township Events**

Gauteng Township tourism has been positioned as one of the key drivers of township economy while growing and supporting the number of black-owned tourism enterprises. Thus, the growth and development of townships is one of the game changers identified by the Gauteng Provincial Government. On the back of this the Township Economic Revitalisation (TER) Strategy was developed to build an inclusive, labour-absorbing and growing economy. The GTA’s engagement with regions during 2016/17 was planned to stimulate local tourism. It provides a guide to decision-making for supporting township-based community events and will aid provincial and local government to work cooperatively and maximise the brand-building potential, as well as economic, social and environmental benefits that can be realised from hosted events.

Township events incorporate a range of actions to be implemented that will not only maintain, develop and expand events, but will improve engagement between the stakeholders delivering and hosting events. Target outcomes of the township-based community events include: expanding Gauteng’s visitor economy in townships; growing visitor nights in Gauteng regional townships; and enhancing Gauteng’s liveability in terms of: Local attendance; Local Enjoyment; Local Pride; strengthening the capacity to both bid and host major sporting and cultural events; and Increasing national brand awareness and media exposure for Gauteng townships.

### **Leisure and Information Services**

The GTA will continue to focus on initiating marketing activities for promoting destination Gauteng in African markets, key BRICS markets (Brazil, Russia, India and China) and give opportunities to township SMMEs to showcase their products in both local and international markets.

The GTA will implement the Tourism Ambassador Programme in partnership with the National Department of Tourism (NDT). Adding to the Tourism Ambassador Programme will be the formalisation of the Agency’s relationships with TBCSA and the inclusion of the Tourism Safety work stream item in the broader GTA stakeholder agreement with the regions. This will provide a platform for relevant stakeholders to deal with the issue of crime collectively.

### **Gauteng Growth and Development Agency**

#### **AIDC Skills development and training programme**

The Supplier Park Development Company (SPDC) trading as the AIDC was established to support the automotive industry in Gauteng. This was to be achieved by providing economic infrastructure and sector development interventions. The Automotive Supplier Park (ASP), the Winterveldt Enterprise Hub, the Gauteng Automotive Learning Centre (GALC) and the



Incubation Centre in Silverton are some of the infrastructure developed. The target of 400 was exceeded as 690 people were trained across the various training programmes. The high training numbers are a result of concentrated marketing efforts as well as the utilisation of the training facility by Nissan SA.

### **AIDC Supplier Efficiency Programme**

Under the Efficiency Improvement Programme, 40 companies will be provided with the following seven key interventions

- Total Productive Maintenance Programme (TPM);
- Cleaner Production Programme;
- Rapid Process Improvement Programme (RPIW);
- Lean Manufacturing Programme, including collaboration initiatives with Japanese Government, United Nations and ASCCI;
- Quality and Environmental Management Systems;
- Automotive Centre for Competitiveness; and
- Support and services for BMW suppliers (New)

### **Commercialisations**

There are existing MoUs signed with the research and academic institutions in Gauteng, TIHMC has also created platforms with research councils of various universities to interact with them on matters of research and commercialisation. These agreements with the Universities envisage that THMC provides commercialisation support for the research outputs emanating from these institutions. The research institutions near TIHMC Science Park also provide infrastructure space (e.g. laboratory and technical facilities for the start-up companies in incubation). During the financial year 2018/19 TIHMC plans to strengthen these relationships to improve the pipeline of spinoffs from the Universities and research institutions into TIHMC incubation programmes which will result in 60 innovations being commercialized with 2 technologies produced exported.

### **EKasi Programmes**

EKasiLabs are extensions of TIHMC in the townships to promote the culture of innovation and entrepreneurship and innovative output in the community in line with the provincial economic policies of TMR/TER. The facilities will also incorporate Mobile Application development and aspects of Fablab (Fabrication Laboratories) activities and programmes, whose main objectives are to drive activities that will promote entrepreneurship in the area of product design and manufacturing. It will also promote high tech skills for local entrepreneurs in the townships, provide access to infrastructure for entrepreneurs to develop new products that can be tested and modified in the market place according to customer needs, increased the diffusion and adoption of technology and provide research, development of new tools for entrepreneurs and infrastructure to produce small batches of niche products.

The key outcomes from the programme include the creation of new generation of entrepreneurship, high impact / high tech product and services, skills development and job opportunities for the local communities. The eKasiLabs will train and incubate 140 entrepreneurs at its various sites of which 40 will be youth.

### **Nissan SA Incubation Centre**

During 2018/19 financial year, the Nissan SA Incubation Centre will commence with the operationalization of an additional two BEE SMME in incubation bringing the total to 6 BB BEE SMMEs.

### **Incubation graduation**

A total of 12 large, medium size and small companies including the start-ups in the incubation programmes -will graduate from the various incubation programmes at TIH.

### **Trade and investment**

The FDI will amount to a target of R3 billion while DDI will be R2 billion.

### **Africa Focus**

Opportunities in infrastructure development in the continent will continue to be identified for Gauteng-based firms and 14 such firms will be assisted to expand their operations in the continent. A feasibility study to establish hubs to accommodate Gauteng-based capital equipment manufacturing companies will be undertaken and delivered by the end of the MTEF period.

### **Gauteng Liquor Board**

The Gauteng Liquor Board will continue to strengthen and implement revenue management strategies and policies to grow its revenue streams, revenue collection from its processes and move towards being self-sustainable. Furthermore, turnaround time for processing new applications will be reduced and constantly monitored. The entity will continue to focus on its regulatory function through issuing of licences to compliant applicants. The Gauteng Liquor Board will continue to adjudicate on liquor applications within the stipulated turnaround time.

Liquor compliance inspections and liquor pre-inspections will continue to be undertaken including education and awareness on application procedures, responsible drinking, and compliance and non-compliance issues. Penalties on non-compliance

notices, various contraventions of the Gauteng Liquor Act and its regulations will be brought before the Gauteng Liquor Board for adjudication and fines will be imposed. This will further contribute towards revenue collection.

The Entity will continue with the implementation of the Corporate Social Investment (CSI) expanded programme. A portion of revenue collected from the regulation processes will be used to fund CSI beneficiaries. The portion contributed towards the CSI will subsidise the fight against the scourge of alcohol abuse and further expand the GLB's footprint on redressing the social ills. Gauteng Liquor Board processes will be fully migrated to an automated platform through the full implementation of Automation and Records management projects in the 2018/19 financial year. An automated system environment remains central to the Gauteng Liquor Board processes as it seeks to modernise the GLB processes, increase access to the services rendered and consolidate the potential for revenue collection. It will contribute towards the creation of a credible database. The Gauteng Liquor Board will continue to roll out the Physical Licence Verification Project to achieve a credible database and revenue management.

## **Skills Development**

### **CoachLab**

TIHMC and SITA signed a MoA in support of the CoachLab programme for the development and empowerment of the youth to the value of R15 million over the next three years. These programmes are aimed at developing unique and scarce skills to bridge the gap between academia and the business world. The recruited ICT students will develop cost-effective solutions to existing challenges within government Departments and municipalities:

- Leadership Development Programme targeted at postgraduate students – NQF 7;
- ICT Innovation; and
- Research and development.

### **Consumer Affairs**

In the 2018/19 financial year there will be no changes in the actual services being delivered however, Consumer Affairs will be commencing new projects in consumer education and awareness, in particular the Counterfeit Goods campaign, updating of the Consumer Buzz magazine which is aimed at providing consumer education to learners in high school. These programmes will improve the level of understanding of consumer protection legislation in our schools through initiatives such as Consumer Education for Young Entrepreneurs Grade 7, 8 and 9. To achieve the education and outreach programmes, the office will embark on consumer education media campaigns throughout the new financial.

To deliver services effectively and efficiently, there is an automated complaints registration and management system as well as regional offices, a mobile office solution (bus) which services townships and informal settlements across the Province. There is also a consumer court which sits in all five corridors of the Province to increase public access to the Department's services. Education programmes are also delivered across the Province, utilising various means of delivery including workshops, roadshows, exhibitions, print, electronic and social media, radio, television, audio disks and braille.

In response to the eradication of the Illegal Economy the unit will, in the 2018/19 financial year, embark on awareness campaigns on counterfeit goods. This campaign will incorporate various stakeholders with expertise in this area. Compliance-monitoring inspections of small businesses and Pro-Active Investigations will be continued to ensure compliance with consumer protection legislation. This will increase consumer satisfaction and will ensure a conducive environment to increase the participation of SMME's and Co-operatives in the Province's mainstream economy and contribute to the growth and the development of the 11 identified sectors, by developing capabilities, knowledge and awareness of the regulatory environment in which these businesses operate. Proactive investigation of complaints has proved to be an effective method of ensuring compliance with consumer protection legislations. This method will be continued with to ensure that the citizens of Gauteng are adequately protected, without necessarily waiting for consumers to lodge complaints. In addition to the continued resolution of complaints, the turnaround has been fixed to 60 days per complaint.

Consumer Affairs will continue to strengthen its relationships with various stakeholders such as the National Consumer Commission, Ombudsmen and Statutory Regulatory bodies to ensure consumers in Gauteng are protected. This will ensure greater impact through our outreach programmes and consumer education initiatives. Furthermore, consumer education geared toward small business will be intensified to ensure compliance with the Gauteng Consumer Affairs (Unfair Business Practices) Act, 1996 and the Consumer Protection Act, 2008 (CPA).

### **Cradle of Humankind World Heritage**

It is envisaged that for the year 2018/2019 there will be a renewed effort in implementing the critical tourism development objectives as per the Economic Development Implementation Plan within the Global City Region context with several new projects that will focus entirely on community beneficiation, skills development and job creation initiatives. The research currently being undertaken by a University with a specific focus on community beneficiation will be implemented over the 2018 MTEF. In addition to the existing projects that will be implemented in terms of our World Heritage mandate, the following community beneficiation will be facilitated and implemented over the 2018 MTEF:

- Portion 26 Community Projects: (Housing partnership project with MCLM for formal housing on Portion 26; establishment of two cooperatives to deal with: 1. community cycling maintenance project (based on Khubeka model) and, 2. community works maintenance project for general maintenance of gateways, cycle lanes and broader COHWHS area;
- World Heritage Education awareness partnership project with East Africa/Nairobi Natural History Museum;
- Sponsoring educators to visit the museums at Sterkfontein and Maropeng;
- Public transport accessibility to Maropeng/Sterkfontein visitor centres;
- Enhance Maropeng procurement from township suppliers;
- Paleontological partnership programme with East Africa (Kenya/Ethiopia);
- Promulgation of land-use regulations in a GG that are specific to the COH WHS (in line with IDPs and SDF);
- Visitor and socio-economic impact assessment in the COHWHS,
- Management of the COHWHS Community Trust; and
- Funding of Community Trust projects in COHWHS.

The Cradle of Humankind World Heritage Site will continue to manage the site in terms of national and international obligations. The Management Authority will continue to carry out inspections of the fossil sites twice a year.

#### **Dinokeng Project**

The Dinokeng Project will continue to ensure that the existing 620 jobs are sustained by the operations within the Dinokeng Game Reserve through the payment of the operational funding to the Dinokeng Game Reserve Management Authority. In addition, it will facilitate the creation of 30 new jobs. The Dinokeng Project will require budget allocation for operational funding to cover the shortfall of the DGR operations. Further facilitation will ensure that the existing 50 job opportunities created through the implementation of the Natural Resources Management Programme are sustained.

The Dinokeng Project, working together with the Gauteng Growth and Development Agency plans to develop Roodeplaat as a tourism hub by constructing 10 picnic sites, six ablution facilities and one riverboat cruise operation facility. It is anticipated that these infrastructure projects will enhance the day visitor facilities and therefore attract tourists to the area, resulting in local economic growth, creation of job opportunities and opportunities for members of the community to own or manage some of these operations through a concession. In Cullinan, the plan is to construct two gateways. These gateways are intended to serve as part of the beautification of public spaces and to also provide tourists with a sense of arrival to the areas of Cullinan and Refilwe. These gateways will also be used as entrepreneurial spaces. The Dinokeng Project plans to conduct vegetation management over 4 300 ha of land mass in the DGR. As mentioned above, this project is a legal obligation for Duty of Care to prepare and maintain firebreaks as per the National Veld and Forest Fire Act 101 of 1998.

For the financial year 2018/19, the Dinokeng Project will be hosting local schools on visits to the project area. The purpose of these visits is to impress on learners the importance of nature conservation, the impact tourism can make on the local economy as well as to ensure that learners play a role in spreading the Dinokeng brand to their local communities. A comprehensive programme, with the support of GDARD and GDED, will ensure that the aims of the school visits are achieved and that communities have a better understanding of the Dinokeng Project and the work it does locally. The plan is to bring 30 schools to Dinokeng as part of a broader plan to bolster the Dinokeng brand as well as to ensure that visitation to the area is increased. This work is done in tandem with other pieces of work on the project. The activities include exercises and workshops on nature conservation, water resource management and biodiversity. The activities are fine-tuned to the levels of the learners. The learners are Grade 7, 10 and 11.

A broader community awareness campaign will be implemented which includes five of the school and unemployed youth groups that visited Dinokeng and five groups of elderly people who visited Dinokeng.

#### **Gauteng Gambling Board (GGB)**

The Gauteng Gambling Board has commissioned a saturation study to determine the size of the gambling market in Gauteng and the demand for additional gambling opportunities. The results of the study will be utilised to guide further roll-out of gambling opportunities in the Province informed by empirical data. Through the licensing of bookmaker and bingo establishments, the Board will continue its efforts to ensure the attainment of the provincial government's Transformation Modernisation and Re-industrialisation (TMR) Programme.

## **4. REPRIORITISATION**

The baseline budget on compensation of employees was kept constant over the MTEF to be in line with the organisational structure, which is currently under review and in the final stage of being approved. Funds were reprioritised within the same programme and economic classification over the MTEF. The review of the organisational structure took place to reposition the Department to carry out its mandate appropriately. This review includes consultations with the Department of Public Services and Administration during the 2015/16 financial year.

The R20 million allocations per annum for the Youth Project Management Office (PMO) has been reprioritised from Economic Planning to GEP to fund and implement the project until 2020/21. The focus of the YPMO is essentially the development of skills through placement for on-the-job training, giving youth an opportunity to go into formal employment as well as the entrepreneurial stream. The budget of R15.6 million over the 2018 MTEF for the GaRankuwa Hotel School has been incorporated within the Cradle of Humankind budget since the management of the school now resides there. The Mobile satellite buses project and budget of R37.6 million over the MTEF has been moved from Business Regulation and Governance to Administration. This project ensures access to government services by going directly to communities and assist them with various administrative functions as part of TER implementation. The Department has transferred the implementation of the Township hubs to GGDA and the budget of R177.9 million over the 2018 MTEF budget cycle has been shifted to follow function from the 2017 MTEF.

Furthermore, the Department has reprioritised the procurement of the Nelson Mandela Visitors Centre which amounts to R124.5 million from GGDA to GTA during the 2018 MTEF period. Project implementation, oversight and reporting remains with GGDA's competency. Procurement function of the BIO Park phase 3 and block 1C with an allocation of R140 million over the MTEF and the JMP Top structure (R101 million over the MTEF) has been shifted to GEP while GGDA is still responsible for the implementation of the project.

## 5. PROCUREMENT

Procurement of goods and services was done in line within the requirement of PPPFA together with Departmental procurement policies. The Department will ensure that all contracts are subjected to market-price analysis and the concept of value for money is the core driver when negotiating contracts. Furthermore, the Department will continue to ensure that the procurement of goods and services is in line with the requirement of the PPPFA and the constitution.

The Department has allocated funds over the MTEF to ensure that all projects that are critical to the mandate of the Department are delivered on time. Some of the projects that would impact the procurement process are as follows:

- Heighten public participation and outreach;
- Mid-term impact assessment;
- PMO for unemployed youth;
- Enterprise Building 2 and 3;
- Constitution Hill Visitor Centre and redevelopment of precinct;
- ICT PMO;
- Refurbishment of industrial parks;
- Tourism marketing;
- ConHill Visitor's Centre;
- Tourism marketing;
- EKasi Labs;
- Winterveldt;
- JMP top structure at IDZ;
- SEZ ICT Park;
- Cleaning services;
- Security services
- Printing solution;
- LAN switching; and
- Bidding and hosting summer cup.

## 6. RECEIPTS AND FINANCING

### 6.1 Summary of receipts

TABLE 3.1 SUMMARY OF RECEIPTS: DEPARTMENT OF ECONOMIC DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Equitable share	1 101 491	1 305 610	1 387 699	1 413 792	1 425 973	1 425 973	1 510 450	1 587 355	1 676 058
<b>Total receipts</b>	<b>1 101 491</b>	<b>1 305 610</b>	<b>1 387 699</b>	<b>1 413 792</b>	<b>1 425 973</b>	<b>1 425 973</b>	<b>1 510 450</b>	<b>1 587 355</b>	<b>1 676 058</b>

The total budget of the Department for the period 2014/15 to 2016/17 has increased from R1.1 billion to R1.4 billion. In 2018/19, the budget grew from the R1.4 billion for 2017/18 to R1.5 billion. Among the key projects that are budgeted for are: Water monitoring program; implementation of Tourism routes in Gauteng; working on fire in the Dinokeng Game Reserves;

B-BBEE supplier incubation; Gauteng Auto City Masterplan; Supplier efficiency program; student training in Jewellery design; SMME support; youth PMO and review of the organisation structure as well as projects that are committed to over the MTEF which includes job creation initiatives and the Nelson Mandela Visitors Centre. The allocation also catered for core priority outputs such as eKasi Labs, refurbishment of industrial parks in townships and Innovation hubs which contributes to the provincial pillars of radical economic transformation. Over the MTEF the baseline increases from R1.5 billion in 2018/19 to R1.7 billion in 2020/21.

## 6.2 Departmental receipts collection

TABLE 3.2 : DEPARTMENTAL RECEIPTS:ECONOMIC DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Tax receipts	799 823	870 999	910 209	1 014 013	1 014 013	918 564	1 039 864	1 090 637	1 144 485
Casino taxes	759 547	828 997	870 030	944 673	944 673	880 138	1 000 864	1 049 637	1 102 485
Horse racing taxes	40 276	42 002	40 179	69 340	69 340	38 426	39 000	41 000	42 000
Sales of goods and services other than capital assets	17 361	374	413			56 640	433	455	480
Transfers received									
Fines, penalties and forfeits									
Interest, dividends and rent on land	2 526	5 167	3 226	2 334	2 334	3 536	2 404	2 476	2 612
Sales of capital assets			30			8			
Transactions in financial assets and liabilities	753	(5 215)	1 126	306	306	170	324	342	361
<b>Total departmental receipts</b>	<b>820 463</b>	<b>871 325</b>	<b>915 004</b>	<b>1 016 654</b>	<b>1 016 653</b>	<b>978 918</b>	<b>1 043 025</b>	<b>1 093 910</b>	<b>1 147 938</b>

To achieve the goals and priorities outlined, the Department's main source of funding is the equitable share. In the execution of the Department's mandate of regulating the gambling industry. Revenue is mainly from gambling taxes (casino, bingo, LPM and horse racing taxes) by Gauteng Gambling Board (GGB). The Department's other sources categorised include sales of goods and services other than capital assets; interest, dividends and rent on land; financial transactions in assets and liabilities; and sales of capital assets which are Departmentally generated.

Gambling revenue is collected by the Gauteng Gambling Board (GGB) for a commission in terms of the Public Finance Management Act Sec 21 (b)(iii), s23(1) & (2) and (3) as well as the Gauteng Gambling Act of 1995 as amended. During the 2014/15 financial year the actual collection increased from R820 million to R915 million in 2016/17. Over the 2018 MTEF, the projected revenue collection is estimated at R1 billion for 2018/19 and R1.1 billion for 2020/21.

The GGB will continue implementing its mandate by attracting tourists to ensure a sustainable revenue collection including intensifying the responsible gambling awareness campaign in the domain. The GGB will continue with its programmes as planned and the baseline will not be reduced moving forward.

## 7. PAYMENT SUMMARY

### 7.1 Key assumptions

The 2018 MTEF budget is informed by the NDP, the 2014-2019 Medium Term Strategic Framework (MTSF), the Department of Economic Development Strategic Plan, TMR Annual Performance Plan, provincial outcomes and the GPG Programme of Action (POA). The key assumptions underpinning the budget are:

- Provision for the annual salary adjustments at 7.2 per cent over the MTEF; and
- Operational costs including existing contractual obligations.

### 7.2 Programme summary

TABLE 3.3: SUMMARY OF PAYMENTS AND ESTIMATES: ECONOMIC DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Administration	168 306	202 072	227 488	287 897	294 196	294 196	302 494	307 704	327 390
2. Integrated Economic Development Services	284 020	301 958	246 012	231 613	252 581	252 581	320 504	333 145	348 395
3. Trade And Sector Development	530 906	578 254	677 185	714 211	727 033	727 033	703 148	756 427	799 610



R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
4. Business Regulation And Governance	58 209	55 228	72 942	66 563	70 260	70 260	64 792	68 756	72 539
5. Economic Planning	19 214	133 332	135 642	113 508	81 903	81 903	119 512	121 323	128 124
<b>Total payments and estimates</b>	<b>1 060 655</b>	<b>1 270 844</b>	<b>1 359 269</b>	<b>1 413 792</b>	<b>1 425 973</b>	<b>1 425 973</b>	<b>1 510 450</b>	<b>1 587 355</b>	<b>1 676 058</b>

### 7.3 Summary of economic classification

TABLE 3.4 : SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ECONOMIC DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>310 979</b>	<b>369 174</b>	<b>385 880</b>	<b>450 750</b>	<b>419 942</b>	<b>411 389</b>	<b>474 208</b>	<b>487 315</b>	<b>516 935</b>
Compensation of employees	134 813	165 315	184 718	244 145	213 772	206 908	258 306	275 871	293 802
Goods and services	176 166	203 859	201 162	206 605	206 170	204 481	215 902	211 444	223 133
<b>Transfers and subsidies to:</b>	<b>688 559</b>	<b>886 660</b>	<b>955 727</b>	<b>950 593</b>	<b>983 930</b>	<b>984 239</b>	<b>1 022 606</b>	<b>1 085 525</b>	<b>1 143 810</b>
Provinces and municipalities									
Departmental agencies and accounts	666 099	885 945	954 572	950 593	983 552	983 552	1 022 606	1 085 525	1 143 810
Non-profit institutions			500						
Households	22 460	715	655		378	687			
<b>Payments for capital assets</b>	<b>6 028</b>	<b>15 008</b>	<b>17 555</b>	<b>12 449</b>	<b>11 328</b>	<b>19 572</b>	<b>13 636</b>	<b>14 515</b>	<b>15 313</b>
Buildings and other fixed structures									
Machinery and equipment	6 028	14 924	16 988	12 449	11 248	19 492	13 636	14 515	15 313
Software and other intangible assets		84	567		80	80			
<b>Payments for financial assets</b>	<b>55 089</b>	<b>2</b>	<b>107</b>		<b>10 773</b>	<b>10 773</b>			
<b>Total economic classification</b>	<b>1 060 655</b>	<b>1 270 844</b>	<b>1 359 269</b>	<b>1 413 792</b>	<b>1 425 973</b>	<b>1 425 973</b>	<b>1 510 450</b>	<b>1 587 355</b>	<b>1 676 058</b>

The Department's expenditure increased from R1 billion in 2014/15 to R1.4 billion in 2016/17 owing to the TMR mandate to support SMMEs, the completion of mini-factory Automotive Supplier Park (ASP), the development of AIDC's Second Incubation Centre, the construction of the Nissan Incubation Centre, the Winterveldt Enterprise Hub and the launch of Gauteng Automotive Learning Centre. In addition, the expenditure was also owing to the refurbishment of three township industrial parks in Vosloorus, Sebokeng and Eldorado Park. Projects such as Discorp Africa, cycling festival and world choir games projects were implemented through GTA.

Over the MTEF, budget increased from R1.5 billion in 2018/19 to R1.7 billion in 2020/21 with includes R13.8 million as additional funding to Cradle of Humankind for the implementation of tourism routes. A significant share of the budget is allocated to entities to implement the mandate of the Department which supports the achievement of the Transformation, Modernisation and Re-industrialisation (TMR) agenda and Township Entrepreneur Revitalisation (TER). The 2018 MTEF allocation will be disaggregated as follows:

- Programme 1: Administration budget increased from R302 million in 2018/19 to R327 million in 2020/21 for operational cost, workshops and seminars such as the Economic intervention, Economic opportunities, B-BBEE reference guide, high-impact studies, Gauteng Tooling initiatives, Gauteng Investment GIIC and Local economic development.
- Programme 2: Integrated Economic Development Services budget increased from R321 million in 2018/19 to R348 million in 2020/21 because of shifting of the procurement function of the following projects from GGDA to GEP: The Jewellery Manufacturing Precinct Top structure (JMP) and Bio-Park Phase 3 Block 1C. The GGDA is still responsible for the implementation of the projects since it remains their mandate to facilitate and implement infrastructural projects.
- Programme 3: Trade and Sector Development increased from R703 million in 2018/19 to R800 million in 2020/21. Funds will be transferred to Entities for the implementation of projects such as Refurbishment of the Township industrial parks, Implementation of the Gauteng Science and Hi-Tech SEZ programme, Completion of the Visitor's Centre construction; Completion of the IDZ ORTIA, Chamdor auto hub, eKasi Labs roll-out and ASP further Development. The budget for the Nelson Mandela Visitors Centre has been allocated under GTA to procure services while the implementation and the delivery of the project still resides with GGDA.
- Programme 4: Business Regulation and Governance budget increased from R65 million in 2018/19 to R73 million in 2020/21. The budget caters for projects such as Trade Exchange Programme with community radio stations for consumer awareness campaigns; financial education for young entrepreneurs; and the Consumer Affairs Office on Wheels (CAOW).

- Programme 5: Economic Planning Budget increased from R120 million in 2018/19 to R128 million in 2020/21 for development of evidence-based macro-policies, strategies and tracking the performance of the economy.

The compensation budget increased from R258 million to R294 million over the 2018/19 MTEF period. The growth considers the cost of leaving adjustment over the MTEF period.

The expenditure for goods and services increased from R176 million in 2014/15 to R201 million in 2016/17 to cater for operational costs; workshops and seminars such as the Economic intervention, Economic opportunities, B-BBEE reference guide, Qondisishini Lakho, High-impact studies, Tooling initiatives, GIC, Local economic development, Gauteng growth and modernisation programme. Over the 2018 MTEF, the allocation increased from R216 million in 2018/19 to R223 million in 2020/21 to cater for projects such as the Township Stock Exchange, State Bank, Gauteng Economic barometer, Gauteng cooperative bank, Gauteng consumer Cooperative, LED capacity-building programme, Gauteng technical manufacturing initiatives as well as EDP projects.

The expenditure for payments for capital assets increased from R6 million in 2014/15 to R17 million in 2016/17. This was owing to the procurement of new servers, furniture for the new building and other installation costs. Over the 2018 MTEF, the allocation increases from R13.6 million in 2018/19 to R15.3 million in 2020/21. The increase is attributed to the provision made for the finance lease of the GG vehicles, procurement of furniture for the newly renovated regional offices and desktop computers for new office members.

## 7.4 Infrastructure payments

### 7.4.1 Departmental Infrastructure payments

N/A

### 7.4.2 Departmental Public-Private Partnership (PPP) projects

N/A

## 7.5 Transfers

### 7.5.1 Transfers to public entities

TABLE 3.5: SUMMARY OF DEPARTMENTAL TRANSFERS TO PUBLIC ENTITIES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Gauteng Enterprise Propeller	136 291	290 438	236 718	214 374	239 511	239 511	300 694	309 123	323 126
Gauteng Tourism Authority	69 530	93 798	104 744	101 165	103 165	103 165	141 201	149 466	157 687
Gauteng Growth and Development Agency	341 772	359 033	465 282	493 117	516 827	516 827	443 181	480 830	507 276
<b>Total departmental transfers</b>	<b>547 593</b>	<b>743 269</b>	<b>806 744</b>	<b>808 656</b>	<b>859 503</b>	<b>859 503</b>	<b>885 076</b>	<b>939 419</b>	<b>988 089</b>

The expenditure under transfers and subsidies to public entities has increased from R548 million 2014/15 to R807 million in 2016/17 and the allocation for 2017/18 amounts to R809 million. The budget allocation over the MTEF increases from R885 million in 2018/19 to R988 million in 2020/21.

The expenditure for GEP increases from R136 million in 2014/15 to R237 million in the 2016/17 financial year. During the 2014/15 financial year the agency through partnerships managed to support businesses owned by disabled people. The PWD Empowerment Programme consisted of the identification and assessment of potential entrepreneurs from people with disability through the database and from a network of affiliated disability service providers. GEP will be also be responsible for the procurement and financial management of the Jewellery Manufacturing Precinct in 2018/19 and the BioPark phase 3 Block 1C while GGDA remains the project implementer since it is responsible for the delivery of infrastructure projects. The allocation over the MTEF increases from R301 million in 2018/19 to R323 million in 2020/21. The following projects will be procured and implemented by GEP over the 2018/19:

- To provide financial support to township;
- Support to Informal Businesses
- Booster Pitching;
- Youth Accelerator Programme;
- Supporting Bakery Clusters;
- Supporting the Footwear Industry;
- Support SMMEs in the priority sectors;
- Support SMMEs in the Automotive Sector
- Supplier Development Programme.; and



- TSHEPO 1 million - Youth Accelerator Programme.

The Expenditure for GTA grew from R69.5 million in 2014/15 to R104.7 million in the 2016/17 financial year. The 2018/19 MTEF allocation increased from R141 million in 2018/19 to R158 million in 2020/21 over three-year cycle. GTA will also be responsible for the procurement of services for the Nelson Mandela Visitor Center which stems from GGDA. In addition, the allocation caters for projects such as the hosting of the Gauteng Shopping Festival, cycling relay, Discorp Africa, Joy of Jazz and the Gauteng Summer Cup and marketing of Gauteng tourism. The entity continues to provide for registration of tourist guides, tour operators, couriers, accredited training providers in the tourism industry, hotels, conference centres, restaurants, designated tourism amenities and other accommodation establishments and possible future functions relating to these categories. In addition, it provides for the promotion and sustainable development of tourism in Gauteng.

The Department transferred an amount of R342 million in 2014/15 and R465 million was transferred in 2016/17 to GGDA which translates into an increase of R124 million over three years. Among the programmes that were implemented by GGDA from 2014/15 to 2016/17 are: development of AIDC's second Incubation Centre, the Gauteng Automotive Learning Centre was launched, and the eKasi Labs programmes. The eKasi labs are aimed at promoting a culture of innovation within the township economy. The key outcomes from the programme include the creation of new generation of entrepreneurship, high impact / high tech product and services, skills development and job opportunities for the local communities.

Over the MTEF, the allocation for GGDA increased from R443 million in 2018/19 to R507 million in 2020/21, to implement the following projects:

- Refurbishment of the Township industrial parks;
- mLab & Code Tribe Academy;
- Implementation of the Gauteng Science and Hi-Tech SEZ programme; and
- Completion of the Visitor's Centre construction.

The following are some of the Deliverology projects that will be implemented through GGDA:

- Artisan training;
- Zambia Capital Equipment Hub;
- Black industrialists; and
- Incubation at eKasi Labs.

## 7.5.2 Transfers to other entities

TABLE 3.6 : SUMMARY OF DEPARTMENTAL TRANSFERS TO OTHER ENTITIES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Cradle of Humankind	37 736	71 377	63 583	70 706	64 522	64 522	73 454	77 768	83 625
Dinokeng	62 616	53 570	43 576	43 202	36 498	36 498	39 056	41 635	43 925
Gauteng Liquor Board	18 157	25 327	40 669	28 030	23 029	23 029	25 021	26 702	28 171
<b>Total departmental transfers</b>	<b>118 509</b>	<b>150 274</b>	<b>147 828</b>	<b>141 938</b>	<b>124 049</b>	<b>124 049</b>	<b>137 531</b>	<b>146 105</b>	<b>155 721</b>

The transfers to other entities increased from R119 million 2014/15 to R148 million in 2016/17. The allocated budget for 2017/18 amounts to R142 million. The budget allocation over the MTEF increased from R138 million in 2018/19 to R156 million in 2020/21.

The expenditure for Cradle of Humankind increased from R38 million in 2014/15 to R64 million in the 2016/17 financial year. The bulk of the expenditure was on infrastructure development, natural resources management, operations of Maropeng and Sterkfontein Caves as well community development projects such as Sponsored School Visits to the COHWHS and specific public meetings. The budget allocation for 2017/18 financial year is R71 million, of which an amount of R66 million has been allocated to implement critical projects. A large portion of the budget is allocated to scientific research, community beneficiation and the tourism visitor economy to ensure that it becomes the anchor for socio-economic development projects.

The MTEF budget allocation for Cradle of Humankind has increased from R73 million in 2018/19 million to R84 million in the 2020/21 financial year. The increase includes the additional budget of R13.8 million for the tourism routes implementation in Gauteng. This tourism route will bring together a variety of activities and attractions under a unified theme and this stimulates entrepreneurial opportunity through development of ancillary product and services.

The budget for the Garankuwa Hotel School has been included within Cradle of Humankind's budget over the MTEF because of reversed migration. Furthermore, the Department envisage that in the 2018/2019 MTEF, there will be a renewed effort in implementing critical tourism development objectives as per the Economic Development Implementation Plan within the Global City Region context with Management of the COHWHS Community Trust.

Transfers made to the Dinokeng Trading Entity amounted to R63 million in 2014/15 and R54 million in 2015/16 before decreasing to R44 million in 2016/17. Over the MTEF, the allocation increases from R39 million in 2018/19 to R44 million in 2020/21. The increase is because of the intensive drive on investment on tourism infrastructure development programmes and empowerment of SMMEs and cooperatives that the Dinokeng Project has embarked on over these periods. Projects such as Working on Fire Programme, School visits to the Dinokeng Game Reserve (DGR) as well as establishing the Dinokeng community development fund will be implemented.

The mandate of GLB among other things is to manage the lodgement of liquor licence applications, processing liquor licence applications and a renewal of licences. The budget transferred to the Gauteng Liquor Board increased from R18 million in 2014/15 financial year to R41 million in 2016/17. The increase in expenditure was a result of low revenue collection from GLB which compelled the department to increase its funding to assist the GLB to fund their operational costs. The budget increases from R25 million in 2018/19 to R28 million in 2020/21.

## 8. PROGRAMME DESCRIPTION

### PROGRAMME 1: ADMINISTRATION

#### Programme description

To provide strategic leadership, support and transversal business solutions to enable the MEC, HOD and DED group to effectively deliver on the mandate of the Department.

#### Programme objectives

Capacitate GDED financially to meet its objectives, fulfil its mission and improve service delivery.

TABLE 3.7: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Office Of The Mec	9 894	10 146	8 285	14 103	10 553	10 104	14 920	15 756	17 887
2. Office Of The Hod	15 770	14 089	13 127	22 726	37 174	36 277	22 764	24 038	26 860
3. Financial Management	22 428	32 310	36 642	65 216	62 065	56 856	55 236	58 327	61 533
4. Corporate Services	120 214	145 527	169 434	185 852	184 404	190 959	209 574	209 583	221 110
<b>Total payments and estimates</b>	<b>168 306</b>	<b>202 072</b>	<b>227 488</b>	<b>287 897</b>	<b>294 196</b>	<b>294 196</b>	<b>302 494</b>	<b>307 704</b>	<b>327 390</b>

TABLE 3.8: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>161 602</b>	<b>186 752</b>	<b>209 237</b>	<b>275 508</b>	<b>271 867</b>	<b>263 605</b>	<b>288 858</b>	<b>293 189</b>	<b>312 077</b>
Compensation of employees	84 924	92 750	97 334	132 431	122 993	116 420	138 285	146 029	156 822
Goods and services	76 678	94 002	111 903	143 077	148 874	147 185	150 573	147 160	155 255
<b>Transfers and subsidies to:</b>	<b>587</b>	<b>311</b>	<b>858</b>		<b>288</b>	<b>306</b>			
Provinces and municipalities									
Departmental agencies and accounts									
Non-profit institutions			500						
Households	587	311	358		288	306			
<b>Payments for capital assets</b>	<b>6 028</b>	<b>15 008</b>	<b>17 287</b>	<b>12 389</b>	<b>11 268</b>	<b>19 512</b>	<b>13 636</b>	<b>14 515</b>	<b>15 313</b>
Buildings and other fixed structures									
Machinery and equipment	6 028	14 924	16 988	12 389	11 248	19 492	13 636	14 515	15 313
Software and other intangible assets		84	299		20	20			
<b>Payments for financial assets</b>	<b>89</b>	<b>1</b>	<b>106</b>		<b>10 773</b>	<b>10 773</b>			
<b>Total economic classification</b>	<b>168 306</b>	<b>202 072</b>	<b>227 488</b>	<b>287 897</b>	<b>294 196</b>	<b>294 196</b>	<b>302 494</b>	<b>307 704</b>	<b>327 390</b>

The Administration budget is utilised for the items that are centralised to Corporate Services and Financial Management such as lease payments for office buildings, security services, cleaning services, bursaries, telephones payment, LAN upgrades, payment of software licences, disaster recover management, fleet services, municipal rates and taxes, legal costs, ICT equipment and internal audit costs that are allocated under the CFO's office budget.

During 2014/15 financial year, the budget increased from R168 million to R227 million in 2016/17 owing to the implementation of the TER projects through the Qondisishishini Lakho Campaign; hosting of inaugural Infrastructure investment conference; Township Entrepreneurship awards and regional Township Revitalisation Summits.

Over the 2018 MTEF, the allocation amounts to R302 million in 2018/19 and increases to R327 million in the 2020/21 financial year. The largest portion is allocated to Corporate services for payment of leases, municipal rates and taxes, provision of ICT equipment and training of staff.

The Compensation of Employees expenditure increased from R85 million in 2014/15 to R97 million in the 2016/17 financial year. The budget is R138 million in 2018/19 and increases to R157 million in 2020/21 which is due to the implementation of the Department's approved structure, which is intended to increase the operational capacity in the Department and ensure that all the TMR, NDP and SOPA targets are met.

Goods and Services expenditure amounts to R77 million in 2014/15 and increased to R112 million in the 2016/17. Over the 2018 MTEF, the allocation increased from R151 million in 2018/19 to R155 million in 2020/21 owing to the inflationary increase in prices of services.

Machinery and Equipment expenditure for 2014/15 amounts to R6 million and increased to R17 million in 2016/17. The immense increase is due to the procurement of office equipment such computers, furniture and software. Over the 2018 MTEF, R14 million is allocated in 2018/19 and increased to R15 million in 2020/21 because of various projects such as the disaster recovery site for the purposes of system recovery and implementation of community ICT hubs for SMMEs to access internet, broadband, and payment of software licenses.

## PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

### Programme description

To ensure radical economic transformation that addresses the triple policy imperatives of decent work, an inclusive economy and equality.

### Programme objectives

- Advance economic development skills to Radically Transform and Re-Industrialise Gauteng Economy;
- Radically transform the Gauteng economy through new, smart, knowledge-based economy;
- Remodel township economies reflecting radical transformation and re-industrialisation of Gauteng's economy; and Strategic economic infrastructure that supports and facilitates radical economic transformation and re-industrialisation of Gauteng.

TABLE 3.9 : SUMMARY OF PAYMENTS AND ESTIMATES: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Enterprise Development	138 479	291 337	236 718	219 386	240 274	240 274	305 662	314 370	328 588
2. Regional And Local Economic Development	7 589	(877)		1 290	1 290	1 290	1 160	1 225	1 293
3. Economic Empowerment	137 952	11 498	9 294	10 937	11 017	11 017	13 682	17 550	18 514
<b>Total payments and estimates</b>	<b>284 020</b>	<b>301 958</b>	<b>246 012</b>	<b>231 613</b>	<b>252 581</b>	<b>252 581</b>	<b>320 504</b>	<b>333 145</b>	<b>348 395</b>

TABLE 3.10 : SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>107 261</b>	<b>11 487</b>	<b>9 268</b>	<b>17 239</b>	<b>13 040</b>	<b>13 040</b>	<b>19 810</b>	<b>24 021</b>	<b>25 269</b>
Compensation of employees	12 650	8 775	9 222	17 007	12 728	12 728	19 810	24 021	25 269
Goods and services	94 611	2 712	46	232	312	312			
<b>Transfers and subsidies to:</b>	<b>152 759</b>	<b>290 471</b>	<b>236 744</b>	<b>214 374</b>	<b>239 541</b>	<b>239 541</b>	<b>300 694</b>	<b>309 124</b>	<b>323 126</b>
Provinces and municipalities									
Departmental agencies and accounts	136 291	290 438	236 718	214 374	239 511	239 511	300 694	309 124	323 126
Households	16 468	33	26		30	30			
<b>Payments for capital assets</b>									
Buildings and other fixed structures									
Software and other intangible assets									
<b>Payments for financial assets</b>	<b>24 000</b>								

Total economic classification	284 020	301 958	246 012	231 613	252 581	252 581	320 504	333 145	348 395
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The expenditure under Integrated Economic Development services has decreased from R284 million in 2014/15 to R246 million in 2016/17 and the budget allocation for 2017/18 amounts to R231 million. Enterprise development accounts for the largest share of the budget, followed by Economic empowerment and then Regional and Local Economic Development.

Over the 2018 MTEF, the budget increases from R321 million in 2018/19 to R348 million in 2020/21. The allocation will cater for the following programmes and projects such as: financial support to township; support to Informal Businesses; Youth Accelerator Programme; supporting Bakery Clusters; supporting the Footwear Industry; Support SMMEs in the Automotive Sector; and Supplier Development Programme.

The Compensation of Employees expenditure decreased from R13 million in 2014/15 to R9 million in 2016/17 because of function shift and migration of Development Planning and Land use to the Office of the Premier. The 2017/18 budget amounts to R17 million. The increase is informed by the implementation of a revised organisational structure. Over the 2018 MTEF, the allocation increases from R20 million to R25 million in 2020/21 which is because of the implementation of the Department's approved structure and the cost of leaving adjustment.

Goods and Services expenditure amounts to R95 million in 2014/15 before sharply decreasing to R46 000 in the 2016/17 financial year. Over the 2018 MTEF, the zero budget is attributed to the function shift which has been migrated to Programme 5.

The transfer for GEP under Departmental agencies and transfers increased from R136 million in 2014/15 to R237 million in the 2016/17 financial year. The entity utilised its budget to fund the Qondisishishini Lakho campaign and provided financial support to new and existing SMME. The 2018 MTEF transfers which amounts R301 million and R323 million in 2018/19 and 2020/21 respectively will enable the entity to continue playing a pivotal role in transforming the Gauteng township economy, through the implementation of projects such as Booster Pitching, Youth Accelerator programme and providing support to informal business.

## SERVICE DELIVERY MEASURES

### PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of jewellery manufacturing and design students contracted	14	15	15	15
Number of companies graduated with sustainable businesses from incubation	10	12	15	15
Number of companies incubated at Ekasi Labs	80	80	80	80
Number of innovations commercialised by incubated start-ups	45	60	75	75
Number of township industrial parks refurbished	10	10	10	10
Number of township attractions promoted	25	120	150	180
Number. of SMME's financially supported in the prioritized sectors	700	250	250	250
Number. of SMME's non-financially supported in the prioritized sectors	2 000	1 500	1 750	2 000
Number of SMME's supported through the Pitching Booster Programme	200	250	300	350
Number of youths benefited from Youth Accelerator Programme	500	600	700	800
Number of Co-ops supported to improve their investment readiness	New indicator	100	100	100
Number of Informal Businesses supported non-financially to formalise	700	750	800	850

### PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT

#### Programme description

Ensure re-industrialisation that addresses the triple policy imperatives of decent work, an inclusive economy and equality.

#### Programme objectives

Provide an enabling environment for sustainable business activities in Gauteng for radical economic transformation of Gauteng's economy;

- Create an enabling environment for economic activities that generate revenue for transformation and re-industrialisation of Gauteng economy; and
- Sustain tourism development by providing protection mechanisms for biodiversity areas and other conservation sites.

TABLE 3.11: SUMMARY OF PAYMENTS AND ESTIMATES BY : TRADE AND SECTOR DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Trade And Investment Promotion	5 512	476		6 021	6 021	6 021	6 257	6 728	7 097
2. Sector Development	179 637	218 745	211 903	215 073	204 185	204 185	253 711	268 869	285 237
3. Strategic Initiatives	345 757	359 033	465 282	493 117	516 827	516 827	443 181	480 830	507 276
<b>Total payments and estimates</b>	<b>530 906</b>	<b>578 254</b>	<b>677 185</b>	<b>714 211</b>	<b>727 033</b>	<b>727 033</b>	<b>703 148</b>	<b>756 427</b>	<b>799 610</b>

TABLE 3.12 : SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: TRADE AND SECTOR DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>8 335</b>	<b>475</b>		<b>6 021</b>	<b>6 021</b>	<b>6 021</b>	<b>6 257</b>	<b>6 728</b>	<b>7 097</b>
Compensation of employees	8 213	469		6 021	6 021	6 021	6 257	6 606	6 969
Goods and services	122	6						122	128
<b>Transfers and subsidies to:</b>	<b>515 571</b>	<b>577 778</b>	<b>677 185</b>	<b>708 190</b>	<b>721 012</b>	<b>721 012</b>	<b>696 891</b>	<b>749 699</b>	<b>792 513</b>
Provinces and municipalities									
Departmental agencies and accounts	511 652	577 778	677 185	708 190	721 012	721 012	696 891	749 699	792 513
Households	3 919								
<b>Payments for capital assets</b>									
<b>Payments for financial assets</b>	<b>7 000</b>	<b>1</b>							
<b>Total economic classification</b>	<b>530 906</b>	<b>578 254</b>	<b>677 185</b>	<b>714 211</b>	<b>727 033</b>	<b>727 033</b>	<b>703 148</b>	<b>756 427</b>	<b>799 610</b>

The expenditure for Trade and Sector development has increased from R531 million in 2014/15 to R714 million in 2017/18. The bulk of the budget is allocated under Strategic initiatives (GGDA) with the allocated budget of R493 million, in 2017/18 followed by Sector development (Cradle of Humankind and Dinokeng) with an amount of R215 million allocated in 2017/18. The budget allocation over the MTEF increased from R703 million in 2018/19 to R800 million in 2020/21. A significant share of the budget is allocated between Sector development and Strategic initiatives where Cradle of Humankind, Dinokeng, GTA and GGDA are located.

The Compensation of Employees expenditure decreased from R8 million in 2014/15 to R469 000 in 2015/16 because of function shift. The budget for 2018/19 is R6.2 million, the increase is informed by the revised organisational structure where a new branch has been created under this programme. Over the 2018 MTEF, the allocation increases from R6.6 million in 2019/20 million to R7 million in 2020/21 owing to the implementation of the Department's approved structure and the cost of living adjustment over the MTEF.

During 2014/15 financial year, the expenditure under goods and services amounts to R122 000 before decreasing to R6 000 in the 2015/16 financial year. Over the MTEF, the allocation increases from R122 000 in 2019/20 to R128 000 in 2020/21. The increase is aimed to cater for operational costs for the new branch over the MTEF.

The expenditure under Departmental Agencies and Transfers increased from R512 million in 2014/15 to R677 million in 2016/17. The budget for the 2017/18 is R708 million before decreasing to R697 million in 2018/19 and then increases to R793 million in 2020/21. The budget under this item will be transferred to GTA, Cradle of Humankind, Dinokeng and GGDA for the implementation of core projects/ programmes some of which include; eKasi labs roll out; Completion of the Visitor's Centre construction; Working on Fire Programme; Tourism routes; and Nelson Mandela Visitor's Centre.

## SERVICE DELIVERY MEASURES

### PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of Gauteng tourism marketing initiatives implemented in the key International source markets	3	20	25	35
Number of Gauteng tourism marketing initiatives implemented in the domestic markets	7	9	11	15
Number of enterprises provided with export readiness development programme	240	270	300	300
Number of Gauteng based firms assisted to expand operations in Africa	14	14	16	16

COHWHS Integrated Management Plan (IMP) implementation report produced	-	Implementation report produced	Implementation report produced	Implementation report produced
Number of jobs created from the Dinokeng Project	-	721	741	751
Number of Cooperatives supported at Dinokeng	9	10	12	15
Number of township tourism products showcased to markets	200	300	400	500

## PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE

### Programme description

To create a seamless business regulation and good governance environment that promotes ethical conduct, transforms industry, realises sustainable revenue generation and contributes towards the achievement of TMR goals.

### Programme objectives

- Provide an enabling environment for consumer satisfaction to stimulate growth of businesses;
- Properly regulate the Liquor Industry in Gauteng;
- Properly regulate the Gambling and Betting Industry in Gauteng; and
- Generate revenue from business regulation for socio-economic development of the Gauteng.

TABLE 3.13: SUMMARY OF PAYMENTS AND ESTIMATES: BUSINESS REGULATION AND GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Governance	6 384	4 177	5 219	9 201	19 986	17 772	9 587	10 132	10 690
2. Igr And Strategic Partnerships	6 291	6 803	6 700	9 634	7 433	6 963	9 544	10 115	10 672
3. Consumer Protection	27 377	26 518	20 353	19 698	19 812	22 496	20 640	21 807	23 006
4. Liquor Regulation	18 157	17 730	40 670	28 030	23 029	23 029	25 021	26 702	28 171
<b>Total payments and estimates</b>	<b>58 209</b>	<b>55 228</b>	<b>72 942</b>	<b>66 563</b>	<b>70 260</b>	<b>70 260</b>	<b>64 792</b>	<b>68 756</b>	<b>72 539</b>

TABLE 3.14: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: BUSINESS REGULATION AND GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>21 050</b>	<b>37 373</b>	<b>32 222</b>	<b>38 534</b>	<b>47 231</b>	<b>46 940</b>	<b>39 771</b>	<b>42 054</b>	<b>44 368</b>
Compensation of employees	19 181	24 342	26 805	30 334	27 231	26 940	32 125	33 924	35 788
Goods and services	1 869	13 031	5 417	8 200	20 000	20 000	7 646	8 130	8 580
<b>Transfers and subsidies to:</b>	<b>18 159</b>	<b>17 855</b>	<b>40 719</b>	<b>28 029</b>	<b>23 029</b>	<b>23 320</b>	<b>25 021</b>	<b>26 702</b>	<b>28 171</b>
Departmental agencies and accounts	18 156	17 729	40 669	28 029	23 029	23 029	25 021	26 702	28 171
Households	3	126	50			291			
<b>Payments for capital assets</b>									
<b>Payments for financial assets</b>	<b>19 000</b>		<b>1</b>						
<b>Total economic classification</b>	<b>58 209</b>	<b>55 228</b>	<b>72 942</b>	<b>66 563</b>	<b>70 260</b>	<b>70 260</b>	<b>64 792</b>	<b>68 756</b>	<b>72 539</b>

Business Regulation and Governance total expenditure for 2014/15 increased from R58 million to R73 million in the 2016/17. The budget for 2017/18 has decreased by R2.6 million resulting in an adjusted allocation of R70.3 million. The 2018/19 budget has increased from R65 million to R73 million in 2020/21.

The expenditure for compensation of employees increased from R19 million in 2014/15 to R27 million in the 2016/17 financial year. Over the MTEF, the budget increased from R32 million in 2018/19 to R36 million in 2020/21 financial year.

Expenditure under goods and services for 2014/15 was R1.9 million and increased to R5.4 million in 2016/17. Over the 2018 MTEF, the budget increased from R7.6 million in 2018/19 to R8.6 million in 2020/21. The budget caters for projects such as Trade Exchange Programme with community radio stations for consumer awareness campaigns; financial education for young entrepreneurs; the Consumer Affairs Office on Wheels (CAOW), international engagements, Spaza- shop summit and the consumer affairs court holding its sittings.

Transfers to the GLB increased from R18 million in 2014/15 to R41 million in 2016/17 due to low revenue collection from GLB which compelled the department to increase its funding to assist the GLB to fund operational costs. Over the 2018 MTEF, the allocation increased from R25 million in 2018/19 to R28 million in 2020/21 to fund following: the verification project to determine the total number of liquor outlet in the Province; the lodgement of liquor license applications; processing liquor license applications and; renewal of licenses.



## SERVICE DELIVERY MEASURES

### PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of liquor social responsibility programmes supported	3	4	4	4
Rand value spent on Corporate Social Investment programmes	500 000	800 000	900 000	1 000 000
Number of liquor inspections conducted	3 000	11 065	12 065	13 065
Number of liquor awareness activities conducted	120	220	250	280
Number of gambling compliance audits conducted	180	181	181	181
Number of technical gambling inspections conducted	678	678	678	678
Percentage of consumer complaints resolved within 60 days	100%	100%	100%	100%
Number of consumer education programmes conducted	360	400	450	500

### PROGRAMME 5: ECONOMIC PLANNING

#### Programme description

To provide thought leadership to transform and re-industrialise the Gauteng City Region through policy and strategy development

#### Programme objectives

- Develop informative strategies for implementing effective economic development programmes in Gauteng.

TABLE 3.15: SUMMARY OF PAYMENTS AND ESTIMATES: ECONOMIC PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Policy And Planning	9 562	12 702	21 017	22 261	15 566	20 554	26 759	29 483	24 717
2. Research And Development	8 076	3 008	2 698	2 746	3 159	1 733	3 931	4 593	4 846
3. Knowledge Management	1 031	1 009	1 350	1 443	1 453	1 599	1 283	1 355	1 429
4. Monitoring And Evaluation	545	3 916	5 099	4 434	1 587	12			
5. Economic Infrastructure Development		66 750	49 511	10 632	1 500	1 500	11 247	11 876	12 529
6. Sector And Industry Development		39 501	46 010	48 682	44 468	42 972	61 756	59 508	69 297
7. Inclusive Economy		6 446	9 957	23 310	14 170	13 533	14 536	14 508	15 306
<b>Total payments and estimates</b>	<b>19 214</b>	<b>133 332</b>	<b>135 642</b>	<b>113 508</b>	<b>81 903</b>	<b>81 903</b>	<b>119 512</b>	<b>121 323</b>	<b>128 124</b>

TABLE 3.16: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ECONOMIC PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>12 731</b>	<b>133 087</b>	<b>135 153</b>	<b>113 448</b>	<b>81 783</b>	<b>81 783</b>	<b>119 512</b>	<b>121 323</b>	<b>128 124</b>
Compensation of employees	9 845	38 979	51 357	58 352	44 799	44 799	61 829	65 291	68 954
Goods and services	2 886	94 108	83 796	55 096	36 984	36 984	57 683	56 032	59 170
<b>Transfers and subsidies to:</b>	<b>1 483</b>	<b>245</b>	<b>221</b>		<b>60</b>	<b>60</b>			
Non-profit institutions									
Households	1 483	245	221		60	60			
<b>Payments for capital assets</b>			<b>268</b>	<b>60</b>	<b>60</b>	<b>60</b>			
Machinery and equipment				60					
Software and other intangible assets			268		60	60			
<b>Payments for financial assets</b>	<b>5 000</b>								
<b>Total economic classification</b>	<b>19 214</b>	<b>133 332</b>	<b>135 642</b>	<b>113 508</b>	<b>81 903</b>	<b>81 903</b>	<b>119 512</b>	<b>121 323</b>	<b>128 124</b>

The programme expenditure increased from R19 million in 2014/15 to R136 million in 2016/17 for the implementation of projects such as the Industrial High-Impact Tooling Initiatives, SMMEs support and maintenance of the Garankuwa Hotel School were implemented. The Gauteng Tooling Initiatives and the Industrial Hubs were maintained and refurbished before the function migrated to GGDA.

Over the 2018 MTEF, the programme budget grew from R120 million in 2018/19 to R128 million in 2020/21 for the implementation of the mid-term impact assessment of the TER strategy; business case for the Gauteng Provincial Government



Economic modelling and capacity building; development of Financial Models for the Gauteng Investment Incentives Framework ;Gauteng Growth and Modernisation Programme; facilitation of township brick project; township clothing and linen clusters; township consumer cooperatives, economic intervention workshops and Gauteng industrialisation high-impact projects. The expenditure for Compensation of Employees increased from R10 million in 2014/15 to R51 million in 2016/17. The increase in expenditure is informed by the employment of core staff in the branch. The MTEF budget for compensation increased from R62 million in 2018/19 to R69 million in 2020/21 to provide for annual salary increases and benefits.

The budget for goods and services increased from R58 million in 2018/19 before it increased to R59 million in the 2020/21 to implement the following projects such as Quarterly Economic Bulletin; Gauteng Economic Barometer; Economic Growth Model; Economic Impact Assessments; Implementation; Housing Cooperatives; GCR EDP Monitoring & Evaluation tool; and Job Creation Tracking.

## SERVICE DELIVERY MEASURES

### PROGRAMME 5: ECONOMIC PLANNING

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of impact assessment reports produced	2	2	2	2
Number Gauteng Econometric Models and capacity programme building reports produced	-	1	1	1
Number of regional and local economic strategies revised	-	-	-	-
Number of TER Intergovernmental Programmes coordinated	4	4	4	-
Number of Gauteng consumer cooperatives in all regions facilitated	3	2	-	-
Number of cooperatives banking platforms established	3	2	3	-
Number of GCR EDP implantation reports produced	4	4	4	4
State Bank Business Case developed	-	Gauteng State Owned Bank Business Case developed	-	-

## 9. OTHER PROGRAMME INFORMATION

### 9.1 Personnel numbers and costs

TABLE 3.17: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS BY PROGRAMME: ECONOMIC DEVELOPMENT

R thousands	Actual				Revised estimate				Medium-term expenditure estimate				Average annual growth over MTEF			
	2014/15		2015/16		2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21	
	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Filled posts	Additional posts	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel growth rate	Costs growth rate
Salary level																
1 – 6	48	5 398	44	8 382	40	6 341	30	11	51	11 143	54	11 767	57	12 415	12%	1%
7 – 10	153	40 007	171	53 902	181	57 392	211	9	256	88 465	269	97 717	282	105 856	9%	23%
11 – 12	61	37 427	70	45 372	68	53 723	79		97	58 876	102	60 802	107	64 145	11%	19%
13 – 16	45	50 910	60	54 336	66	67 262	47	12	83	99 822	87	105 585	91	111 386	16%	11%
Other	9	1 071	18	3 323						18 749					0%	(100)%
<b>Total</b>	<b>316</b>	<b>134 813</b>	<b>363</b>	<b>165 315</b>	<b>355</b>	<b>184 718</b>	<b>367</b>	<b>32</b>	<b>487</b>	<b>258 306</b>	<b>512</b>	<b>275 871</b>	<b>537</b>	<b>293 802</b>	<b>10%</b>	<b>12%</b>
<b>Programme</b>																
1. Administration	192	84 924	192	92 750	212	97 334	213	18	299	132 048	314	142 542	329	153 142	13%	10%
2. Integrated Economic Development Services	29	12 650	77	8 775		9 222	(2)	2							0%	(100)%
3. Trade And Sector Development	12	8 213	26	469											0%	(100)%
4. Business Regulation And Governance	49	19 181	59	24 342	69	26 805	70	10	95	60 582	101	63 974	107	67 492	10%	36%
5. Economic Planning	34	9 845	9	38 979	74	51 357	86	2	93	65 676	97	69 355	101	73 168	5%	18%
<b>Total</b>	<b>316</b>	<b>134 813</b>	<b>363</b>	<b>165 315</b>	<b>355</b>	<b>184 718</b>	<b>367</b>	<b>32</b>	<b>487</b>	<b>258 306</b>	<b>512</b>	<b>275 871</b>	<b>537</b>	<b>293 802</b>	<b>10%</b>	<b>12%</b>

Personnel costs increased from R135 million in 2014/15 to R194 million in the financial year 2016/17. This was owing to many critical posts that needed to be filled. The increase in personnel cost was due to the continuation of the implementation of the organisational structure.

Over the MTEF, the compensation budget allocation will escalate owing to an increase in the number of posts as per the proposed structure which is in support of the Ten Pillar Programme. The TMR Strategy and the GCR Economic Development Plan are cornerstones of the rationalisation of the Departmental functional and organisational structure. As such, the Department has also embarked on a process to realign the current structure with the new mandate of the Department. This will increase compensation of employees from R258 million in 2018/19 to R293 million in 2020/21.

## 9.2 Training

TABLE 3.18: PAYMENTS ON TRAINING BY PROGRAMME

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Number of staff	316	363	355	399	399	399	487	512	537
Number of personnel trained	400	487	377	497	497	497	526	556	587
of which									
Male	164	211	128	227	227	227	240	254	268
Female	236	276	249	270	270	270	286	302	319
Number of training opportunities	720	750	117	125	125	125	131	139	147
of which									
Tertiary	80	135	77	81	81	81	83	88	93
Workshops	550	500	15	17	17	17	19	20	21
Seminars	75	100							
Other	15	15	25	27	27	27	29	31	33
Number of bursaries offered	80	75	49	55	55	55	57	60	63
Number of interns appointed	50	30	63	65	65	65	65	69	73
Number of learnerships appointed	70	25	20	15	15	15	15	16	17
Number of days spent on training	2 550	2 595	2 595	2 725	2 725	2 725	2 883	3 044	3 211
<b>Payments on training by programme</b>									
1. Administration	2 310	2 245	2 306	3 474	3 474	3 474	3 673	3 879	4 092
2. Integrated Economic Development Services	578								
3. Trade And Sector Development									
4. Business Regulation And Governance	578								
5. Economic Planning	578								
<b>Total payments on training</b>	<b>4 044</b>	<b>2 245</b>	<b>2 306</b>	<b>3 474</b>	<b>3 474</b>	<b>3 474</b>	<b>3 673</b>	<b>3 879</b>	<b>4 092</b>

The Department continues to build capacity and improve the efficiency and effectiveness of staff members by encouraging participation in skills development programmes, management development programmes and bursary opportunities. The bursaries awarded in 2015/16 and 2016/17 financial year increased due to the improvement in the bursary application and approval process.

The budget for training is centralised in Programme 1 under Human Capital Management for better coordination and management. The training budget constitutes 1 per cent of the compensation budget in line with the directive on training budget as determined by DPSA.

In the 2018/19 financial year, the Department will implement a framework of courses, experiential learning and capacity development for each level of staff using the different methodologies of learning, i.e. e-learning, classroom learning and on-the-job training. This will include technical skills, foundation skills, behavioural skills and leadership development. To ensure succession planning and retention of skills, there will be a focus on preparing supervisory levels (MMS and SMS) for the next level of management based on the competency framework for SMS. The training budget also makes provision for the development of graduates through the appointment of interns and graduate trainees with scarce and critical skills in core business units. To ensure compliance with the standards of operational skills sectors, affiliation to professional bodies will also be provided for.

The Department's Workplace Skills Plan (WSP) is compiled annually by 30 April as mandated. The WSP is an indication of the planned training that will be implemented as per identifies skills requirements in performance management. Additionally, ad-

hoc training requests are also implemented as they arise from unforeseen factors such as poor performance, DPSA Directives, changes in Department's objectives, etc. As such, training priorities are determined on an annual basis while the training budget is allocated based on the MPSA's Directive on Training Budgets.

### **9.3 Reconciliation of structural changes**

N/A

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

TABLE 3.19: SPECIFICATION OF RECEIPTS: DEPARTMENT OF ECONOMIC DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Tax receipts</b>	<b>799 823</b>	<b>870 999</b>	<b>910 209</b>	<b>1 014 013</b>	<b>1 014 013</b>	<b>918 564</b>	<b>1 039 864</b>	<b>1 090 637</b>	<b>1 144 485</b>
Casino taxes	759 547	828 997	870 030	944 673	944 673	880 138	1 000 864	1 049 637	1 102 485
Horse racing taxes	40 276	42 002	40 179	69 340	69 340	38 426	39 000	41 000	42 000
<b>Sales of goods and services other than capital assets</b>	<b>17 361</b>	<b>374</b>	<b>413</b>			<b>56 640</b>	<b>433</b>	<b>455</b>	<b>480</b>
Sale of goods and services produced by department (excluding capital assets)	17 361	374	413			56 640	433	455	480
Sales by market establishments	17 361								
Administrative fees									
Other sales		374	413			56 640	433	455	480
Sales of scrap, waste, arms and other used current goods (excluding capital assets)									
<b>Transfers received from:</b>									
<b>Fines, penalties and forfeits</b>									
<b>Interest, dividends and rent on land</b>	<b>2 526</b>	<b>5 167</b>	<b>3 226</b>	<b>2 334</b>	<b>2 334</b>	<b>3 536</b>	<b>2 404</b>	<b>2 476</b>	<b>2 612</b>
Interest	2 526	5 167	3 226	2 334	2 334	3 536	2 404	2 476	2 612
<b>Sales of capital assets</b>			<b>30</b>			<b>8</b>			
Other capital assets			30			8			
<b>Transactions in financial assets and liabilities</b>	<b>753</b>	<b>(5 215)</b>	<b>1 126</b>	<b>306</b>	<b>306</b>	<b>170</b>	<b>324</b>	<b>342</b>	<b>361</b>
<b>Total departmental receipts</b>	<b>820 463</b>	<b>871 325</b>	<b>915 004</b>	<b>1 016 654</b>	<b>1 016 653</b>	<b>978 918</b>	<b>1 043 025</b>	<b>1 093 910</b>	<b>1 147 938</b>

TABLE 3.20: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ECONOMIC DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>310 979</b>	<b>369 174</b>	<b>385 880</b>	<b>450 750</b>	<b>419 942</b>	<b>411 389</b>	<b>474 208</b>	<b>487 315</b>	<b>516 935</b>
Compensation of employees	134 813	165 315	184 718	244 145	213 772	206 908	258 306	275 871	293 802
Salaries and wages	118 427	144 485	162 058	208 463	187 242	181 295	222 588	238 154	254 013
Social contributions	16 386	20 830	22 660	35 682	26 530	25 613	35 718	37 717	39 789
Goods and services	176 166	203 859	201 162	206 605	206 170	204 481	215 902	211 444	223 133
Administrative fees	237	1 159	1 374	897	933	914	524	654	691
Advertising	4 969	23 720	8 660	15 703	14 472	14 472	28 174	19 024	19 437
Minor assets	159	186	2 868	325	400	400			
Audit cost: External	3 862	4 293	3 792	5 001	5 001	5 001	5 300	5 577	5 884
Bursaries: Employees	336	799	1 006	1 000	1 011	1 011	1 900	1 991	2 101
Catering: Departmental activities	1 724	1 054	2 021	4 104	3 663	3 663	4 040	4 560	4 720
Communication (G&S)	4 937	4 826	6 679	4 555	4 471	4 471	4 677	4 476	4 722
Computer services	8 950	7 619	17 495	26 684	23 218	22 320	25 400	26 782	28 258
Consultants and professional services: Business and advisory services	100 722	79 624	85 640	40 529	72 749	72 749	57 359	54 469	59 090
Legal services	5 507	2 742	1 275	4 364	1 456	1 875	4 915	4 901	5 171
Contractors	4 268	14 311	4 403	18 584	4 363	3 943	8 745	8 921	9 112
Agency and support / outsourced services	837	389	338	11 225	20	20	100	101	107
Entertainment	1	2	4	47	52	52	53	56	59
Fleet services (including government motor transport)	1 250	4 442	1 939	2 137	2 227	2 227	2 478	2 671	2 818
Inventory: Food and food supplies	523	1							
Inventory: Materials and supplies	91	197		21					
Consumable supplies	1 305	581	2 259	486	1 937	2 835	2 105	2 253	2 376



R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Consumable:									
Stationery, printing and office supplies	2 243	2 841	3 604	5 198	5 217	5 217	3 959	4 596	4 785
Operating leases	9 886	12 362	21 962	25 378	26 106	24 417	23 840	25 214	26 601
Property payments	17 922	27 261	20 678	24 250	23 358	23 358	25 334	26 862	28 339
Travel and subsistence	2 020	4 277	3 929	8 396	7 678	7 698	8 387	8 727	8 895
Training and development	1 562	2 060	4 274	2 577	2 981	2 981	2 583	2 758	2 910
Operating payments	105	177	1 301	800	550	550	1 172	1 214	1 281
Venues and facilities	2 492	2 840	4 868	3 541	3 685	3 685	4 463	5 237	5 355
Rental and hiring	258	6 096	793	803	622	622	395	400	421
<b>Transfers and subsidies</b>	<b>688 559</b>	<b>886 660</b>	<b>955 727</b>	<b>950 593</b>	<b>983 930</b>	<b>984 239</b>	<b>1 022 606</b>	<b>1 085 525</b>	<b>1 143 810</b>
Departmental agencies and accounts	666 099	885 945	954 572	950 593	983 552	983 552	1 022 606	1 085 525	1 143 810
Provide list of entities receiving transfers	666 099	885 945	954 572	950 593	983 552	983 552	1 022 606	1 085 525	1 143 810
Non-profit institutions			500						
Households	22 460	715	655		378	687			
Social benefits	19 086	537	655		378	687			
Other transfers to households	3 374	178							
<b>Payments for capital assets</b>	<b>6 028</b>	<b>15 008</b>	<b>17 555</b>	<b>12 449</b>	<b>11 328</b>	<b>19 572</b>	<b>13 636</b>	<b>14 515</b>	<b>15 313</b>
Machinery and equipment	6 028	14 924	16 988	12 449	11 248	19 492	13 636	14 515	15 313
Transport equipment		2 120	4 846	6 464	2 313	4 102	6 836	7 217	7 614
Other machinery and equipment	6 028	12 804	12 142	5 985	8 935	15 390	6 800	7 298	7 699
Software and other intangible assets		84	567		80	80			
<b>Payments for financial assets</b>	<b>55 089</b>	<b>2</b>	<b>107</b>		<b>10 773</b>	<b>10 773</b>			
<b>Total economic classification</b>	<b>1 060 655</b>	<b>1 270 844</b>	<b>1 359 269</b>	<b>1 413 792</b>	<b>1 425 973</b>	<b>1 425 973</b>	<b>1 510 450</b>	<b>1 587 355</b>	<b>1 676 058</b>

TABLE 3.21: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>161 602</b>	<b>186 752</b>	<b>209 237</b>	<b>275 508</b>	<b>271 867</b>	<b>263 605</b>	<b>288 858</b>	<b>293 189</b>	<b>312 077</b>
Compensation of employees	84 924	92 750	97 334	132 431	122 993	116 420	138 285	146 029	156 822
Salaries and wages	73 729	80 287	84 405	113 372	107 400	100 512	118 655	125 300	134 954
Social contributions	11 195	12 463	12 929	19 059	15 593	15 908	19 630	20 729	21 868
Goods and services	76 678	94 002	111 903	143 077	148 874	147 185	150 573	147 160	155 255
Administrative fees	191	609	615	284	394	401	113	398	421
Advertising	4 595	16 631	8 333	15 000	13 552	13 552	27 744	18 114	19 110
Minor assets	159	186	2 868	325	400	400			
Audit cost: External	3 862	4 293	3 792	5 001	5 001	5 001	5 300	5 577	5 884
Bursaries: Employees	336	799	1 006	1 000	1 011	1 011	1 900	1 991	2 101
Catering: Departmental activities	1 041	339	526	1 096	1 228	1 228	1 070	1 206	1 272
Communication (G&S)	4 937	4 772	6 673	4 555	4 471	4 471	4 587	4 476	4 722
Computer services	8 950	7 619	17 495	26 684	23 218	22 320	25 300	26 282	27 728
Consultants and professional services:									
Business and advisory services	4 309	2 168	5 290	3 122	26 756	26 756	4 540	4 564	4 815
Legal services	5 507	2 742	1 275	4 364	1 456	1 875	4 915	4 900	5 170
Contractors	4 125	8 683	4 365	6 217	3 946	3 527	8 488	8 520	8 989
Agency and support / outsourced services	837	389	338	11 193	20	20	100	100	106
Entertainment		2	4	3	49	49	53	56	59
Fleet services (including government motor transport)	1 250	4 442	1 939	2 137	2 227	2 227	2 438	2 671	2 818
Inventory: Food and food supplies	523	1							

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Inventory: Materials and supplies	89	197							
Consumable supplies	1 300	576	1 349	437	1 877	2 775	2 100	2 247	2 370
Consumable: Stationery, printing and office supplies	2 243	2 834	3 198	4 234	4 658	4 658	3 179	3 370	3 555
Operating leases	9 874	12 362	21 962	25 377	26 106	24 417	23 840	25 214	26 601
Property payments	17 923	17 713	20 343	24 250	23 358	23 358	25 334	26 862	28 339
Travel and subsistence	829	1 767	1 561	3 644	3 982	3 975	4 140	4 396	4 638
Training and development	1 561	2 060	4 071	2 472	2 981	2 981	2 583	2 758	2 910
Operating payments	2	97	1 285	400	550	550	128	129	136
Venues and facilities	1 977	2 452	3 089	1 179	1 523	1 523	2 572	3 179	3 353
Rental and hiring	258	269	526	103	110	110	150	150	158
<b>Transfers and subsidies</b>	<b>587</b>	<b>311</b>	<b>858</b>		<b>288</b>	<b>306</b>			
Non-profit institutions			500						
Households	587	311	358		288	306			
Social benefits	213	133	358		288	306			
Other transfers to households	374	178							
<b>Payments for capital assets</b>	<b>6 028</b>	<b>15 008</b>	<b>17 287</b>	<b>12 389</b>	<b>11 268</b>	<b>19 512</b>	<b>13 636</b>	<b>14 515</b>	<b>15 313</b>
Machinery and equipment	6 028	14 924	16 988	12 389	11 248	19 492	13 636	14 515	15 313
Transport equipment		2 120	4 846	6 464	2 313	4 102	6 836	7 217	7 614
Other machinery and equipment	6 028	12 804	12 142	5 925	8 935	15 390	6 800	7 298	7 699
Software and other intangible assets		84	299		20	20			
<b>Payments for financial assets</b>	<b>89</b>	<b>1</b>	<b>106</b>		<b>10 773</b>	<b>10 773</b>			
<b>Total economic classification</b>	<b>168 306</b>	<b>202 072</b>	<b>227 488</b>	<b>287 897</b>	<b>294 196</b>	<b>294 196</b>	<b>302 494</b>	<b>307 704</b>	<b>327 390</b>

TABLE 3.22: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: INTERGRATED ECONOMIC DEVELOPMENT SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>107 261</b>	<b>11 487</b>	<b>9 268</b>	<b>17 239</b>	<b>13 040</b>	<b>13 040</b>	<b>19 810</b>	<b>24 021</b>	<b>25 269</b>
Compensation of employees	12 650	8 775	9 222	17 007	12 728	12 728	19 810	24 021	25 269
Salaries and wages	11 510	7 757	7 993	13 397	11 563	11 233	16 649	20 683	21 748
Social contributions	1 140	1 018	1 229	3 610	1 165	1 495	3 161	3 338	3 521
Goods and services	94 611	2 712	46	232	312	312			
Administrative fees	18	12		26	26				
Advertising	135	1 083							
Catering: Departmental activities	15	5							
Consultants and professional services: Business and advisory services	94 126	1 500							
Contractors				132	212	211			
Travel and subsistence	227	112	30	6	6	33			
Operating payments	58		16						
Venues and facilities	32			68	68	68			
<b>Transfers and subsidies</b>	<b>152 759</b>	<b>290 471</b>	<b>236 744</b>	<b>214 374</b>	<b>239 541</b>	<b>239 541</b>	<b>300 694</b>	<b>309 124</b>	<b>323 126</b>
Departmental agencies and accounts	136 291	290 438	236 718	214 374	239 511	239 511	300 694	309 124	323 126
Provide list of entities receiving transfers	136 291	290 438	236 718	214 374	239 511	239 511	300 694	309 124	323 126
Households	16 468	33	26		30	30			
Social benefits	16 468	33	26		30	30			
Other transfers to households									
<b>Payments for capital assets</b>									
<b>Payments for financial assets</b>	<b>24 000</b>								
<b>Total economic classification</b>	<b>284 020</b>	<b>301 958</b>	<b>246 012</b>	<b>231 613</b>	<b>252 581</b>	<b>252 581</b>	<b>320 504</b>	<b>333 145</b>	<b>348 395</b>

TABLE 3.23: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: TRADE AND SECTOR DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>8 335</b>	<b>475</b>		<b>6 021</b>	<b>6 021</b>	<b>6 021</b>	<b>6 257</b>	<b>6 728</b>	<b>7 097</b>
Compensation of employees	8 213	469		6 021	6 021	6 021	6 257	6 606	6 969
Salaries and wages	7 340	430		5 894	5 894	5 883	6 234	6 582	6 944
Social contributions	873	39		127	127	138	23	24	25
Goods and services	122	6						122	128
Administrative fees	18								
Catering: Departmental activities	1	6						26	27
Contractors	50								
Travel and subsistence	53							59	62
<b>Transfers and subsidies</b>	<b>515 571</b>	<b>577 778</b>	<b>677 185</b>	<b>708 190</b>	<b>721 012</b>	<b>721 012</b>	<b>696 891</b>	<b>749 699</b>	<b>792 513</b>
Departmental agencies and accounts	511 652	577 778	677 185	708 190	721 012	721 012	696 891	749 699	792 513
Provide list of entities receiving transfers	511 652	577 778	677 185	708 190	721 012	721 012	696 891	749 699	792 513
Households	3 919								
Social benefits	919								
Other transfers to households	3 000								
<b>Payments for capital assets</b>									
<b>Payments for financial assets</b>	<b>7 000</b>	<b>1</b>							
<b>Total economic classification</b>	<b>530 906</b>	<b>578 254</b>	<b>677 185</b>	<b>714 211</b>	<b>727 033</b>	<b>727 033</b>	<b>703 148</b>	<b>756 427</b>	<b>799 610</b>

TABLE 3.24: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: BUSINESS REGULATION AND GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>21 050</b>	<b>37 373</b>	<b>32 222</b>	<b>38 534</b>	<b>47 231</b>	<b>46 940</b>	<b>39 771</b>	<b>42 054</b>	<b>44 368</b>
Compensation of employees	19 181	24 342	26 805	30 334	27 231	26 940	32 125	33 924	35 788
Salaries and wages	16 973	21 302	23 537	25 625	22 558	23 482	27 144	28 664	30 239
Social contributions	2 208	3 040	3 268	4 709	4 673	3 458	4 981	5 260	5 549
Goods and services	1 869	13 031	5 417	8 200	20 000	20 000	7 646	8 130	8 580
Administrative fees	7	90	8	79	166	166	101	93	98
Advertising	129	46	327	495	835	835	430	310	327
Catering: Departmental activities	645	504	568	1 359	1 087	1 087	1 080	1 248	1 317
Communication (G&S)		32							
Consultants and professional services: Business and advisory services	253	4 662	2 705	345	14 777	14 777	2 707	2 950	3 113
Contractors	74	36	28	2 513	205	205	257	116	123
Agency and support / outsourced services				32					
Entertainment	1			43	2	2			
Inventory: Materials and supplies	1			21					
Consumable supplies	1	5	2	49	60	60	5	6	6
Consumable: Stationery, printing and office supplies		7	12	25	7	7	40	56	59
Operating leases	12			1					
Travel and subsistence	477	1 632	1 108	1 527	1 508	1 508	1 512	1 674	1 767
Training and development				105					
Operating payments	34			400			1 044	1 085	1 145
Venues and facilities	235	251	469	1 206	1 041	1 041	465	587	620
Rental and hiring		5 766	190		312	312	5	5	5
<b>Transfers and subsidies</b>	<b>18 159</b>	<b>17 855</b>	<b>40 719</b>	<b>28 029</b>	<b>23 029</b>	<b>23 320</b>	<b>25 021</b>	<b>26 702</b>	<b>28 171</b>
Departmental agencies and accounts	18 156	17 729	40 669	28 029	23 029	23 029	25 021	26 702	28 171

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Provide list of entities receiving transfers	18 156	17 729	40 669	28 029	23 029	23 029	25 021	26 702	28 171
Households	3	126	50			291			
Social benefits	3	126	50			291			
Other transfers to households									
<b>Payments for capital assets</b>									
<b>Payments for financial assets</b>	<b>19 000</b>		<b>1</b>						
<b>Total economic classification</b>	<b>58 209</b>	<b>55 228</b>	<b>72 942</b>	<b>66 563</b>	<b>70 260</b>	<b>70 260</b>	<b>64 792</b>	<b>68 756</b>	<b>72 539</b>

TABLE 3.25: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ECONOMIC PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments	12 731	133 087	135 153	113 448	81 783	81 783	119 512	121 323	128 124
Compensation of employees	9 845	38 979	51 357	58 352	44 799	44 799	61 829	65 291	68 954
Salaries and wages	8 875	34 709	46 123	50 175	39 827	40 185	53 906	56 925	60 128
Social contributions	970	4 270	5 234	8 177	4 972	4 614	7 923	8 366	8 826
Goods and services	2 886	94 108	83 796	55 096	36 984	36 984	57 683	56 032	59 170
Administrative fees	3	448	751	508	347	347	310	163	172
Advertising	110	5 960		208	85	85		600	
Catering: Departmental activities	22	200	927	1 649	1 348	1 348	1 890	2 080	2 104
Communication (G&S)		22	6				90		
Computer services							100	500	530
Consultants and professional services: Business and advisory services	2 034	71 294	77 645	37 062	31 216	31 216	50 112	46 955	51 162
Legal services								1	1
Contractors	19	5 592	10	9 722				285	
Agency and support / outsourced services								1	1
Entertainment				1	1	1			
Fleet services (including government motor transport)							40		
Inventory: Materials and supplies	1								
Consumable supplies	4		908						
Consumable: Stationery, printing and office supplies			394	939	552	552	740	1 170	1 171
Property payments	(1)	9 548	335						
Travel and subsistence	434	766	1 230	3 219	2 182	2 182	2 735	2 598	2 428
Training and development	1		203						
Operating payments	11	80							
Venues and facilities	248	137	1 310	1 088	1 053	1 053	1 426	1 434	1 343
Rental and hiring		61	77	700	200	200	240	245	258
<b>Transfers and subsidies</b>	<b>1 483</b>	<b>245</b>	<b>221</b>		<b>60</b>	<b>60</b>			
Households	1 483	245	221		60	60			
Social benefits	1 483	245	221		60	60			
Other transfers to households									
<b>Payments for capital assets</b>			<b>268</b>	<b>60</b>	<b>60</b>	<b>60</b>			
Machinery and equipment				60					
Other machinery and equipment				60					
Software and other intangible assets			268		60	60			
<b>Payments for financial assets</b>	<b>5 000</b>								
<b>Total economic classification</b>	<b>19 214</b>	<b>133 332</b>	<b>135 642</b>	<b>113 508</b>	<b>81 903</b>	<b>81 903</b>	<b>119 512</b>	<b>121 323</b>	<b>128 124</b>



# VOTE 4

## DEPARTMENT OF HEALTH

To be appropriated by vote in 2018/19	R 46 429 326 000
Responsible Executing Authority	MEC for Health
Administering Department	Department of Health
Accounting Officer	Head of Department

### 1. OVERVIEW

#### Vision

Daily we provide high-quality, efficient and accessible healthcare to transform people's lives.

#### Mission

Create an effective public health system in Gauteng by ensuring we have the right people, skills, systems and equipment to provide the care our patients need to live healthy, quality lives.

#### Strategic Goals

- Improved health and well-being of all citizens, with an emphasis on children and women;
- Reduced rate of new infections and burden of HIV and AIDS and TB;
- Increased equal and timely access to efficient and quality health care services, thereby preparing for roll-out of National Health Insurance (NHI); and
- Excellence in our non-clinical functions.

#### Core functions and responsibilities

- Provision of primary health care services through the district health system by means of a network of provincial clinics and community health centres and district hospitals administered by doctors, nurses and other health professionals;
- Provision of emergency medical services and planned patient transport throughout the province;
- Rendering secondary health care services through regional hospitals providing out- and in-patient care at general specialist level;
- Provision of specialised in-patient care for psychiatric and infectious diseases, and some tuberculosis (TB) and chronic psychiatric services on an outsourced basis;
- Provision of in-patient and out-patient academic health care services through the central, tertiary hospitals and dental hospitals, in addition to the teaching that takes place at other service levels; training of future health care professionals in health sciences faculties and nursing colleges; and
- Delivering of forensic pathology services and clinical-medico legal services.

These services are supported through human resource development; management and support services such as laundries, facilities management and cook-freeze; and through supplying medical and pharmaceutical materials.

#### The National Development Plan

The National Development Plan (NDP) sets out nine long-term health goals for South Africa. Five relate to improving the health and well-being of the population, and the other four deal with aspects of strengthening health systems. By 2030, South Africa should have:

- Raised the life expectancy of South Africans to at least 70 years;
- Progressively improved TB prevention and cure;
- Reduced maternal, infant and child mortality;
- Significantly reduced the prevalence of non-communicable diseases;
- Reduced injury, accidents and violence by 50 percent from 2010 levels;
- Completed health system reforms;
- Primary healthcare teams providing care to families and communities;
- Universal health care coverage; and

- Filled posts with skilled, committed and competent individuals.

The NDP priorities will be implemented over three electoral cycles. The Medium Term Strategic Framework (MTSF) 2014-2019, which takes its mandate from the NDP, creates the umbrella goals for the health sector. These goals are to:

- Prevent and successfully manage HIV & AIDS and TB;
- Reduce maternal, infant and child mortality;
- Improve health facility planning and infrastructure delivery;
- Reduce health care costs;
- Efficient health management information system for improved decision making;
- Improve quality of health care;
- Re-engineer primary health care;
- Achieve universal health coverage through implementation of NHI;
- Improve human resources for health; and
- Improve health management and leadership.

### **Ten Pillar programme of Transformation, Modernisation and Re-industrialisation**

The Gauteng Provincial Government (GPG) has adopted a ten-pillar programme aimed at radically transforming, modernising and re-industrialising the province over the next five to fifteen years with special focus on accelerated social transformation.

In responding to the call from GPG to accelerate social transformation, the department has committed to the priorities for the period 2015-2020 and commenced implementation in the 2014/15 financial year as outlined in the outlook section.

### **Acts, rules and regulations**

- Intergovernmental Relations Framework Act, 13 of 2005;
- Broad Based Black Economic Empowerment Act, 53 of 2003;
- The National Health Act, 61 of 2003;
- Mental Health Care Act, 17 of 2002;
- Unemployment Insurance Contributions Act, 4 of 2002;
- Promotion of Access to Information Act, 2 of 2000 ;
- Promotion of Administrative Justice Act, 3 of 2000;
- Promotion of Equality and the Prevention of Unfair Discrimination Act, 4 of 2000;
- Preferential Procurement Policy Framework Act, 5 of 2000;
- Protected Disclosures Act, 26 of 2000;
- National Health Laboratory Service Act, 37 of 2000;
- Council for Medical Schemes Levy Act, 58 of 2000;
- Public Finance Management Act, 1 of 1999;
- Tobacco Products Control Amendment Act, 12 of 1999;
- State Information Technology Act, 88 of 1998;
- Competition Act, 89 of 1998;
- Copyright Act, 98 of 1998;
- Sterilisation Act, 44 of 1998;
- Employment Equity Act, 55 of 1998;
- Skills Development Act, 97 of 1998;
- Medical Schemes Act, 131 of 1998;
- Public Service Commission Act, 46 of 1997;
- Basic Conditions of Employment Act, 75 of 1997;
- Public Service Regulations, 2001, as amended;
- Labour Relations Act, 66 of 1995, as amended;
- The Constitution of South Africa Act, 108 of 1996, as amended;
- Intergovernmental Fiscal Relations Act, 97 of 1997;
- Medicines and Related Substances Act, 101 of 1965, as amended 1997;
- Choice on Termination of Pregnancy Act, 92 of 1996;
- Public Service Act, Proclamation 103 of 1994;
- Occupational Health and Safety Act, 85 of 1993;
- Trade Marks Act, 194 of 1993;
- Designs Act, 195 of 1993;
- SA Medical Research Council Act, 58 of 1991;
- Control of Access to Public Premises and Vehicles Act, 53 of 1985;
- Child Care Act, 74 of 1983;



- Allied Health Professions Act, 63 of 1982;
- Dental Technicians Act, 19 of 1979;
- Nursing Act, 50 of 1978;
- Patents Act, 57 of 1978;
- International Health Regulations Act, 28 of 1974;
- Pharmacy Act, 53 of 1974;
- Health Professions Act, 56 of 1974;
- Occupational Diseases in Mines and Works Act, 78 of 1973;
- Hazardous Substances Act, 15 of 1973;
- Foodstuffs, Cosmetics and Disinfectants Act, 54 of 1972;
- Conventional Penalties Act, 15 of 1962;
- State Liability Act, 20 of 1957;
- Merchandise Marks Act, 17 of 1941;
- Treasury Regulations.

### **Specific provincial health legislation**

- National legislation and policy is further supported by the following provincial legislation:
- The Gauteng Ambulance Services Act, 2002;
- The Gauteng District Health Services Act, 2000; and
- The Hospital Ordinance Act, 1958, as amended 1999.

### **Other policy imperatives guiding the work of the GDoH include the following:**

- National Development Plan 2030;
- Gauteng Vision 2055;
- GCR game changers;
- GPG 10 Pillar Programme;
- Provincial government's five year strategic programme of action;
- National Health MTSF;
- Provincial Medium Term Strategic Framework;
- The Batho Pele principles of social service delivery and the Service Delivery Charter;
- Policy and Procedure on the Revolving Door Enabler document;
- Public Health and Welfare Sector Bargaining Council (PHWSBC);
- PSCBC Resolution 9 of 2001; and
- PSCBC Resolution 3 of 1999.

## **2. REVIEW OF THE CURRENT FINANCIAL YEAR (2017/18)**

### **Outcome 1: Strengthening health systems and NHI rollout**

#### **Output 1: NHI rollout in all districts**

The department is on track with regard to PHC re-engineering, which is a key pillar in the implementation of the NHI. All five districts have Districts Clinical Specialist Teams (DCST). DCSTs are made up of several clinical specialists (Obstetrician and Gynaecologist, Paediatrician, Anaesthetist, Family Physician, Advanced Mid-wife, Paediatricians Nurse and PHC Nurse) who provide training support, mentoring and monitoring of health facilities to improve their maternal, neonatal, and child health services. The DCSTs are key in providing critical support to district health facilities in the areas of clinical effectiveness, clinical risk management, professional development and management.

Access to affordable essential medicines is a vital component of an efficient health care system. To demonstrate its commitment towards improved access to medicines, the department runs a Chronic Medicines Dispensing programme for stable patients who are on chronic medicines. The improvement in access to medicines exceeded the target of 270 000 by reaching 400 995 patients enrolled on the Centralised Chronic Medicine Dispensing and Distribution (CCMDD) programme by the end of the third quarter. The department has not only improved access to health services through its facilities but also through its EMS and increased operating hours.

#### **Output 2: Increased quality access to PHC facilities**

To date the total number of Ward Based Outreach Teams (WBOTs) is 775, exceeding the target of 762. These WBOTs teams conduct household visits and attended to a total of 117 441 children under 5 years and 427 797 adults as well as children above 5 years. In addition, 9 875 referrals to health facilities were made following outreach household visits by these outreach teams.

In the effort to improve access to health services, the department increased the number of facilities providing 24 hours services from 29 to 30 out of a total 32 CHCs. This is in addition to the existing 32 CHCs that are providing 24 hours Maternity services through Maternity and Obstetric Units (MOUs) across the five districts.

### **Output 3: Improved quality of health care**

On a regular basis, Primary Health Care (PHC) facilities are assessed to determine their ideal clinic status. The department remains a leader in terms of the proportion of facilities given the ideal clinic status nationally. There are currently 74 per cent (277/372) facilities with an ideal clinic status, exceeding the target of 54 per cent (200/372). This improvement was attained due to monitoring of and support provided to under-performing facilities.

During the third quarter, the EMS obstetric emergency urban inter-facility transfer under 30 and 60 minutes rate was 85 per cent. During the 2017/18 financial year, a total of 178 ambulances were procured with a balance of 64 ambulances still to be delivered. This procurement is aimed at strengthening service delivery by ensuring improved access and response times.

As part of primary prevention efforts the department screened 2 108 069 patients for mental health disorders and treated 17 106 whilst 181 283 were screened for hypertension and 142 100 for diabetes.

General (Regional) Hospitals and Specialised Hospitals achieved performance targets in respect of Out-Patient Department (OPD) average treatment waiting times of 180 minutes. Tertiary Hospital Services and Central Hospitals achieved the performance target of OPD average treatment waiting times below the agreed benchmark of 240 minutes. The average length of stay (ALOS) remained within range at Regional and Tertiary Hospitals, while Central hospitals continue to attract high number of patients in the province; ALOS constantly remained above the quarterly target range of 6.12 days to 7.48 days and bed utilisation performance for the first 3 quarters of 2017/18 is at 83.2 per cent versus 78 per cent annual target. Quarterly performance constantly remained within the quarterly target range of 70.2 per cent to 85.8 per cent.

During the third quarter, the health facilities consulted and treated 5 015 303 patients and this shows a slight decrease as compared to the first two quarters of 2017/18 financial year where a total of 5 330 832 and 5 552 402 patients were treated during quarter 1 and quarter 2, respectively. This high demand is due to several factors such as the rapid urbanization, high burden of disease, and success in roll-out of ART programme as well as the declining numbers of the population on medical aid cover.

These included women seen for antenatal care, deliveries and postnatal care, immunisation, family planning and those seen for chronic illnesses.

### **Output 4: Health sector management**

Management instability and capacity remained a challenge with resignations of at least 8 senior managers by end of the third quarter. To build capacity the department appointed the CFO, Head of Legal and CEO of Far East Rand Hospital. In addition, an Intervention Task Team was appointed to strengthen management capacity, systems and controls as well as clinical governance in consultation with the Minister of Health and Premier.

### **Output 5: Improved human resources for health**

Verification of the appointment professionals was completed through the appropriate councils. Mid-year performance reviews for the Senior Management Services (SMS) were completed together with the processing of pay progression for employees on salary level 1-12. Contributions to youth empowerment included placements of 1 814 unemployed youths on internship and learnership programmes funded by HWSETA and PSETA and hosting of 155 girls (on a "Take-a-Girl-Child to Work" programme).

The department offers clinical training platforms across Central, Tertiary, Regional and District Hospitals and is currently working with the faculties of health sciences at 5 universities (i.e. UP, Wits, UJ, TUT and SMU) to expand this platform to Primary Health Care. The intended benefit is to improve the quality of human resource for health as required for the implementation of NHI and Primary Health Care Re-engineering. The department also provides medical internship programmes for over 300 young people annually and 785 community service posts which are - both statutory appointments as regulated by the Health Professions Councils of SA and non-statutory appointments. The non-statutory appointments are achieved through other schemes supported by HWSETA and PSETA and to date 1 814 unemployed youth were placed in internship and learnership programmes.

### **Output 6: Health Infrastructure development management**

About major and minor refurbishment of health facilities in the NHI Pilot District, the construction of Tshwane District Hospital Wet Services was completed ahead of schedule, while the completion of refurbishment work at the Tshwane District Hospital remains on track and scheduled to be completed during the fourth quarter.

In terms of major refurbishment of health facilities outside NHI Pilot District, the refurbishment of ward 5 at the Sterkfontein Psychiatric Hospital was completed during the third quarter as targeted. However, the construction of the psychiatric ward at the Charlotte Maxeke Johannesburg Academic Hospital (CMJAH) is targeted to be completed during the first quarter of

2018/19. To complete renovations of the psychiatric ward at the Helen Joseph Hospital the department will expedite the appointment of a new contractor.

### **Outcome 2: Decreasing infant, child and maternal mortality**

The latest National Saving Mother Report shows a continued decline in both the numbers and mortality ratios of institutional maternal deaths since the peak in the numbers of deaths in 2009. Almost 47 per cent decline in the numbers of deaths due to non-pregnancy related infections (mainly HIV deaths) was observed from the reported numbers in 2011. The decline in deaths is attributable to the success of the HIV Anti-retroviral treatment programme.

In addition, in April 2017 the department officially introduced the Limited Obstetric Ultrasound programme (LOUOP) as part of services to be provided during antenatal care (ANC) as a strategy to encourage early booking. The aim was to reduce maternal and neonatal mortality with the following results:

- The trained advanced midwives have performed 14 900 ultrasound screenings since April 2017 to December 2017;
- Detection of congenital anomaly, which was beyond the expectations of the project; and
- There was a 30 per cent increase in referrals based on ultrasound findings alone.

Notable improvements were also observed in the screening of children for learning barriers, 66 566 Grade 1 School learners were screened by end of the third quarter which exceeded the target by 3 302. An additional 32 561 Grade 8 learners were also screened which exceeded the third quarterly target of 27 070.

Preventative and treatment interventions continued to be delivered across various service areas. However, coverage for several targets on maternal and child health were not met albeit real progress was made. Due to mid-year increase in provincial population estimates, none of the population-based indicator targets could be reached and the implication of the hikes in population estimates is that the department needs to do more with less to cover additional patients.

The annual performance targets for both Immunisation and Measles 2nd dose coverage is 97 per cent but these were not reached as a result of the mid-year increase in population estimates as published by Statistics SA. Fully immunised infants, less than 1 year, numbered 83.7 per cent against the target of 97 per cent. Measles Vaccine second dose coverage reached 76.7 per cent against the target of 96 per cent whereas under 1 year population figure increased from 195 509 to 201 556 by the end of third quarter.

The plan is to continue with the provision of immunisation services daily and to monitor the availability of vaccine supplies and encourage the establishment of Vaccination Points by public hospitals. During the third quarter, about 60.6 per cent of women presented themselves for their first antenatal visit (before 20 weeks) and 93.5 per cent of patients were initiated on ART. The target of 97 per cent was not met as the Johannesburg Metro and the Ekurhuleni Districts did not meet their targets.

The target of 80 per cent for Mother postnatal visit within 6 days is at 65.2 per cent and the department is planning on conducting an intensive drive for mothers to register on MOMCONNECT to improve this target.

### **Outcome 3: Reduced burden of disease due to HIV and AIDS, TB**

The department tests the highest number of clients in the country for HIV and great progress was also made in the prevention of HIV/AIDS. A total of 2.1 million people were tested as at the end of 31 December 2017 which exceeded the set target of 1.8 million and due to targeted testing strategies implemented in the high HIV transmission areas and key populations. This number includes pregnant women.

Prevention of Mother To Child Transmission of HIV (PMTCT) through vertical transmission remains a flagship success prevention programme with just under 1 per cent of the babies testing positive at ten weeks through the PCR test. Through the implementation of the PMTCT programme the department continued to observe declines in mother to child transmission of HIV and the latest results shows that fewer babies are now testing positive for HIV from 1.7 per cent reported last year to less than 1.4 per cent currently.

The distribution of female condoms for the first three quarters of the financial year remained below quarterly targets of 1.925 million in quarter 1, 3.85 million in quarter 2 and 5.77 million in quarter 3. The lower distribution is attributable to decline in popularity and thus lower uptake. The department plans to create a demand for the female condoms through PASOP. In addition, the distribution of male condoms for first three quarters remained below quarterly targets of 50 million, 100 million and 150 million, respectively. This is due to limited availability of stock as only of 3 of the suppliers delivered but department has made the National Department of Health aware of this challenge and is awaiting an intervention.

Although the Gauteng Department of Health remain the best performing department in respect of Tuberculosis (TB) with a success rate of about 86 per cent, the tracing of TB defaulters was a challenge in the third quarter. About (37) 1.3 per cent of patients were not evaluated and (67) 2.3 per cent of those who were transferred to other districts and provinces were not followed up with.

**Outcome 4: Addressing social determinants of health**

In the quarter under review, a poster drawing competition campaign continued in 10 schools, where an adjudication was done to choose only 12 posters to be converted into a twelve poster calendar for 2018. A total of 2 500 calendars will be produced out of these posters and this has been submitted to the African Medical and Research Foundation (AMREF) for further funding. Specifications for production of 10 No Smoking signage boards for the schools and 250 Healthy Lifestyles flipcharts were done and quotations were sought and to be forwarded to AMREF for procurement.

**Outcome 5: Modernisation of the public service**

In the quest to maximise the benefits of the fourth industrial revolution, the Executive Council approved the e-health enterprise architecture for improvement of data integrity and business processes. The immense anticipated benefits include providing a single view of the Patient Electronic Health Records and real time health information for timely decision making amongst other benefits. Challenges regarding achievement of some of the e-health targets remained. Only 16 hospitals are with functional PACS solution and current PACS contract constrain the expansion of PACS to additional facilities and 7 hospitals have scanned patients' records. The contracted digitalisation approach was not in line with the e-Health architecture and has been amended to define a detailed design which will be delivered by the end of the fourth quarter.

The department invests heavily in the latest innovations and state of the art medical equipment which includes the procurement of a PET (Positron Emission Tomography) scan at Dr George Mukhari, cyclotron scan at Steve Biko and other scans at a cost of R36 million at other tertiary and regional health facilities to improve accessibility at all levels of care.

**Outcome 6: Re-industrialisation of health economy**

In the third quarter, the department reached 17 per cent of budget spent on township enterprises against identified commodities. The underperformance was due to lack of contracts in place to meet the needs of the province in terms of commodities to be procured from township enterprises. Access to affordable essential medicines is a vital component of an efficient health care system.

**3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2018/19)**

The department's commitment to providing high quality, efficient and accessible healthcare services to transform people's lives will be through the implementation of accelerated social transformation as one of the TMR pillars. In response to this call for accelerated social transformation, the GDoH is committing to the following outcomes for the 2018 MTEF:

- Strengthening health systems and NHI rollout focusing on the following outputs:
  - NHI rollout in all districts;
  - Intensify implementation of the Mental Health Act;
  - Increased quality and access in PHC facilities;
  - Improved quality of health care;
  - Health sector management;
  - Improved financial management;
  - Improved human resources for health; and
  - Health infrastructure development and management.
- Reduced burden of HIV and AIDS, TB;
- Reduced burden of maternal, infant and child morbidity and mortality;
- Addressing social determinants of health;
- Re-industrialisation of the health economy; and
- Modernisation of the public health service.

**Outcome 1: Strengthening health systems and NHI rollout****Output 1: NHI rollout in all districts**

The implementation of National Health Insurance (NHI) interventions continues in all the districts to ensure universal health service coverage. The NHI is implemented through the PHC re-engineering programme, quality assurance and health infrastructure programmes and 'Ideal Clinic Project'. The department plans to have all PHC facilities obtaining an Ideal clinic status in 2018/19 financial year.

**Output 2: Intensify implementation of the Mental Health Act**

Following the Marathon Mental Health Project that led to the tragic deaths of involuntary and assisted mental health patients in NGO's contracted by the Gauteng Department of Health, the transformation agenda of the health system will focus on institutionalisation of lessons learnt and the strengthening of the constitutional principles of protecting human rights, participatory governance and accountability. Achieving a people-and-patient-centred health system require a comprehensive and integrated multidisciplinary approach. As we roll out NHI interventions, this approach must be guided by the World Health Organization building blocks of a health system, namely - Health Service Delivery, Health Systems Financing, Health Information System, Health Workforce, Access to Medicines and Other Commodities, Leadership and Governance.

**Output 3: Increased quality and access in PHC facilities**

The department will continue with the implementation of PHC services through the three streams of PHC re-engineering, which is aimed at enhancing community transformation using the community-based model and integration of ward-based outreach teams (WBOTs), clinics, CHCs. The number of WBOTs that provide preventative care and collect information will be increased from 719 to 780 by the 2020/21 financial year. In addition, the District Clinical Specialist Teams (DCSTs) will continue to contribute to the reduction of maternal, infant and child mortality in all districts. All primary Health Care facilities will provide integrated mental health care services.

**Output 4: Improved quality of health care**

The department will continue to ensure compliance with the National Core Standards aimed at improving the patients' experience through the implementation of quality assurance programmes in all hospitals and PHC facilities. In addition, the department will address other matters such as improving the availability of vital and essential medicines; improving the safety of patients; reducing patient complaints; reducing waiting time for out-patients, accident and emergency departments; and managing complaints across all facilities.

**Output 5: Health sector management**

The department will continue to improve the availability of the Essential and Non-Essential Drug List (EDL) through ensuring sustainability of direct deliveries from suppliers at all facilities to improve patient care. The CCMDD will be expanded to non-NHI pilot districts including hospitals to reach the 600 000 stable chronic patients target by 2020/21. Full implementation of the Medical Supplies Depot (MSD) online system will assist in the procurement of medicines from suppliers.

The department will improve patients' safety and increase EMS response times for priority 1 urban calls within 15 minutes and within 40 minutes in rural areas to 90 per cent and 100 per cent respectively by the 2020/21 financial year. The implementation of a bed bureau management system in all hospitals will continue; complete integrated computer aided call taking and dispatch system, which includes ePRF (electronic Patient Report Form) and response application. The provincialisation of metros in a phased-in approach will form part of the improvement in resource management and strengthening economies of scale in relation to issues of duplication in management and scarce skills such as advanced life skills.

**Output 6: Improved financial management**

In the 2018/19 financial year there will be a strong focus on the improvement of Financial and Supply Chain Management. The department plans to develop and implement standardised governance and financial systems processes with the aim of reducing accruals, enhancing revenue-generation capacity and debt collection. The department will also strengthen risk management and internal controls to ensure better healthcare services to the people of Gauteng.

**Output 7: Improved human resources for health**

The implementation of the Primary Health Care (PHC) Normative Guide informed by the Workload Indicators of Staffing Needs (WISN) will continue in all PHC facilities to provide appropriate staffing levels and distribution of health professionals. The department will improve compliance with Performance Management System through implementation of an electronic performance management system and competency assessment. In addition, staff attendance for nurses, doctors, porters, clerks and cleaners will be improved at hospitals and PHC facilities. The department will also address issues relating to employment equity, gender, youth and disability.

**Output 8: Health infrastructure development and management**

The department will continue with strategies to invest in health infrastructure through improved health infrastructure design, delivery and maintenance and ensuring compliance with statutory requirements across the department. The implementation of the green agenda will continue in partnership with the Gauteng Department of Infrastructure Development (GDID). The department will continue to focus on the planning of minor and major refurbishment of facilities including Soshanguve, Lillian Ngoyi, Daveyton, Lenasia South, Discoverers, Diepsloot, Khayalami, Jubilee, Kalafong, Dr Yusuf Dadoo, Sebokeng, Tambo Memorial, Heidelberg and Laudium hospitals. The department will continue with the construction of clinics (Finetown, Khutsong South, New Kekana Gardens, Dewagendsdrift, Boitumelo, New Eersterus Clinic, Diloppe Clinic, Mayibuye, Boikhutsong,) over the 2018 MTEF.

**Outcome 2: Reduced burden of maternal, infant and child morbidity and mortality**

The implementation of the Campaign on Accelerated Reduction of Maternal and Child Mortality in Africa (CARMMA) remains a priority with the aim of reducing maternal mortality to 80 per 100 000 live births by 2020/21 financial year. The focus will continue to be on service integration, which is a holistic clinical programme management; strengthening social behaviour change; communication strategy for early antenatal care; early antenatal booking and initiation of ARVs to positive antenatal care mothers; provision of dedicated obstetric ambulances to ensure prompt transfer of women in labour and mothers in emergencies in all maternity and obstetric units (MOUs) across the department; and postnatal care visits.

The reduction of neonatal mortality to 8 per 1000 live births by 2020/21 remains a priority and will be achieved through the reduction of mother to child transmission to 1.3 per cent, improved vitamin A and immunisation coverage for children below one, which is targeted to be at 98 per cent by the 2020/21 financial year. The strengthening and promotion of access to



comprehensive sexual and reproductive health programmes with specific focus on family planning and quality contraceptive devices will continue to be a priority. The department will continue with the promotion of health screening of learners in schools to address health barriers to learning through the Integrated School Health Programme. It will also continue to screen women for cervical cancer and administer the HPV vaccine to grade 4 school girls.

### **Outcome 3: Reducing the burden of HIV and AIDS, TB**

The prevention of HIV new infections remains a key priority programme focusing on a combination of HIV prevention for youth, especially young women as well as their sexual partners. Strategies include “She Conquers as well as Dreams” campaigns; PASSOP awareness and education platforms; increasing distribution of male and female condoms; expansion of medical male circumcision (MMC) sites; and ART start rate for pregnant women at 98 per cent by 2020/21 financial year. In addition, the department will sustain the implementation of the HIV-Universal Test and Treat (UTT) strategy, with decongestion of facilities. The implementation of the UNAIDS 90-90-90 strategy for HIV and AIDS and TB will continue to reduce the burden of HIV and AIDS and TB.

The TB patient testing, screening and treatment initiation programmes will be intensified to improve the treatment success rate to 91 per cent and decrease the lost to follow up rate to 5 per cent in the 2020/21 financial year. The effectiveness and efficiency of the MDR-TB control programme will be strengthened through implementing coordinated, decentralised management of TB drug-resistant with focus on early detection and treatment. This will be done in partnership with civil society as well as inter-departmental and external stakeholders.

### **Outcome 4: Addressing social determinants of health**

The department will continue to prevent non-communicable diseases through the implementation of strategies for a comprehensive healthy lifestyle programme to address diet, alcohol, smoking, drug abuse, exercise and practising safer sex. This will be done in collaboration with municipalities, the Gauteng Department of Education, and the Gauteng Department of Sport, Arts, Culture and Recreation. The implementation of healthy lifestyle activities will continue in all clinics and targeted schools. The prevention of communicable diseases remains a priority and appropriate measures will be implemented across the province. The department will continue with implementation of the integrated Management of Chronic Disease Programme in all PHC facilities; and will also strengthen interventions to prevent motor vehicle accidents, crime, and substance abuse through inter-departmental healthy lifestyle campaigns, and screening of health clients with mental health disorders in all health facilities.

### **Outcome 5: Modernisation of the public service**

The continued emphasis on the Transformation, Modernization and Re-industrialisation objectives is essential in ensuring that Gauteng Health consolidates all ICT systems, infrastructure and resources towards an integrated, interoperable e-Health and m-Health enterprise-wide architecture. The implementation of the e-Health architecture will contribute significantly towards improving patient care, empowering patients to understand their health, gaining access to the health systems and improving the efficiency of the health system. These benefits will be realized by focusing on the integration of all clinical and non-clinical systems; implementation of a single integrated interoperable Health Information System; Clinical Data Repository, Business Analytics and the upgrading of Local Area Network infrastructure in all hospitals and Primary Health Care facilities. The department will continue with the deployment of broadband and expand the roll-out of the Health Patient Registration System to all PHC facilities.

### **Outcome 6: Re-industrialisation of health economy**

The department will continue to contribute to the re-industrialisation of Gauteng as the country’s economic hub through localised production and procurement of goods and services such as bread, vegetables and dairy products from township enterprises; and create a platform for women cooperatives to supply linen to our hospitals across the province. The utilisation of automotive repair centres for all vehicles related to health services will continue in partnership with engineering faculties and technical colleges.

## **4. REPRIORITISATION**

Over the 2018 MTEF R20.6 million is reprioritised from compensation of employees in Programme 1: Administration to compensation of employees in Programme 4: Provincial Hospital Services to cater for the absorption of nurses. An amount of R225.4 million is reprioritised from Programme 2: District Health Services to Programme 4: Provincial Hospital Services due to increased patient care rendered in provincial health services. This reprioritisation of funding from Programme 2: District Health Services is also informed by the trends in service utilisation where majority of the patients’ flock to provincial and central hospitals instead of primary healthcare facilities. An amount of R76.2 million is reprioritised from the Central Hospital Services programme to Programme: Provincial Hospital Services to fund the compensation of employees in line with the National Tertiary Services Grant framework. The following key assumptions were considered when embarking on a reprioritisation exercise:

- Intent on financial stabilisation and addressing the challenge of accruals and medico-legal claims,
- Funding of the cost of the current staff establishment already existing in the system,

- Procurement and inventory management reforms,
- Healthcare utilisation trends across facilities, primary healthcare services versus tertiary healthcare levels, and
- Spending trends across and within goods and services items.

## 5. PROCUREMENT

The procurement and contract management still remain a concern and the department will robustly look at this area in its quest to implement the cost containment measures and realise efficiency gains. The Department will achieve this through:

- Increased participation on the transversal contracts arranged by the National and Provincial Treasuries (this will assist in gaining the economies of scale);
- Implementing strategic sourcing for the identified commodities by arranging departmental own term contracts. This will include the arrangement of a travel management services contract in line with the forthcoming National Travel Policy Framework (NTPF);
- Limiting the procurement of non-essential commodities; and
- Implementing contract management system to flag the expiry of contracts at least six months prior to expiry.

The department will strengthen and implement control measures and where appropriate implement consequence management as a new trajectory towards reducing the irregular expenditure that emanates from the supply chain management process by ensuring that no cases are split; no extensions of contract as a result of poor planning; ensure that the department is represented at all bid committees of the implementing agents i.e. GDID; and arrange the transversal term contract for consignment stock (cardiac implants).

The department will continue to uphold the principles of procurement by ensuring that all contracts are awarded in a manner that is fair, equitable, transparent, competitive and cost effective.

As part of the continuous implementation of cost containment measures the department will return all vehicles that are on the old permanent hire scheme (this scheme has proven to be more expensive) to G-Fleet and replace them with full maintenance lease.

Furthermore, the department will ensure that procurement strategies are responsive towards achieving the set Provincial targets for the Gauteng Township Economy Revitalization (TER) and Preferential Procurement.

## 6. RECEIPTS AND FINANCING

### 6.1 Summary of receipts

TABLE 4.1 : SUMMARY OF RECEIPTS: HEALTH

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Equitable share	23 774 130	27 671 653	28 998 597	30 537 421	32 187 046	32 187 046	35 921 150	37 476 997	39 825 793
Conditional grants	7 717 049	7 665 435	8 658 260	9 669 625	9 755 788	9 755 788	10 508 176	11 554 987	12 589 919
Comprehensive HIV and AIDS Grant	2 632 578	2 928 300	3 274 407	3 744 381	3 744 381	3 744 381	4 239 277	4 909 315	5 522 037
Hospital Facility Revitalisation Grant	752 700	313 630	777 818	890 665	976 828	976 828	874 842	864 748	912 310
Health Professions Training and Development Grant	811 114	829 604	865 244	919 432	919 432	919 432	972 759	1 027 240	1 083 738
National Tertiary Service Grant	3 493 891	3 572 856	3 727 048	4 110 484	4 110 484	4 110 484	4 390 192	4 724 843	5 041 407
National Health Insurance Grant	10 281	10 206	7 543						
EPWP Integrated Grant for Provinces	2 010	2 051	2 000	2 000	2 000	2 000	2 324		
Social Sector EPWP Incentive Grant for Provinces	14 475	8 788	4 200	2 663	2 663	2 663	1 470		
Human Papillomavirus Vaccine Grant							27 312	28 841	30 427
<b>Total receipts</b>	<b>31 491 179</b>	<b>35 337 088</b>	<b>37 656 857</b>	<b>40 207 046</b>	<b>41 942 834</b>	<b>41 942 834</b>	<b>46 429 326</b>	<b>49 031 984</b>	<b>52 415 712</b>

The department's allocated budget is R46.4 billion in 2018/19, R49 billion in 2019/20 and R52.4 billion in 2020/21 amounting to a total budget of R147.8 billion over the 2018 MTEF. Of this allocation, conditional grant constitutes 23.4 per cent while the equitable share constitutes 76.6 per cent of the total budget.



The equitable share allocation grows from R35.9 billion in 2018/19 to R39.8 billion in 2020/21. This is attributable to an additional funding allocated to compensation of employees', PHC allocation as well as funding for medical supplies and medicine at central hospitals. An amount of R1.5 billion is allocated for the payment of accrued liabilities in 2018/19 increasing to R4.8 billion over the 2018 MTEF. In addition, an amount of R27.3 million is received as a conditional grant in 2018/19 for the roll-out of Human Papilloma Vaccine (HPV) which is aimed at reducing cervical cancer and is provided to girls aged 9-10 years.

## 6.2 Departmental receipts

TABLE 4.2 : SUMMARY OF DEPARTMENTAL RECEIPTS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Sales of goods and services other than capital assets	451 636	433 650	496 653	449 820	449 820	456 947	475 335	502 355	530 049
Transfers received						1			
Fines, penalties and forfeits	52	56	38	55	55	60	58	62	69
Interest, dividends and rent on land	397	939	1 749	1 344	1 344	1 344	1 422	1 502	1 582
Sales of capital assets						402			
Transactions in financial assets and liabilities	71 966	44 651	36 814	29 427	29 427	32 646	31 134	32 877	34 620
<b>Total departmental receipts</b>	<b>524 051</b>	<b>479 296</b>	<b>535 254</b>	<b>480 647</b>	<b>480 647</b>	<b>491 400</b>	<b>507 949</b>	<b>536 796</b>	<b>566 320</b>

The classification of departmental receipts is split between sales of goods and services other than capital assets; transfers received; fines, penalties and forfeits; interest, dividends and rent on land; sales of capital assets; and transactions in financial assets and liabilities.

The department's own revenue is generated mainly from patient fees. Other sources include sale of goods and services other than capital assets; transfers received; fines, penalties and forfeits; interest; dividends and rent on land, and transactions in financial assets and liabilities. Patient fees are adjusted annually in line with the Consumer Price Index (CPI) as determined by the National Department of Health. Interest, dividends and rent on land consist of interest from revenue associated with ownership of interest-bearing financial instruments. The department's interest is generated from staff debt, which is collected and administered by e-Government. Transactions in financial assets and liabilities consist of debt owed to the department, as well as refunds relating to previous years' expenditure.

Over the 2018 medium term revenue estimates have been revised upwards where the department estimates to collect R507.9 million in 2018/19 and this increases to 566.3 million in 2020/21 financial year.

## 7. PAYMENT SUMMARY

### 7.1 Key assumptions

The following key assumptions were applied when compiling the 2018 MTEF budget:

- Strengthening of and investment in PHC to provide treatment at the appropriate level;
- Cost of living adjustment as per the current wage bill agreement, pay progression, housing and other allowances;
- Improvements in conditions of service and the OSD for various categories of employees;
- Provision for the non-negotiable line items as approved by the NDoH to improve the quality of health services;
- Provision for the rollout of HPV vaccination in the 2018/19 financial year;
- Provincialisation of primary health care services;
- Recapitalization and replacement of emergency vehicles; and
- Re-classification of hospitals and equity allocation.

### 7.2 Programme summary

TABLE 4.3: SUMMARY OF PAYMENTS AND ESTIMATES: HEALTH

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Administration	565 081	807 358	851 488	669 961	688 367	1 025 754	893 938	826 426	871 876
2. District Health Services	9 563 046	11 075 547	11 992 093	13 752 800	13 881 682	14 368 623	15 305 140	16 914 023	18 318 125

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
3. Emergency Medical Services	847 561	940 319	1 010 469	1 275 082	1 298 154	1 495 093	1 450 885	1 492 129	1 586 670
4. Provincial Hospital Services	5 987 314	6 432 065	6 952 127	7 367 668	7 625 022	8 033 715	8 873 068	9 169 475	9 817 819
5. Central Hospital Services	11 584 642	12 582 282	13 387 424	14 211 198	15 041 890	15 837 183	16 675 956	18 283 210	19 345 482
6. Health Sciences And Training	861 931	938 834	1 054 063	990 163	980 163	946 453	1 043 393	1 100 658	1 161 192
7. Health Care Support Services	211 542	223 499	248 492	281 538	281 538	279 529	310 255	317 788	335 264
8. Health Facilities Management	1 384 095	1 864 651	1 943 911	1 658 636	2 146 018	2 146 018	1 876 691	928 275	979 284
<b>Total payments and estimates</b>	<b>31 005 212</b>	<b>34 864 555</b>	<b>37 440 067</b>	<b>40 207 046</b>	<b>41 942 834</b>	<b>44 132 368</b>	<b>46 429 326</b>	<b>49 031 984</b>	<b>52 415 712</b>

### 7.3 Summary of economic classification

TABLE 4.4: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HEALTH

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>28 390 262</b>	<b>31 905 325</b>	<b>34 367 948</b>	<b>36 162 095</b>	<b>37 773 342</b>	<b>39 661 569</b>	<b>42 514 396</b>	<b>45 209 719</b>	<b>48 408 719</b>
Compensation of employees	18 654 909	20 648 000	23 289 574	23 815 004	24 965 403	25 342 631	26 706 147	28 383 068	30 201 183
Goods and services	9 735 281	11 257 325	11 078 374	12 347 091	12 807 939	14 318 938	15 808 249	16 826 651	18 207 536
Interest and rent on land	72								
<b>Transfers and subsidies to:</b>	<b>1 570 752</b>	<b>1 467 193</b>	<b>1 478 853</b>	<b>1 578 504</b>	<b>1 626 504</b>	<b>1 921 204</b>	<b>1 770 682</b>	<b>1 970 007</b>	<b>2 086 688</b>
Provinces and municipalities	672 042	657 442	675 326	709 104	739 104	739 104	783 270	827 237	875 362
Departmental agencies and accounts	17 183	17 919	18 869	19 812	19 812	19 812	20 962	22 135	23 352
Higher education institutions		1 824	1 453	2 061	12 061	12 061	13 681	14 653	15 459
Non-profit institutions	652 703	523 218	465 844	698 608	698 608	698 608	769 084	912 199	968 112
Households	228 824	266 790	317 361	148 919	156 919	451 619	183 685	193 783	204 403
<b>Payments for capital assets</b>	<b>1 031 499</b>	<b>1 481 189</b>	<b>1 582 158</b>	<b>2 466 447</b>	<b>2 542 988</b>	<b>2 542 988</b>	<b>2 144 248</b>	<b>1 852 258</b>	<b>1 920 305</b>
Buildings and other fixed structures	378 954	784 988	935 368	1 153 570	1 191 599	1 191 599	949 697	491 028	484 218
Machinery and equipment	652 545	696 201	646 790	1 312 877	1 351 389	1 351 389	1 194 551	1 361 230	1 436 087
Software and other intangible assets									
<b>Payments for financial assets</b>	<b>12 699</b>	<b>10 848</b>	<b>11 108</b>			<b>6 607</b>			
<b>Total economic classification</b>	<b>31 005 212</b>	<b>34 864 555</b>	<b>37 440 067</b>	<b>40 207 046</b>	<b>41 942 834</b>	<b>44 132 368</b>	<b>46 429 326</b>	<b>49 031 984</b>	<b>52 415 712</b>

The department's expenditure is projected to increase from R31 billion in 2014/15 to an estimate R44.1 billion in 2018/19. This is due to the burden of disease, which resulted in accelerated expenditure mainly in the district health services, provincial hospital services and central hospital services programme due to the payment of accruals and litigations from previous financial years.

The total appropriation increases from R40.2 billion in 2017/18 to R46.4 billion in 2018/19 financial year. The increase is mainly due to additional funds amounting to R1.9 billion allocated to compensation of employees, medical supplies, medicine and consumable supplies. In addition, R1.5 billion is allocated to the department for the payment of accrued liabilities.

Comparing the 2017/18 and 2018/19 financial years, the Administration budget grows by 33.4 per cent in 2018/19 as a result of R188 million to pay accrued liabilities.

Programme 2: District Health Services shows a nominal increase of 11.3 per cent from 2017/18 to 2018/19. Over the 2018 MTEF, this programme received an earmarked allocation for accelerating the provision and improvement of PHC services through ward-based outreach teams, district clinical specialist teams, and integrated school health services. The Human Papillomavirus Vaccine grant is introduced as a direct conditional grant to the department over the 2018 MTEF. The district health services programme is allocated an additional R252 million for the payment of accrued liabilities.

The budget for Programme 3: Emergency Medical Services increases by 13.8 per cent from R1.2 billion in 2017/18 to R1.4 billion in 2018/19. This growth makes provision for the replacement of ageing emergency vehicles so that the department can continue to improve response times.

Over the four-year period 2017/18 to 2020/21, the budget of Programme 4: Provincial Hospital Services increases by R2.4 billion or 33.3 per cent. This is due to additional funding for higher municipal tariffs at institutions, funding for non-negotiable budget line items, the introduction of tertiary services funding through the National Tertiary Services grant to Dental and

Psychiatric hospitals as well as increased funding for mental health services. An amount of R376 million is dedicated towards accrued liabilities.

The budget in Programme 5: Central Hospital Services increases significantly by 36.1 per cent, from R14.2 billion in 2017/18 to R19.3 billion in 2020/21. This is due to the enhancement of tertiary services, the adequate funding of non-negotiable budget line items and budget pressures from increase in the prices of medical commodities and the payment of municipal services. The programme is also funding the Nelson Mandela Children's hospital which provides specialized paediatric services in the country and the Southern African Development Community (SADC) region. These specialized services will be introduced through a phased-in approach. The hospital is funded through the National Tertiary Services grant. The programme also receives the highest share of R600 million to pay accrued liabilities.

Over the 2018 MTEF, the budget of Programme 6: Health Science and Training increases by R117.8 million or 11.3 per cent to provide employee bursary holders and to support the South African Cuban Doctor programme to address the shortage of doctors in the country.

The budget of Programme 7: Health Care Support Services increases by R25 million or 8.1 per cent from 2018/19 to 2020/21 to provide for the laundry services and pre-packed food services.

Programme 8: Health Facilities Management is funded through the equitable share and the Health Facility Revitalisation Grant for improving and maintaining health infrastructure. From 2017/18 to 2020/21, the allocation for the programme decreases by R679.4 million due to revised project plans.

The compensation of employees budget increased by 12.1 per cent from R23.8 billion in 2017/18 to R26.7 billion in the 2018/19 financial year as a result of increased personnel funding of health professionals, nurses and funding towards Public Service Co-ordinating Bargaining Council (PSCBC) resolutions.

The allocation for goods and services increase by 28 per cent from R12.3 billion in 2017/18 to R15.8 billion in 2018/19. The increase is due to funding for re-engineering of PHC and additional funding for non-negotiable budget line items such as medical supplies, medicine and consumable supplies. An amount of R1.5 billion is also allocated towards accrued liabilities in the 2018/19 financial year.

The budget for transfer payments increases by 12.2 per cent from R1.6 billion in 2017/18 to R1.8 billion in 2018/19. This is due to transfer payments to municipalities for PHC, HIV and AIDS and emergency medical services. The budget for transfer payments to non-profit organisations increases from R698.6 million in 2017/18 to R769 million in 2018/19. The increase is as a result of the allocation towards mental health care services. Transfers to departmental agencies and accounts increases from R20.9 million in 2018/19 to R23.4 million in 2020/21 as a result of payments to the Health and Welfare Sector Training Authority (HWSETA) for skills development and training of health professionals on behalf of the department.

## 7.4 Infrastructure payments

### 7.4.1 Departmental infrastructure payments

Please refer to the 2018 Estimates of Capital Expenditure (ECE).

### 7.4.2 Departmental public-private partnership (PPP) projects

N/A.

## 7.5 Transfers

### 7.5.1 Transfers to public entities

N/A.

### 7.5.2 Transfers to other entities

TABLE 4.5: SUMMARY OF DEPARTMENTAL TRANSFERS TO OTHER ENTITIES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Mental Health NPI Psychiatric Programme	323 713	265 286	61 972	54 832	94 149	94 149	104 556	110 618	116 702
HIV/AIDS NPI	66 637	127 954	113 554	85 960	85 960	85 960	79 264	103 328	114 752
Nutrition	42 109	50 338	52 064	55 233	55 583	55 583	58 548	61 827	65 227
Mental Health NPI	97 265	117 554	195 000	224 717	185 050	185 050	191 207	201 707	212 803
EPWP NPI	50 578	94 585	107 256	113 691	113 691	113 691	120 511	127 261	134 260
Alexandra Health Care Centre	63 667	53 472							

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Witkoppen Clinic	7 436	10 977	11 979	12 578	12 578	12 578	13 308	14 053	14 826
HW-SETA	17 131	17 919	18 869	19 812	19 812	19 812	20 962	22 135	23 352
Universities		1 864	1 963	2 061	12 061	12 061	13 681	14 653	15 459
Nelson Mandela Children Hospital				150 000	150 000	150 000	200 000	291 620	307 659
Specialised Services NPI	1 300	1 444	1 521	1 597	1 597	1 597	1 690	1 785	1 883
<b>Total departmental transfers</b>	<b>669 836</b>	<b>741 393</b>	<b>564 178</b>	<b>720 481</b>	<b>730 481</b>	<b>730 481</b>	<b>803 727</b>	<b>948 987</b>	<b>1 006 923</b>

The department continues to work in partnership with sector non-profit institutions, universities, HWSETA and the Baneng Care Centre of Life Esidimeni to ensure delivery of services according to the set targets. The department is also continuing with paying the community health workers directly instead of transferring the money to NGOs. There is an increase from R720.5 million in 2017/18 to R803.7 million in 2018/19 due to the continuous funding of the Nelson Mandela Children's Hospital. The hospital will provide specialised paediatric services. The allocation for mental health programme is mainly to provide for the mental health services rendered within the five health districts through the non-profit institutions stakeholders. A major increase in Psychiatric/Mental hospitals Sub-programme is to make provision for the private contracted service providers towards mental health services.

### 7.5.3 Transfers to local government

TABLE 4.6: SUMMARY OF DEPARTMENTAL TRANSFERS TO LOCAL GOVERNMENT BY CATEGORY

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Category A	596 186	627 778	660 736	693 890	723 890	723 890	767 186	810 220	857 358
Category B									
Category C	75 856	29 673	14 590	15 214	15 214	15 214	16 084	17 017	18 004
<b>Total departmental transfers</b>	<b>672 042</b>	<b>657 451</b>	<b>675 326</b>	<b>709 104</b>	<b>739 104</b>	<b>739 104</b>	<b>783 270</b>	<b>827 237</b>	<b>875 362</b>

Transfers of funds to local government are made to provide funding for Primary Health Care, HIV and AIDS and emergency medical services. All such services within district councils have already been provincialized.

Over the 2018 MTEF, the allocation for transfers increases by 11.8 per cent. Transfers for PHC, HIV and AIDS and emergency medical services benefit the three metros- Tshwane, Ekurhuleni and Johannesburg, and the districts of Sedibeng and West Rand. The transfer is aimed at rendering comprehensive PHC services according to service level agreements, to ensure rapid, effective and efficient emergency medical care to sustain the ward-based door-to-door HIV and AIDS education programmes and to promote safe sex behaviours (HIV/AIDS prevention).

## 8. PROGRAMME DESCRIPTION

### PROGRAMME 1: ADMINISTRATION

#### Programme description

The purpose of this programme is to conduct strategic management and overall administration of the GDoH through the sub-programmes Office of the MEC and Management.

#### Programme objectives

- Rendering of advisory, secretarial and office support services; and
- Policy formulation, overall management and administrative support of the department and the respective regions and institutions within the department.

#### Policies and priorities

- Improve audit outcomes;
- Implement SCM policy and preferential procurement policy framework, including the BBBEE framework;
- Create a platform for women cooperatives to supply linen to the department;
- Implement integrated eHealth strategy for modernisation and efficient management systems and technologies;
- Transforming the health economy including township economy;
- Improving human resources for health;
- Strengthen Performance Management and Development System;
- Improving financial management and accountability;
- Proactive leadership, effective governance and risk management; and

- Reducing medical litigations and claims.

**TABLE 4.7: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Office Of The Mec	15 066	14 588	20 795	20 358	20 358	16 455	21 581	22 789	24 043
2. Management	550 015	792 770	830 693	649 603	668 009	1 009 299	872 357	803 637	847 833
<b>Total payments and estimates</b>	<b>565 081</b>	<b>807 358</b>	<b>851 488</b>	<b>669 961</b>	<b>688 367</b>	<b>1 025 754</b>	<b>893 938</b>	<b>826 426</b>	<b>871 876</b>

**TABLE 4.8: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>514 261</b>	<b>744 416</b>	<b>822 353</b>	<b>655 887</b>	<b>674 293</b>	<b>960 422</b>	<b>879 022</b>	<b>810 675</b>	<b>855 259</b>
Compensation of employees	301 841	324 030	357 586	415 550	415 550	398 620	436 135	460 525	485 853
Goods and services	212 420	420 386	464 767	240 337	258 743	561 802	442 887	350 150	369 406
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>2 158</b>	<b>4 288</b>	<b>7 599</b>	<b>2 313</b>	<b>2 313</b>	<b>53 509</b>	<b>2 450</b>	<b>2 587</b>	<b>2 729</b>
Provinces and municipalities									
Non-profit institutions									
Households	2 158	4 288	7 599	2 313	2 313	53 509	2 450	2 587	2 729
<b>Payments for capital assets</b>	<b>42 191</b>	<b>57 681</b>	<b>21 270</b>	<b>11 761</b>	<b>11 761</b>	<b>11 761</b>	<b>12 466</b>	<b>13 164</b>	<b>13 888</b>
Buildings and other fixed structures									
Machinery and equipment	42 191	57 681	21 270	11 761	11 761	11 761	12 466	13 164	13 888
<b>Payments for financial assets</b>	<b>6 471</b>	<b>973</b>	<b>266</b>			<b>62</b>			
<b>Total economic classification</b>	<b>565 081</b>	<b>807 358</b>	<b>851 488</b>	<b>669 961</b>	<b>688 367</b>	<b>1 025 754</b>	<b>893 938</b>	<b>826 426</b>	<b>871 876</b>

The baseline of the programme increases by 33.4 per cent from R669.9 million in 2017/18 to R893.9 million in 2018/19. This is as a result of the cost of living adjustment to compensation of employees and the implementation of a phased-in post filling plan. An additional amount of R188.1 million is allocated towards payment of accrued liabilities.

## SERVICE DELIVERY MEASURES

### PROGRAMME 1: ADMINISTRATION

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
1. Audit opinion from Auditor General	Unqualified	Unqualified	Clean	Clean
2. Percentage of Hospitals with Broadband access	100%	100%	100%	100%
3. Percentage of fixed facilities with broadband access	60%	80%	100%	100%

### PROGRAMME 2: DISTRICT HEALTH SERVICES

#### Programme description

The purpose of the programme is to render primary health care services, district hospital services, comprehensive HIV and AIDS care and nutrition. It includes the delivery of priority health programmes.

#### Programme objectives

- Planning, administration and management of district health services;
- Rendering a primary health service in respect of health promotion, geriatrics, occupational therapy, physiotherapy, psychiatry, speech therapy, communicable diseases, mental health, community based services and other services;
- Rendering integrated community based services;
- Rendering a mother, child and women's health programme;
- Rendering a primary health care service in respect of HIV and AIDS campaigns and special projects;
- Rendering a nutrition service aimed at specific target groups and combining direct and indirect nutrition interventions to address malnutrition;
- Rendering coroner services; and
- Rendering a hospital service at district level.

## Policies and priorities

- Universal health coverage through expansion of the NHI across the province in all districts;
- Expansion of PHC re-engineering;
- Compliance with national core standards at PHC facility level;
- Implementing the UNAIDS 90-90-90 strategy;
- Reduction of HIV and AIDS and TB-related morbidity and mortality;
- Reduction of maternal, child and infant morbidity and mortality;
- Reduction of communicable and non-communicable diseases;
- Promotion of healthy lifestyle;
- Strengthening partnership with civil society, inter-departmental and external stakeholders; and
- Intensify implementation of Mental Health Act.

TABLE 4.9: SUMMARY OF PAYMENTS AND ESTIMATES: DISTRICT HEALTH SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. District Management	428 363	451 135	457 752	551 955	516 536	538 935	525 793	576 249	607 944
2. Community Health Clinics	1 664 910	2 085 055	2 093 486	2 386 339	2 424 045	2 530 988	2 471 605	2 657 066	2 803 205
3. Community Health Centres	1 329 667	1 503 927	1 571 259	1 873 050	1 843 010	1 918 698	1 969 307	2 144 906	2 262 874
4. Community Based Services	1 168 605	1 458 519	1 574 218	1 755 547	1 783 633	1 912 927	1 984 289	2 256 977	2 381 112
5. Hiv, Aids	2 709 860	3 002 814	3 424 730	3 957 203	3 957 203	3 957 203	4 465 616	5 135 820	5 761 000
6. Nutrition	42 109	48 712	43 562	55 233	55 583	55 583	58 548	61 827	65 227
7. Coroner Services	173 799	184 034	188 593	215 220	215 220	221 630	240 133	253 627	267 577
8. District Hospitals	2 045 733	2 341 351	2 638 493	2 958 253	3 086 452	3 232 659	3 589 849	3 827 551	4 169 186
<b>Total payments and estimates</b>	<b>9 563 046</b>	<b>11 075 547</b>	<b>11 992 093</b>	<b>13 752 800</b>	<b>13 881 682</b>	<b>14 368 623</b>	<b>15 305 140</b>	<b>16 914 023</b>	<b>18 318 125</b>

TABLE 4.10: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: DISTRICT HEALTH SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>8 777 412</b>	<b>10 206 384</b>	<b>11 099 532</b>	<b>12 587 737</b>	<b>12 814 929</b>	<b>13 295 459</b>	<b>14 273 367</b>	<b>15 718 410</b>	<b>17 049 692</b>
Compensation of employees	5 163 930	5 799 772	6 633 414	6 933 476	7 093 354	7 227 698	7 714 913	8 184 467	8 744 598
Goods and services	3 613 482	4 406 612	4 466 118	5 654 261	5 721 575	6 067 761	6 558 454	7 533 943	8 305 094
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>663 494</b>	<b>676 301</b>	<b>753 327</b>	<b>884 577</b>	<b>845 260</b>	<b>850 371</b>	<b>876 205</b>	<b>944 587</b>	<b>1 003 601</b>
Provinces and municipalities	310 721	327 379	344 531	361 769	361 769	361 769	383 475	405 085	428 722
Departmental agencies and accounts									
Non-profit institutions	328 990	324 493	382 542	493 776	454 459	416 653	464 528	509 961	543 751
Households	23 783	24 429	26 254	29 032	29 032	71 949	28 202	29 541	31 128
<b>Payments for capital assets</b>	<b>120 643</b>	<b>190 181</b>	<b>136 726</b>	<b>280 486</b>	<b>221 493</b>	<b>221 493</b>	<b>155 568</b>	<b>251 026</b>	<b>264 832</b>
Buildings and other fixed structures	13 554						240	260	277
Machinery and equipment	107 089	190 181	136 726	280 486	221 493	221 493	155 328	250 766	264 555
Software and other intangible assets									
<b>Payments for financial assets</b>	<b>1 497</b>	<b>2 681</b>	<b>2 508</b>			<b>1 300</b>			
<b>Total economic classification</b>	<b>9 563 046</b>	<b>11 075 547</b>	<b>11 992 093</b>	<b>13 752 800</b>	<b>13 881 682</b>	<b>14 368 623</b>	<b>15 305 140</b>	<b>16 914 023</b>	<b>18 318 125</b>

The total budget of the programme increases by 33.2 per cent from R13.8 billion in 2017/18 to R18.3 billion in 2020/21. The HIV and AIDS Sub-Programme has increased by 12.8 per cent from R3.9 billion in 2017/18 to R4.5 billion in 2018/19 due to the introduced Test and Treat Campaign. The budget allocated to the Sub-programme: District Hospitals budget grow by 21.4 per cent from R2.9 billion in 2017/18 to R3.6 billion in 2018/19 to fund the increased patient load and pay accrued liabilities.

The budget for compensation of employees increases by 26.1 per cent from R6.9 billion in 2017/18 to an estimated R8.7 billion in the 2020/21 financial year. This budget takes into account items such as payment of Occupation Specific Dispensation (OSD) to nurses, doctors, specialists and therapists as well as improvement in conditions of service (ICS).

Over the 2018 MTEF the budget for goods and services increases from R5.7 billion in 2017/18 to R8.3 billion in the 2020/21 financial year. An amount of R27.3 million is earmarked for the rollout of the HPV in 2018/2019 to enable the department to provide the vaccine to Grade 4 school girls to prevent cervical cancer.



The overall budget for transfers and subsidies decreases from R884.8 million in 2017/18 to R876.2 million in 2018/19. There is a slight decrease in budget for non-profit institutions from R493.7 million in 2017/18 to R464.5 million in 2018/19 due to a reprioritisation of funds to fund mental health care patients within Programme 4: Provincial Hospitals Services, Sub-programme: Psychiatric/Mental Health.

## SERVICE DELIVERY MEASURES

### PROGRAMME 2: DISTRICT HEALTH SERVICES

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Ideal clinic status rate	65%	68%	85%	100%
Hospital achieved 75% and more on National Core Standards self-assessment rate (District Hospitals)	100%	91%	100%	100%
Client remain on ART end of month -total	964 583	1 093 857	1 223 131	1 371 181
TB/HIV co-infected client on ART rate	90%	90%	90%	90%
HIV test done – total	2 498 007	2 641 848	2 498 007	2 498 007
Male condom distributed	200 000 000	160 524 000	176 576 400	194 234 040
Medical male circumcision – Total	115 000	124 320	136 752	150 427
TB client 5yrs and older start on treatment rate	70%	90%	92%	93%
TB client treatment success rate	87%	89%	90%	91%
TB client lost to follow up rate	5.5%	5.5%	5%	5%
TB client death rate	5.5%	<5%	<5.3%	<5%
TB MDR treatment success rate	55%	60%	65%	92%
Maternal mortality in facility ratio	110/100 000 live births	100/ 100 000 live births	85/100000 live births	80/100000 live births
Neonatal death in facility rate	9.5 per 1000 live births	14 per 1000 live births	8.5 per 1000 live births	8 per 1000 live births
Antenatal 1st visit before 20 weeks rate	63%	66%	70%	70%
Mother postnatal visit within 6 days rate	80%	80%	85%	85%
Antenatal client start on ART rate	97%	98%	98%	98%
Infant 1st PCR test positive around 10 weeks rate	1.45%	1.40%	1.38%	1.38%
Couple year protection rate (Int)	50%	55%	60%	65%
Cervical cancer screening coverage 30 years and older	55%	55%	65%	70%
Immunisation under 1 year coverage	97%	98%	98%	98%
Measles 2nd dose coverage	96%	97%	98%	99%
Diarrhoea case fatality rate	<1.68%	<1.6%	<1.56%	<1.5%
Pneumonia case fatality rate	<1.6%	<1.6%	<1.8%	<1.5%
Severe acute malnutrition case fatality rate	<6.5%	<6.0%	<6%	<5.5%
School Grade 1 - learners screened	94 900	74 00	75 200	75 500
School Grade 8 - learners screened	51 000	40 300	41 400	41 500
Delivery in 10 to 19 years in facility rate	4.6%	4.4%	4.2%	4.0%
HPV 1st dose	55 000	60 000	61 500	62 000
Cataract surgery rate	10834 /10834546	1000/mil	1000 /mil	1300/mil

### PROGRAMME 3: EMERGENCY MEDICAL SERVICES

#### Programme description

The rendering of pre-hospital EMS including inter-hospital transfers and planned patient transport.

#### Programme objectives

- Render EMS including ambulance services, special operations, communications and air ambulance services; and
- Render pre-hospital EMS including inter-hospital transfers and planned patient transport.

#### Policies and Priorities

- Improve quality of services and patient safety;
- Improve EMS infrastructure standards, to comply with minimum infrastructure requirements;
- Improve EMS norms and standards; and
- Completion of Provincialisation of City of Tshwane.

TABLE 4.11: SUMMARY OF PAYMENTS AND ESTIMATES: EMERGENCY MEDICAL SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Emergency Transport	723 165	830 415	920 275	1 105 388	1 188 460	1 387 463	1 271 046	1 302 218	1 386 314
2. Planned Patient Transport	124 396	109 904	90 194	169 694	109 694	107 630	179 839	189 911	200 356
<b>Total payments and estimates</b>	<b>847 561</b>	<b>940 319</b>	<b>1 010 469</b>	<b>1 275 082</b>	<b>1 298 154</b>	<b>1 495 093</b>	<b>1 450 885</b>	<b>1 492 129</b>	<b>1 586 670</b>



TABLE 4.12: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: EMERGENCY MEDICAL SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>467 718</b>	<b>566 378</b>	<b>590 736</b>	<b>797 417</b>	<b>736 574</b>	<b>846 635</b>	<b>912 940</b>	<b>924 092</b>	<b>986 121</b>
Compensation of employees	330 910	388 834	447 344	494 128	487 200	492 806	527 405	556 980	600 090
Goods and services	136 808	177 544	143 392	303 289	249 374	353 829	385 535	367 112	386 031
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>362 136</b>	<b>330 942</b>	<b>331 469</b>	<b>349 835</b>	<b>379 835</b>	<b>379 835</b>	<b>402 445</b>	<b>424 951</b>	<b>449 593</b>
Provinces and municipalities	361 321	330 063	330 795	347 335	377 335	377 335	399 795	422 152	446 640
Non-profit institutions									
Households	815	879	674	2 500	2 500	2 500	2 650	2 799	2 953
<b>Payments for capital assets</b>	<b>17 669</b>	<b>42 960</b>	<b>88 104</b>	<b>127 830</b>	<b>181 745</b>	<b>268 402</b>	<b>135 500</b>	<b>143 086</b>	<b>150 956</b>
Buildings and other fixed structures									
Machinery and equipment	17 669	42 960	88 104	127 830	181 745	268 402	135 500	143 086	150 956
<b>Payments for financial assets</b>	<b>38</b>	<b>39</b>	<b>160</b>			<b>221</b>			
<b>Total economic classification</b>	<b>847 561</b>	<b>940 319</b>	<b>1 010 469</b>	<b>1 275 082</b>	<b>1 298 154</b>	<b>1 495 093</b>	<b>1 450 885</b>	<b>1 492 129</b>	<b>1 586 670</b>

The increase in compensation of employees over the MTEF is as a result of the filling of critical EMS posts, absorption of emergency care technicians trained at Lebone College with its OSD implications. City of Tshwane Emergency Medical Services receives an additional R31.6 million in 2018/19 financial year from the provincial earmarked allocation. The budget for machinery and equipment increases marginally by R7.7 million from 2017/18 to 2018/19 to maintain and recapitalise the EMS fleet. The department will continue to invest in the recapitalisation and replacement of ambulances with the aim of improving response times.

## SERVICE DELIVERY MEASURES

### PROGRAMME 3: EMERGENCY MEDICAL SERVICES

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
EMS P1 rural response under 40 minutes rate	100%	100%	100%	100%
EMS inter-facility transfer rate	25%	20%	15%	15%

### PROGRAMME 4: PROVINCIAL HOSPITAL SERVICES

#### Programme description

Delivery of hospital services, which are accessible, appropriate, effective and provide general specialist services, including a specialized rehabilitation service, as well as a platform for training health professionals and research.

#### Programme objectives

- Render hospital services at a general specialist level and provide a platform for training of health workers and for research;
- Convert present TB hospitals into strategically placed centres of excellence for isolation during the intensive level of treatment, and standardized implementation of multi-drug resistant (MDR) protocols;
- Render a specialist psychiatric hospital service to people with mental illness and intellectual disability and provide a platform for training health workers;
- Provide medium to long term care to patients who require rehabilitation and/or a minimum degree of active medical care; and
- Render an affordable and comprehensive oral health service and training, based on the primary health care approach.

#### Policy and priorities

- Compliance with the National Health Act;
- Implement revitalisation of hospital services;
- Reduce waiting times at all hospitals;
- Compliance with national core standards;
- Strengthen bed bureau management;
- Intensify implementation of the Mental Health Act at secondary level of care; and

- Strengthen decentralized MDR-TB management.

**TABLE 4.13: SUMMARY OF PAYMENTS AND ESTIMATES: PROVINCIAL HOSPITAL SERVICES**

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2014/15	2015/16	2016/17		2017/18		2018/19	2019/20	2020/21
1. General Hospitals	4 241 858	4 597 721	5 128 521	5 277 821	5 495 858	5 890 661	6 565 923	6 712 452	7 214 302
2. Tuberculosis Hospitals	205 810	284 768	237 470	395 594	395 594	296 856	419 329	442 813	467 167
3. Psychiatric/Mental Hospital	1 069 675	1 032 466	1 034 589	1 081 125	1 120 442	1 201 858	1 214 772	1 292 167	1 363 236
4. Dental Training Hospitals	407 374	443 190	470 202	535 374	535 374	560 306	581 625	625 495	671 256
5. Other Specialised Hospitals	62 597	73 920	81 345	77 754	77 754	84 034	91 419	96 548	101 858
<b>Total payments and estimates</b>	<b>5 987 314</b>	<b>6 432 065</b>	<b>6 952 127</b>	<b>7 367 668</b>	<b>7 625 022</b>	<b>8 033 715</b>	<b>8 873 068</b>	<b>9 169 475</b>	<b>9 817 819</b>

**TABLE 4.14: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PROVINCIAL HOSPITAL SERVICES**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20
<b>Current payments</b>	<b>5 570 168</b>	<b>6 125 505</b>	<b>6 756 206</b>	<b>7 163 559</b>	<b>7 382 629</b>	<b>7 630 822</b>	<b>8 664 569</b>	<b>8 888 071</b>	<b>9 520 937</b>
Compensation of employees	4 251 671	4 722 697	5 344 789	5 549 300	5 744 057	5 805 941	6 331 558	6 700 500	7 146 915
Goods and services	1 318 425	1 402 808	1 411 417	1 614 259	1 638 572	1 824 881	2 333 011	2 187 571	2 374 022
Interest and rent on land	72								
<b>Transfers and subsidies to:</b>	<b>342 996</b>	<b>218 293</b>	<b>105 318</b>	<b>72 170</b>	<b>111 487</b>	<b>270 622</b>	<b>122 934</b>	<b>130 025</b>	<b>137 177</b>
Departmental agencies and accounts	4								
Non-profit institutions	323 713	198 725	83 302	54 832	94 149	131 955	104 556	110 618	116 702
Households	19 279	19 568	22 016	17 338	17 338	138 667	18 378	19 407	20 475
<b>Payments for capital assets</b>	<b>72 742</b>	<b>86 123</b>	<b>88 930</b>	<b>131 939</b>	<b>130 906</b>	<b>131 126</b>	<b>85 565</b>	<b>151 379</b>	<b>159 705</b>
Buildings and other fixed structures	631								
Machinery and equipment	72 111	86 123	88 930	131 939	130 906	131 126	85 565	151 379	159 705
Software and other intangible assets									
<b>Payments for financial assets</b>	<b>1 408</b>	<b>2 144</b>	<b>1 673</b>			<b>1 145</b>			
<b>Total economic classification</b>	<b>5 987 314</b>	<b>6 432 065</b>	<b>6 952 127</b>	<b>7 367 668</b>	<b>7 625 022</b>	<b>8 033 715</b>	<b>8 873 068</b>	<b>9 169 475</b>	<b>9 817 819</b>

A major portion of the budget is allocated to general hospitals providing level two services, and to ensure that regional hospitals comply with statutory obligations. The programme is also funded through the Health Professions Training and Development Grant with the aim of expanding the teaching and training platform in various institutions.

The budget for compensation of employees grow from R6.3 billion in 2018/19 to R7.1 billion in 2020/21, in order to make adequate provision for the remuneration of staff. Funds were reprioritised within the programme between compensation of employees, goods and services and machinery and equipment to fund operational services. The programme also introduces the National Tertiary Services funding platform to Dental and Psychiatric hospitals in 2018/19 and over the MTEF. This is a phased-in approach funding of tertiary services expansion. An increase in non-profit institutions is to fund mental health services that increases from R54.8 million in 2017/18 to R104.6 million in the 2018/19 financial year due to increased patient care rendered in provincial health services. In addition, an amount of R376 million is dedicated towards accrued liabilities.

## SERVICE DELIVERY MEASURES

### PROGRAMME 4: PROVINCIAL HOSPITAL SERVICES

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
<b>REGIONAL HOSPITALS</b>				
Hospital achieved 75% and more on National Core Standards self-assessment rate (Regional Hospitals)	88% (8/9)	100% (9/9)	100% (9/9)	100% (9/9)
Average Length of Stay (Regional Hospitals)	5.4 Days	5.5 Days	5.5 Days	5.5 Days
Inpatient Bed Utilisation Rate (Regional Hospitals)	83%	85%	85%	85%
Expenditure per PDE (Regional Hospitals)	3 000	3 562	3 562	3 562
<b>SPECIALISED HOSPITALS</b>				
Hospital achieved 75% and more on National Core Standards self-assessment rate (specialised hospitals)	33% (3/9)	44% (4/9)	100% (9/9)	100% (9/9)

## PROGRAMME 5: CENTRAL HOSPITAL SERVICES

### Programme description

Provide a highly specialised health care service, a platform for training health workers and a place of research, and to enable these hospitals to serve as specialist referral centres for regional hospitals and neighbouring provinces.

### Programme objectives

- Render highly specialized medical health and quaternary services on a national basis and provide a platform for the training of health workers and research;
- Provision of a platform for the training of health workers; and
- Serve as specialist referral centres for regional hospitals and neighbouring provinces.

### Policy objectives

- Implement the National Health Act;
- Implement national policies on conditional grants and revitalisation of hospital services;
- Implement MoUs with universities;
- Render and implement tertiary and academic services;
- Strengthen bed bureau management;
- Intensify implementation of the Mental Health Act; and
- Comply with National Core Standards and certification of health care facilities by the Office of Health Standards Compliance; and Reduce waiting times.

TABLE 4.15: SUMMARY OF PAYMENTS AND ESTIMATES: CENTRAL HOSPITAL SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Central Hospitals	9 198 127	10 067 806	10 561 108	10 884 918	11 586 900	12 266 313	12 907 527	14 301 528	15 144 810
2. Provincial Tertiary Hospital Services	2 386 515	2 514 476	2 826 316	3 326 280	3 454 990	3 570 870	3 768 429	3 981 682	4 200 672
<b>Total payments and estimates</b>	<b>11 584 642</b>	<b>12 582 282</b>	<b>13 387 424</b>	<b>14 211 198</b>	<b>15 041 890</b>	<b>15 837 183</b>	<b>16 675 956</b>	<b>18 283 210</b>	<b>19 345 482</b>

TABLE 4.16: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: CENTRAL HOSPITAL SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>11 293 793</b>	<b>12 244 775</b>	<b>13 071 948</b>	<b>13 341 158</b>	<b>14 171 850</b>	<b>14 996 260</b>	<b>15 685 593</b>	<b>17 156 882</b>	<b>18 157 211</b>
Compensation of employees	7 817 483	8 584 959	9 561 101	9 363 957	10 194 649	10 462 177	10 627 379	11 352 300	12 033 375
Goods and services	3 476 310	3 659 816	3 510 847	3 977 201	3 977 201	4 534 083	5 058 214	5 804 582	6 123 836
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>49 073</b>	<b>37 823</b>	<b>41 575</b>	<b>196 448</b>	<b>196 448</b>	<b>254 260</b>	<b>247 640</b>	<b>341 929</b>	<b>360 735</b>
Departmental agencies and accounts	48								
Non-profit institutions				150 000	150 000	150 000	200 000	291 620	307 659
Households	49 025	37 823	41 575	46 448	46 448	104 260	47 640	50 309	53 076
<b>Payments for capital assets</b>	<b>239 300</b>	<b>296 127</b>	<b>270 623</b>	<b>673 592</b>	<b>673 592</b>	<b>585 002</b>	<b>742 723</b>	<b>784 399</b>	<b>827 536</b>
Buildings and other fixed structures									
Machinery and equipment	239 300	296 127	270 623	673 592	673 592	585 002	742 723	784 399	827 536
Software and other intangible assets									
<b>Payments for financial assets</b>	<b>2 476</b>	<b>3 557</b>	<b>3 278</b>			<b>1 661</b>			
<b>Total economic classification</b>	<b>11 584 642</b>	<b>12 582 282</b>	<b>13 387 424</b>	<b>14 211 198</b>	<b>15 041 890</b>	<b>15 837 183</b>	<b>16 675 956</b>	<b>18 283 210</b>	<b>19 345 482</b>

The programme budget increases from R14.2 billion in 2017/18 to R16.8 billion in the 2018/19 financial year. The largest portion of the budget is allocated to the Sub-programme: Central Hospitals. The programme is mainly funded through conditional grants: the National Tertiary Services and the Health Professions Training and Development Grants. The programme also introduces the newly commissioned Nelson Mandela Children's hospital which provides specialized paediatric services in the country and the SADC region. These specialized services will be introduced through a phased-in approach and the hospital is funded through the National Tertiary Services Grant.

Over the MTEF, the programme budget grows by 16 per cent or R2.7 billion; this is to ensure that non-negotiable budget line items such as medicine and medical supplies are adequately funded. In 2018/19 financial year, the department will continue to provide funding for the operationalization of the three tertiary hospitals, i.e. Helen Joseph, Kalafong and Tembisa.

The budget for compensation of employees increases from R9.4 billion in 2017/18 to R10.6 billion in the 2018/19 financial year, due to additional funding for health professionals and creation of posts for nursing personnel as well as the implications of OSD in central and tertiary hospitals. Comparing the budgets of 2017/18 and 2018/19 financial years, goods and services increases by 27.2 per cent to ensure that non-negotiable and municipal services items are funded adequately. Additional funding was made towards medical supplies and medicine to increase funding for non-negotiable items. The programme also receives the highest share of R600 million to pay the accrued liabilities.

## SERVICE DELIVERY MEASURES

### PROGRAMME 5: CENTRAL HOSPITAL SERVICES

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
<b>TERTIARY HOSPITAL SERVICES</b>				
Hospital achieved 75% and more on National Core Standards self-assessment rate (Tertiary Hospitals)	66% (2/3)	100% (3/3)	100% (3/3)	100% (3/3)
Average Length of Stay (Tertiary Hospitals)	5.7 DAYS	6.5 Days	6.5 Days	6.5 Days
Inpatient Bed Utilisation Rate (Tertiary Hospitals)	82%	85%	85%	85%
Expenditure per PDE (Tertiary Hospitals)	2 900	3 676	3 676	3 676
<b>CENTRAL HOSPITAL SERVICES</b>				
Hospital achieved 75% and more on National Core Standards self-assessment rate (Central Hospitals)	100% (4/4)	75% (3/4)	100% (4/4)	100% (4/4)
Average Length of Stay (Central Hospitals)	6.8 Days	8 Days	8 Days	8 Days
Inpatient Bed Utilisation Rate (Central Hospitals)	78%	85%	85%	85%
Expenditure per PDE (Central Hospitals)	3 700	4 229	4 229	4 299

### PROGRAMME 6: HEALTH SCIENCES AND TRAINING

#### Programme description

Rendering of training and development opportunities for clinical and non-clinical employees of the GDoH through sub-programmes Nurse Training College, Emergency Medical Services Training College, Bursaries, and Other Training.

#### Programme objectives

- Training of nurses at undergraduate and post-basic level. Target group includes actual and potential employees;
- Training of rescue and ambulance personnel. Target group includes actual and potential employees;
- Provision of bursaries for health science training programmes at undergraduate and postgraduate levels. Target group includes actual and potential employees;
- Provision of PHC related training for personnel. Target group includes actual and potential employees; and
- Provision of skills development interventions for all occupational categories in the department.

#### Policies and priorities

- Implement the national Human Resource Framework;
- Implement the Skills Development Act including Expanded Public Works Programmes;
- Implement the Human Resource Development Strategy, policy and strategic plan;
- Expand the teaching and learning platform in line with MoUs with institutions of higher learning;
- Implement the Cuban Doctor programme in line with the Bilateral Cooperation Agreement between South Africa and Cuba;
- Training of nurses and community health workers; and
- Provision of learnership programme; and provision of bursaries to health professionals.

TABLE 4.17: SUMMARY OF PAYMENTS AND ESTIMATES: HEALTH SCIENCES AND TRAINING

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17	2017/18	2017/18		2018/19	2019/20	2020/21
1. Nurse Training Colleges	645 135	666 886	743 753	819 069	809 069	761 267	858 534	905 282	955 074
2. Ems Training Colleges	27 811	28 381	31 347	39 961	39 961	36 620	37 859	39 954	42 149
3. Bursaries	132 717	180 373	217 247	57 546	57 546	74 979	60 998	64 415	67 958
4. Other Training	56 268	63 194	61 716	73 587	73 587	73 587	86 002	91 007	96 011
<b>Total payments and estimates</b>	<b>861 931</b>	<b>938 834</b>	<b>1 054 063</b>	<b>990 163</b>	<b>980 163</b>	<b>946 453</b>	<b>1 043 393</b>	<b>1 100 658</b>	<b>1 161 192</b>

TABLE 4.18: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HEALTH SCIENCES AND TRAINING

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>702 125</b>	<b>728 829</b>	<b>804 603</b>	<b>909 565</b>	<b>881 565</b>	<b>822 498</b>	<b>916 501</b>	<b>966 405</b>	<b>1 019 556</b>
Compensation of employees	654 032	675 562	761 698	848 862	820 862	755 045	850 291	897 613	946 982
Goods and services	48 093	53 267	42 905	60 703	60 703	67 453	66 210	68 792	72 574
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>150 215</b>	<b>198 885</b>	<b>238 644</b>	<b>72 553</b>	<b>90 553</b>	<b>111 999</b>	<b>118 363</b>	<b>125 247</b>	<b>132 135</b>
Departmental agencies and accounts	17 131	17 919	18 869	19 812	19 812	19 812	20 962	22 135	23 352
Higher education institutions		1 824	1 453	2 061	12 061	12 061	13 681	14 653	15 459
Households	133 084	179 142	218 322	50 680	58 680	80 126	83 720	88 459	93 324
<b>Payments for capital assets</b>	<b>8 801</b>	<b>9 726</b>	<b>7 704</b>	<b>8 045</b>	<b>8 045</b>	<b>9 758</b>	<b>8 529</b>	<b>9 006</b>	<b>9 501</b>
Buildings and other fixed structures									
Machinery and equipment	8 801	9 726	7 704	8 045	8 045	9 758	8 529	9 006	9 501
Software and other intangible assets									
<b>Payments for financial assets</b>	<b>790</b>	<b>1 394</b>	<b>3 112</b>			<b>2 198</b>			
<b>Total economic classification</b>	<b>861 931</b>	<b>938 834</b>	<b>1 054 063</b>	<b>990 163</b>	<b>980 163</b>	<b>946 453</b>	<b>1 043 393</b>	<b>1 100 658</b>	<b>1 161 192</b>

The budget for compensation of employees increases from R848.9 million in 2017/18 to R850.3 million in the 2018/19 financial year. The Sub-programme: Bursaries reflects an increase from R57.5 million in 2017/18 to R60.9 million in 2018/19 to provide bursaries to address scarce skills such as medical professionals, assistant pharmacists and pharmacists. This initiative includes the South African Cuban Doctor Programme.

The Sub-programme: EMS colleges is mainly utilised to provide the department with emergency care technicians (mid-level workers), thus ensuring that EMS norms and standards are met. The Sub-programme: Other Training grows from R73.6 million in 2017/18 to R86 million in 2018/19 financial year, thus ensuring that capacity for the health sector is available. The funding for higher education institutions increases to make provision for nursing student allowances.

## SERVICE DELIVERY MEASURES

### PROGRAMME 6: HEALTH SCIENCES AND TRAINING

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of bursaries awarded to first year medicine students	50	0	50	50
Number of bursaries awarded to first year nursing students	1 000	700	800	1 000

### PROGRAMME 7: HEALTH CARE SUPPORT SERVICES

#### Programme description

The purpose of this programme is to render support services required by the department to realise its aims through sub-programmes Laundry Services and Food Supply Services.

#### Programme objectives

- Rendering a laundry service to hospitals, care and rehabilitation centres and certain local authorities;
- Managing the supply of pharmaceuticals and medical sundries to hospitals, community health centres and local authorities;
- Render food supply services to hospitals and community health centres; and
- Increase the efficacy of the SCM system.

#### Policies and priorities

- Strengthen the management of laundries and food supply;
- Increase availability of pharmaceuticals; and
- Ensure sustainability of direct delivery of medicines to healthcare facilities.

TABLE 4.19: SUMMARY OF PAYMENTS AND ESTIMATES: HEALTH CARE SUPPORT SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Laundries	158 418	175 605	184 992	204 845	204 845	200 635	212 636	224 521	236 868
2. Food Supply Services	53 124	47 894	63 500	76 692	76 692	78 893	97 618	93 266	98 395
3. Medicine Trading Account				1	1	1	1	1	1
<b>Total payments and estimates</b>	<b>211 542</b>	<b>223 499</b>	<b>248 492</b>	<b>281 538</b>	<b>281 538</b>	<b>279 529</b>	<b>310 255</b>	<b>317 788</b>	<b>335 264</b>

TABLE 4.20: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HEALTH CARE SUPPORT SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>205 901</b>	<b>216 242</b>	<b>244 800</b>	<b>272 506</b>	<b>273 517</b>	<b>271 488</b>	<b>300 680</b>	<b>307 677</b>	<b>324 600</b>
Compensation of employees	124 875	140 147	160 696	174 054	174 054	164 667	180 597	190 694	201 182
Goods and services	81 026	76 095	84 104	98 452	99 463	106 821	120 083	116 983	123 418
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>658</b>	<b>646</b>	<b>830</b>	<b>608</b>	<b>608</b>	<b>608</b>	<b>645</b>	<b>681</b>	<b>718</b>
Provinces and municipalities									
Departmental agencies and accounts									
Non-profit institutions									
Households	658	646	830	608	608	608	645	681	718
<b>Payments for capital assets</b>	<b>4 964</b>	<b>6 556</b>	<b>2 751</b>	<b>8 424</b>	<b>7 413</b>	<b>7 413</b>	<b>8 930</b>	<b>9 430</b>	<b>9 946</b>
Buildings and other fixed structures									
Machinery and equipment	4 964	6 556	2 751	8 424	7 413	7 413	8 930	9 430	9 946
<b>Payments for financial assets</b>	<b>19</b>	<b>55</b>	<b>111</b>			<b>20</b>			
<b>Total economic classification</b>	<b>211 542</b>	<b>223 499</b>	<b>248 492</b>	<b>281 538</b>	<b>281 538</b>	<b>279 529</b>	<b>310 255</b>	<b>317 788</b>	<b>335 264</b>

The budget of this programme is allocated to five laundries throughout the province that provide cleaning services and purchase linen for health facilities. The department also allocates funds for a one cook-freeze facility that provides pre-packed food service supplies to health facilities. The 2018/19 budget has increased when compared with the 2017/18 financial year by R28.7 million.

The compensation of employees' budget increased from R174.1 million in 2017/18 to R180.6 million in 2018/19 financial year. In the outer year of the 2018 MTEF, the personnel budget grows to R201.2 million to make provision for the cost of living adjustment and filling of vacancies.

The goods and services budget increases from R98.5 million in 2017/18 to an estimated R120.1 million for the 2018/19 financial year to improve hygiene and replace linen in the healthcare facilities.

## PROGRAMME 8: HEALTH FACILITIES MANAGEMENT

### Programme description

The purpose of this programme is to plan, provide and equip new facilities/assets, upgrade and rehabilitate community health centres, clinics, district, provincial, specialized and academic hospitals, and other health-related facilities, and also to undertake life cycle management of immovable assets through maintenance of all health facilities.

### Programme objectives

- Construction of new, and refurbishment, upgrading and maintenance of existing, CHCs, PHCs and district hospitals;
- Construction of new, and refurbishment, upgrading and maintenance of existing, EMS facilities;
- Construction of new, and refurbishment, upgrading and maintenance of existing, regional hospitals and specialised hospitals, tertiary and central hospitals; and
- Construction of new, and refurbishment, upgrading and maintenance of other, health facilities including forensic pathology facilities and nursing colleges.

### Policies and priorities

- Improved health infrastructure design, delivery and maintenance;
- Improve mortuaries and EMS bases infrastructure;
- Reduce under-spending on infrastructure budget; and
- Adhere to norms and standards and align with national norms and standards through construction of prototype clinic in all districts.

TABLE 4.21: SUMMARY OF PAYMENTS AND ESTIMATES: HEALTH FACILITIES MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Community Health Facilities	145 238	263 022	342 167	493 437	538 076	538 076	525 745	251 552	297 808
2. Emergency Medical Rescue Services	1 108	1 126	2 602	4 576	5 691	5 691	10 536	1 812	2 402
3. District Hospital Services	209 253	299 793	411 739	453 306	487 323	487 323	253 364	89 358	39 538
4. Provincial Hospital Services	464 429	545 898	513 983	126 484	262 848	262 848	278 964	77 260	91 881
5. Central Hospital Services	398 392	511 780	421 724	242 929	342 346	342 346	342 543	190 205	194 139
6. Other Facilities	165 675	243 032	251 696	337 904	509 734	509 734	465 539	318 088	353 516
<b>Total payments and estimates</b>	<b>1 384 095</b>	<b>1 864 651</b>	<b>1 943 911</b>	<b>1 658 636</b>	<b>2 146 018</b>	<b>2 146 018</b>	<b>1 876 691</b>	<b>928 275</b>	<b>979 284</b>

TABLE 4.22: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HEALTH FACILITIES MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>858 884</b>	<b>1 072 796</b>	<b>977 770</b>	<b>434 266</b>	<b>837 985</b>	<b>837 985</b>	<b>881 724</b>	<b>437 507</b>	<b>495 343</b>
Compensation of employees	10 167	11 999	22 946	35 677	35 677	35 677	37 869	39 989	42 188
Goods and services	848 717	1 060 797	954 824	398 589	802 308	802 308	843 855	397 518	453 155
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>22</b>	<b>15</b>	<b>91</b>						
Provinces and municipalities									
Households	22	15	91						
<b>Payments for capital assets</b>	<b>525 189</b>	<b>791 835</b>	<b>966 050</b>	<b>1 224 370</b>	<b>1 308 033</b>	<b>1 308 033</b>	<b>994 967</b>	<b>490 768</b>	<b>483 941</b>
Buildings and other fixed structures	364 769	784 988	935 368	1 153 570	1 191 599	1 191 599	949 457	490 768	483 941
Machinery and equipment	160 420	6 847	30 682	70 800	116 434	116 434	45 510		
<b>Payments for financial assets</b>		<b>5</b>							
<b>Total economic classification</b>	<b>1 384 095</b>	<b>1 864 651</b>	<b>1 943 911</b>	<b>1 658 636</b>	<b>2 146 018</b>	<b>2 146 018</b>	<b>1 876 691</b>	<b>928 275</b>	<b>979 284</b>

The bulk of the budget for this programme is paid to the Department of Infrastructure Development for major capital works programmes performed on behalf of the department. This includes new facilities, and the rehabilitation, upgrading and maintenance of facilities. The budget decreases in the outer years due to a review of project readiness.

## SERVICE DELIVERY MEASURES

### PROGRAMME 8: HEALTH FACILITIES MANAGEMENT

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of health facilities that have undergone major and minor refurbishment in NHI Pilot District[1]	2	2	2	3
Number of health facilities that have undergone major and minor refurbishments outside NHI pilot district (excluding facilities in NHI Pilot District)	2	1	3	3

## 9. OTHER PROGRAMME INFORMATION

### 9.1 Personnel numbers and costs



TABLE 4.23: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS BY COMPONENT

R thousands	2014/15		Actual 2015/16		2016/17		Revised estimate 2017/18		Medium-term expenditure estimate				Average annual growth over MTEF 2017/18 - 2020/21						
	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Filled posts	Additional posts	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel growth rate	Costs growth rate	% Costs of Total				
Salary level																			
1 – 6	38 107	5 732 666	38 502	6 838 664	39 370	7 196 954	37 091	1 085	38 176	7 636 142	40 167	8 047 080	43 850	9 702 978	41 746	8 966 298	3.0%	5.5%	31.3%
7 – 10	17 609	6 349 039	18 510	7 140 477	19 795	7 346 160	18 453	938	19 391	9 125 376	20 549	9 616 293	18 402	9 835 274	21 357	10 904 766	3.3%	6.1%	35.6%
11 – 12	6 611	6 201 424	6 747	6 243 352	7 186	7 930 158	5 311	1 349	6 660	8 216 130	7 262	8 658 155	6 559	8 461 588	7 548	9 895 984	4.3%	6.4%	31.7%
13 – 16	117	108 259	116	118 718	121	134 680	112	2	114	176 405	119	185 895	521	224 432	123	212 730	2.6%	6.4%	0.7%
Other	1 610	263 521	1 838	306 790	2 299	681 622	1 695	258	1 953	188 579	2 230	198 724	1 839	158 796	2 317	221 404	5.9%	5.5%	0.7%
Total	64 054	18 654 909	65 713	20 648 000	68 771	23 289 574	62 662	3 632	66 294	25 342 631	70 327	26 706 147	71 171	28 383 068	73 092	30 201 183	3.3%	6.0%	100.0%
Programme																			
1. Administration	1 591	301 841	1 793	324 030	1 442	357 586	1 266	28	1 294	586 263	1 463	617 936	1 481	656 740	1 521	702 215	5.5%	6.2%	2.3%
2. District Health Services	18 384	5 163 930	19 183	5 799 772	20 302	6 633 414	18 728	1 240	19 968	7 530 420	21 177	7 935 535	21 432	8 433 820	22 010	8 971 733	3.3%	6.0%	29.7%
3. Emergency Medical Services	1 513	330 910	1 629	388 834	1 777	447 344	1 785	1	1 786	478 164	1 851	503 887	1 873	535 527	1 924	566 046	2.5%	5.8%	1.9%
4. Provincial Hospital Services	19 158	4 251 671	19 735	4 722 697	20 904	5 344 789	18 647	1 466	20 113	7 828 047	21 455	8 249 174	21 713	8 767 152	22 299	9 330 615	3.5%	6.0%	30.9%
5. Central Hospital Services	18 710	7 817 483	19 060	8 584 959	19 475	9 561 101	17 656	886	18 542	8 050 942	19 729	8 484 080	19 966	9 016 809	20 505	9 610 869	3.4%	6.1%	31.8%
6. Health Sciences And Training	3 957	654 032	3 345	675 562	4 128	761 698	3 869	1	3 870	736 787	3 902	776 424	3 949	825 176	4 056	865 079	1.6%	5.5%	2.9%
7. Health Care Support Services	702	124 875	934	140 147	715	160 696	688	3	691	114 203	718	120 347	726	127 903	746	133 287	2.6%	5.3%	0.4%
8. Health Facilities Management	39	10 167	34	11 999	28	22 946	23	7	30	17 805	31	18 763	32	19 941	32	21 339	2.5%	6.2%	0.1%
Direct charges																			
Total	64 054	18 654 909	65 713	20 648 000	68 771	23 289 574	62 662	3 632	66 294	25 342 631	70 327	26 706 147	71 171	28 383 068	73 092	30 201 183	3.3%	6.0%	100.0%
Employee dispensation classification																			
Public Service Act appointees not covered by OSDs	24 699	3 602 729	24 704	4 639 714	25 445	4 567 538	20 631	51	20 682	4 576 369	21 588	4 822 564	21 847	5 125 380	22 437	5 391 342	2.8%	5.6%	18.0%
Public Service Act appointees still to be covered by OSDs	173	36 972	176	105 700	181	39 456	2 604	17	2 621	717 897	4 400	756 518	4 453	804 021	4 573	839 832	20.4%	5.4%	2.8%
Professional Nurses, Staff Nurses and Nursing Assistants	26 074	6 160 753	27 220	7 635 856	28 755	9 021 035	27 962	1 548	29 510	10 146 034	30 580	10 692 018	30 947	11 363 386	31 793	12 071 945	2.5%	6.0%	40.0%

R thousands	Actual			Revised estimate			Medium-term expenditure estimate						Average annual growth over MTEF		
	2014/15		2015/16	2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21	
	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Additional posts	Filled posts	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	% Costs of Total
Legal Professionals	5	1 758	8	3 271	8	4 068	2	9	10	6 342	11	6 740	11	7 214	6.2%
Social Services Professions	307	90 634	307	107 364	338	116 970	3	330	339	160 378	343	170 449	352	181 900	6.1%
Engineering Professions and related occupations	3	1 926	46	23 831	71	52 255	5	58	80	40 337	81	42 870	83	45 784	6.2%
Medical and related professionals	5 515	6 887 085	5 592	5 673 491	5 760	6 486 516	1 256	5 790	6 632	7 520 172	6 712	7 992 375	6 893	8 596 064	6.4%
Therapeutic, Diagnostic and other related Allied Health Professionals	5 668	1 635 477	5 822	1 893 896	6 191	2 277 796	750	5 278	6 378	2 707 818	6 455	2 877 847	6 629	3 067 102	3.2%
Educators and related professionals															
Others such as interns, EPWP, learnerships, etc	1 610	237 575	1 838	564 877	2 022	723 940			318		322		331		6.1%
<b>Total</b>	<b>64 054</b>	<b>18 654 909</b>	<b>65 713</b>	<b>20 648 000</b>	<b>68 771</b>	<b>23 289 574</b>	<b>3 632</b>	<b>62 662</b>	<b>70 327</b>	<b>26 706 147</b>	<b>71 171</b>	<b>28 383 068</b>	<b>73 092</b>	<b>30 201 183</b>	<b>6.0%</b>
															<b>100.0%</b>

Gauteng Health has experienced an increase in personnel numbers and Compensation of Employees. In the 2018 MTEF period, the department will accelerate the process of reducing CoE, by employing various interventions to reduce personnel numbers with the legislative framework. An assessment of non-core post retirements contracts that were approved in 2015/16 financial year will expire in 2018/19 financial year. Such contracts will not be renewed except for extreme and very exceptional cases, which will be ratified through the Executive Authority and the Intervention Task Team.

The department has introduced a CoE Monitoring Team focusing solely on the reduction and close monitoring of CoE, the team will assist in identifying gaps, leaks and abnormal appointments. Management of sick leave, long-term and short term, is a high priority for the department. These interventions including other terminations will assist the department in reducing personnel numbers. The staff attendance monitoring, which is part of Deliverology, is another intervention aimed at reducing absenteeism and to ensure optimal utilization of staff in all areas, especially institutions.

The department seeks to adopt the commuted overtime policy. Once is approved Gauteng Health aims to implement the policy immediately to reduce costs linked to Commuted overtime. The WISN Tool was also implemented to align service needs to staff allocation in clinics. This intervention will go a long way in reducing costs and ensure that training is strongly informed by service needs and patient loads.

The Executive Authority has approved the organizational structure, however the structure will not be implemented in the 2018/19 financial year and the replacement of posts will be informed by the need and the principle of filling fifty per cent of the attrition rate. The Human Resource Management branch in head office will be working closely with the provincial initiatives and Intervention Task Team to implementing Provincial Executive Council decisions regarding the Gauteng Health recovery plans.

## 9.2 Training

TABLE 4.24: INFORMATION ON TRAINING: HEALTH

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Number of staff	64 054	65 713	68 771	66 294	66 294	66 294	70 327	71 171	73 092
Number of personnel trained	10 905	18 180	12 400	21 615	21 615	10 956	11 136	11 800	12 800
of which									
Male	3 177	3 180	3 300	3 465	3 465	956	800	800	800
Female	7 728	15 000	9 100	18 150	18 150	10 000	10 336	11 000	12 000
Number of training opportunities	13 500	30 089	14 316	36 395	36 395	6 000	6 000	6 000	6 330
of which									
Tertiary	33	15	34	20	20				
Workshops	12 982	15 000	13 762	18 150	18 150	6 000	6 000	6 000	6 330
Seminars	5	74	5	75	75				
Other	480	15 000	515	18 150	18 150				
Number of bursaries offered	4 659	4 943	5 415	5 686	5 686	5 686	6 016	6 353	6 702
Number of interns appointed	1 000	1 000	1 000	1 000	1 000	997	1 000	1 056	1 114
Number of learnerships appointed	500	500	500	500	500	500	500	528	557
Number of days spent on training	210	235	242	245	245	218	218	218	230
<b>Payments on training by programme</b>									
1. Administration	1 047	3 495	2 969	1 175	1 175	9 210	1 246	1 316	1 388
2. District Health Services	13 577	12 229	6 443	36 500	34 671	26 636	41 946	80 388	139 296
3. Emergency Medical Services		31	268	687	687	687	690	728	768
4. Provincial Hospital Services	413	617	927	3 464	3 104	3 104	3 480	3 646	3 847
5. Central Hospital Services	851	914	630	2 573	2 573	2 573	1 394	1 471	1 552
6. Health Sciences And Training	11 840	9 212	4 717	13 763	14 633	14 633	14 950	15 789	16 658
7. Health Care Support Services	1	31	4	78	78	78	141	144	152
8. Health Facilities Management	2 904	3 160	1 943	2 000	2 000	2 000	1 500		
<b>Total payments on training</b>	<b>30 633</b>	<b>29 689</b>	<b>17 901</b>	<b>60 240</b>	<b>58 921</b>	<b>58 921</b>	<b>65 347</b>	<b>103 482</b>	<b>163 661</b>

The department will offer 19 071 bursaries to students over the MTEF. The Human Resource Development plan will continue to be implemented by the department including training programmes for midwives to improve maternity and neonatal services. The department will also continue to train clinical engineers and address staff shortages especially in obstetrics and gynaecology, accident and emergency, PHC, ICU and advanced midwifery.

The increased funding to District Health Services is attributed to the department's focus on the re-engineering and rationalisation of PHC services. The increase is also as a result of the training of community health workers, medical and support staff, who will be appointed under the HIV and AIDS programme. Over the MTEF, the department will continue to up-skill and develop employees in various key areas towards health systems efficiency.

The department has also partnered with Wits University on training managers from Support functions, HR, Finance, Infrastructure, legal and ICT and all other corporate functions on Health Systems and NHI as preparation for the roll out. The training is focussed on HR for Health, and aligned to National Health priorities and WHO HRH goals for member countries. The training is also informed by WHO report on some of the problems experienced due to misalignment of support functions to human resource. The training seeks to migrate human resource from personnel Administration to Strategic Human Resource Management

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

TABLE 4.25: SPECIFICATION OF RECEIPTS: HEALTH

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Tax receipts</b>									
<b>Sales of goods and services other than capital assets</b>	<b>451 636</b>	<b>433 650</b>	<b>496 653</b>	<b>449 820</b>	<b>449 820</b>	<b>456 947</b>	<b>475 335</b>	<b>502 355</b>	<b>530 049</b>
Sale of goods and services produced by department (excluding capital assets)	450 433	432 128	495 429	448 124	448 124	455 251	473 540	500 460	528 053
Sales by market establishments	20 045	36 854	40 556	22 347	22 347	22 347	23 644	24 968	25 967
Administrative fees	3 965								
Other sales	426 423	395 274	454 873	425 777	425 777	432 903	449 897	475 492	502 086
Of which									
Health patient fees	375 174	339 511	395 392	367 697	367 697	367 697	391 801	415 039	437 933
Boarding Services	33 822	34 230	34 562	37 320	37 320	37 320	38 036	39 559	41 141
Commission	12 587	12 779	13 691	12 438	12 438	21 260	13 160	13 897	14 100
Special Events (Ambulance Services)	731	508		6 626	6 626	6 626	6 900	6 997	7 297
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	1 203	1 522	1 224	1 696	1 696	1 696	1 794	1 895	1 996
<b>Transfers received from:</b>						<b>1</b>			
Other governmental units						1			
<b>Fines, penalties and forfeits</b>	<b>52</b>	<b>56</b>	<b>38</b>	<b>55</b>	<b>55</b>	<b>60</b>	<b>58</b>	<b>62</b>	<b>69</b>
<b>Interest, dividends and rent on land</b>	<b>397</b>	<b>939</b>	<b>1 749</b>	<b>1 344</b>	<b>1 344</b>	<b>1 344</b>	<b>1 422</b>	<b>1 502</b>	<b>1 582</b>
Interest	397	939	1 749	1 344	1 344	1 344	1 422	1 502	1 582
<b>Sales of capital assets</b>						<b>402</b>			
<b>Transactions in financial assets and liabilities</b>	<b>71 966</b>	<b>44 651</b>	<b>36 814</b>	<b>29 427</b>	<b>29 427</b>	<b>32 646</b>	<b>31 134</b>	<b>32 877</b>	<b>34 620</b>
<b>Total departmental receipts</b>	<b>524 051</b>	<b>479 296</b>	<b>535 254</b>	<b>480 647</b>	<b>480 647</b>	<b>491 400</b>	<b>507 949</b>	<b>536 796</b>	<b>566 320</b>

TABLE 4.26: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HEALTH

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>28 390 262</b>	<b>31 905 325</b>	<b>34 367 948</b>	<b>36 162 095</b>	<b>37 773 342</b>	<b>39 661 569</b>	<b>42 514 396</b>	<b>45 209 719</b>	<b>48 408 719</b>
Compensation of employees	18 654 909	20 648 000	23 289 574	23 815 004	24 965 403	25 342 631	26 706 147	28 383 068	30 201 183
Salaries and wages	16 536 821	18 225 569	20 580 517	20 427 575	21 832 391	22 336 265	22 834 692	24 280 327	25 869 200
Social contributions	2 118 088	2 422 431	2 709 057	3 387 429	3 133 012	3 006 366	3 871 455	4 102 741	4 331 983
Goods and services	9 735 281	11 257 325	11 078 374	12 347 091	12 807 939	14 318 938	15 808 249	16 826 651	18 207 536
Administrative fees	3 250	4 939	4 859	4 395	5 575	5 575	5 887	6 232	6 576
Advertising	14 699	5 969	3 039	7 738	6 791	6 791	6 734	7 102	7 492
Minor assets	37 698	50 352	35 475	114 710	108 654	74 625	99 526	109 413	115 514
Audit cost: External	23 976	18 453	18 518	22 368	22 368	22 368	23 710	25 038	26 415
Bursaries: Employees	1 398	2 966	1 895	8 622	8 622	8 622	9 139	9 651	10 182
Catering: Departmental activities	5 075	6 434	2 547	4 472	4 842	4 842	5 331	5 701	6 027
Communication (G&S)	99 333	105 989	88 346	98 327	92 948	92 948	101 544	107 312	111 944
Computer services	104 787	252 192	207 226	143 668	144 092	302 198	339 492	240 971	254 225
Consultants and professional services: Business and advisory services	39 802	50 018	66 846	59 762	78 880	181 816	60 524	73 860	97 923
Laboratory services	1 057 990	965 528	875 027	1 275 144	1 415 489	1 622 783	2 438 379	2 399 359	2 642 457
Legal services	238 820	569 030	748 168	15 252	15 252	275 271	16 167	17 072	18 011
Contractors	620 651	546 702	485 536	594 804	571 824	571 824	690 200	778 926	894 180
Agency and support / outsourced services	272 608	288 770	216 912	204 547	205 979	264 390	214 147	230 349	243 017
Entertainment	5								
Fleet services (including government motor transport)	89 286	152 327	107 450	195 388	183 024	317 093	300 536	287 312	315 678

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Inventory: Clothing material and accessories	15 745	24 275	13 952	500	500	500			
Inventory: Food and food supplies	223 180	256 414	265 345	363 896	350 080	327 552	381 906	412 967	450 680
Inventory: Fuel, oil and gas	105 893	140 513	175 183	183 773	174 992	230 002	179 050	179 187	189 042
Inventory: Learner and teacher support material	1 095	1 449	1 477	1 652	1 652	1 652	1 652	1 743	1 839
Inventory: Materials and supplies	26 401	35 553	38 985	45 015	43 162	56 235	43 570	45 994	48 524
Inventory: Medical supplies	1 964 385	2 072 897	2 030 336	2 454 640	2 476 901	2 831 082	2 578 851	2 855 573	3 012 627
Inventory: Medicine	2 386 709	2 804 016	3 101 764	3 885 172	3 899 978	4 140 323	5 074 010	5 966 258	6 431 629
Medsas inventory interface	2								
Consumable supplies	411 414	478 766	436 153	577 666	462 257	549 366	522 079	580 492	612 421
Consumable: Stationery, printing and office supplies	108 694	124 489	107 345	157 509	159 849	159 950	166 790	173 976	183 545
Operating leases	77 566	73 519	93 543	130 778	118 675	144 050	145 775	154 009	162 996
Property payments	1 699 230	2 130 670	1 895 306	1 583 691	1 973 624	1 912 090	2 096 201	1 797 291	1 929 425
Transport provided: Departmental activity	26 473	26 373	8 618	73 025	13 075	13 075	18 742	21 809	23 008
Travel and subsistence	28 295	31 486	25 583	37 471	35 823	35 823	38 849	40 993	43 248
Training and development	29 235	26 724	16 005	51 618	50 299	50 299	56 208	93 831	153 479
Operating payments	6 502	5 639	4 537	45 212	45 263	45 263	65 557	69 873	73 689
Venues and facilities	10 051	3 315	2 298	5 541	4 526	4 526	10 682	11 540	12 174
Rental and hiring	5 033	1 558	100	735	735	735	811	857	904
Interest and rent on land	72								
Rent on land	72								
<b>Transfers and subsidies</b>	<b>1 570 752</b>	<b>1 467 193</b>	<b>1 478 853</b>	<b>1 578 504</b>	<b>1 626 504</b>	<b>1 921 204</b>	<b>1 770 682</b>	<b>1 970 007</b>	<b>2 086 688</b>
Provinces and municipalities	672 042	657 442	675 326	709 104	739 104	739 104	783 270	827 237	875 362
Municipalities	672 042	657 442	675 326	709 104	739 104	739 104	783 270	827 237	875 362
Municipalities	672 042	657 442	675 326	709 104	739 104	739 104	783 270	827 237	875 362
Departmental agencies and accounts	17 183	17 919	18 869	19 812	19 812	19 812	20 962	22 135	23 352
Provide list of entities receiving transfers	17 183	17 919	18 869	19 812	19 812	19 812	20 962	22 135	23 352
Higher education institutions		1 824	1 453	2 061	12 061	12 061	13 681	14 653	15 459
Non-profit institutions	652 703	523 218	465 844	698 608	698 608	698 608	769 084	912 199	968 112
Households	228 824	266 790	317 361	148 919	156 919	451 619	183 685	193 783	204 403
Social benefits	95 440	87 293	93 957	98 624	98 695	92 676	100 450	105 836	111 619
Other transfers to households	133 384	179 497	223 404	50 295	58 224	358 943	83 235	87 947	92 784
<b>Payments for capital assets</b>	<b>1 031 499</b>	<b>1 481 189</b>	<b>1 582 158</b>	<b>2 466 447</b>	<b>2 542 988</b>	<b>2 542 988</b>	<b>2 144 248</b>	<b>1 852 258</b>	<b>1 920 305</b>
Buildings and other fixed structures	378 954	784 988	935 368	1 153 570	1 191 599	1 191 599	949 697	491 028	484 218
Buildings	378 954	784 988	935 368	1 153 570	1 191 599	1 191 599	949 457	490 768	483 941
Machinery and equipment	652 545	696 201	646 790	1 312 877	1 351 389	1 351 389	1 194 551	1 361 230	1 436 087
Transport equipment	73 953	141 566	106 197	177 404	220 450	291 003	183 547	196 425	207 223
Other machinery and equipment	578 592	554 635	540 593	1 135 473	1 130 939	1 060 386	1 011 004	1 164 805	1 228 864
<b>Payments for financial assets</b>	<b>12 699</b>	<b>10 848</b>	<b>11 108</b>			<b>6 607</b>			
<b>Total economic classification</b>	<b>31 005 212</b>	<b>34 864 555</b>	<b>37 440 067</b>	<b>40 207 046</b>	<b>41 942 834</b>	<b>44 132 368</b>	<b>46 429 326</b>	<b>49 031 984</b>	<b>52 415 712</b>

TABLE 4.27: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>514 261</b>	<b>744 416</b>	<b>822 353</b>	<b>655 887</b>	<b>674 293</b>	<b>960 422</b>	<b>879 022</b>	<b>810 675</b>	<b>855 259</b>
Compensation of employees	301 841	324 030	357 586	415 550	415 550	398 620	436 135	460 525	485 853
Salaries and wages	266 052	284 496	314 178	339 636	367 116	344 449	360 041	380 202	401 113
Social contributions	35 789	39 534	43 408	75 914	48 434	54 171	76 094	80 323	84 740
Goods and services	212 420	420 386	464 767	240 337	258 743	561 802	442 887	350 150	369 406



R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Administrative fees	2 236	3 140	2 221	1 451	1 451	1 451	1 538	1 624	1 713
Advertising	3 643	2 351	2 351	2 456	2 456	2 456	2 603	2 749	2 900
Minor assets	318	516	25	210	210	210	223	235	248
Audit cost: External	23 976	18 453	18 518	22 368	22 368	22 368	23 710	25 038	26 415
Bursaries: Employees	(5)	64							
Catering: Departmental activities	484	1 408	217	628	628	628	666	704	743
Communication (G&S)	17 264	31 102	19 957	15 786	15 786	15 786	16 733	17 670	18 642
Computer services	76 490	248 146	202 357	132 407	132 831	290 937	328 479	229 334	241 947
Consultants and professional services: Business and advisory services	36 466	26 301	38 495	21 572	39 978	63 059	22 866	24 147	25 475
Laboratory services	304								
Legal services	26 948	61 798	137 424	15 252	15 252	125 550	16 167	17 072	18 011
Contractors	1 312	141	3 831	354	354	354	376	397	419
Agency and support / outsourced services	598	223	889						
Fleet services (including government motor transport)	1 524	2 778	876	2 557	2 557	2 557	2 710	2 862	3 019
Inventory: Clothing material and accessories	2								
Inventory: Food and food supplies	109	18	16	27	27	27	29	31	33
Inventory: Fuel, oil and gas	43	1			13				
Inventory: Materials and supplies	195	61	214	37	37	37	40	42	44
Inventory: Medical supplies	1 754	754	97						
Inventory: Medicine		144	16 782						
Consumable supplies	655	445	494	689	592	689	731	772	815
Consumable: Stationery, printing and office supplies	4 571	4 918	3 377	7 493	7 493	7 493	7 944	8 388	8 849
Operating leases	4	1 468	106	1 381	1 381	2 894	1 464	1 546	1 631
Property payments	4 913	4 648	5 096	5 840	5 840	7 866	6 190	6 536	6 895
Transport provided: Departmental activity	41	25	46	2	2	2	2	2	2
Travel and subsistence	6 884	6 520	6 529	8 288	7 864	7 864	8 785	9 277	9 787
Training and development	1 052	3 431	2 969	1 175	1 175	9 210	1 246	1 316	1 388
Operating payments	44	67	119						
Venues and facilities	591	725	1 757	181	181	181	192	204	215
Rental and hiring	4	740	4	183	183	183	193	204	215
<b>Transfers and subsidies</b>	<b>2 158</b>	<b>4 288</b>	<b>7 599</b>	<b>2 313</b>	<b>2 313</b>	<b>53 509</b>	<b>2 450</b>	<b>2 587</b>	<b>2 729</b>
Households	2 158	4 288	7 599	2 313	2 313	53 509	2 450	2 587	2 729
Social benefits	1 899	1 571	1 289	1 013	1 013	1 135	1 074	1 134	1 196
Other transfers to households	259	2 717	6 310	1 300	1 300	52 374	1 376	1 453	1 533
<b>Payments for capital assets</b>	<b>42 191</b>	<b>57 681</b>	<b>21 270</b>	<b>11 761</b>	<b>11 761</b>	<b>11 761</b>	<b>12 466</b>	<b>13 164</b>	<b>13 888</b>
Machinery and equipment	42 191	57 681	21 270	11 761	11 761	11 761	12 466	13 164	13 888
Transport equipment	5 502	7 323	4 544	4 485	4 485	4 485	4 753	5 020	5 296
Other machinery and equipment	36 689	50 358	16 726	7 276	7 276	7 276	7 713	8 144	8 592
<b>Payments for financial assets</b>	<b>6 471</b>	<b>973</b>	<b>266</b>			<b>62</b>			
<b>Total economic classification</b>	<b>565 081</b>	<b>807 358</b>	<b>851 488</b>	<b>669 961</b>	<b>688 367</b>	<b>1 025 754</b>	<b>893 938</b>	<b>826 426</b>	<b>871 876</b>

TABLE 4.28: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: DISTRICT HEALTH SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>8 777 412</b>	<b>10 206 384</b>	<b>11 099 532</b>	<b>12 587 737</b>	<b>12 814 929</b>	<b>13 295 459</b>	<b>14 273 367</b>	<b>15 718 410</b>	<b>17 049 692</b>
Compensation of employees	5 163 930	5 799 772	6 633 414	6 933 476	7 093 354	7 227 698	7 714 913	8 184 467	8 744 598
Salaries and wages	4 519 329	5 045 998	5 785 070	6 000 606	6 155 015	6 288 168	6 631 105	7 040 225	7 537 574

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Social contributions	644 601	753 774	848 344	932 870	938 339	939 530	1 083 808	1 144 242	1 207 024
Goods and services	3 613 482	4 406 612	4 466 118	5 654 261	5 721 575	6 067 761	6 558 454	7 533 943	8 305 094
Administrative fees	184	234	347	930	910	910	1 146	1 211	1 279
Advertising	8 572	2 153	236	2 218	1 318	1 318	1 270	1 335	1 408
Minor assets	14 999	26 449	15 274	40 580	27 215	27 215	27 270	33 123	35 028
Catering: Departmental activities	3 821	4 554	1 825	3 260	3 630	3 630	4 180	4 485	4 744
Communication (G&S)	35 712	38 347	34 748	42 391	37 900	37 900	46 217	48 895	51 584
Computer services	329	437	3 058						
Consultants and professional services: Business and advisory services	751	9 307	23 446	28 814	29 324	29 324	29 060	40 639	62 875
Laboratory services	630 516	681 775	603 410	685 324	833 936	880 807	1 028 849	955 969	1 086 615
Legal services	22 841	45 725	33 419			2 197			
Contractors	304 646	324 410	314 534	369 572	354 331	354 331	465 372	543 790	646 110
Agency and support / outsourced services	33 609	43 553	30 533	65 181	60 903	60 903	62 670	69 306	73 117
Fleet services (including government motor transport)	13 297	36 113	15 445	46 821	38 571	51 862	24 819	35 368	49 879
Inventory: Clothing material and accessories	4 200	4 804	5 426						
Inventory: Food and food supplies	42 785	49 335	43 460	85 492	72 529	72 529	88 212	102 806	123 460
Inventory: Fuel, oil and gas	36 694	66 541	76 708	85 376	85 872	117 597	65 498	68 993	72 788
Inventory: Learner and teacher support material	6	25	10	43	43	43			
Inventory: Materials and supplies	8 786	11 512	15 764	19 652	17 368	23 006	18 822	19 866	20 959
Inventory: Medical supplies	279 482	399 433	418 131	562 400	532 976	517 606	531 114	557 682	588 354
Inventory: Medicine	1 708 803	2 100 007	2 303 791	2 798 460	2 790 127	3 040 152	3 281 333	4 035 663	4 361 781
Consumable supplies	64 049	99 828	80 103	155 192	139 894	165 352	129 706	158 078	166 771
Consumable: Stationery, printing and office supplies	42 692	49 388	46 089	69 233	71 104	71 104	74 635	76 550	80 761
Operating leases	16 110	13 827	28 884	26 198	26 498	46 716	24 945	26 326	27 774
Property payments	303 383	368 053	352 669	471 643	470 437	470 437	500 095	552 076	582 441
Transport provided: Departmental activity	722	554	817	2 095	2 145	2 145	1 861	4 772	5 034
Travel and subsistence	10 551	11 720	8 719	11 400	10 176	10 176	11 770	12 436	13 120
Training and development	13 577	12 229	6 443	36 500	34 671	26 636	41 946	80 388	139 296
Operating payments	3 441	3 423	2 346	40 074	39 638	39 638	59 951	63 969	67 487
Venues and facilities	8 183	2 515	462	5 360	4 345	4 345	9 830	10 630	11 214
Rental and hiring	741	361	21	52	52	52	88	93	98
<b>Transfers and subsidies</b>	<b>663 494</b>	<b>676 301</b>	<b>753 327</b>	<b>884 577</b>	<b>845 260</b>	<b>850 371</b>	<b>876 205</b>	<b>944 587</b>	<b>1 003 601</b>
Provinces and municipalities	310 721	327 379	344 531	361 769	361 769	361 769	383 475	405 085	428 722
Municipalities	310 721	327 379	344 531	361 769	361 769	361 769	383 475	405 085	428 722
Municipalities	310 721	327 379	344 531	361 769	361 769	361 769	383 475	405 085	428 722
Non-profit institutions	328 990	324 493	382 542	493 776	454 459	416 653	464 528	509 961	543 751
Households	23 783	24 429	26 254	29 032	29 032	71 949	28 202	29 541	31 128
Social benefits	23 738	24 360	24 476	28 961	29 032	29 724	28 202	29 541	31 128
Other transfers to households	45	69	1 778	71		42 225			
<b>Payments for capital assets</b>	<b>120 643</b>	<b>190 181</b>	<b>136 726</b>	<b>280 486</b>	<b>221 493</b>	<b>221 493</b>	<b>155 568</b>	<b>251 026</b>	<b>264 832</b>
Buildings and other fixed structures	13 554						240	260	277
Buildings	13 554								
Machinery and equipment	107 089	190 181	136 726	280 486	221 493	221 493	155 328	250 766	264 555
Transport equipment	34 524	63 633	28 924	67 036	56 767	54 979	65 598	69 203	73 009
Other machinery and equipment	72 565	126 548	107 802	213 450	164 726	166 514	89 730	181 563	191 546
<b>Payments for financial assets</b>	<b>1 497</b>	<b>2 681</b>	<b>2 508</b>			<b>1 300</b>			

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Total economic classification</b>	<b>9 563 046</b>	<b>11 075 547</b>	<b>11 992 093</b>	<b>13 752 800</b>	<b>13 881 682</b>	<b>14 368 623</b>	<b>15 305 140</b>	<b>16 914 023</b>	<b>18 318 125</b>

TABLE 4.29: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: EMERGENCY MEDICAL SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>467 718</b>	<b>566 378</b>	<b>590 736</b>	<b>797 417</b>	<b>736 574</b>	<b>846 635</b>	<b>912 940</b>	<b>924 092</b>	<b>986 121</b>
Compensation of employees	330 910	388 834	447 344	494 128	487 200	492 806	527 405	556 980	600 090
Salaries and wages	279 233	327 723	375 678	407 664	402 814	410 487	433 193	457 474	491 368
Social contributions	51 677	61 111	71 666	86 464	84 386	82 319	94 212	99 506	108 722
Goods and services	136 808	177 544	143 392	303 289	249 374	353 829	385 535	367 112	386 031
Administrative fees	616	1 120	2 078	1 611	2 811	2 811	2 811	2 984	3 148
Advertising				1 500	1 500	1 500	1 500	1 584	1 671
Minor assets	147	1 864	1 813	8 610	8 610	4 124	8 610	9 085	9 585
Catering: Departmental activities	2	27	24	71	71	71	50	53	56
Communication (G&S)	6 487	4 304	4 834	6 734	6 734	6 734	6 934	7 319	6 451
Computer services				504	504	504	512	540	570
Legal services	324	50	564			146			
Contractors	2 638	1 420	598	4 234	4 234	4 234	5 134	5 431	5 730
Agency and support / outsourced services	541	303	345	2 028	1 228	1 228	2 028	2 139	2 257
Fleet services (including government motor transport)	66 085	93 063	80 664	121 812	121 812	237 402	249 756	224 506	236 853
Inventory: Clothing material and accessories	1 488	3 067	3 242						
Inventory: Food and food supplies	6	8	2	15	15	15	15	17	18
Inventory: Fuel, oil and gas	1 894	699		2 400	2 400	4 800	465	463	488
Inventory: Materials and supplies	984	1 564	1 710	2 212	2 212	4 424	2 146	2 264	2 389
Inventory: Medical supplies	2 870	12 520	9 391	6 826	24 526	22 126	16 844	17 920	18 903
Inventory: Medicine	504	430	464	3 588	588	588	1 150	1 178	1 243
Consumable supplies	1 955	1 844	1 441	10 643	11 628	9 416	2 365	2 375	2 506
Consumable: Stationery, printing and office supplies	3 263	5 189	2 842	6 353	6 353	6 353	7 853	8 308	8 765
Operating leases	16 379	12 461	13 952	36 904	26 904	17 624	38 904	41 078	43 337
Property payments	7 927	12 412	11 540	16 588	16 588	19 073	19 855	20 998	22 153
Transport provided: Departmental activity	22 548	25 007	7 242	68 910	8 910	8 910	15 910	16 015	16 896
Travel and subsistence	150	161	378	1 059	1 059	1 059	1 086	1 146	1 209
Training and development		31	268	687	687	687	690	728	768
<b>Transfers and subsidies</b>	<b>362 136</b>	<b>330 942</b>	<b>331 469</b>	<b>349 835</b>	<b>379 835</b>	<b>379 835</b>	<b>402 445</b>	<b>424 951</b>	<b>449 593</b>
Provinces and municipalities	361 321	330 063	330 795	347 335	377 335	377 335	399 795	422 152	446 640
Municipalities	361 321	330 063	330 795	347 335	377 335	377 335	399 795	422 152	446 640
Municipalities	361 321	330 063	330 795	347 335	377 335	377 335	399 795	422 152	446 640
Households	815	879	674	2 500	2 500	2 500	2 650	2 799	2 953
Social benefits	735	879	674	2 500	2 500	1 964	2 650	2 799	2 953
Other transfers to households	80					536			
<b>Payments for capital assets</b>	<b>17 669</b>	<b>42 960</b>	<b>88 104</b>	<b>127 830</b>	<b>181 745</b>	<b>268 402</b>	<b>135 500</b>	<b>143 086</b>	<b>150 956</b>
Machinery and equipment	17 669	42 960	88 104	127 830	181 745	268 402	135 500	143 086	150 956
Transport equipment	15 472	35 919	57 842	81 000	134 915	207 657	85 860	90 668	95 655
Other machinery and equipment	2 197	7 041	30 262	46 830	46 830	60 745	49 640	52 418	55 301
<b>Payments for financial assets</b>	<b>38</b>	<b>39</b>	<b>160</b>			<b>221</b>			
<b>Total economic classification</b>	<b>847 561</b>	<b>940 319</b>	<b>1 010 469</b>	<b>1 275 082</b>	<b>1 298 154</b>	<b>1 495 093</b>	<b>1 450 885</b>	<b>1 492 129</b>	<b>1 586 670</b>

TABLE 4.30: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PROVINCIAL HOSPITAL SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>5 570 168</b>	<b>6 125 505</b>	<b>6 756 206</b>	<b>7 163 559</b>	<b>7 382 629</b>	<b>7 630 822</b>	<b>8 664 569</b>	<b>8 888 071</b>	<b>9 520 937</b>
Compensation of employees	4 251 671	4 722 697	5 344 789	5 549 300	5 744 057	5 805 941	6 331 558	6 700 500	7 146 915
Salaries and wages	3 770 502	4 169 945	4 726 513	4 907 060	5 101 817	5 128 064	5 513 678	5 832 775	6 231 464
Social contributions	481 169	552 752	618 276	642 240	642 240	677 877	817 880	867 725	915 451
Goods and services	1 318 425	1 402 808	1 411 417	1 614 259	1 638 572	1 824 881	2 333 011	2 187 571	2 374 022
Administrative fees	113	77	98	172	172	172	156	164	173
Advertising	1 177	440	46	284	284	284	216	227	239
Minor assets	4 751	7 902	5 740	12 853	12 553	11 182	12 865	13 584	14 331
Audit cost: External									
Bursaries: Employees									
Catering: Departmental activities	106	148	83	158	158	158	158	167	176
Communication (G&S)	12 421	12 083	8 966	12 863	12 363	12 363	12 478	13 169	13 894
Computer services	280	2 576	798	660	660	660	424	446	471
Consultants and professional services: Business and advisory services	2 195	1 737	3 885	7 640	7 640	5 556	7 682	8 110	8 556
Laboratory services	77 813	48 682	35 464	153 433	153 166	181 836	431 170	377 950	431 803
Legal services	100 614	111 424	150 285			12 006			
Contractors	52 657	37 818	30 129	41 006	40 506	40 506	40 935	43 218	45 596
Agency and support / outsourced services	48 190	58 005	75 466	53 651	53 651	82 872	56 721	59 898	63 192
Entertainment	2								
Fleet services (including government motor transport)	3 612	9 812	5 239	12 055	11 355	12 472	11 528	12 168	12 838
Inventory: Clothing material and accessories	3 516	7 846	2 453						
Inventory: Food and food supplies	62 915	89 076	94 427	107 301	107 301	105 618	113 819	120 194	126 804
Inventory: Fuel, oil and gas	28 318	28 471	32 429	40 848	41 128	42 969	41 115	43 407	45 795
Inventory: Learner and teacher support material	146	682	2	122	122	122	121	127	134
Inventory: Materials and supplies	4 437	5 761	7 973	9 960	9 694	12 698	10 038	10 598	11 181
Inventory: Medical supplies	414 032	419 689	396 288	487 700	493 662	594 199	558 129	547 140	577 233
Inventory: Medicine	175 382	179 046	164 418	235 471	264 606	302 183	556 763	431 477	488 279
Medsas inventory interface	2								
Consumable supplies	87 204	92 065	97 038	119 733	80 652	99 949	119 021	125 655	132 567
Consumable: Stationery, printing and office supplies	18 414	21 422	19 150	19 383	19 382	19 383	21 140	22 327	23 554
Operating leases	6 177	11 029	13 800	21 093	19 893	21 794	22 542	23 811	25 120
Property payments	207 123	253 407	263 271	270 611	272 731	238 719	280 338	296 032	312 313
Transport provided: Departmental activity	3 102	694	509	628	628	628	659	695	733
Travel and subsistence	1 272	863	1 518	1 886	1 886	1 886	1 901	1 971	2 080
Training and development	413	617	927	3 464	3 104	3 104	3 480	3 646	3 847
Operating payments	588	930	871	784	684	684	2 098	2 222	2 344
Venues and facilities	1 118	49	77						
Rental and hiring	335	457	67	500	500	500	530	560	591
Interest and rent on land	72								
Rent on land	72								
<b>Transfers and subsidies</b>	<b>342 996</b>	<b>218 293</b>	<b>105 318</b>	<b>72 170</b>	<b>111 487</b>	<b>270 622</b>	<b>122 934</b>	<b>130 025</b>	<b>137 177</b>
Departmental agencies and accounts	4								
Provide list of entities receiving transfers	4								
Non-profit institutions	323 713	198 725	83 302	54 832	94 149	131 955	104 556	110 618	116 702
Households	19 279	19 568	22 016	17 338	17 338	138 667	18 378	19 407	20 475
Social benefits	18 860	19 568	22 016	17 338	17 338	18 690	18 378	19 407	20 475

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Other transfers to households	419					119 977			
<b>Payments for capital assets</b>	<b>72 742</b>	<b>86 123</b>	<b>88 930</b>	<b>131 939</b>	<b>130 906</b>	<b>131 126</b>	<b>85 565</b>	<b>151 379</b>	<b>159 705</b>
Buildings and other fixed structures	631								
Buildings	631								
Machinery and equipment	72 111	86 123	88 930	131 939	130 906	131 126	85 565	151 379	159 705
Transport equipment	5 549	13 926	5 869	10 938	10 338	11 184	8 896	12 026	12 687
Other machinery and equipment	66 562	72 197	83 061	121 001	120 568	119 942	76 669	139 353	147 018
<b>Payments for financial assets</b>	<b>1 408</b>	<b>2 144</b>	<b>1 673</b>			<b>1 145</b>			
<b>Total economic classification</b>	<b>5 987 314</b>	<b>6 432 065</b>	<b>6 952 127</b>	<b>7 367 668</b>	<b>7 625 022</b>	<b>8 033 715</b>	<b>8 873 068</b>	<b>9 169 475</b>	<b>9 817 819</b>

TABLE 4.31: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: CENTRAL HOSPITAL SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>11 293 793</b>	<b>12 244 775</b>	<b>13 071 948</b>	<b>13 341 158</b>	<b>14 171 850</b>	<b>14 996 260</b>	<b>15 685 593</b>	<b>17 156 882</b>	<b>18 157 211</b>
Compensation of employees	7 817 483	8 584 959	9 561 101	9 363 957	10 194 649	10 462 177	10 627 379	11 352 300	12 033 375
Salaries and wages	7 026 508	7 688 155	8 565 030	7 898 413	8 931 433	9 348 482	8 973 625	9 600 430	10 185 152
Social contributions	790 975	896 804	996 071	1 465 544	1 263 216	1 113 695	1 653 754	1 751 870	1 848 223
Goods and services	3 476 310	3 659 816	3 510 847	3 977 201	3 977 201	4 534 083	5 058 214	5 804 582	6 123 836
Administrative fees	68	330	29	158	158	158	161	170	180
Advertising	512	692	204	667	800	800	663	700	739
Minor assets	11 816	13 085	10 015	51 082	50 822	22 650	49 483	52 242	55 115
Bursaries: Employees	15								
Catering: Departmental activities	63	152	42	64	64	64	68	72	76
Communication (G&S)	25 273	18 186	17 779	18 122	17 734	17 734	17 018	17 966	18 954
Computer services	210	1 025	995	10 097	10 097	10 097	10 077	10 651	11 237
Consultants and professional services: Business and advisory services	378	12 603	867	1 481	1 431	83 370	633	665	702
Laboratory services	349 357	235 071	236 117	436 337	428 337	560 090	978 307	1 065 384	1 123 980
Legal services	87 586	349 868	426 460			135 372			
Contractors	250 136	180 497	133 906	177 126	169 286	169 286	174 606	184 553	194 704
Agency and support / outsourced services	188 567	186 453	108 967	82 498	89 848	119 038	92 027	98 259	103 663
Entertainment	3								
Fleet services (including government motor transport)	2 769	5 190	2 000	6 375	6 025	6 025	6 348	6 703	7 071
Inventory: Clothing material and accessories	5 348	7 720	2 318						
Inventory: Food and food supplies	89 564	101 444	105 400	143 596	142 863	124 215	151 661	160 166	168 975
Inventory: Fuel, oil and gas	38 869	44 390	63 291	53 260	43 494	59 408	52 748	55 829	58 899
Inventory: Materials and supplies	9 282	16 261	12 135	11 921	11 698	13 790	11 552	12 197	12 868
Inventory: Medical supplies	1 252 342	1 238 754	1 203 718	1 396 857	1 421 371	1 692 744	1 470 993	1 730 957	1 826 160
Inventory: Medicine	501 962	523 817	615 579	846 853	843 786	796 600	1 234 314	1 497 467	1 579 827
Consumable supplies	213 229	244 131	212 622	242 918	178 062	218 917	220 375	242 070	255 384
Consumable: Stationery, printing and office supplies	36 779	39 929	33 450	51 385	51 805	51 805	51 069	54 021	56 993
Operating leases	8 167	2 190	15 834	5 572	5 369	11 891	15 987	15 654	16 515
Property payments	399 806	434 978	306 002	431 099	429 899	397 458	457 191	533 230	562 558
Transport provided: Departmental activity	15	93	4	1 390	1 390	1 390	310	325	343
Travel and subsistence	1 436	1 353	1 523	1 716	1 616	1 616	1 302	1 375	1 451
Training and development	836	914	630	2 573	2 573	2 573	1 394	1 471	1 552
Operating payments	1 922	690	960	4 054	3 741	3 741	2 708	2 863	3 021

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Transfers and subsidies</b>	<b>49 073</b>	<b>37 823</b>	<b>41 575</b>	<b>196 448</b>	<b>196 448</b>	<b>254 260</b>	<b>247 640</b>	<b>341 929</b>	<b>360 735</b>
Departmental agencies and accounts	48								
Provide list of entities receiving transfers	48								
Higher education institutions									
Non-profit institutions				150 000	150 000	150 000	200 000	291 620	307 659
Households	49 025	37 823	41 575	46 448	46 448	104 260	47 640	50 309	53 076
Social benefits	47 508	36 824	41 575	46 448	46 448	37 810	47 640	50 309	53 076
Other transfers to households	1 517	999				66 450			
<b>Payments for capital assets</b>	<b>239 300</b>	<b>296 127</b>	<b>270 623</b>	<b>673 592</b>	<b>673 592</b>	<b>585 002</b>	<b>742 723</b>	<b>784 399</b>	<b>827 536</b>
Machinery and equipment	239 300	296 127	270 623	673 592	673 592	585 002	742 723	784 399	827 536
Transport equipment	6 048	10 845	4 083	5 475	5 475	5 475	10 937	11 570	12 202
Other machinery and equipment	233 252	285 282	266 540	668 117	668 117	579 527	731 786	772 829	815 334
<b>Payments for financial assets</b>	<b>2 476</b>	<b>3 557</b>	<b>3 278</b>			<b>1 661</b>			
<b>Total economic classification</b>	<b>11 584 642</b>	<b>12 582 282</b>	<b>13 387 424</b>	<b>14 211 198</b>	<b>15 041 890</b>	<b>15 837 183</b>	<b>16 675 956</b>	<b>18 283 210</b>	<b>19 345 482</b>

TABLE 4.32: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HEALTH SCIENCES AND TRAINING

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>702 125</b>	<b>728 829</b>	<b>804 603</b>	<b>909 565</b>	<b>881 565</b>	<b>822 498</b>	<b>916 501</b>	<b>966 405</b>	<b>1 019 556</b>
Compensation of employees	654 032	675 562	761 698	848 862	820 862	755 045	850 291	897 613	946 982
Salaries and wages	561 479	582 589	661 231	705 474	705 474	658 228	742 114	777 953	820 741
Social contributions	92 553	92 973	100 467	143 388	115 388	96 817	108 177	119 660	126 241
Goods and services	48 093	53 267	42 905	60 703	60 703	67 453	66 210	68 792	72 574
Administrative fees	33	38	86	73	73	73	75	79	83
Advertising	244		65	280	100	100	130	135	143
Minor assets	701	353	415	296	296	296	255	271	286
Bursaries: Employees	1 388	2 902	1 895	8 622	8 622	8 622	9 139	9 651	10 182
Catering: Departmental activities	206	144	227	180	180	180	92	96	101
Communication (G&S)	1 305	1 375	1 478	1 446	1 446	1 446	1 269	1 340	1 414
Computer services	4	8							
Consultants and professional services: Business and advisory services	12	70	153	255	507	507	283	299	315
Laboratory services			36	50	50	50	53	56	59
Legal services	507	165	16						
Contractors	498	388	489	92	742	742	1 055	1 117	1 178
Agency and support / outsourced services	592	80	3	646	306	306	319	335	354
Fleet services (including government motor transport)	1 067	1 551	915	2 117	1 783	3 325	2 043	2 157	2 275
Inventory: Clothing material and accessories	261	373	503						
Inventory: Food and food supplies	78	39	113	115	115	115	150	159	168
Inventory: Fuel, oil and gas	28	12	11	32	2	32	9	9	9
Inventory: Learner and teacher support material	943	742	1 465	1 487	1 487	1 487	1 531	1 616	1 705
Inventory: Materials and supplies	748	210	917	877	227	354	642	676	713
Inventory: Medical supplies	161	838	566	422	581	622	680	718	757
Inventory: Medicine	58	555	730	800	871	800	450	473	499
Consumable supplies	4 920	4 673	5 287	6 378	5 353	5 633	7 994	7 315	7 718
Consumable: Stationery, printing and office supplies	2 442	3 221	2 066	2 817	2 967	2 967	3 254	3 437	3 626

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Operating leases		45	1 805	2 100	2 100	5 020	2 226	2 351	2 480
Property payments	13 518	18 402	13 979	13 300	13 300	15 588	14 312	15 115	15 946
Travel and subsistence	7 466	10 716	6 716	12 877	12 977	12 977	13 738	14 506	15 303
Training and development	10 452	6 310	2 822	5 141	6 011	6 011	5 811	6 138	6 476
Operating payments	322	31	145	300	200	200	300	319	337
Venues and facilities	139	26	2						
<b>Transfers and subsidies</b>	<b>150 215</b>	<b>198 885</b>	<b>238 644</b>	<b>72 553</b>	<b>90 553</b>	<b>111 999</b>	<b>118 363</b>	<b>125 247</b>	<b>132 135</b>
Departmental agencies and accounts	17 131	17 919	18 869	19 812	19 812	19 812	20 962	22 135	23 352
Provide list of entities receiving transfers	17 131	17 919	18 869	19 812	19 812	19 812	20 962	22 135	23 352
Higher education institutions		1 824	1 453	2 061	12 061	12 061	13 681	14 653	15 459
Households	133 084	179 142	218 322	50 680	58 680	80 126	83 720	88 459	93 324
Social benefits	2 020	3 430	3 006	1 756	1 756	2 745	1 861	1 965	2 073
Other transfers to households	131 064	175 712	215 316	48 924	56 924	77 381	81 859	86 494	91 251
<b>Payments for capital assets</b>	<b>8 801</b>	<b>9 726</b>	<b>7 704</b>	<b>8 045</b>	<b>8 045</b>	<b>9 758</b>	<b>8 529</b>	<b>9 006</b>	<b>9 501</b>
Machinery and equipment	8 801	9 726	7 704	8 045	8 045	9 758	8 529	9 006	9 501
Transport equipment	4 153	5 571	3 376	3 920	3 920	2 673	3 035	3 200	3 376
Other machinery and equipment	4 648	4 155	4 328	4 125	4 125	7 085	5 494	5 806	6 125
Software and other intangible assets									
<b>Payments for financial assets</b>	<b>790</b>	<b>1 394</b>	<b>3 112</b>			<b>2 198</b>			
<b>Total economic classification</b>	<b>861 931</b>	<b>938 834</b>	<b>1 054 063</b>	<b>990 163</b>	<b>980 163</b>	<b>946 453</b>	<b>1 043 393</b>	<b>1 100 658</b>	<b>1 161 192</b>

TABLE 4.33: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HEALTH CARE SUPPORT SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>205 901</b>	<b>216 242</b>	<b>244 800</b>	<b>272 506</b>	<b>273 517</b>	<b>271 488</b>	<b>300 680</b>	<b>307 677</b>	<b>324 600</b>
Compensation of employees	124 875	140 147	160 696	174 054	174 054	164 667	180 597	190 694	201 182
Salaries and wages	104 884	116 200	132 493	143 986	143 986	133 651	154 643	163 503	172 496
Social contributions	19 991	23 947	28 203	30 068	30 068	31 016	25 954	27 191	28 686
Goods and services	81 026	76 095	84 104	98 452	99 463	106 821	120 083	116 983	123 418
Advertising			137						
Minor assets	272	334	196	588	457	457	301	324	342
Catering: Departmental activities		1	121						
Communication (G&S)	512	569	567	809	809	809	709	757	798
Contractors	130	7	33	420	371	371	398	420	443
Agency and support / outsourced services	511	153	709	543	43	43	382	412	434
Fleet services (including government motor transport)	930	3 820	2 311	3 036	306	2 835	2 681	2 861	3 018
Inventory: Clothing material and accessories	930	465	10						
Inventory: Food and food supplies	27 710	16 494	21 926	27 350	27 230	25 033	28 020	29 594	31 222
Inventory: Fuel, oil and gas	17	399	2 744	1 857	2 083	5 196	19 215	10 486	11 063
Inventory: Materials and supplies	101	184	117	356	426	426	330	351	370
Inventory: Medical supplies	378	204	419	435	785	785	1 091	1 156	1 220
Inventory: Medicine		17							
Consumable supplies	33 420	34 097	39 148	42 113	44 976	48 410	41 787	44 227	46 660
Consumable: Stationery, printing and office supplies	250	422	343	529	529	529	561	592	625
Property payments	15 692	18 400	15 311	20 303	20 303	18 423	20 877	22 045	23 257
Travel and subsistence				35	35	35	45	47	50
Training and development	1	31	4	78	78	78	141	144	152



R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Operating payments	172	498							
Rental and hiring			8						
<b>Transfers and subsidies</b>	<b>658</b>	<b>646</b>	<b>830</b>	<b>608</b>	<b>608</b>	<b>608</b>	<b>645</b>	<b>681</b>	<b>718</b>
Households	658	646	830	608	608	608	645	681	718
Social benefits	658	646	830	608	608	608	645	681	718
<b>Payments for capital assets</b>	<b>4 964</b>	<b>6 556</b>	<b>2 751</b>	<b>8 424</b>	<b>7 413</b>	<b>7 413</b>	<b>8 930</b>	<b>9 430</b>	<b>9 946</b>
Machinery and equipment	4 964	6 556	2 751	8 424	7 413	7 413	8 930	9 430	9 946
Transport equipment	2 705	4 349	1 559	4 550	4 550	4 550	4 468	4 738	4 998
Other machinery and equipment	2 259	2 207	1 192	3 874	2 863	2 863	4 462	4 692	4 948
<b>Payments for financial assets</b>	<b>19</b>	<b>55</b>	<b>111</b>			<b>20</b>			
<b>Total economic classification</b>	<b>211 542</b>	<b>223 499</b>	<b>248 492</b>	<b>281 538</b>	<b>281 538</b>	<b>279 529</b>	<b>310 255</b>	<b>317 788</b>	<b>335 264</b>

TABLE 4.34: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HEALTH FACILITIES MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>858 884</b>	<b>1 072 796</b>	<b>977 770</b>	<b>434 266</b>	<b>837 985</b>	<b>837 985</b>	<b>881 724</b>	<b>437 507</b>	<b>495 343</b>
Compensation of employees	10 167	11 999	22 946	35 677	35 677	35 677	37 869	39 989	42 188
Salaries and wages	8 834	10 463	20 324	24 736	24 736	24 736	26 293	27 765	29 292
Social contributions	1 333	1 536	2 622	10 941	10 941	10 941	11 576	12 224	12 896
Goods and services	848 717	1 060 797	954 824	398 589	802 308	802 308	843 855	397 518	453 155
Advertising	551	333		333	333	333	352	372	392
Minor assets	4 694	(151)	1 997	491	8 491	8 491	519	549	579
Catering: Departmental activities	393		8	111	111	111	117	124	131
Communication (G&S)	359	23	17	176	176	176	186	196	207
Computer services	27 474		18						
Contractors	8 634	2 021	2 016	2 000	2 000	2 000	2 324		
Fleet services (including government motor transport)	2			615	615	615	651	687	725
Inventory: Clothing material and accessories				500	500	500			
Inventory: Food and food supplies	13		1						
Inventory: Fuel, oil and gas	30								
Inventory: Materials and supplies	1 868		155		1 500	1 500			
Inventory: Medical supplies	13 366	705	1 726		3 000	3 000			
Consumable supplies	5 982	1 683	20		1 100	1 000	100		
Consumable: Stationery, printing and office supplies	283		28	316	216	316	334	353	372
Operating leases	30 729	32 499	19 162	37 530	36 530	36 530	39 707	43 243	46 139
Property payments	746 868	1 020 370	927 438	354 307	744 526	744 526	797 343	351 259	403 862
Transport provided: Departmental activity	45								
Travel and subsistence	536	153	200	210	210	210	222	235	248
Training and development	2 904	3 161	1 942	2 000	2 000	2 000	1 500		
Operating payments	13		96		1 000	1 000	500	500	500
Venues and facilities	20								
Rental and hiring	3 953								
<b>Transfers and subsidies</b>	<b>22</b>	<b>15</b>	<b>91</b>						
Households	22	15	91						
Social benefits	22	15	91						
<b>Payments for capital assets</b>	<b>525 189</b>	<b>791 835</b>	<b>966 050</b>	<b>1 224 370</b>	<b>1 308 033</b>	<b>1 308 033</b>	<b>994 967</b>	<b>490 768</b>	<b>483 941</b>
Buildings and other fixed structures	364 769	784 988	935 368	1 153 570	1 191 599	1 191 599	949 457	490 768	483 941
Buildings	364 769	784 988	935 368	1 153 570	1 191 599	1 191 599	949 457	490 768	483 941
Machinery and equipment	160 420	6 847	30 682	70 800	116 434	116 434	45 510		

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Other machinery and equipment	160 420	6 847	30 682	70 800	116 434	116 434	45 510		
Payments for financial assets		5							
<b>Total economic classification</b>	<b>1 384 095</b>	<b>1 864 651</b>	<b>1 943 911</b>	<b>1 658 636</b>	<b>2 146 018</b>	<b>2 146 018</b>	<b>1 876 691</b>	<b>928 275</b>	<b>979 284</b>

TABLE 4.35: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: COMPREHENSIVE HIV &amp; AIDS GRANT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>2 520 697</b>	<b>2 836 317</b>	<b>3 205 652</b>	<b>3 621 099</b>	<b>3 621 099</b>	<b>3 621 099</b>	<b>4 170 925</b>	<b>4 819 387</b>	<b>5 421 699</b>
Compensation of employees	531 230	623 065	716 336	896 112	896 112	896 112	823 150	894 796	989 009
Salaries and wages	465 203	539 689	620 870	749 390	749 390	749 390	683 216	747 569	833 685
Social contributions	66 027	83 376	95 466	146 722	146 722	146 722	139 934	147 227	155 324
Goods and services	1 989 467	2 213 252	2 489 316	2 724 987	2 724 987	2 724 987	3 347 775	3 924 591	4 432 690
Administrative fees	29	32	6	29	29	29		(2)	(2)
Advertising	7 890	1 852							
Minor assets	1 287	1 151	298	366	366	366	42	116	206
Audit cost: External									
Bursaries: Employees									
Catering: Departmental activities	3 212	3 703	119	1 222	1 222	1 222	1 205	1 280	1 362
Communication (G&S)	120	69	11	279	279	279	224	233	246
Consultants and professional services: Business and advisory services	37	8 127	19 610	28 700	28 700	28 700	28 500	40 001	62 201
Laboratory services	559 572	530 369	581 152	448 030	448 030	448 030	492 812	550 364	625 634
Contractors	273 304	297 702	286 557	331 320	331 320	331 320	401 695	473 974	572 453
Agency and support / outsourced services	950	415	558	11 550	11 550	11 550		(450)	(475)
Fleet services (including government motor transport)	20	82		1 132	1 132	1 132	216	8 569	21 305
Inventory: Food and food supplies	12 109	8 474	8 309	19 539	19 539	19 539	13 582	24 069	40 393
Inventory: Materials and supplies	304	295		1	1	1			
Inventory: Medical supplies	92 499	98 211	142 335	177 860	177 860	177 860	172 313	108 515	114 484
Inventory: Medicine	1 006 475	1 246 470	1 433 616	1 604 631	1 604 631	1 604 631	2 152 253	2 592 744	2 808 334
Consumable supplies	1 804	2 333	2 704	12 899	12 899	12 899	6 713	6 825	7 200
Consumable: Stationery, printing and office supplies	12 579	6 420	4 226	13 860	13 860	13 860	7 999	8 194	8 645
Operating leases	34	147	154						
Property payments	1 270	927	751	1 953	1 953	1 953	2 008	2 117	2 233
Transport provided: Departmental activity	18	221							
Travel and subsistence	849	617	5 934	2 616	2 616	2 616	1 768	1 829	1 930
Training and development	8 051	4 209	2 901	27 166	27 166	27 166	7 701	43 676	100 565
Operating payments				37 044	37 044	37 044	58 134	62 033	65 445
Venues and facilities	7 050	1 426	75	4 790	4 790	4 790	610	503	531
Rental and hiring	4								
<b>Transfers and subsidies</b>	<b>47 013</b>	<b>42 157</b>	<b>68 013</b>	<b>88 955</b>	<b>88 955</b>	<b>88 955</b>	<b>65 790</b>	<b>88 370</b>	<b>98 971</b>
Non-profit institutions	45 687	41 599	66 995	85 960	85 960	85 960	64 590	87 176	97 712
Households	1 326	558	1 018	2 995	2 995	2 995	1 200	1 194	1 259
Social benefits	1 326	558	1 018	2 995	2 995	2 995	1 200	1 194	1 259
<b>Payments for capital assets</b>	<b>15 520</b>	<b>2 208</b>	<b>721</b>	<b>34 327</b>	<b>34 327</b>	<b>34 327</b>	<b>2 562</b>	<b>1 558</b>	<b>1 367</b>
Buildings and other fixed structures	13 553						240	262	
Buildings	13 553								
Other fixed structures							240	262	
Machinery and equipment	1 967	2 208	721	34 327	34 327	34 327	2 322	1 296	1 367

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Transport equipment			6						
Other machinery and equipment	1 967	2 208	715	34 327	34 327	34 327	2 322	1 296	1 367
<b>Payments for financial assets</b>			<b>21</b>						
<b>Total economic classification</b>	<b>2 583 230</b>	<b>2 880 682</b>	<b>3 274 407</b>	<b>3 744 381</b>	<b>3 744 381</b>	<b>3 744 381</b>	<b>4 239 277</b>	<b>4 909 315</b>	<b>5 522 037</b>

TABLE 4.36: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: EPWP INTEGRATED GRANT FOR PROVINCES

R thousand	Outcome			Main appropriation	Main appropriation		Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>2 010</b>	<b>2 021</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>	<b>1 470</b>		
Goods and services	2 010	2 021	2 000	2 000	2 000	2 000	1 470		
Contractors	2 010	2 021	2 000	2 000	2 000	2 000	1 406		
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>2 010</b>	<b>2 021</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>	<b>1 470</b>		

TABLE 4.37: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HEALTH FACILITY REVITALISATION GRANT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>365 383</b>	<b>10 524</b>	<b>12 021</b>	<b>22 100</b>	<b>35 600</b>	<b>35 600</b>	<b>21 900</b>	<b>20 988</b>	<b>22 142</b>
Compensation of employees		4 799	5 945	20 100	20 100	20 100	19 800	20 988	22 142
Salaries and wages		4 251	5 097	12 300	12 300	12 300	12 474	13 223	13 949
Social contributions		548	848	7 800	7 800	7 800	7 326	7 765	8 193
Goods and services	365 383	5 725	6 076	2 000	15 500	15 500	2 100		
Advertising	551								
Minor assets	4 253	29	1 997						
Catering: Departmental activities	394								
Computer services	27 473		18						
Contractors	6 202								
Inventory: Materials and supplies	1 319		153						
Inventory: Medical supplies	13 017	864	1 726						
Consumable supplies	4 353	1 546	16				100		
Consumable: Stationery, printing and office supplies	223		28						
Operating leases	106								
Property payments	300 382				13 500	13 500			
Transport provided: Departmental activity	45								
Travel and subsistence	312	125	196						
Training and development	2 768	3 161	1 942	2 000	2 000	2 000	1 500		
Operating payments	12						500		
Venues and facilities	20								
Rental and hiring	3 953								
Social security funds									
<b>Payments for capital assets</b>	<b>387 317</b>	<b>303 106</b>	<b>660 905</b>	<b>868 565</b>	<b>941 228</b>	<b>941 228</b>	<b>852 942</b>	<b>843 760</b>	<b>890 168</b>
Buildings and other fixed structures	227 171	296 268	630 224	797 765	824 794	824 794	851 342	843 760	890 168
Buildings			630 224	797 765	824 794	824 794	851 342	843 760	890 168
Other fixed structures	227 171	296 268							
Machinery and equipment	160 146	6 838	30 681	70 800	116 434	116 434	1 600		
Other machinery and equipment	160 146	6 838	30 681	70 800	116 434	116 434	1 600		
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>752 700</b>	<b>313 630</b>	<b>672 926</b>	<b>890 665</b>	<b>976 828</b>	<b>976 828</b>	<b>874 842</b>	<b>864 748</b>	<b>912 310</b>

TABLE 4.38: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HEALTH PROFESSIONS TRAINING GRANT PRG2

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>123 841</b>	<b>76 557</b>							
Compensation of employees	117 467	42 948							
Salaries and wages	106 529	37 278							
Social contributions	10 938	5 670							
Goods and services	6 374	33 609							
Minor assets	(50)	1 446							
Laboratory services	96	5 175							
Inventory: Clothing material and accessories	41								
Inventory: Food and food supplies	4								
Inventory: Materials and supplies	14								
Inventory: Medical supplies	3 246	21 002							
Inventory: Medicine	2 326	5 986							
Medsas inventory interface									
Consumable supplies	198								
Travel and subsistence	473								
Operating payments	26								
Rental and hiring									
<b>Transfers and subsidies</b>	<b>414</b>								
Households	414								
Social benefits	414								
<b>Payments for capital assets</b>	<b>1 726</b>	<b>1 410</b>							
Machinery and equipment	1 726	1 410							
Other machinery and equipment	1 726	1 410							
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>125 981</b>	<b>77 967</b>							

TABLE 4.39: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HEALTH PROFESSIONS TRAINING GRANT PRG4

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>118 650</b>	<b>167 064</b>	<b>197 615</b>	<b>201 672</b>	<b>201 672</b>	<b>201 672</b>	<b>201 652</b>	<b>225 000</b>	<b>237 651</b>
Compensation of employees	103 859	96 442	121 863	151 833	151 833	151 833	153 413	169 474	178 795
Salaries and wages	94 372	88 667	107 104	130 076	130 076	130 076	130 416	145 189	153 174
Social contributions	9 487	7 775	14 759	21 757	21 757	21 757	22 997	24 285	25 621
Goods and services	14 791	70 622	75 752	49 839	49 839	49 839	48 239	55 526	58 856
Minor assets	71	2 412	511	3 567	3 567	3 567	2 658	3 974	4 212
Laboratory services	1 644	9 812	11 004	1 200	1 200	1 200	4 620	1 337	1 417
Agency and support / outsourced services	143								
Inventory: Food and food supplies	3								
Inventory: Materials and supplies	7								
Inventory: Medical supplies	3 314	32 967	41 276	42 118	42 118	42 118	26 373	46 923	49 738
Inventory: Medicine	9 338	25 431	22 961	1 516	1 516	1 516	13 608	1 689	1 790
Consumable supplies	42						400		
Consumable: Stationery, printing and office supplies	16			1 438	1 438	1 438	580	1 603	1 699
Travel and subsistence	79								
Training and development	10								
Operating payments	52								
Rental and hiring									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Transfers and subsidies</b>	<b>106</b>			<b>388</b>	<b>388</b>	<b>388</b>	<b>526</b>	<b>388</b>	<b>388</b>
Households	106			388	388	388	526	388	388
Social benefits	106			388	388	388	526	388	388
<b>Payments for capital assets</b>	<b>2 436</b>	<b>5 515</b>	<b>10 371</b>	<b>22 180</b>	<b>22 180</b>	<b>22 180</b>	<b>22 515</b>	<b>27 408</b>	<b>29 052</b>
Machinery and equipment	2 436	5 515	10 371	22 180	22 180	22 180	22 515	27 408	29 052
Other machinery and equipment	2 436	5 515	10 371	22 180	22 180	22 180	22 515	27 408	29 052
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>121 192</b>	<b>172 579</b>	<b>207 986</b>	<b>224 240</b>	<b>224 240</b>	<b>224 240</b>	<b>224 693</b>	<b>252 796</b>	<b>267 091</b>

TABLE 4.40: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HEALTH PROFESSIONS TRAINING GRANT PRG5

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>549 398</b>	<b>559 078</b>	<b>647 039</b>	<b>640 989</b>	<b>640 989</b>	<b>640 989</b>	<b>693 653</b>	<b>714 893</b>	<b>755 724</b>
Compensation of employees	428 764	224 022	298 999	369 480	369 480	369 480	425 507	412 410	435 093
Salaries and wages	386 140	188 112	252 133	293 052	293 052	293 052	344 723	327 102	345 093
Social contributions	42 624	35 910	46 866	76 428	76 428	76 428	80 784	85 308	90 000
Goods and services	120 634	335 056	348 040	271 509	271 509	271 509	268 146	302 483	320 631
Minor assets	707	5 367	2 231	16 182	16 182	16 182	20 756	18 028	19 110
Computer services				20	20	20		22	23
Consultants and professional services: Business and advisory services	3								
Laboratory services	32 689	39 043	29 387	16 156	16 156	16 156	18 216	17 999	19 079
Contractors	84								
Inventory: Materials and supplies		15	18						
Inventory: Medical supplies	57 817	225 423	232 428	216 548	216 548	216 548	216 526	241 252	255 727
Inventory: Medicine	29 272	65 118	83 907	10 359	10 359	10 359	5 000	11 541	12 233
Consumable supplies	25	90	60				50		
Consumable: Stationery, printing and office supplies				12 244	12 244	12 244	7 583	13 641	14 459
Travel and subsistence	19		9						
Operating payments	18								
<b>Transfers and subsidies</b>	<b>215</b>		<b>100</b>	<b>983</b>	<b>983</b>	<b>983</b>	<b>1 032</b>	<b>983</b>	<b>983</b>
Public corporations									
Households	215		100	983	983	983	1 032	983	983
Social benefits	215		100	983	983	983	1 032	983	983
<b>Payments for capital assets</b>	<b>14 328</b>	<b>19 981</b>	<b>10 084</b>	<b>53 220</b>	<b>53 220</b>	<b>53 220</b>	<b>53 381</b>	<b>58 568</b>	<b>59 940</b>
Machinery and equipment	14 328	19 981	10 084	53 220	53 220	53 220	53 381	58 568	59 940
Transport equipment		30							
Other machinery and equipment	14 328	19 951	10 084	53 220	53 220	53 220	53 381	58 568	59 940
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>563 941</b>	<b>579 059</b>	<b>657 223</b>	<b>695 192</b>	<b>695 192</b>	<b>695 192</b>	<b>748 066</b>	<b>774 444</b>	<b>816 647</b>

TABLE 4.41: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: NATIONAL HEALTH INSURANCE GRANT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>4 935</b>	<b>6 513</b>	<b>2 697</b>						
Compensation of employees	521	577	610						
Salaries and wages	481	529	561						
Social contributions	40	48	49						

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Goods and services	4 414	5 936	2 087						
Catering: Departmental activities	20	67	8						
Communication (G&S)	3 097	11	6						
Agency and support / outsourced services		155							
Inventory: Food and food supplies	123		8						
Inventory: Materials and supplies			50						
Inventory: Medical supplies		1 935	391						
Consumable supplies	88	1 636	561						
Training and development	901	2 127	1 036						
<b>Payments for capital assets</b>	<b>725</b>	<b>526</b>	<b>4 846</b>						
Machinery and equipment	725	526	4 846						
Transport equipment			2 204						
Other machinery and equipment	725	526	2 642						
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>5 660</b>	<b>7 039</b>	<b>7 543</b>						

TABLE 4.42: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: NATIONAL TERTIARY SERVICES GRANT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>3 337 462</b>	<b>3 344 793</b>	<b>3 487 531</b>	<b>3 383 584</b>	<b>3 383 584</b>	<b>3 383 584</b>	<b>3 491 625</b>	<b>3 773 736</b>	<b>4 135 907</b>
Compensation of employees	2 175 044	2 250 398	2 314 860	1 966 506	1 966 506	1 966 506	2 089 538	2 194 998	2 372 422
Salaries and wages	1 883 177	2 109 053	1 670 473	1 619 119	1 619 119	1 619 119	1 722 350	1 807 248	1 963 345
Social contributions	291 867	141 345	644 387	347 387	347 387	347 387	367 188	387 751	409 077
Goods and services	1 162 418	1 094 395	1 172 671	1 417 078	1 417 078	1 417 078	1 402 087	1 578 738	1 763 485
Minor assets	4 785	4 567	1 711	20 781	20 781	20 781	16 916	23 151	24 424
Laboratory services	207 358	184 913	206 731	298 102	298 102	298 102	301 748	332 110	375 376
Contractors	64 483	62 671	73 695	129 378	129 378	129 378	121 310	144 137	152 064
Agency and support / outsourced services	5	6 157	1 000	11 000	11 000	11 000	11 000	12 255	12 929
Inventory: Fuel, oil and gas	17	490	114	1 200	1 200	1 200		1 337	1 410
Inventory: Medical supplies	549 391	527 328	644 336	696 214	696 214	696 214	709 123	775 638	866 216
Inventory: Medicine	308 309	290 189	237 725	255 247	255 247	255 247	225 167	284 366	325 006
Consumable supplies	27 136	12 815	2 838	4 236	4 236	4 236	5 123	4 719	4 979
Operating leases	64	2 824	4 430	920	920	920	11 700	1 025	1 081
<b>Transfers and subsidies</b>	<b>16 056</b>	<b>17 682</b>	<b>14 407</b>	<b>176 343</b>	<b>176 343</b>	<b>176 343</b>	<b>228 529</b>	<b>332 143</b>	<b>316 500</b>
Provincial Revenue Funds									
Non-profit institutions				150 000	150 000	150 000	200 000	300 000	
Households	16 056	17 682	14 407	26 343	26 343	26 343	28 529	32 143	316 500
Social benefits	16 056	17 682	14 407	26 343	26 343	26 343	28 529	32 143	316 500
<b>Payments for capital assets</b>	<b>140 335</b>	<b>208 023</b>	<b>224 686</b>	<b>550 557</b>	<b>550 557</b>	<b>550 557</b>	<b>670 038</b>	<b>618 964</b>	<b>589 000</b>
Machinery and equipment	140 335	208 023	224 686	550 557	550 557	550 557	670 038	618 964	589 000
Other machinery and equipment	140 335	208 023	224 686	550 557	550 557	550 557	670 038	618 964	589 000
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>3 493 853</b>	<b>3 570 498</b>	<b>3 726 624</b>	<b>4 110 484</b>	<b>4 110 484</b>	<b>4 110 484</b>	<b>4 390 192</b>	<b>4 724 843</b>	<b>5 041 407</b>

TABLE 4.43: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: SOCIAL SECTOR EPWP INCENTIVE GRANT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>12 866</b>	<b>8 626</b>	<b>4 169</b>	<b>2 663</b>	<b>2 663</b>	<b>2 663</b>	<b>2 324</b>		
Goods and services	12 866	8 626	4 169	2 663	2 663	2 663	2 324		

Consultants and professional services: Business and advisory services	3						
Contractors	12 863	8 186	4 169	2 663	2 663	2 663	2 324
Inventory: Clothing material and accessories		440					
<b>Payments for financial assets</b>							
<b>Total economic classification</b>	<b>12 866</b>	<b>8 626</b>	<b>4 169</b>	<b>2 663</b>	<b>2 663</b>	<b>2 663</b>	<b>2 324</b>

TABLE 4.44: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HUMAN PAPILLOMAVIRUS VACCINE GRANT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>							<b>27 298</b>	<b>28 826</b>	<b>30 411</b>
Goods and services							21 826	23 048	24 315
Inventory: Medicine							15 997	16 892	498
<b>Payments for financial assets</b>									
<b>Total economic classification</b>							<b>27 312</b>	<b>28 841</b>	<b>30 427</b>

TABLE 4.45: TRANSFERS TO LOCAL GOVERNMENT BY CATEGORY AND MUNICIPALITY: HEALTH

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Category A</b>	<b>596 186</b>	<b>627 778</b>	<b>660 736</b>	<b>693 890</b>	<b>723 890</b>	<b>723 890</b>	<b>767 186</b>	<b>810 220</b>	<b>857 358</b>
Ekurhuleni	259 011	272 736	287 406	301 325	301 325	301 325	328 985	348 066	367 396
City of Johannesburg	229 602	241 769	253 506	267 311	267 311	267 311	272 638	288 451	304 177
City of Tshwane	107 573	113 273	119 824	125 254	155 254	155 254	165 563	173 703	185 785
<b>Category B</b>									
Emfuleni									
Midvaal									
Lesedi									
Mogale City									
Merafong City									
Rand West City									
<b>Category C</b>	<b>75 856</b>	<b>29 673</b>	<b>14 590</b>	<b>15 214</b>	<b>15 214</b>	<b>15 214</b>	<b>16 084</b>	<b>17 017</b>	<b>18 004</b>
Sedibeng District Municipality	31 691	7 120	7 416	7 790	7 790	7 790	8 288	8 769	9 277
West Rand District Municipality	44 165	22 553	7 174	7 424	7 424	7 424	7 796	8 248	8 727
<b>Total transfers to municipalities</b>	<b>672 042</b>	<b>657 451</b>	<b>675 326</b>	<b>709 104</b>	<b>739 104</b>	<b>739 104</b>	<b>783 270</b>	<b>827 237</b>	<b>875 362</b>



# VOTE 5

## DEPARTMENT OF EDUCATION

To be appropriated by vote in 2018/19	R 45 220 540 000
Responsible Executing Authority	MEC for Education
Administering Department	Department of Education
Accounting Officer	Head of Department

### 1. OVERVIEW

#### Vision

Every learner feels valued and inspired in our innovative education system.

#### Mission

We are committed to providing functional and modern schools that enable quality teaching and learning to protect and promote the right of every learner to quality, equitable and relevant education.

#### Strategic goals

The Department has identified four strategic goals to achieve the imperatives of the strategic plan. The key Provincial goals that GDE plans to address are aligned to 10 pillars:

##### Goal 1: To deliver quality education in a conducive learning environment

- Pillar 1: Curriculum and Assessment Development
- Pillar 2: Teacher Provision and Support
- Pillar 3: Leadership and Management

##### Goal 2: Provide an administration service that supports modern and innovative schools

- Pillar 4: Infrastructure development and maintenance
- Pillar 5: Planning, financing and resourcing
- Pillar 6: ICT in Education

##### Goal 3: Transform public schooling by addressing barriers to access, equity and redress

- Pillar 7: Social Cohesion
- Pillar 8: School functionality including community involvement

##### Goal 4: Increase access to quality pre-post school educational opportunities

- Pillar 9: Skills Development
- Pillar 10: Access to quality Early Childhood Development (ECD)

To achieve these goals, the Department will continue to work closely with other Provincial Departments such as the Gauteng Department of Social Development, Department of Health, Department of Infrastructure Development, Department of Sport, Arts, Culture and Recreation and the Department of Economic Development. This partnership will also include those private sector organisations that share these goals and would like to come on board and invest their resources to ensure that the goal of quality education is achieved.

#### Re-Organisation of Schools (ROS)

The Department will continue to implement the ROS strategy as the vehicle to transform the education landscape and as an instrument to implement the Department's strategic plan. The strategy is implemented through the Whole School Improvement (WSI) and Curriculum Management Framework, School of Specialisation and the Twinning of Schools programme as a roadmap for turning around underperformance and ensuring that all schools function at the level of great schools and improve learner performance at grade levels (Grade 1-12).

#### Core functions and responsibilities

The Department will continue to work to ensure that people of all ages and backgrounds have the education, skills and opportunities to pursue activities that promote their well-being and build strong communities. GDE is primarily responsible for the delivery and regulation of pre-tertiary public and private schooling and is a delivery agent for skills development in the province. The Department's plans and service delivery areas are aligned with national and Provincial imperatives with a special focus on curriculum delivery, teaching and learning support material, infrastructure, and Information Communication and Technology (ICT) and teacher placements.

### **Main services**

The Department provides the following educational programmes:

- Public ordinary schooling: This involves the provision of public ordinary schooling to all learners in Gauteng (primary and secondary schools).
- Independent schooling: This involves providing subsidies to qualifying independent schools and monitoring the conditions that are pre-requisites for continued funding.
- Special schools education: This involves providing schooling to all learners with special education needs from Grade 1 to Grade 12, and non-formal education programmes.
- Early Childhood Development: This programme focuses on providing Grade R in state, private and community centres. The programme also provides support for pre-Grade R learners.
- Skills Development: This entails the improvement of skills in the Province.

### **Underpinning the provision of the services above are the following education services:**

- Improving Teaching: curriculum development, implementation of support systems to teachers, learners and management, and assessment of learning. This includes specialist support to learners by therapists and educational psychologists.
- Improving Curriculum and School Management: institutional development and support to schools through school development planning, subsidies, monitoring of institutional performance and monitoring and developing school governance.
- Human Capital Development: provision of in-service programmes, management development and pre-service bursaries.
- Provision of Resources: resource management and provision including the procurement of goods and services for schools that are not self-managing, and provision of learner and teacher support materials (LTSM), administrative equipment and labour-saving devices.
- National Senior Certificate examinations for Grade 12 and standardised testing for Grades 3, 6 and 9: setting-up standards and benchmarking a form of a school evaluation service established to measure and report on institutional and learner performance per school.
- Parental Support: providing necessary support to parents so that they can support and monitor their childrens' education through partnering with school governing bodies and schools.
- Provide an administrative service that supports modern and innovative schools; transform public schooling by addressing barriers to access, equity and redress and increase access to quality pre- and post-school educational opportunities.
- Provide direct support to schools with a view to improve learner performance and regulatory compliance through whole school evaluation that will be used to measure school functionality.
- School infrastructure will be expanded and modernised, including the roll-out of e-learning, the development of smart classrooms and the creation of "schools of the future".
- Construct new schools, laboratories and add more school libraries to enhance the public-school environment further.
- The introduction of school of Specialisation to address the critical skills shortages in South Africa by nurturing the system's most talented learners in specialised learning spaces.
- Implement the Gauteng Master Skills Plan II that articulates the Provincial skills priorities and provides a roadmap for how we are set to achieve the ambitious vision set out in the plan.

### **Ten Pillar Programme of Transformation, Modernisation and Re-Industrialisation**

The Department will continue to implement programmes that support the Gauteng Provincial Government's strategy of Transformation Modernisation and Reindustrialisation (TMR). The Department's programmes emphasise radical socio-economic transformation that will transform Gauteng into "a seamlessly integrated, socially cohesive, economically inclusive City Region; a leading economy on the African continent underpinned by smart, innovation-driven, knowledge-based and sustainable industries; an accountable, responsive, transparent and clean government and an active citizenry".

#### **Pillar 1: Radical economic transformation promotes youth employment.**

The Province through the Gauteng City Region Academy will focus on skills development specifically to promote youth employment. As part of the Master Skills Plan II, the Gauteng Department of Education together with the Gauteng Department of Economic Development will introduce a range of skills development programmes and training opportunities, internships and learnership programmes that will give the youth in the Province the edge when entering the job market.

**Pillar 3: Accelerated social transformation using quality education as a lever to accelerate social transformation.**

The modernisation of classroom practice is critical to achieving quality education in the classroom. The Department is focusing on bringing education into the 21<sup>st</sup> Century by working together with the Department of Social Development, Department of Health, Department of Infrastructure Development, Department of Sport, Arts and Culture and Recreation and Department of Economic Development to deliver quality education in the Province.

**Pillar 4: Transformation of the state and governance to achieve the GCR capacity and skills development programme.**

Transformation of the state and governance will be facilitated through the Gauteng City Region capacity and skills development programme. The Gauteng City Region Academy will focus on skills development of public servants to lead the transformation of services and interventions. The focus will be on integrating the training of Provincial and local government officials and supporting the creation of a seamless public service to support and realise the broader GCR vision.

**Pillar 5: Modernisation of the public service**

Modernisation of the public service will align fully with modernising the delivery of public education. We will harness the power of ICT in schools and the education system. All teachers and learners will have progressive access to broadband, smart learning and teaching tools. This is consistent with the vision of the Province to build a smart, knowledge-based innovation-driven Gauteng economy.

**Acts, rules and regulations**

- National Policy on Screening, Identification, Assessment and Support (SIAS) (December 2014);
- Regulations Relating to Minimum Uniform Norms and Standards for Public School Infrastructure, 2013 (Government Notice R920 in Government Gazette No. 37081);
- The National Curriculum Statement Grades R-12 (Government Notice No. 722 in Government Gazette No.34600 of 2011);
- Government Immoveable Asset Management Act, 2007 (Act No. 19 of 2007);
- White National Education Information Policy, 2004 (GN 26766 of 7 September 2004); Paper on e-Education, 2004 (GN26734 of 26 August 2004);
- Public African Council of Educators Act, 2001 (Act 31 of 2001), as amended;
- Promotion of Administrative Justice Act, 2000 (Act No.3 of 2000);
- Promotion of Access to Information Act, 2000 (Act No.2 of 2000);
- Finance Management Act, 1999 (Act No.1 of 1999), as amended;
- Skills Development Act, 1998 (Act No. 97 of 1998), as amended;
- Gauteng Education Policy Act, 1998 (Act No. 12 of 1998), as amended;
- Employment of Educators Act, 1996 (Act 76 of 1998), as amended;
- Batho Pele - "People First": White Paper on Transforming Public Service Delivery (September, 1997);
- South Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), as amended;
- National Education Policy Act, 1996 (Act 27 of 1996), as amended;
- South African Schools Act, 1996 (Act 84 of 1996), as amended;
- White Paper on Education and Training (March 1995);
- Gauteng Schools Education Act, 1995 (Act No.6 of 1995), as amended;
- Public Service Act, 1994 (Proclamation 103, Published in GG15791 of 3 June 1994);
- Occupational Health and Safety Act, 1993 (Act 85 of 1993); and
- Interim Policy for Early Childhood Development (undated).

**2. REVIEW OF THE CURRENT FINANCIAL YEAR (2017/18)**

In terms of the specific deliverables of the department, the following has been achieved:

**Goal 1: Deliver quality education in a conducive learning environment****Pillar 1: Curriculum and assessment development****Mainstreaming of the Primary Schools Language and Mathematics Interventions – Literacy and Numeracy (LITNUM) Strategy**

The Gauteng Primary Schools Language and Mathematics Intervention continues to provide additional support, creating a sound knowledge foundation for learners at an early stage of their cognitive development. In the year under review the Department focused on improving assessment by strengthening the key practices that were designed to support, enhance and improve curriculum coverage. English and Afrikaans booklets for the intermediate phase were compiled to address the content topics that educators in the phase found challenging to teach.

Dictionaries and anthology resources have been procured, distributed and mediated to schools and a literature resource guideline was developed to assist teachers in managing the introduction of the Curriculum Assessment Policy Statement

(CAPS). Grades 7-9 educators continued to implement the CAPS curriculum, following the prescribed CAPS programme and ensured the quality of assessment processes. The guidelines on how to measure curriculum coverage in the Annual Teaching Plans (ATPs) regarding the cumulative percentage per subject were finalised covering of the entire annual curriculum. The Mental Mathematics Challenge was conducted in public ordinary schools to improve learner performance and instil the love for Mathematics amongst Grades 1-3 learners.

#### **Mathematics intervention**

The implementation of the Mathematics Strategy was monitored and schools were supported during school visits. The focus was to support the Curriculum and Assessment Policy Statement (CAPS) implementation. All the SSIP schools have been identified and given resources to implement the strategy.

To improve the performance of Grade 8 and 9 learners in Mathematics, the Department increased its support to schools to improve the implementation of the strategy by conducting Mathematics, Science and Technology (MST) workshops. Teachers were trained on probability and transformation topics that were identified as a challenge to most learners. In support of the strategy, the Province together with the school management teams (SMTs) developed a tool to be used in support of teachers in the implementation of the curriculum.

#### **Incremental Introduction of African languages (IIAL)**

The Department continued to support the IIAL programme at both first additional language (FAL) and second additional language (SAL) levels. The aim is to promote the Language in Education Policy (LiEP) which, among others, is to achieve language equity and to redress inequalities experienced in teaching using previously disadvantaged African languages. A total of 198 schools are currently participating in the IIAL pilot programme and the programme started with 12 piloting schools.

A total of 279 appointed teachers in support of the Incremental Introduction of African languages (IIAL) programme were trained and teaching resources were also disseminated to these teachers. The Grade 1 top-up resources were distributed to all districts. Lesson plans in the following languages: IsiZulu, IsiXhosa, Sesotho, Sepedi, and Setswana were disseminated and distributed to all the piloting schools. Grade 2 charts and posters were also distributed to schools.

#### **The Secondary School Improvement Programme (SIPP)**

In the year under review, the Department coordinated three types of SSIP interventions in the form of weekday afternoon sessions (walk-in camps), weekend sessions (walk-in camps) and holiday sessions (residential camps).

The study camps (residential and walk-in camps) for Further Education and Training (FET) priority subjects, were conducted for 'high flyers' and moderate/under performers. The total number of learners for both residential and walk-in camps was 72 046 learners, the number was made up of 59 996 learners in 148 sites for walk-in camps and 12 050 learners for residential camps. Districts also implemented and coordinated the District Implementation Strategies (DIS) whereby 7 230 learners at risk participated in 127 sites. The Grade 11 Maths and science girl-learner development camp was conducted and monitored for 320 selected learners from 103 Maths Science and Technology (MST) schools. The pre- and post-tests were conducted and the results showed great improvements.

#### **Standardised testing**

While the Annual National Assessment (ANA) tests were not written in 2016 and 2017, an initiative has been proposed by the Department to improve learner test scores for the School Based Assessment (SBA) for Language and Mathematics. The standardised tests in Grade 3, 6 and 9 will be administered once approved. The Department developed exemplar assessment tasks for teachers to improve the learner test scores for SBAs in Grade 3, 6 and 9.

Teachers have been capacitated in the setting of their tasks and sourcing references. The selection and submission of tasks from subject advisors to the Provincial coordinator are completed. Provincial officials - assisted by the Provincial Coordinator for English and Afrikaans helped the Department of Basic Education (DBE) in the setting of assessment tasks. Editing and quality assurance of those tasks were conducted with the officials from the Department of Basic Education. Senior Phase Subject Advisors submitted their exemplar SBA tasks for designing standardised formal tasks.

#### **2017 National Senior Certificate (NSC) Examination**

The Grade 12 learners of 2017 represent the 10<sup>th</sup> cohort of learners who benefited from the National Curriculum Statements. These are the same learners, who were part of the plan that saw the NCS for Grade R to 9 and Grade 10 to 12 being combined into a single document known as NCS for Grade R to 12 in 2014. A total of 97 284 learners sat for the NSC examination in 2017; of these, 82 826 learners passed the examination. The Department has maintained the pass rate of 85.1% for the 2017 National Senior Certificate examination.

The Department managed to maintain good learner performance through various intervention programmes such as the Secondary School Improvement Programme, the School Nutrition Programme, the provision of scholar transport and the modernisation of the classroom infrastructure.

### **Establishing schools of specialisation to strengthen our skills base**

The Department is currently in discussion with the Paramount Aviation Academy to donate a decommissioned aeroplane to be displayed at the Rhodesfield Technical High School as part of identifying the school as a school of specialisation with aviation focus. Eighteen schools of specialisation are in the process of being gazetted across five disciplines responding to the economic development corridors and six existing schools of focused learning are in the process of being transitioned into school of specialisation.

### **Pillar 2: Teacher development and support**

The Department introduced a new teacher development strategy aimed at promoting qualitative improvements in Mathematics, Science and Technology, Literacy, School Safety, Inclusion and Grade R. The strategy assumes a demand-driven, decentralised training approach in which educators are primarily responsible for their own professional development. This envisioned development is the first-level response and takes place at schools with the support of Heads of Department, mentors, and coaches and within the over-arching support of the Professional Learning Communities (PLCs). At the second level of response, all those developmental needs that could not be addressed at school level are taken care of at District Teacher Development Centres, supported by subject facilitators and PLCs.

Trainings were conducted in ICT integration classrooms. School-Based ICT committees were trained on professional development through an online method and change management training was conducted for SMT members, school ICT Coordinators and School Governing Bodies.

Departmental officials attended a workshop on Severe Intellectual Disabilities (SID) hosted by the DBE. The focus was to share the developed CAPS-aligned curriculum with all relevant units. A total of 33 teachers who were granted bursaries in 2016 for upskilling and re-skilling completed their studies in 2017. A total of 213 teachers were registered with various Higher Education Institutions (HEIs) for the 2017/18 academic year for upskilling and re-skilling programmes. A total of 1 154 teachers were identified for upskilling and reskilling for the academic year 2018/19 and are in the process of registering with HEIs. A total of 230 SMT members were selected for a short programme on Leadership for Women, and the training commenced in January 2018.

### **Pillar 3: Leadership and management**

#### **Review and implementation of the new departmental structure**

The Department finalised the re-design of its new structure, with five virtual districts aligned to the five economic corridors in the Province. Through the implementation of the new structure, the Department improved accountability to support the quality of teaching and learning and ultimately learner performance. The Department continued to support and provide leadership to schools to improve functionality and efficiency. The new District Model offers direct support to school management. Head Office provided onsite training to capacitate the SMT in support of the implementation of the Department's structure.

The Department has implemented the re-aligned structure to ensure that it improves service delivery in the system especially in the classroom. The operational model of the district was clarified with officials to ensure quality service to the clients, as well as line functions.

#### **School Management Team (SMT) support and training**

The Department capacitated SMTs, to contribute towards achieving the Department's goal of realising schools of the future. Change Management training was conducted for school SMTs members, school ICT coordinators and SGB members. In the implementation of the curriculum monitoring, tools were developed for SMTs to monitor and support teachers. Onsite monitoring and support visits were conducted for teachers per subject and SMTs on the curriculum management to ensure observance of timetabling, planning, curriculum coverage, time on task, increased volume of work, marking and control. Schools were monitored to support teachers and SMTs in curriculum management.

#### **Public servant capacity programmes**

To improve core and generic management competencies and government performance in the Province, a total of 1 037 staff members were trained through the Compulsory Induction Programme. A total of 812 curriculum development facilitators were trained. 80 employees were registered for the Certificate in Public Administration and 160 employees were registered in Business Administration Learnership. A total of 44 employees completed the Public Administration Learnership course.

### **Goal 2: Provide an administrative service that supports modern and innovative schools**

#### **Pillar 4: Infrastructure development and maintenance**

A total of 2 079 schools in the Province have access to water supply with minimum norms and standards as stipulated in the regulations. Alternative provision of services was made available while awaiting municipal intervention in some areas. In improving school infrastructure to achieve the ultimate vision of a 'paperless' classroom, a total of 2 157 LED Boards and Micro servers were installed in Grade 11 classrooms in no-fee secondary schools. All new schools were provided with ICT compliant classrooms. In ensuring that the physical infrastructure of special schools is fully adapted and upgraded with the



relevant ICT equipment, the Gauteng Auditing Services visited identified special schools with a specific focus on infrastructural provisioning. The infrastructural needs reported by schools were forwarded to the Department's capital works/infrastructure.

A total of 60 classrooms and 12 specialist rooms were built in the two new schools and 266 alternate construction technology (ACT) classrooms were provided in existing schools. Seven new schools are under construction. A total of 2 224 smart classrooms were refurbished and 1 559 Grade 11 classrooms were provided with the necessary infrastructure to achieve the e-learning compliance. All new schools were provided with ICT-compliant classrooms. The Department has prioritised schools' sanitation to ensure that all schools have functional toilets, access to running water and electricity as basic needs.

The Department has implemented its prototype drawings for schools' administration buildings that include facilities like sickrooms, photocopying and rooms for school nutrition that are in line with the regulations on the Minimum Norms and Standards for Infrastructure. The Department conducted a cost analysis to determine the cost of providing the facilities to ensure that all schools are provided with administration buildings, which are up to standard and in line with regulations.

### **Pillar 5: Planning, financing and resourcing**

The Department has introduced reforms to create greater accountability and more focused planning and delivery. The formats of strategic plans linked to Departmental budgets, performance agreements, in-year and post-year reports which are consolidated and include meaningful financial and non-financial performance information.

### **Pillar 6: ICT in education**

The ICT devices (LED Boards and i7 Micro servers) were delivered and installed in 57 classrooms. This brings the total installations to 2 157 Grade 11 classrooms in the no-fee secondary schools and these devices have been pre-loaded with e-Content (e-Books and Multimedia). One full ICT school has been launched and provided with 3 LED Boards, 13 teacher laptops, and 158 tablet devices with e-Content. A total of 36 full ICT schools and 373 no-fee secondary schools have been visited to ensure that e-Content is loaded in all devices deployed to schools.

The process of developing e-Content Images to be utilised in the "schools of the future" for the 2018 academic year was finalised. The updated e-Content images will cater for new e-Content requirements by individual schools in the renewal of the e-Books Licenses, refresh the LED Board for 2018 readiness, remove viruses, and upgrade the smart-note software programme from version 16.1 to version 17.1.

The Department continued with the grade 11 ICT roll-out of the paperless classrooms in 68 fee-paying secondary schools. A total of 163 of 654 classrooms have been completed with renovations and 163 LED Smart Boards. A total of 163 i7 Micro servers have been installed. The monitoring team has visited the schools that have recently received installations of LED smartboards to monitor and support them on the utilisation of this technology. As part of Change Management, these schools have been trained on the usage of the provided ICT tools (LED Smart boards with e-Content) through Mathew Goniwe School of Leadership and Governance (MGSLG). Schools have started to utilise the provided ICT tools, including the pre-loaded e-Content.

### **Goal 3: Transform public schooling by addressing barriers to access, equity and redress**

#### **Pillar 7: Social cohesion**

**School nutrition:** Through the National School Nutrition Programme (NSNP), 1 433 117 learners have been provided with nutritious food.

**No-fee schools:** A total of 1 315 283 learners benefited from the implementation of the no-fee policy, in terms of which learners are not required to pay any school fees.

**Scholar transport:** The Department provided scholar transport to 110 515 learners which exceeds the target of 101 844 learners.

**Implementation of Extra School Support Programme:** Owing to the reprioritisation of the budget, homework and sports assistants were not provided in the period under review.

**School safety programme:** The safety of all learners, teachers and support staff on school premises remain one of the Department's key priorities. The Department employed 5 334 patrollers to assist in creating a safe and secure school environment in priority schools.

**School sport:** Schools that have registered for the school sports league in the Province engage in regular school sports programmes, commencing at a school level to cluster and district levels of competition through the Wednesday sports programme. The sporting codes with the highest numbers, which all learners participate in, are athletics and the winter codes are football and netball. Most districts have committees to ensure that effective league programmes are in place and encouraged sustainable participation by schools. The summer games consisted of kgati, morabaraba, basketball, table tennis, gymnastics, cricket, softball and rugby 7's sporting codes.

As part of the Winter Games, Learners with Special Education Need (LSEN) schools participated in various sporting codes at the National Winter Games 2017. The LSEN sector is included in all programmes on offer by the Department. This includes regional and Provincial events across all sectors of disability. LSEN learners also formed an integral part of the team Gauteng representation at a national level.

The inaugural OR Tambo Soncini Games took place during the period under review and the event geared towards commemorating the 100th anniversary of OR Tambo. Learners participated in various sporting codes and the final team has been selected to participate in the Tri-Colour games in Italy in 2018.

**Special Needs Education:** In ensuring that inclusive education responds to new teaching methods, changing perspectives and emphasis on new concepts, the inclusion focus week was held for educators, therapists, psychologists, counsellors and district officials to capacitate schools and districts in utilising new techniques to increase support provisioning at schools. The emphasis was placed on building an inclusive classroom, curriculum differentiation, multi-level teaching, managing an inclusive school, a neuro-developmental approach to learner assessment and support.

The Department focused on increasing access to special schools to ensure that all required services and equipment are available to learners experiencing barriers to learning and development. The District-Based Support Team's (DBST) tracking grid was developed for districts to report monthly on the processes put in place in districts to increase access to schooling for learners with barriers to learning. Support was provided to ordinary public schools to be converted into full-service schools. Districts implemented support programmes in full-service schools to ensure the implementation of the Screening, Identification, Assessment and Support (SIAS) policy.

Special Schools Resource Centres are the point within the district from which services will be made available to full-service schools as outlined in the SIAS Policy. Various meetings were held with DBST to provide guidance to districts on the optimal implementation of the outreach programmes by special schools serving as Resource Centres. The Department has procured therapeutic support material for Therapists, Counsellors and Psychologists. Resource materials procured were delivered to all relevant schools.

Learners who require the use of assistive devices were provided with those devices to ensure that they reach their maximum learning potential. The implementation of schools' approved business plans for assistive devices was monitored to ensure compliance and provide support where challenges were experienced.

#### **Pillar 8: School functionality including community involvement**

**Parental support:** In mobilising civil society and strengthening parental support on Departmental inputs and outcomes of a quality education system, a parents safety talk session was held where resource booklet with community-based organisation details were distributed to all parents and community members were present in various meetings.

The Departmental officials were involved in empowering parents with parenting skills in collaboration with the Gauteng Department of Social Development (DoSD), South African National Council on Alcoholism (SANCA), Gauteng Department of Health (DoH) and Legal Aid Board in Alexandra.

**School Governing Body:** Training sessions for School Governing Bodies (SGBs) across the Province were conducted. The focus was on hand-over processes, roles and functions of SGBs and SMTs on Basic Financial Management, Code of Conduct of SGBs and procedures on conducting SGB meetings.

#### **Goal 4: Increase access to quality pre- and post-schooling educational opportunities.**

##### **Reorganisation of Schools (ROS)**

The Reorganisation of Schools team together with the Further Education and Training (FET) officials conducted monitoring and support visits to schools of specialisation, i.e. Curtis Nkondo, Mandisa Shiceka and Magaliesburg. Curriculum offering was supported during the visits.

##### **The Twinning Programme:**

Through the ROS Twinning Programme, the Department completed the twinning of four pairs of schools and all four launched, i.e. Bovet Primary and Lyndhurst Primary; Cultura High and Zithobeni Secondary; Alexandra Secondary and Sandown High; Reiger Park Secondary and Sunward Park. The discussions with 3 new pairs are in progress. The twinning allowed the optimum and effective use of resources. Twinned schools were encouraged to share resources.

#### **Pillar 9: Skills development**

**Career guidance:** A total of 22 900 Grade 8 and 9 learners had access to career guidance and counselling through lay career counsellors.

**Bursary programme:** The Province continues to provide access to education by awarding 2 666 bursaries to learners in no-fee schools.



**Career-pathing:** A total of 966 learners were placed, and supported by organisations in the industry, in artisanal programmes. These organisations strategically focus on expanding career and employment opportunities for such learners. The Department also placed 1 130 learners in auxiliary and technical leadership skills programmes. Through internship programmes 1 628 learners were placed to enhance the skills profile of the province. The Skills Development Programme offers vocational and technical skills in high schools. The continued roll-out of the learnership and internship programme coupled with the experiential learning programme also offers expanded opportunities for enhanced career development for Gauteng youth.

#### **Pillar 10: Access to quality early childhood development**

##### **Universalisation of Grade R**

A total of 244 applications of new Grade R sites have been received and processed from 153 Public Ordinary Schools (POS), 55 from Community-Based Centres (CBC) and 36 from Independent Schools (IS).

As part of strengthening the implementation of CAPS, the Department continued with curriculum support for subject specific content and methodologies to provide curriculum support for Grade R practitioners. The implementation of the national guidelines to standardise assessment in Grade R classes was strengthened through the compilation of a database for the workshop to train Grade R practitioners on assessment. This database was submitted to MGSLG to be used when planning purposes for workshops that will take place during 2018. The Annual Teaching Plans for 2018 were developed with the school-based assessment (SBA) being an integral part of daily teaching and learning. The School Readiness Assessment has been mediated and implemented at schools.

##### **Practitioner training**

The Department currently has a total of 1179 Grade R Practitioners enrolled for Grade R Diploma (NQF Level 6) who are in their final year. The monitoring and evaluation process for NQF L6 trainings was conducted. A total of 2 Grade R Curriculum officials attended the ECD Summit coordinated by the Office of the Premier in collaboration with the Department and the Gauteng Department of Social Development (GDSD). The purpose of the summit was to explore best practices on pedagogical approaches for improving the quality of ECD programmes in Gauteng with the learning from the Italy - Reggio Emilia approach.

##### **Early Identification Programme**

The screening for early identification of learning barriers have been conducted in all schools and Grade R learners with learning difficulties - such as dyslexia and psycho-motor disorders - were provided with simple assistive devices. A total of 75 131 Grade R learners have been tested. The inclusion booklet on guidelines for the support of learners with barriers to learning has been developed and it has been decided that this document should also be aligned with learning barriers, which may be identified through the screening tool.

##### **Grade R in Community-Based Centres (CBC)**

The Department focused on strengthening the implementation of the Grade R Strategy towards universal access by 2019, thus increasing the number of Grade R learners in Community-Based Centres. To date, a total of 17 666 learners have been admitted for Grade R in the community centres for 2017.

Grade R Curriculum officials attended the ECD Summit coordinated by the Office of the Premier in collaboration with the Department and the Gauteng Department of Social Development (GDSD). The purpose of the summit was to explore the best practices on pedagogical approaches for improving the quality of ECD programmes in Gauteng with the learning from the Italy - Reggio Emilia approach.

##### **Early Identification Programme**

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### **3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2018/19)**

The Gauteng Department of Education's current plans - as outlined in the National Development Plan - are designed to create a new system to meet the new educational and training needs of the information age. The new curriculum attempts to respond to the demands of an information economy where most jobs will entail knowledge work that will require learners to master skills such as communication, problem-solving, critical thinking, and teamwork.

In response to the above need, the Department's Reorganisation of Schools (ROS) programme seeks to operationalise the Department's 10 Pillar Strategy through five change levers; lever 1: Public schools, lever 2: Twinning, lever 3: Schools of specialisation, lever 4: Optimal utilisation of resources and lever 5: Head office and district support. These are designed to

turn around Gauteng schools and to create a cohesive schooling system. Of the five change levers that make up the ROS, Lever 1: Public schooling is at the heart of delivering quality education for all Gauteng learners. This lever will be the main driver of improved performance across the public schooling system in Gauteng through the realisation of sustainable high impact, high-performance learning, teaching and schooling.

### Education priorities to the end of term

As a Province, our core focus until the end of administrative term is to continue to intensify the transformation of basic education by consolidating our delivery in education and to ensure that we focus on getting the foundations of basic education right so that **“Every Gauteng learner should acquire the necessary skills and competencies to successfully transition to post-schooling opportunities.”** The Department aspires to achieve the key priorities through:

- Improving learner performance in Gr 3, 6 and 9;
- Improving pass rate and quality of matric results;
- Improving enabling conditions at schools through a focus on the functionality of schools;
- Eradicate non-compliant school buildings;
- Facilitate transition to post school opportunities;
- Ensure that the ICT programme is progressively expanded to all township secondary schools; and
- The Introduction of Schools of Specialisation to address the critical skills shortages in South Africa by nurturing the system’s most talented learners in specialised learning spaces.

### Goal 1: Deliver quality education in a conducive learning environment

#### Pillar 1: Curriculum and assessment development

Improve learner performance (Grade 3, 6 and 9)

*To improve learner test scores for School-Based Assessments for Language and Mathematics for Grade 3, 6 and 9 through:*

#### LITNUM Strategy – Grade 1-9 (Language and Numeracy Strategy)

The strategy intends to lock in gains made in language and mathematics through the implementation of key interventions namely Literacy and Numeracy in the foundation phase, which include the Read to Lead campaign, library services, the book flood campaign and the Grade 8 and 9 Mathematics strategy. Key focus areas of the strategy include monitoring and supporting the utilisation of Mathematics and Language lesson plans provided, supporting teachers to use resources such as wordlist, readers, posters and the introduction of Drop All and Read campaign.

#### Read to Lead campaign

The Read to Lead campaign is a four-year campaign to ensure that all learners can demonstrate age-appropriate levels of reading by 2019. The campaign will be implemented across all levels of the Gauteng Education system, Provincial, districts and schools. The Departmental officials, School Management Teams (SMT) and educators will form an integral part of the Read to Lead campaign. The Department will work with community-based ambassadors for reading; the Publishers Association of South Africa; celebrities/prominent members of communities and authors to read the stories to learners and to share the advantages of reading. The Department will also use social media to promote reading activities and a Read 2 Lead application will also be created. The concept document will be developed which will outline the envisaged activities across all levels of the system.

In enhancing the learner’s literacy skills, key curriculum programmes to be implemented include Drop All and Read, which will be expanded to all phases focusing on grade 1-3; the English Across Curriculum, which will target learners in grades 4-12, and the Early Grade Reading Assessment (EGRA) for foundation phase learners. Certificate in Primary English Teaching (CiPELT) and Senior English Teaching (CiSELT) study courses for educators will be implemented. Furthermore, the reading clubs (Nali’Bali) story-writing activities in the GET band and spelling bee competitions will be introduced to make the campaign a success.

#### Library services

In support of the Read to Lead campaign, the library services will be improved across all public ordinary schools in the Province. The activities that will occur within the ambit of library services are the DBE 1000 School Libraries campaign, which aims at mobilising resources, and support from various sectors of society to improve the educational experience for underprivileged children through the provision of 1000 libraries with thousands of books. Other activities include creative writing competitions and the South African Book Development and International School Library month. The literacy month will be celebrated across the Province.

#### The Book Flood campaign

The districts will roll out the Book Flood campaign whereby a central point will be established where officials and the community will donate children’s fiction books such as fairy tales and folktales. Provincial-based activities will include a Provincial spelling bee competition; digital library day for schools with access to digital libraries; digital reading day where learners will read on their tablets, and cell phones. Educators will use interactive smart boards and data projectors for reading

purposes and “reading for leisure”. The Department will also provide websites where schools will be able to gain access to the reading materials such as the Nali’bali website.

Curriculum officials and library officials will be reporting on these programmes and activities to the Provincial coordinators and officials monthly and will be guided on the specific outcomes relating to these reports to ensure quality and to strengthen these processes.

### **Mathematics Intervention**

The 2016 Grade 8 and 9 Mathematics strategy will strive to ‘strengthen the quality of education provided in the Public Schooling System’ as envisaged by ROS Change lever 1 and more importantly by the strategic direction of the Department. This will be achieved by improving quality of teaching, learning and improving learning materials as indicated in the National Development Plan (NDP).

The Department will continue with the roll-out of the Grade 8 and 9 Mathematics Strategy in 469 secondary schools across the Province.

### **Incremental introduction of African languages (IIAL)**

The Incremental Introduction of African Languages has been implemented in 252 schools to date. There are 517 schools targeted by the end of 2019. In support of the IIAL, the Project Management Team (PMT) has been established in the Province consisting of the officials from curriculum, teacher development, school management, human resources, and research and knowledge management directorates. The PMT will continue to collaborate with various stakeholders that have expertise and interest in reading in the coordination of the IIAL implementation.

In implementing the strategy, the Province will continue to engage and support schools and SGBs in choosing of languages to be implemented, providing Grade1 top-up materials and Grade 2 toolkits, the filling of posts and provision of versioned material. This will assist the Department to eliminate the challenges faced when implementing the IIAL.

### **Improve the pass rate and quality of matric results**

The Department will allocate resources to improve the matric pass rate as well as the quality of passes for the Province by implementing the following programmes:

Secondary School Improvement Plan: Grade 10 – 12:

- The Department is committed to improving the quality of curriculum delivery and learner performance, by providing additional support to Grade 12 learners across the Province through the SSIP. The Department will identify learners who are at risk, based on their academic performance. These learners will be provided with intensive support during the year.
- The SSIP model for 2018 academic year will focus on centralised Saturday and Holiday Programmes, matric walk-in and residential camps that will host moderate and high-risk learners. The second chance programme will include supplementary examinations for approximately 14 834 candidates and other learners who intend to improve their symbols in selected subjects. This programme will commence with examinations between early February and mid-March 2018 at selected sites. The SSIP will focus more on critical subjects, which include Maths and Maths Literacy; Physical Science; Life Science; Accounting; Geography and Economics.
- The SSIP methodology to be adopted in 2018 will focus on re-teaching where facilitators will focus on key high-risk skills content areas and examination techniques and use resources such as past year examination papers and other learning material to enhance skills and content knowledge. Assessments will be administered to measure skills and knowledge attained. Study skills techniques and their implementation will be taught to improve learner skills and content understanding, as well as motivational sessions to learners. The 2018 target groups include learners who have failed a subject in grade 11 and are performing below 30% in the first quarter of grade 12, learners achieving 30-50% in the first quarter, learners achieving above 50% to improve quality of performance and the learners in grade 10 and 11 learners.

Teacher training; the use of ICT schools; advocacy campaigns and stakeholder support play a vital role in informing and supporting the new 2018 SSIP model. The MST strategy also assists in improving the quality of teaching and learner performance. The MST strategy will support the Department to achieve the following set goals:

- Improving learner performance to ensure 90% of candidates pass the National Senior Certificate by 2019/20;
- Increasing the bachelor passes to 40% of learners writing the NSC examinations;
- Decreasing the % pass rate between no fee and fee-paying schools to 7%;
- Increase township schools pass rate to 85%;
- Increase the number of learners including female learners who pass Mathematics and Physical Science in the NSC examinations to 70% and 75% respectively; and
- Consistently improve learner performance to ensure 85% of female learners pass the NCS examination.

*Decentralised district and School Programme:*

Districts and /or schools will be responsible for implementing their own intervention programmes based on the Academic Performance Improvement Plan (APIP) and School Improvement Plan (SIP). The School Improvement Plan (SIP) will outline the responsibilities per intervention activity. Each school will be required to report on the intervention activities. The district will continue to give support where schools do not have the capacity or expertise to address the activity.

The emphasis by the SMT will focus on monitoring and supporting teachers weekly on curriculum coverage. The implementation of the curriculum management framework and whole school improvement will be intensified. A customised support programme that addresses the needs of districts and schools will be introduced.

#### *Standardised tests:*

To improve learner test scores for school-based assessments (SBA) for Language and Mathematics in grade 3, 6 and 9, standardised tests will be introduced to replace the Annual National Assessments. The shift to standardised tests will be based on a national decision; however, the policy on additional testing will need to be ratified.

The following targets have been earmarked for the 2018 academic year:

- 73% of learners to achieve 50% or more in Literacy and 75% of learners achieve 50% or more in Numeracy in Grade 3;
- 80% of learners to achieve 50% or more in Language and 56 % of learner achieve 50% or more in Mathematics in Grade 6; and
- 51% of learners to achieve 50% or more in Language and 23 % of learner achieve 50% or more in Mathematics in Grade 9.

#### **NSC examinations:**

The Department will continue to improve the administration of the National Senior Certificate (NSC) examinations by enhancing the online registration for candidates; the automation of certification functions such as online application for certificates and online processing of applications; item banking; digitalisation of question papers; electronic records management and online assessment.

#### **Pillar 2: Teacher development and support**

The teacher development and support initiative will form part of the Whole School Improvement Initiative (WSI). A Teacher Development Steering Committee has been established to provide strategic direction, management, oversight and coordination of all teacher development activities. In the coming year teacher training will focus on content, assessments, teaching and learning methodologies and institutionalisation of ICT and training and support to schools implementing ICT.

#### **Pillar 3: Leadership and management**

The district model has been redesigned and will be implemented to give a deepened and direct support to school management by introducing virtual districts. SMTs play a central role in achieving the Department's goal of realising the vision of schools of the future. The Department will have training teams from 300 schools that will manage e-learning at their respective schools. This will help to bring these selected schools closer to achieving the vision of schools of the future. The human resource and finance functions will be centralised in the new model and this will be enhanced using ICT in offices.

#### **Goal 2: Provide administrative service that supports modern and innovative schools**

#### **Pillar 4: Infrastructure development and maintenance**

##### **Improve conditions at schools by focusing on functionality of schools**

In Gauteng, new and replacement schools are a vital part of the Provincial schools build programme, as these address challenges related to overcrowding and learners' growth owing to the massive migration patterns into the Province. They also carry the biggest investment value in relation to the number of projects undertaken. The secondary purpose is to address replacement schools where there are schools that have been built out of inappropriate materials as well as mobiles that have become dysfunctional.

The Department's priorities for the 2018/19 financial year are to overcome the identified challenges in the delivery of infrastructure through the adoption of intervention strategies. The Department plans to replace 17 asbestos schools to be completed by 2019; 84 mobile schools to be replaced, provide water, electricity and sanitation to all schools and completion of ten new ACT schools that were to enter the construction stage during the current financial year and were delayed due to budgetary constraints.

#### **Pillar 5: Planning, financing and resourcing**

This pillar is structured around three focal areas: strategic and operational planning, financial management and human resource management.

**Strategic and operational planning**

The Department will facilitate macro-education planning to ensure alignment between statutory mandates, plans, budgets and resource utilisation.

**Financial management**

The mandate of the financial branch is to facilitate the prudent spending of state finances by ensuring that expenditure is according to spending plans and cash flow requirements. The Department will endeavour to improve on procurement practices and ensure payment within 30 days from presenting of invoices.

**Human Resource Management (HRM)**

The key directive of HRM for the 2018/19 financial year is to strive for a clean audit by ensuring that all transactions are, standardised, quality assured and concluded within the prescribed 30-day timeframe. The key to managing human resource matters and ensuring effective and efficient operation includes managing HR records and transactions and promoting transformation and good governance.

**Pillar 6: ICT in Education****Ensure e-learning capabilities is available in GPG classrooms**

*Ensure roll-out of broadband infrastructure to schools in the Province, including converting classrooms to smart classrooms and the distribution of devices*

The Department is modernising and improving public education. The e-learning strategy that was approved in 2015 is aligned to the strategic vision of key strategic documents such as the NDP, DBE's ICT strategy; GPG's strategic pillars (TMR); Department's strategic objectives, Gauteng City Region (GCR) and Deliverology targets.

The Department will continue to implement ICT to create a Tech-enabled teaching and learning environment to improve education outcomes with a focus on learner performance and attainment. The use of technology will enhance teaching quality by giving both teachers and learners access to extensive learning material, using smart boards, tablet devices and smart software in the classroom. The Department will ensure the roll-out of broadband infrastructure to schools in Gauteng. A total of 3 300 classrooms in 377 no fee-paying schools between grade 11 and 12 will be equipped with e learning infrastructure over the 2018 MTEF. A total of approximately 230 000 e-Learning devices will be distributed to learners by 2019. This will result in an increase of usage rates of e-learning content in no fee schools by 80% in 2019.

The project will be extended to grades 9 and 10 fee and no-fee township schools in 2018/19. The targeted schools will be provided with laptops and e-boards. The full ICT schools have been included to benefit on the project and come with resources such as laptops, e-boards and tablets for the respective financial years.

To achieve the ultimate vision of a "paperless" classroom, the Department will further develop teachers and learners in schools. Teacher training, improvements in school infrastructure and the distribution of educational devices are key to achieving this vision. Furthermore, the Department will provide connectivity on wide area network (WAN), local area network (LAN) and access point name (APN) as well as to provide static and non-static content including eBooks and multimedia content. An intensive SMT training programme will be developed to orientate and train teachers/managers on the integrated use of technology to improve curriculum delivery in the classroom. To protect the educational IT devices distributed to schools, measures such as physical and electronic security as well as tracking, recovery and mobile device management (MDM) will be implemented.

**Goal 3: Transform public schooling by addressing barriers to access, equity and redress****Pillar 7: Social cohesion****Improving school nutrition**

The Department contributes to the Provincial poverty-alleviation programmes currently in place through the nutrition programme in all public schools. In 2018/19 financial year, the Department will provide nutritious meals to approximately R1.5 million learners in all no-fee and selected fee-paying public schools. The Department will continue to work with the Gauteng Department of Agriculture and Rural Development to maintain and sustain food gardens at schools.

**Increasing access to schooling**

The Department will retain 1 397 no fee public schools that are currently in existence.

**Scholar transport**

The pro-poor policies have made it possible for approximately 100 000 learners to have access to scholar transport from 419 schools in the Province. The Department will transport 110 515 learners in 2018 which is an approximate increase of 10% per annum.



There is a need to include Learners with Special Education Needs schools (LSEN) on the programme. A total of 15 647 learners' in 13 LSEN schools across the 15 districts will be transported in 2018/19. The agreement between the Department and the Gauteng Department of Roads and Transport will be enforced to monitor roadworthiness of the vehicles transporting learners.

### **School safety programme**

School safety remains one of the Department's main concerns. The safety of all learners, teachers and support staff on the school premises remains the Department's priority. The Department will be employing 4 500 patrollers to assist in creating a safe and secure school environment. The collaborative agreement with the Gauteng Department of Community Safety, SAPS and Gauteng Department of Social Development will continue. The Department will continue to encourage the search and seizure operations of unlicensed liquor outlets and shebeens that are located close to schools.

### **School sports**

The Department will continue with the Wednesday sports programme in 1 397 no-fee primary schools. This programme will include athletics, swimming, winter and summer sport codes and cross-country. The Department will also focus on sporting codes in special schools. LSEN school sports will include athletics, football and sporting programmes for the physically impaired, blind, deaf and intellectually impaired learners.

### **Learners with special education needs**

The Department will focus on turning around special education in the Province. New teaching methods, changing perspectives, and the emphasis on inclusion have been centralised to shift ideas and the introduction of new concepts. In the implementation of this priority, special education will serve as a support system and special need educators will assist regular school personnel in managing the education of children with exceptionalities.

Special schools cover a wide spectrum from Autism centres to Centres for children with Severe Intellectual Disabilities. Eleven special schools across the Province have opened Autism Units an additional 7 schools. In addition, 3 in the Johannesburg West district, 3 in the Johannesburg Central district and 1 in the Ekurhuleni North district will be opened to bring the total number of new special schools to 18. The Department will continue to increase access and improve support for learners with Autistic Spectrum Disorder by opening new Autism Schools and Units within the mainstream. The Department will pilot the General Certificate Education and Technical Occupational curriculum in 17 special schools. This curriculum aims to ensure that learners who experience barriers to learning acquire and apply knowledge and skills in ways that are meaningful to their own lives.

The Department will convert underutilised schools to special schools and full-service schools to support learners with mild to moderate disabilities. As an additional redress measure, access to resourcing and capacity building and re-skilling will also occur. This will include the implementation of the vocational stream with 26 new subjects to be implemented in Schools of Skills.

### **Re-Organisation of Schools (ROS)**

The Department adopted ROS as the vehicle to transform the educational landscape and as an instrument to implement the Department's strategic plan. The strategy is implemented through the Whole School Improvement (WSI) and Curriculum Management Framework as well as the Twinning of schools' programme as a roadmap for turning around underperformance and ensuring that all schools function at the level of great school.

### **The Twinning programme**

The Department aims to roll out the Twinning programme across the Province in the 2018/19 financial year. This will be achieved by ensuring that all districts are able to adopt and implement the Twinning programme. District officials will be trained to capacitate all Section 17 Governing Bodies. All schools that will be approved for the Twinning programme will be gazetted.

### **Whole School Improvement (WSI)**

The Whole School Improvement processes (Change Lever 1) covers the functionality of schools and related learner performance comprehensively. The strategy is aimed at strengthening the monitoring, reporting and accountability processes at all levels. The strategy is aimed at enabling districts to provide direct support to schools with a view to improve learner performance and compliance by using a system of evaluation and categorisation of individual school needs. All Gauteng schools (2 207) will be categorised annually based on their performance across a set of variables. The districts will be required to ensure progressively that all schools are profiled by 2019 with a special focus on the 445 township schools. The detailed focus for re-profiling per term will be based on the 445 schools.

Of the 70 pilot schools, the projected change in performance by 2019 will be categorised as follows: 19 (27%) of poor schools into the fair category, 25 (35.7%) of fair schools into the good category and 18 (25.7%) of good schools into the great category. To achieve this, the Department will intensify the advocacy and training of District Management Teams in relation and support the profiling and re-profiling of schools.

### **Establishing Schools of Specialisation (SOS) to strengthen our skills base**

The SOS seeks to nurture the development of top talented learners across a subset of disciplines and to breed South Africa's future generation of leaders. The SOS will ensure access to top academic performers that show aptitude in a chosen field. In addition, learners will undergo standardised tests, interviews, auditions (where relevant) and write an entry essay ahead of their admission to the specialised school.

The Department has planned 29 SOS to be phased in over a 3-year period (2016 – 2018). The location and specialisation of the schools will be informed by the development of corridors defined in Gauteng's programme of TMR. The segmentation of schools to be done per corridor will be as follows: 14 Schools of Specialisation across 5 disciplines responding to the economic development corridors; 6 existing Schools of Focused learning to be transitioned into Schools of Specialisation and 1 School of Specialisation with multiple foci.

### **P-Tech Model**

The P-Tech Model will be launched at Curtis Nkondo Unity and will allow learners to start a tertiary qualification while they are still at school. This will be through in collaboration with IBM.

### **Pillar 8: School functionality including community involvement**

#### **Parental support**

In making education a societal priority, the Department will ensure stakeholder involvement in schools in a manner that assists with attaining the core outcomes. It will mobilise civil society, faith-based organisations and the private sector to support the inputs and outcomes of a quality education system and will urge young learners to participate actively in school programmes to change their attitudes and commit to schoolwork. The Department will train over 60 000 parents as part of the family support programme.

### **Pillar 9: Skills development**

#### **Facilitate transition to post school opportunities**

More than 1 million youth in Gauteng are currently unemployed. It is therefore critical for the Province to provide economic opportunities for the youth. The Master Skill Plan 2 has been developed to respond to the skills needs of the Province while generally considering the economic realities of South Africa and those of the Province.

- The Department will offer the following key programmes to empower youth in the GCR such as:
- Career Counselling Programme- targeting grade 8 and 9 learner in township schools;
- Bursary programme offered to top three learners from no- fee schools by awarding 4 121 bursaries per annum;
- Experiential learning programme for graduates, recognition of prior learning and skills development programmes for unemployed youth; and
- Creating opportunities for Learnership Programmes by providing 3 935 learnerships/ apprenticeships/internships per annum, assist with uploading CVs in the unemployment database and job center and career guidance programme.

The Department will increase the number of skills-development opportunities for youth by coordinating 19 236 public sector training with other Departments and municipalities for government wide intervention.

### **Pillar 10: Access to quality Early Child Development**

#### **Universalisation of Grade R**

The Department will continue to strive towards universalisation of Grade R in accordance with National Norms and Standards for funding. The access to ECD in the Province is currently at 95% and this is fast approaching the universal access target.

To ensure that all learners entering the schooling system have participated in ECD, regardless of their socio-economic status, the Department will be expanding Grade R to all public schools. In addition, private Grade R sites will be registered through the introduction of Provincial regulations. This is being done to ensure that there is an adequate mix of public, private and community-based Grade R sites. In dealing with overcrowding in Grade R classes, the Department will employ additional Grade R practitioners and increase the number of ECD centres implementing the National Curriculum Framework to 160.

As part of quality education, the Department will continue providing the CAPS curriculum; improving teaching and learning methodologies appropriate for Grade R and incorporating some aspects of the Reggio Emilia Child Approach as a didactical approach with the National Curriculum Framework. Furthermore, it will strengthen standardised assessment practices and testing of Grade R learners with learning difficulties to identify barriers such as dyslexia and psycho-motor disorders as well as providing simple assistive devices. The Department will further provide Home Language Multimedia Readers to cater for various home languages.

#### **Practitioner training**

The Department will continue providing capacity building of Grade R practitioners on curriculum coverage and standardised assessment practices. A total of 750 Grade R and pre-Grade R practitioners will be identified for training to improve the quality of teaching and learning in the classroom. Approximately 2 058 qualified practitioners will be employed by the Department.



### Early identification programme

The Department will endeavour to test 60 000 Grade R learners to identify barriers, such as dyslexia and psycho-motor disorders, and provide simple assistive devices.

### Grade R in community centres

The Department will work with the Gauteng Department of Social Development (GDSD) and municipalities to identify targeted private Grade R centres registered with GDSD and local government and provide them with curriculum support and training. The Department will put in place a process and criteria for funding of only targeted Community Based Site (CBS).

## 4. REPRIORITISATION

The Department revised the implementation method of the Literacy and Numeracy (LITNUM) strategy from 2017/18 onward. Therefore, the Department will institutionalise the LITNUM strategy into the General Education and Training line function, which will result in reduced expenditure of R429.9 million over the 2018 MTEF. These funds have been reprioritised to External Examination Services to address budget shortfalls that are driven by an increase in learner numbers.

In addition, R72.8 million over the 2018 MTEF is reprioritised from ICT to address budget shortfalls under security services, following the decision to implement ICT up to Grade 11. Furthermore, R100.1 million over the 2018 MTEF is reprioritised from Programme 7 to Programme 2 owing to the reclassification of the school sport budget that is part of the after-school programme.

## 5. PROCUREMENT

The Department will continue to develop and implement procurement plans for the financial year 2018/19 to ensure that the needs of the organisation are in line with the pillars underpinning the Department's strategy as well as with its allocated budget. The Department has contracted service providers for the major core services such as school maintenance, LTSM, e-learning solutions, school furniture, school nutrition and learner transport.

The Department will also ensure that local suppliers are supported through these projects as part of the Province's initiative to support small medium and micro enterprises (SMMEs). Business opportunity conferences will be held to ensure that service providers are empowered with information about how to access opportunities presented by the Department, how and where to get funding and how to ensure that their tax requisites and related matters are in order. Designated sectors and compliance with local content will be publicised.

## 6. RECEIPTS AND FINANCING

### 6.1 Summary of receipts

TABLE 5.1: SUMMARY OF RECEIPTS: EDUCATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Equitable share	31 008 626	34 649 970	37 292 555	38 502 209	39 434 220	39 434 220	42 913 686	45 525 059	48 277 696
Conditional grants	1 478 428	2 202 701	2 216 095	2 341 660	2 352 322	2 352 322	2 306 854	2 255 705	2 463 500
Dinaledi Schools Grant	22 458								
Education Infrastructure Grant	623 602	1 349 744	1 385 737	1 468 146	1 468 146	1 468 146	1 373 073	1 283 691	1 424 381
National School Nutrition Programme	640 541	678 974	717 299	762 848	773 510	773 510	807 454	847 827	908 052
Recapitalization of Technical High School	29 567								
Maths, Science and Technology Grant		47 842	49 810	51 270	51 270	51 270	53 062	56 042	58 483
HIV and AIDS	30 195	29 945	32 449	34 436	34 436	34 436	35 959	37 907	39 869
Social Sector EPWP Incentive Grant	36 016	44 748	28 661	9 791	9 791	9 791	8 375		
EPWP Integrated Grant for Provinces	2 450	2 409	2 139	2 537	2 537	2 537	2 480		
Occupational Specific Dispensation for Education sector Therapists	93 599	49 003							
Provincial Disaster Grant		14 019							
Learners with Profound Intellectual Disabilities Grant				12 632	12 632	12 632	26 451	30 238	32 715
<b>Total receipts</b>	<b>32 487 054</b>	<b>36 852 671</b>	<b>39 508 650</b>	<b>40 843 869</b>	<b>41 786 542</b>	<b>41 786 542</b>	<b>45 220 540</b>	<b>47 780 764</b>	<b>50 741 196</b>

The Department receives funds from both the national and provincial revenue funds in the form of equitable share and conditional grants. The Department will receive R42.9 billion for the 2018/19 financial year as equitable share and R2.3 billion as conditional grants. The total budget allocation grows by 10.7 per cent from main appropriation of R40.8 billion in 2017/18 to R45.2 billion in 2018/19, a rand value increase of R4.3 billion.

The equitable share allocation constitutes 95 per cent of the Departmental budget and grows by 11.5 per cent from the main appropriation of R38.5 billion in 2017/18 to R42.9 billion in the 2018/19 financial year. This is attributable to an increase in the budget for staff, learner transport, school nutrition, school furniture, inclusive education and scholar transport for special schools. The Departmental budget grows by 19.5 per cent over the 2018 MTEF, which is equivalent to a rand value of R9.9 billion from 2017/18 financial year. The budget increase is in response to the growth in learner numbers, which results in an increase in the demand for various resources needed at schools and for administrative costs.

## 6.2 Departmental receipts

TABLE 5.2: SUMMARY OF DEPARTMENTAL RECEIPTS: EDUCATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Sales of goods and services other than capital assets	25 042	24 723	25 815	26 663	26 663	23 878	27 330	28 013	29 554
Transfers received									
Fines, penalties and forfeits	30	65	31	39	39	83	41	42	44
Interest, dividends and rent on land	173	263	461	192	192	268	197	202	213
Sales of capital assets		19 940							
Transactions in financial assets and liabilities	10 795	6 417	22 782	4 162	4 162	6 827	4 403	4 513	4 761
<b>Total departmental receipts</b>	<b>36 040</b>	<b>51 408</b>	<b>49 089</b>	<b>31 056</b>	<b>31 056</b>	<b>31 056</b>	<b>31 971</b>	<b>32 770</b>	<b>34 572</b>

The main source of revenue collection is from examination processes including re-marking and rechecking of Grade 12 scripts and reissuing matriculation certificates. Additional funds are collected from administrative fees for collection of insurance premiums from employees, official housing (rental income) and financial transactions in assets and liabilities relating to the Departmental debt account and receivables relating to previous financial year expenditure.

## 7. PAYMENT SUMMARY

### 7.1 Key assumptions

The following key assumptions were taken into account when determining the personnel budget for the 2018 MTEF:

- Number of staff and possible addition of personnel over the 2018 MTEF;
- Basic salary costs including condition of service adjustments from 1 April 2018 and projections for the medium term;
- Pension fund contributions, 13<sup>th</sup> cheque and overtime linked to the basic salary cost;
- Guidelines on the implementation of occupation-specific dispensation and grades and level of each staff member;
- Increased take-up of benefits such as medical aid and housing allowance;
- Contract employees, merit bonuses;
- Appointment of additional educators (growth posts) to accommodate learner growth;
- Medical aid contributions which normally increase more rapidly than inflation, and
- Skills development and technical and vocational skills.

The Department aims to maintain at least an 80:20 ratio between personnel to non-personnel costs although an increase in personnel costs is evident. The following key assumptions were considered when determining the budget for the 2018 MTEF to meet the goal of improving the quality of learning:

- Infrastructure development and maintenance of school buildings with the aim of eradicating the backlog of learning space and preventative maintenance projects;
- Transfers and subsidies to institutions and schools;
- Implementation of the National School Nutrition Policy;
- Provision of LTSM, workbooks and lesson plans for learners;
- District development and support;
- Reduction of class size;

- Provision for therapists and social workers to schools to support learners; and
- Implementation and maintenance of intervention strategies such as mainstreaming the Gauteng Primary Language and Mathematics Strategy, Secondary School Improvement Programme, Teacher Development Strategy and Extra School Support Programme.

## 7.2 Programme summary

TABLE 5.3: SUMMARY OF PAYMENTS AND ESTIMATES: EDUCATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Administration	2 527 337	2 637 966	2 738 638	2 887 755	2 997 416	2 997 416	3 299 894	3 457 252	3 678 760
2. Public Ordinary School Education	23 304 740	26 405 175	29 123 576	31 092 723	31 422 394	31 422 394	34 491 846	36 836 686	39 201 167
3. Independent School Subsidies	515 059	592 600	635 368	691 636	691 636	691 636	731 752	774 194	816 775
4. Public Special School Education	1 804 844	1 968 339	2 187 256	2 343 748	2 411 902	2 411 902	2 687 577	2 861 789	3 020 001
5. Early Childhood Development	572 017	705 735	663 783	765 459	765 459	765 459	809 855	856 825	903 950
6. Infrastructure Development	1 760 629	2 796 043	2 850 928	1 742 829	2 124 840	2 124 840	1 696 137	1 413 815	1 453 429
7. Examination And Education Related Services	1 151 614	1 190 664	1 210 377	1 319 719	1 372 895	1 372 895	1 503 479	1 580 203	1 667 114
<b>Total payments and estimates</b>	<b>31 636 240</b>	<b>36 296 522</b>	<b>39 409 926</b>	<b>40 843 869</b>	<b>41 786 542</b>	<b>41 786 542</b>	<b>45 220 540</b>	<b>47 780 764</b>	<b>50 741 196</b>

## 7.3 Summary of economic classification

TABLE 5.4: SUMMARY OF ECONOMIC CLASSIFICATION: EDUCATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>27 267 237</b>	<b>30 126 478</b>	<b>32 793 641</b>	<b>35 020 508</b>	<b>35 780 786</b>	<b>35 761 988</b>	<b>39 224 970</b>	<b>41 766 691</b>	<b>44 428 201</b>
Compensation of employees	23 734 110	25 981 867	28 660 401	30 247 916	30 484 224	31 401 688	33 738 301	36 025 798	38 359 896
Goods and services	3 530 901	4 143 950	4 129 754	4 772 592	5 296 563	4 360 270	5 486 669	5 740 893	6 068 305
Interest and rent on land	2 226	661	3 486			30			
<b>Transfers and subsidies to:</b>	<b>3 348 634</b>	<b>4 007 867</b>	<b>4 056 193</b>	<b>4 227 708</b>	<b>4 093 512</b>	<b>4 099 362</b>	<b>4 435 175</b>	<b>4 693 011</b>	<b>4 951 113</b>
Departmental agencies and accounts	60 247	75 345	79 350	84 639	84 639	84 639	95 072	101 593	107 181
Non-profit institutions	2 953 402	3 571 656	3 546 626	3 776 826	3 642 510	3 600 662	3 952 419	4 181 249	4 411 204
Households	334 985	360 866	430 217	366 243	366 363	414 061	387 684	410 169	432 728
<b>Payments for capital assets</b>	<b>1 010 581</b>	<b>2 150 749</b>	<b>2 548 995</b>	<b>1 595 653</b>	<b>1 912 244</b>	<b>1 912 413</b>	<b>1 560 395</b>	<b>1 321 062</b>	<b>1 361 882</b>
Buildings and other fixed structures	929 570	2 067 452	2 407 325	1 456 259	1 736 152	1 736 152	1 392 059	1 159 123	1 180 496
Machinery and equipment	39 504	73 135	114 755	99 037	127 092	127 693	151 104	159 929	168 706
Land and sub-soil assets	41 507	9 499	23 210	36 357	46 000	46 000	17 182	1 957	12 624
Software and other intangible assets		663	3 705	4 000	3 000	2 567	50	53	56
<b>Payments for financial assets</b>	<b>9 788</b>	<b>11 428</b>	<b>11 097</b>			<b>12 780</b>			
<b>Total economic classification</b>	<b>31 636 240</b>	<b>36 296 522</b>	<b>39 409 926</b>	<b>40 843 869</b>	<b>41 786 542</b>	<b>41 786 542</b>	<b>45 220 540</b>	<b>47 780 764</b>	<b>50 741 196</b>

The Department's total allocated budget for the 2018/19 financial year amounts to R45.2 billion. The budget increased by 10.7 per cent from the main appropriation of R40.8 billion in 2017/18. The largest portion of the budget is allocated to public ordinary schools. The overall budget growth in Programme 2: Public Ordinary Schools is because of increase in budgets for transfers and subsidies to schools for operations, school maintenance, learner and teacher support materials, ICT and intervention programmes.

The budget in Programme 4: Public Special School Education grow by 14.7 per cent from the main appropriation of R2.3 billion to R2.7 billion in the 2018/19 financial year. This is owing to inclusive education, scholar transport and the introduction of the new grant for learners with profound intellectual disabilities aimed at increasing access for children with severe disabilities and to make provision for children with autism. The growth in the budget of the Administration programme is mainly owing to an increase in compensation of employees and operational costs for head office and districts.

Programme 5: Early Childhood Development's budget growth is informed by the strategic objective of reaching the Universalisation of Grade R target by 2019. This include increasing access to early childhood and ensuring that each child that enters the schooling system have participated in early childhood development.

The increase in the overall budget for compensation of employees is primarily to provide for the recruitment of additional educators and support staff for public primary and secondary schools. The budget increase by R3.5 billion in 2018/19 and R8.1 billion over the 2018 MTEF from the main appropriation of R30.2 billion in 2017/18. The growth in the personnel budget makes provision for growth in educator numbers because of annual increase in learner numbers due to high in-migration into the Province.

The 2018/19 budget for goods and services has increased by 15 per cent, from R4.8 billion in 2017/18 to R5.5 billion in 2018/19 owing to, among others, additional funds allocated for school nutrition, municipal services, school furniture, scholar transport for LSEN, inclusive education and scholar transport.

The Department's transfer and subsidy allocation increase from R4.2 billion in 2017/18 to R4.4 billion in 2018/19 and translates to an increase of 4.9 per cent. The Department continues to make provision for transfers to schools in accordance with the norms and standards for school funding. Transfers will also increase to Matthew Goniwe School of Governance and Leadership that will be focusing on the teacher development initiatives for the Department, and the Gauteng City Region Academy that will focus on skills development and training for the province and offer bursaries to top achievers from no-fee paying schools.

## 7.4 Infrastructure payments

### 7.4.1 Departmental Infrastructure Payment

For information on Infrastructure refer to the estimate of capital expenditure (ECE).

## 7.5 Departmental Public-Private-Partnership (PPP) Projects

N/A

## 7.6 Transfers

### 7.6.1 Transfers to public entities

N/A

### 7.6.2 Transfers to other entities

TABLE 5.5: SUMMARY OF DEPARTMENTAL TRANSFERS TO OTHER ENTITIES: EDUCATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Public Ordinary Schools	1 444 792	1 570 153	1 961 872	1 975 382	1 981 494	1 981 494	1 995 129	2 110 846	2 226 943
Sci-Bono Discovery Centre	93 982	642 008	221 468	297 126	193 471	193 471	242 615	256 561	270 658
Matthew Goniwe School of Leadership and Governance	458 697	248 358	243 918	292 273	274 408	237 205	351 064	371 426	391 854
Independent Schools	498 597	592 600	635 368	691 636	691 636	686 991	731 752	774 194	816 775
Special Schools	288 991	323 646	316 960	333 760	333 152	333 152	448 234	473 946	500 013
University of the Witwatersrand (Examinations)	23 365	11 524	8 763	10 601	10 601	10 601	10 719	11 341	11 965
Households Social Benefits	156 816	144 356	194 407	118 915	119 035	166 733	125 813	133 109	140 430
Households Other Transfers (GCRA Bursaries to learners)	178 169	216 502	235 810	247 328	247 328	247 328	261 871	277 060	292 298
Department Agencies	1								
Seta	60 246	75 345	79 350	84 639	84 639	84 639	95 072	101 593	107 181
Abet Centres									
Grade R Sites/ Centers	135 154	144 775	144 394	156 048	156 048	156 048	165 099	174 675	184 282
Gauteng Education Development Trust	9 824						5 807	6 144	6 482
FET Colleges		38 600	13 883	20 000	1 700	1 700	2 000	2 116	2 232
<b>Total departmental transfers</b>	<b>3 348 634</b>	<b>4 007 867</b>	<b>4 056 193</b>	<b>4 227 708</b>	<b>4 093 512</b>	<b>4 099 362</b>	<b>4 435 175</b>	<b>4 693 011</b>	<b>4 951 113</b>

Transfers to entities increased by R207 million from R4.2 billion in 2017/18 to R4.4 billion in 2018/19. Transfers to public ordinary schools constitutes 45 per cent of the transfer's budget. Public ordinary schools will receive R1.9 billion in 2018/19, for municipal services, LTSM, school nutrition and other social upliftment programmes. The increase in transfers to public ordinary schools is in line with the norms and standards for school funding.

Independent school subsidies are allocated R731 million in 2018/19 and has grown by 5.8 per cent from the 2017/18 main appropriation of R691.6 million. Subsidies to independent schools are directly linked to the per capita allocations of public

ordinary schools. Special schools will receive R448 million in 2018/19, the allocation increased by R114 million due to the additional funding allocated to support inclusive education and R50 million allocated for LSEN scholar transport. Early childhood centres will receive R165 million to fund Grade R in public ordinary schools and in community-based centres.

A further transfer of R242 million will be made to Sci-Bono Discovery Centre and R351 million to Mathew Goniwe School of Leadership and Governance for the delivery of primary and secondary school curriculum intervention programmes. The Gauteng City Region Academy (GCRA) is allocated R261 million to provide bursaries to top-performing learners from no-fee schools. Other transfers will be made to SETA for skills development levy, to FET colleges for the training of ESSP practitioners and social benefits of employees when exiting the public education sector either through retirement or resignation.

### 7.6.3 Transfers to local government

N/A

## 8. PROGRAMME DESCRIPTION

### PROGRAMME 1: ADMINISTRATION

#### Programme objectives:

- To provide for the functioning of the office of the MEC for Education;
- To provide management services which are not education specific for the education system;
- To provide education management services for the education system;
- To provide HR development for office-based staff;
- To provide an education management information system in accordance with the national education; and
- Information Policy.

#### Key policies, priorities and outputs

The Department will focus on the following targets and interventions to ensure that the set goals are met:

- It will improve its human resources functions by accelerating its recruitment and appointment processes to ensure transparency and accountability of personnel.
- It will deepen support to school management by head office and district offices by introducing the notion of virtual districts.
- It will ensure the production of education information through the collection of data/information and timeous completion and submission of the Annual Performance Plan.

TABLE 5.6: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Office Of The Mec	3 607	6 896	3 487	4 439	4 439	4 829	4 698	4 970	5 243
2. Corporate Services	1 538 654	1 607 504	1 633 411	1 687 294	1 797 512	1 797 512	1 978 136	2 064 260	2 209 153
3. Education Management	968 405	991 564	1 075 572	1 145 544	1 145 587	1 154 668	1 251 228	1 316 022	1 388 403
4. Human Resource Management	11 671	15 488	14 801	29 777	29 177	19 706	43 931	48 829	51 515
5. Education Management Information System (Emis)	5 000	16 514	11 367	20 701	20 701	20 701	21 901	23 171	24 446
6. Conditional Grants									
<b>Total payments and estimates</b>	<b>2 527 337</b>	<b>2 637 966</b>	<b>2 738 638</b>	<b>2 887 755</b>	<b>2 997 416</b>	<b>2 997 416</b>	<b>3 299 894</b>	<b>3 457 252</b>	<b>3 678 760</b>

TABLE 5.7: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>2 490 293</b>	<b>2 599 090</b>	<b>2 682 822</b>	<b>2 866 706</b>	<b>2 957 440</b>	<b>2 941 547</b>	<b>3 260 452</b>	<b>3 415 523</b>	<b>3 634 736</b>
Compensation of employees	1 922 118	1 991 320	2 141 736	2 285 124	2 288 031	2 310 216	2 597 690	2 713 005	2 893 578
Goods and services	567 687	607 167	541 001	581 582	669 410	631 301	662 762	702 518	741 158
Interest and rent on land	488	603	85			30			
<b>Transfers and subsidies to:</b>	<b>13 284</b>	<b>13 749</b>	<b>19 686</b>	<b>5 513</b>	<b>5 513</b>	<b>8 626</b>	<b>5 834</b>	<b>6 171</b>	<b>6 510</b>
Departmental agencies and accounts	2								
Non-profit institutions			3 549						
Households	13 282	13 749	16 137	5 513	5 513	8 626	5 834	6 171	6 510
<b>Payments for capital assets</b>	<b>13 972</b>	<b>13 699</b>	<b>25 033</b>	<b>15 536</b>	<b>34 463</b>	<b>34 464</b>	<b>33 608</b>	<b>35 558</b>	<b>37 514</b>
Buildings and other fixed structures									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Machinery and equipment	13 972	13 186	21 328	13 536	32 463	32 463	33 558	35 505	37 458
Software and other intangible assets		513	3 705	2 000	2 000	2 000	50	53	56
Payments for financial assets	9 788	11 428	11 097			12 780			
Total economic classification	2 527 337	2 637 966	2 738 638	2 887 755	2 997 416	2 997 416	3 299 894	3 457 252	3 678 760

The total Administration budget for the 2018/19 financial year amounts to R3.3 billion, an increase of R412 million or 14.3 per cent from the 2017/18 main appropriation of R2.9 billion. The budget allocated to the Sub-programme: Corporate Services is the largest under Programme 1 as it manages the Departments' financial, administrative and corporate support services all of which are key to the broad management of the Department. The budget increases by 14.7 per cent from 2017/18 to 2018/19, a rand value increase of R290.8 million.

The Education Management sub-programme has the second-largest budget, with an increase of R105 million or 9.2 per cent between 2017/18 and 2018/19. This sub-programme's functions include quality assurance, policy development, monitoring and evaluation, research coordination, education planning and information. The Sub-programme: Office of the MEC receives an allocation for administrative costs increasing from R4.4 million in 2017/18 to R4.6 million in 2018/19, an increase of 5.8 per cent.

The compensation of employees' budget for the 2018/19 financial year increased by R312 million to R2.5 billion from 2017/18 budget of R2.2 billion. The Department has maintained the staff budget in this programme and growth relates to improvement in conditions of service whereas the increase in the goods and services budget covers price inflation. Included in the Corporate Services sub-programme budget is R71.4 million for District Administration the 2018/19 financial year.

The Education Management Information System sub-programme is allocated R21.9 million in the 2018/19 financial year to ensure connectivity in schools and to enable schools to utilise the South African School Administration Management System (SA-SAMS) to provide learner data to the national learner tracking. Furthermore, in support of the intervention aimed at improving Language and Mathematics, the Department is allocating a further R4.9 million to a library information system. This will provide access to learners in schools that do not have libraries.

## SERVICE DELIVERY MEASURES

### PROGRAMME 1: ADMINISTRATION

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
PPM101: Number of public schools that use the South African Schools Administration and Management Systems (SA-SAMS) to electronically provide data	2 193	2 198	2 203	2 208
PPM102: Number of public schools that can be contacted electronically (e-mail)	2 207	2 212	2 217	2 222
PPM103: Percentage of education expenditure going towards non-personnel items	25.9% (10 595 954)	26.8% (12 040 752)	25.6% (12 068 150)	25.5% (12 783 473)
PPM104: Percentage of schools visited at least twice a year by district officials for monitoring and support purposes	95%	95%	95%	95%

### PROGRAMME 2: PUBLIC ORDINARY SCHOOL EDUCATION

#### Programme description

To provide public ordinary education from Grades 1 to 12, in accordance with the South African Schools Act.

#### Programme objectives

- Provide specific public primary ordinary schools with the resources required for the Grade 1 to 7 phases;
- Provide specific public secondary ordinary schools with resources required for the Grades 8 to 12 levels;
- Provide Departmental services for the professional and other development of educators and non-educators in public ordinary schools;
- Provide additional and Departmentally managed sporting and cultural activities in public ordinary schools; and
- Provide for projects under Programme 2 specified by the Department of Basic Education and funded by conditional grants.



## Key policies, priorities and outputs

The Department will focus on the following targets and interventions to ensure that the goals set are met:

- Expansion of the school nutrition programme;
- Expansion of learner educator support material;
- Introduction of CAPS and Intersen Strategy;
- Improved learning in poor communities to urgently address growing class sizes in schools;
- Implementation of no-fee schools;
- Leadership skills and capacity building programmes for managing learning through effective governance and management of schools;
- Implementation of a Province-wide literacy and numeracy programme to improve basic writing, reading and arithmetic. This will include the promotion of the use of mother tongue instruction as an enabler of learner performance;
- Improvement of the quality and competence of teachers in the foundation phase and review of all textbooks and learning support materials utilised in the phase;
- Improvement of the quality of learning in all other grades and in languages, mathematics, science, technology and the economic and management sciences;
- Increase in the role of SGBs and society at large in supporting and monitoring schools and the quality of learning that they provide; and
- Enhancing vocational and technical skills in learners.

TABLE 5.8: SUMMARY OF PAYMENTS AND ESTIMATES: PUBLIC ORDINARY SCHOOL EDUCATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Public Primary Schools	12 325 850	14 644 912	16 098 794	16 670 719	16 845 605	17 321 461	18 790 884	20 107 554	21 412 042
2. Public Secondary Schools	10 142 584	10 862 953	12 087 814	13 406 971	13 521 284	13 094 014	14 596 813	15 567 637	16 550 918
3. Human Resource Development	111 472	141 545	149 291	164 500	164 500	127 297	174 041	184 136	194 263
4. School Sport, Culture And Media Services	816	436	698	1 979	31 789	20 406	33 633	35 583	37 540
5. Conditional Grants	724 018	755 329	786 979	848 554	859 216	859 216	896 475	941 776	1 006 404
<b>Total payments and estimates</b>	<b>23 304 740</b>	<b>26 405 175</b>	<b>29 123 576</b>	<b>31 092 723</b>	<b>31 422 394</b>	<b>31 422 394</b>	<b>34 491 846</b>	<b>36 836 686</b>	<b>39 201 167</b>

TABLE 5.9: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PUBLIC ORDINARY SCHOOL EDUCATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>21 489 562</b>	<b>23 903 070</b>	<b>26 614 474</b>	<b>28 551 408</b>	<b>28 979 882</b>	<b>28 978 114</b>	<b>31 951 287</b>	<b>34 148 899</b>	<b>36 365 585</b>
Compensation of employees	19 769 461	21 618 167	23 848 271	25 269 816	25 354 271	26 186 002	27 966 727	29 948 813	31 916 713
Goods and services	1 719 417	2 284 845	2 762 802	3 281 592	3 625 611	2 792 112	3 984 560	4 200 086	4 448 872
Interest and rent on land	684	58	3 401						
<b>Transfers and subsidies to:</b>	<b>1 784 879</b>	<b>2 481 878</b>	<b>2 492 313</b>	<b>2 539 678</b>	<b>2 440 735</b>	<b>2 442 184</b>	<b>2 519 224</b>	<b>2 665 213</b>	<b>2 811 786</b>
Higher education institutions									
Non-profit institutions	1 649 356	2 358 281	2 323 231	2 428 969	2 330 026	2 292 823	2 402 094	2 541 289	2 681 046
Households	135 523	123 597	169 082	110 709	110 709	149 361	117 130	123 924	130 740
<b>Payments for capital assets</b>	<b>30 299</b>	<b>20 227</b>	<b>16 789</b>	<b>1 637</b>	<b>1 777</b>	<b>2 096</b>	<b>21 335</b>	<b>22 574</b>	<b>23 796</b>
Buildings and other fixed structures	11 852	119							
Machinery and equipment	18 447	20 108	16 789	1 637	1 777	2 096	21 335	22 574	23 796
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>23 304 740</b>	<b>26 405 175</b>	<b>29 123 576</b>	<b>31 092 723</b>	<b>31 422 394</b>	<b>31 422 394</b>	<b>34 491 846</b>	<b>36 836 686</b>	<b>39 201 167</b>

The expenditure of the programme is projected to increase by 34.8 per cent from R23.3 billion in 2014/15 to an estimate of R31.4 billion in the 2017/18 financial year. This increase is attributable to the expansion in the education sector including increased learner enrolment, opening of new schools, employment of more educators, and implementation of departmental priorities and procurement of educational resources. The public primary and secondary school sub-programmes are allocated the largest share which is 96.8 per cent of the programme budget of R34.5 billion in 2018/19. These two sub-programmes are the cost drivers in this programme.



The total programme budget increased from R31.1 billion in 2017/18 to R34.5 billion in 2018/19, amounting to an increase of 10.9 per cent. The programme delivers services to 2 207 public ordinary schools, benefiting approximately 2 120 892 learners.

Compensation of employees is allocated the largest share of the programme budget, taking up 81.1 per cent in the 2018/19 financial year. The allocation for compensation of employees grew by 10.7 per cent in 2018/19 owing to the cost of living adjustment and to cater for the employment of educators due to growth in the population of the Province.

The goods and services budget increased from R3.3 billion in 2017/18 to R4 billion in 2018/19 showing an increase of 21.4 per cent or a rand value of R703 million. The budget provides for procurement of LTSM for Section 20 schools, scholar transport, and municipal services for schools, school furniture and other administrative costs within the programme. The increase in the allocation for scholar transport and school nutrition programme supports the Department's quality upliftment programmes to improve the level of learner attainment in the Province.

The transfer payments budget decreased marginally by 20.5 million from 2017/18 to R2.5 billion in 2018/19, a decrease of 0.8 per cent. In terms of providing access to schooling, a total of R1.1 billion is allocated to scholar transport. To improve learning in schools and to alleviate poverty, the Department has allocated R1.2 billion to school nutrition that will feed over 1.5 million learners in selected fee-paying and no-fee schools. The sub-programme: Conditional Grants also increases slightly and consists of the Mathematics, Science and Technology grant, the HIV and AIDS grant and National School Nutrition Programme grant and translates to 2.6 per cent of the total 2018/19 programme budget.

## SERVICE DELIVERY MEASURES

### PROGRAMME 2: PUBLIC ORDINARY SCHOOLS

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
PPM201: Number of full service schools servicing learners with learning barriers	25	30	35	40
PPM202: The percentage of children who turned 9 in the previous year and who are currently enrolled in Grade 4 (or a higher grade)	80%	80%	80%	80%
PPM203: The percentage of children who turned 12 in the preceding year and who are currently enrolled in Grade 7 (or a higher grade)	74%	74%	74%	74%
PPM204: Number of schools provided with multi-media resources	208	375	375	375
PPM205: Learner absenteeism rate	5%	5%	5%	5%
PPM206: Teachers absenteeism rate	4%	4%	4%	4%
PPM207: Number of learners in public ordinary schools benefiting from the "No Fee Schools" policy	1 384 264	1 388 107	1 392 000	1 396 000
PPM208: Number of educators trained in Literacy/Language content and methodology	2 543	2 398	2 410	2 422
PPM209: Number of educators trained in Numeracy/Mathematics content and methodology	7 150	2 140	2 151	2 151

### PROGRAMME 3: INDEPENDENT SCHOOL SUBSIDIES

#### Programme description

To provide independent ordinary education from Grades 1 to 12, in accordance with the South African Schools Act

#### Programme objectives

- To support independent schools in accordance with the South African Schools Act;
- To support independent primary schools in Grades 1 to 7; and
- To support independent secondary schools in Grades 8 to 12.

#### Key policies, priorities and outputs

In achieving the broad outcomes of the programme, the Department will:

- Increase its inspection, audit and oversight capacity to ensure that all subsidised schools use state funds to achieve the educational outcomes set out in the curriculum framework;
- Monitor the compliance of all independent schools with the conditions of registration;
- Enforce the regulation of all relocations to new sites by owners of independent schools;
- Process all new applications for registration on time;
- Train all independent schools on CAPS and the writing of standardised tests; and
- Train and support independent schools in the implementation of assessment policy statements.

TABLE 5.10: SUMMARY OF PAYMENTS AND ESTIMATES: INDEPENDENT SCHOOL SUBSIDIES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Primary Phase	283 257	330 904	379 908	412 193	412 193	422 210	436 101	461 395	486 772
2. Secondary Phase	231 802	261 696	255 460	279 443	279 443	269 426	295 651	312 799	330 003
<b>Total payments and estimates</b>	<b>515 059</b>	<b>592 600</b>	<b>635 368</b>	<b>691 636</b>	<b>691 636</b>	<b>691 636</b>	<b>731 752</b>	<b>774 194</b>	<b>816 775</b>

TABLE 5.11 : SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: INDEPENDENT SCHOOL SUBSIDIES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>16 462</b>					<b>4 645</b>			
Goods and services	16 462					4 645			
<b>Transfers and subsidies to:</b>	<b>498 597</b>	<b>592 600</b>	<b>635 368</b>	<b>691 636</b>	<b>691 636</b>	<b>686 991</b>	<b>731 752</b>	<b>774 194</b>	<b>816 775</b>
Non-profit institutions	498 597	592 600	635 368	691 636	691 636	686 991	731 752	774 194	816 775
<b>Payments for capital assets</b>									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>515 059</b>	<b>592 600</b>	<b>635 368</b>	<b>691 636</b>	<b>691 636</b>	<b>691 636</b>	<b>731 752</b>	<b>774 194</b>	<b>816 775</b>

Subsidies to independent schools increased by R40.1 million from R691.6 million in 2017/18 to R731.8 million in 2018/19, a percentage increase of 5.8 per cent. The Department provides subsidises to a total of 218 independent schools. Subsidies to primary and secondary schools in 2018/19 amount to R436.1 million and R295.7 million respectively. The independent school sector has grown significantly because of the growth in the number of schools that meet the qualifying requirements for registration with the Department. The expenditure increases from R515 million in 2014/15 to R691.6 million in the 2017/18 financial year.

The Independent School Directorate monitors all subsidised independent schools and ensures that norms and standards are implemented in the interests of the learners. Independent school monitors are funded through compensation of employees in Programme 1: Administration. Subsidies will be paid to institutions within the stipulated timeframe and the Department will increase its capacity to register new independent schools or deregister schools that do not fulfil stipulated requirements.

## SERVICE DELIVERY MEASURES

### PROGRAMME 3: INDEPENDENT SCHOOL SUBSIDIES

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
PPM301: Percentage of registered independent schools receiving subsidies	26%	25%	25%	25%
PPM302: Number of learners at Subsidised registered independent schools	114 200	115 342	116 495	117 660
PPM303: Percentage of registered independent schools visited for monitoring and support	6%	20%	20%	20%

### PROGRAMME 4: PUBLIC SPECIAL SCHOOL EDUCATION

#### Programme description

To provide compulsory public education in special schools in accordance with the South African Schools Act and White Paper 6 on inclusive education.

#### Programme objectives

- To provide specific public special schools with resources;
- To provide educators and learners in public special schools with Departmentally managed support services;
- To provide Departmental services for the professional and other development of educators and non-educators in public special schools; and
- To provide additional and departmentally managed sporting and cultural activities in public special schools.

#### Key policies, priorities and outputs

The Gauteng Strategy for Early Identification and Support Provisioning to learners experiencing barriers to learning will focus on three key areas:

- Screening of learners to identify barriers to learning and development;
- Staff at full service schools and special schools resource centres as well as school-based support teams and district-based support teams will be trained and skilled to screen all learners in terms of screening, identification, assessment and support; and
- Identifying learners in need of alternative placement and finding appropriate placement, through district- and school-based support teams that will be trained to identify learners with moderate to high level needs that need placement in full service and special schools resource centres.

TABLE 5.12: SUMMARY OF PAYMENTS AND ESTIMATES: PUBLIC SPECIAL SCHOOL EDUCATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Schools	1 730 383	1 922 190	2 184 813	2 327 758	2 394 893	2 394 893	2 657 573	2 827 791	2 983 319
2. Human Resource Development			1 949	2 045	2 045	2 045	2 164	2 290	2 416
3. School Sport, Culture And Media Services	990	410	494	1 313	2 332	2 332	1 389	1 470	1 551
4. Conditional Grants	73 471	45 739		12 632	12 632	12 632	26 451	30 238	32 715
<b>Total payments and estimates</b>	<b>1 804 844</b>	<b>1 968 339</b>	<b>2 187 256</b>	<b>2 343 748</b>	<b>2 411 902</b>	<b>2 411 902</b>	<b>2 687 577</b>	<b>2 861 789</b>	<b>3 020 001</b>

TABLE 5.13: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PUBLIC SPECIAL SCHOOL EDUCATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>1 498 360</b>	<b>1 637 764</b>	<b>1 823 696</b>	<b>1 967 443</b>	<b>2 036 609</b>	<b>2 030 394</b>	<b>2 193 630</b>	<b>2 339 419</b>	<b>2 468 900</b>
Compensation of employees	1 483 359	1 627 135	1 817 966	1 938 236	2 012 563	2 006 630	2 167 433	2 310 962	2 438 880
Goods and services	15 001	10 629	5 730	29 207	24 046	23 764	26 197	28 457	30 020
<b>Transfers and subsidies to:</b>	<b>306 328</b>	<b>330 352</b>	<b>363 514</b>	<b>376 305</b>	<b>374 797</b>	<b>380 730</b>	<b>493 247</b>	<b>521 570</b>	<b>550 257</b>
Non-profit institutions	298 391	323 646	354 658	373 612	372 104	372 104	490 398	518 556	547 077
Households	7 937	6 706	8 856	2 693	2 693	8 626	2 849	3 014	3 180
<b>Payments for capital assets</b>	<b>156</b>	<b>223</b>	<b>46</b>		<b>496</b>	<b>778</b>	<b>700</b>	<b>800</b>	<b>844</b>
Buildings and other fixed structures									
Machinery and equipment	156	223	46		496	778	700	800	844
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>1 804 844</b>	<b>1 968 339</b>	<b>2 187 256</b>	<b>2 343 748</b>	<b>2 411 902</b>	<b>2 411 902</b>	<b>2 687 577</b>	<b>2 861 789</b>	<b>3 020 001</b>

Public special school education receives an allocation of R2.7 billion in 2018/19, an increase of R343 million from the main budget of R2.3 billion in 2017/18. The budget is used to support and resource 128 special schools and 25 Full-Service Schools. A portion of the budget is earmarked to be spent on the provision of various assistive devices used at special schools.

The increase in compensation of employees amounts to 11.8 per cent from R1.9 billion in 2017/18 to R2.2 billion in the 2018/19 financial year. The increase is for improvement in the conditions of service for employees and for the appointment of additional educators. The goods and services budget in the programme decreased from R29.2 million in 2017/18 to R26.2 million in 2018/19. This is owing to the relocation of the budget for learners with profound intellectual disabilities grant in line with grant business plan, which was fully allocated in goods and services.

Transfer payments to public special schools increased by 31.1 per cent from R376.3 million in 2017/18 to R493.2 million in 2018/19. The increase is attributed to the continuation of the Department's Inclusion Strategy and the establishment and resourcing of full service schools and teacher development.

Included in the transfer and subsidies allocation of the programme is R58.3 million for the expansion of the programme which includes early identification of learners in need of assistive devices in public special schools. In the sub-programme: Human Resource Development, a further R2.2 million is earmarked for teacher development to improve the performance of educators in the special schools in the Province.

The total expenditure outcome of the public special schools programme increased from R1.8 billion in 2014/15 to an estimated R2.4 billion in 2017/18, a 33.6 per cent or R607 million. This is because of the Department's commitment to ensure that all learners with special educational needs are suitably accommodated in institutions that are appropriately resourced.

## SERVICE DELIVERY MEASURES

### PROGRAMME 4: PUBLIC SPECIAL SCHOOL EDUCATION

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
PPM401: Percentage of special schools serving as Resource Centres	8%	10%	10%	10%
PPM402: Number of learners in public special schools	45 912	46 142	46 372	46 604
PPM403: Number of therapists/specialist staff in special schools	607	620	632	645

### PROGRAMME 5: EARLY CHILDHOOD DEVELOPMENT

#### Programme description

To provide early childhood development education at Grade R and earlier levels in accordance with White Paper 5.

#### Programme objectives

- To provide specific public ordinary schools with the resources required for Grade R;
- To support particular community centres at Grade R level;
- To provide particular sites with resources required for pre-Grade R; and
- To provide educators and learners in ECD sites with Departmentally managed support services.

#### Key policies, priorities and outputs

- The Department will expand Grade R to all public schools as well as registering new Grade R sites and procuring additional classrooms to meet demand;
- The Department will work with the Department of Social Development to recognise private Grade R in centres registered with them and those at local government;
- The Department will identify 750 Grade R practitioners for training to improve the quality of teaching and learning in the classroom;
- As part of quality education, the Department will continue testing Grade R learners with learning difficulties to identify barriers such as dyslexia and psycho-motor disorders and provide simple assistive devices; and
- The Early Childhood Development Institute and the Department of Social Development will broaden access to Grade R and pre-Grade R programmes in all communities.

TABLE 5.14: SUMMARY OF PAYMENTS AND ESTIMATES: EARLY CHILDHOOD DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Grade R In Public Schools	511 626	640 359	618 041	687 037	707 037	707 037	749 103	792 549	836 139
2. Grade R In Community Centres	33	15 331	9 797	18 297	18 297	18 297	19 358	20 481	21 607
3. Pre-Grade R Training	43 826	35 556	20 688	44 105	24 105	24 105	24 445	25 863	27 286
4. Human Resource Development	16 532	14 489	15 257	16 020	16 020	16 020	16 949	17 932	18 918
5. Conditional Grants									
<b>Total payments and estimates</b>	<b>572 017</b>	<b>705 735</b>	<b>663 783</b>	<b>765 459</b>	<b>765 459</b>	<b>765 459</b>	<b>809 855</b>	<b>856 825</b>	<b>903 950</b>

TABLE 5.15: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: EARLY CHILDHOOD DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>377 029</b>	<b>511 125</b>	<b>485 116</b>	<b>572 914</b>	<b>572 881</b>	<b>572 881</b>	<b>606 034</b>	<b>641 182</b>	<b>676 447</b>
Compensation of employees	243 765	322 781	363 138	410 885	410 885	410 885	519 045	549 147	579 350
Goods and services	133 264	188 344	121 978	162 029	161 996	161 996	86 989	92 035	97 097
<b>Transfers and subsidies to:</b>	<b>194 988</b>	<b>194 469</b>	<b>178 490</b>	<b>191 844</b>	<b>191 844</b>	<b>191 844</b>	<b>202 971</b>	<b>214 744</b>	<b>226 555</b>
Non-profit institutions	194 913	194 264	178 485	191 844	191 844	191 844	202 971	214 744	226 555
Households	75	205	5						
<b>Payments for capital assets</b>		<b>141</b>	<b>177</b>	<b>701</b>	<b>734</b>	<b>734</b>	<b>850</b>	<b>899</b>	<b>948</b>
Buildings and other fixed structures									
Machinery and equipment		141	177	701	734	734	850	899	948
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>572 017</b>	<b>705 735</b>	<b>663 783</b>	<b>765 459</b>	<b>765 459</b>	<b>765 459</b>	<b>809 855</b>	<b>856 825</b>	<b>903 950</b>

The Early Childhood Development programme budget increased from R765.5 million in 2017/18 to R809.9 million in 2018/19, a 5.8 per cent increase which amounts to R44.3 million.

Compensation of employees increases from R410.9 million in the 2017/18 financial year to R519 million in 2018/19, an increase of 26.3 per cent to make provision for the appointment of Grade R practitioners. The appointment of additional Grade R practitioners is necessitated by the growth in the number of learners. Goods and services decrease by R75 million from R162 million in 2017/18 to R87 million in 2018/19 showing a decrease of 46.3 per cent as funds shifted to compensation of employees.

The Sub-programme: Grade R in public schools includes R64.9 million allocated for purchasing start-up kits for all new Grade R centres in the Province. The Sub-programme: Human Resource Development will receive R16.9 million for training of Grade R practitioners, while the total amount of R24.4 million is allocated to the Pre-grade R training sub-programme to be transferred to the ECD centres.

The expenditure outcome of the programme is projected to increase from R572 million in 2014/15 to an estimate of R765.5 million in 2017/18, which translates to 33.8 per cent growth. This is attributable to the expansion of Grade R by providing remuneration to and training Grade R practitioners due to the Department's drive to achieve the target of Universalisation of Grade R by 2019.

The Sub-programme: Grade R in community centres increases from R18.3 million in 2017/18 to R19.4 million in 2018/19 as the Department is planning to register private ECD sites that will then be monitored to improve the quality of education.

## SERVICE DELIVERY MEASURES

### PROGRAMME 5: EARLY CHILD DEVELOPMENT

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
PPM501: Number of public schools that offer Grade R	1 360	1 362	1 364	1 366
PPM502: Percentage of Grade 1 learners who have received formal Grade R education.	74%	75%	76%	77%

### PROGRAMME 6: INFRASTRUCTURE DEVELOPMENT

#### Programme description

To provide and maintain infrastructure facilities for administration and schools.

#### Programme objectives

- Infrastructure development and maintenance of buildings;
- Office infrastructure development and maintenance;
- Infrastructure development and maintenance in public ordinary schools (main stream and full-service schools);
- Special schools infrastructure development and maintenance; and
- Infrastructure development and maintenance for ECD.

#### Key policies, priorities and outputs

- The Department's infrastructure programme for the 2018 MTEF will focus on school maintenance using maintenance teams, the building of schools and providing of mobiles in high pressure areas, and completing fencing of all priority schools in line with the Department's safety strategy;
- The Department is working in partnership with the DID to identify and purchase land for the development and completion of turnkey schools;
- The Department will implement the norms and standards for school infrastructure to ensure a conducive learning environment in all schools;
- To bring education into the 21st century, the Department aims to develop a model of a smart school that includes infrastructure, ICT and smart education;
- The Department plans to ensure that all schools have functional clean and hygienic toilets to ensure an environment conducive to teaching and learning;
- The Department will also pilot the cleaning of schools through the establishment of cooperatives and through the EPWP; and
- The Department endeavours to ensure that all teachers, learners and administrative staff on school property are safe and secure always.

TABLE 5.16: SUMMARY OF PAYMENTS AND ESTIMATES: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Administration	69 228	36 762	63 840	80 474	105 367	105 367	51 551	63 383	58 092
2. Public Ordinary Schools	1 630 461	2 517 678	2 424 624	1 340 123	1 767 311	1 767 118	1 413 149	1 115 900	1 283 490
3. Special Schools	54 382	186 796	251 131	104 888	126 663	126 663	115 548	176 175	103 262
4. Early Childhood Development	6 558	54 807	111 333	217 344	125 499	125 692	115 889	58 357	8 585
<b>Total payments and estimates</b>	<b>1 760 629</b>	<b>2 796 043</b>	<b>2 850 928</b>	<b>1 742 829</b>	<b>2 124 840</b>	<b>2 124 840</b>	<b>1 696 137</b>	<b>1 413 815</b>	<b>1 453 429</b>

TABLE 5.17: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>801 404</b>	<b>719 211</b>	<b>420 348</b>	<b>248 113</b>	<b>341 468</b>	<b>341 901</b>	<b>286 896</b>	<b>252 735</b>	<b>260 309</b>
Compensation of employees			34 119	34 266	34 146	34 146	39 867	41 860	43 953
Goods and services	801 404	719 211	386 229	213 847	307 322	307 755	247 029	210 875	216 356
<b>Transfers and subsidies to:</b>				<b>120</b>	<b>120</b>				
Provinces and municipalities									
Households					120	120			
<b>Payments for capital assets</b>	<b>959 225</b>	<b>2 076 832</b>	<b>2 430 580</b>	<b>1 494 716</b>	<b>1 783 252</b>	<b>1 782 819</b>	<b>1 409 241</b>	<b>1 161 080</b>	<b>1 193 120</b>
Buildings and other fixed structures	917 718	2 067 333	2 407 325	1 456 259	1 736 152	1 736 152	1 392 059	1 159 123	1 180 496
Machinery and equipment			45	100	100	100			
Land and sub-soil assets	41 507	9 499	23 210	36 357	46 000	46 000	17 182	1 957	12 624
Software and other intangible assets				2 000	1 000	567			
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>1 760 629</b>	<b>2 796 043</b>	<b>2 850 928</b>	<b>1 742 829</b>	<b>2 124 840</b>	<b>2 124 840</b>	<b>1 696 137</b>	<b>1 413 815</b>	<b>1 453 429</b>

Infrastructure Development receives a budget of R1.7 billion for the 2018/19 financial year. The budget decreases by R46.6 million from R1.7 billion in 2017/18 to R1.6 billion in the 2018/19 financial year. The overall budget for the 2018 MTEF has been reduced to recalibrate the programme in ensuring completion of projects that are currently under construction as well as finalising planning processes that will enter the delivery chain in the 2018/19 financial year.

The budget for compensation of employees increases from R34.3 million in 2017/18 to R39.9 million in 2018/19. The goods and services budget increased by R33 million or 15.5 per cent from R213.8 million in 2017/18 financial year to R247 million in 2018/19. The largest budget within goods and services is for urgent and preventative maintenance to ensure functionality, a safe and healthy environment and preservation of fixed assets.

Payments for capital assets, which include buildings and other fixed structures, decreases by R85.4 million from R1.5 billion in 2017/18 to R1.4 billion in 2018/19, representing a 5.7 per cent decrease. This budget is allocated to new infrastructure assets, upgrade and additions; and rehabilitation and refurbishment of existing infrastructure. Priority will be placed on completion of projects that are currently under construction and planning process of projects that will be implemented during the 2018/19 financial year.

## SERVICE DELIVERY MEASURES

### PROGRAMME 6: INFRASTRUCTURE DEVELOPMENT

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
PPM601: Number of public ordinary schools provided with water supply	2 079	2 091	2 103	2 115
PPM602: Number of public ordinary schools provided with electricity supply	2 079	2 091	2 103	2 115
PPM603: Number of public ordinary schools supplied with sanitation facilities	2 079	2 091	2 103	2 115
PPM604: Number of additional classrooms built in, or provided for, existing public ordinary schools (includes replacement schools)	350	350	350	350
PPM605: Number of additional specialist rooms built in public ordinary schools (includes replacement schools).	20	40	40	40
PPM606: Number of new schools completed and ready for occupation (includes replacement schools)	5	12	12	12



Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
PPM607: Number of new schools under construction (includes replacement schools)	18	22	22	22
PPM608: Number of new or additional Grade R classrooms built (includes those in replacement schools).	200	200	200	200
PPM609: Number of hostels built	N/A	N/A	N/A	N/A
PPM610: Number of schools where scheduled maintenance projects were completed	8	33	33	33

## PROGRAMME 7: EXAMINATION AND EDUCATION RELATED SERVICES

### Programme description

To provide training and support to all education institutions

### Programme objectives

- Provide employee human resources development in accordance with the Skills Development Act;
- Provide for special Departmentally-managed intervention projects within the education system;
- Provide educators and learners in public ordinary schools with Departmentally managed support services; and
- Provide Departmentally managed examination services.

TABLE 5.18: SUMMARY OF PAYMENTS AND ESTIMATES: EXAMINATION AND EDUCATION RELATED SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Payments To Seta	60 245	75 345	79 350	84 639	84 639	84 639	95 072	101 593	107 181
2. Professional Services	488 461	365 194	343 247	453 731	378 907	378 907	451 096	477 259	503 508
3. Special Projects	316 566	395 069	409 870	465 253	465 253	465 253	492 238	520 788	549 431
4. External Examinations	249 513	307 863	348 331	303 768	431 768	431 768	454 218	480 563	506 994
5. Conditional Grants	36 829	47 193	29 579	12 328	12 328	12 328	10 855		
<b>Total payments and estimates</b>	<b>1 151 614</b>	<b>1 190 664</b>	<b>1 210 377</b>	<b>1 319 719</b>	<b>1 372 895</b>	<b>1 372 895</b>	<b>1 503 479</b>	<b>1 580 203</b>	<b>1 667 114</b>

TABLE 5.19: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: EXAMINATION AND EDUCATION RELATED SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
<b>Current payments</b>	<b>594 127</b>	<b>756 218</b>	<b>767 185</b>	<b>813 924</b>	<b>892 506</b>	<b>892 506</b>	<b>926 671</b>	<b>968 933</b>	<b>1 022 224</b>
Compensation of employees	315 407	422 464	455 171	309 589	384 328	453 809	447 539	462 011	487 422
Goods and services	277 666	333 754	312 014	504 335	508 178	438 697	479 132	506 922	534 802
Interest and rent on land	1 054								
<b>Transfers and subsidies to:</b>	<b>550 558</b>	<b>394 819</b>	<b>366 822</b>	<b>422 732</b>	<b>388 867</b>	<b>388 867</b>	<b>482 147</b>	<b>511 119</b>	<b>539 230</b>
Departmental agencies and accounts	60 245	75 345	79 350	84 639	84 639	84 639	95 072	101 593	107 181
Non-profit institutions	312 145	102 865	51 335	90 765	56 900	56 900	125 204	132 466	139 751
Households	178 168	216 609	236 137	247 328	247 328	247 328	261 871	277 060	292 298
<b>Payments for capital assets</b>	<b>6 929</b>	<b>39 627</b>	<b>76 370</b>	<b>83 063</b>	<b>91 522</b>	<b>91 522</b>	<b>94 661</b>	<b>100 151</b>	<b>105 660</b>
Buildings and other fixed structures									
Machinery and equipment	6 929	39 477	76 370	83 063	91 522	91 522	94 661	100 151	105 660
Software and other intangible assets		150							
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>1 151 614</b>	<b>1 190 664</b>	<b>1 210 377</b>	<b>1 319 719</b>	<b>1 372 895</b>	<b>1 372 895</b>	<b>1 503 479</b>	<b>1 580 203</b>	<b>1 667 114</b>

Examination and Education-Related Services receives a budget of R1.5 billion in the 2018/19 financial year, an increase of 13.9 per cent or R183 million from the main budget of R1.3 billion in 2017/18. Compensation of employees increases by 44.6 per cent, from R309.6 million in 2017/18 to R447.5 million in the 2018/19 financial year. This increase is a result of the budget allocated to fund examination services owing to an increase in learner enrolment and subsequently an increase in the number of markers and printing costs.



Goods and services shows a decrease of R25.2 million from R504.3 million in 2017/18 to R479.1 million in 2018/19 owing to the school sport budget which has been transferred to public ordinary school programme as the function will be managed within public ordinary schools. The transfers and subsidies budget has grown from R422.7 million in 2017/18 to R482.1 million in 2018/19. This growth amounts to R59.4 million or 14.1 per cent owing to an increase in the budget allocated to Matthew Goniwe School of Leadership for the training of homework assistants in the ESSP programme, training on SGB elections and other curriculum related activities.

The Sub-programme: Professional Services includes an amount of R14.7 million which will be spent on school safety in the 2018/19 financial year. This includes funds for school safety advocacy campaigns, the development of school safety plans in all priority schools and the training of occupational health and safety officers. An amount of R99.3 million will be invested in after-school and Psycho-Social Services and R26.8 million is allocated to the Parental Involvement

The GCR Academy will receive an allocation of R492 million. This is for the continued expansion of the MSP and includes provision of bursaries to the top three learners from no-fee schools and other learners based on their performance. In 2018/19 the Sub-programme: External Examinations will receive an administration budget of R150 million and R303 million for examination markers and moderators who are paid a stipend as per the Personal Administration Measures (PAM).

## SERVICE DELIVERY MEASURES

### PROGRAMME 7: EXAMINATION AND EDUCATION RELATED SERVICES

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
PPM701: Percentage of learners who passed National Senior Certificate (NSC)	85%	86%	87%	87%
PPM702: Percentage of Grade 12 learners passing at bachelor level	36%	37%	38%	38%
PPM703: Percentage of Grade 12 learners achieving 50% or more in Mathematics	33%	34%	35%	35%
PPM704: Percentage of Grade 12 learners achieving 50% or more in Physical Sciences	34%	35%	35%	35%
PPM705: Number of secondary schools with National Senior Certificate (NSC) pass rate of 60% and above	835	825	830	835

## 9. OTHER PROGRAMME INFORMATION

### 9.1 Personnel numbers and costs

**TABLE 5.20: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS BY COMPONENT**

TABLE 03.03: SUMMARY OF DEPARTMENTARY PERSONNEL NUMBERS AND COSTS BY POST, COMM. CHRG.																			
R thousands	Actual				Revised estimate			Medium-term expenditure estimate					Average annual growth over MTEF						
	2014/15		2015/16		2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21				
	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Filled posts	Additional posts	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel growth rate	Costs growth rate	% Costs of Total		
Salary level																			
1 – 6	22 686	3 244 416	21 864	3 815 689	21 032	3 854 560	22 339		22 339	4 403 348	22 746	4 773 855	22 786	5 091 497	22 826	5 425 192	0.7%	7.2%	14.1%
7 – 10	54 090	18 447 361	53 984	19 753 372	60 368	22 116 813	60 328		60 328	23 450 976	61 593	25 364 469	61 709	27 114 463	61 825	28 883 307	0.8%	7.2%	75.1%
11 – 12	2 447	1 390 463	4 302	1 566 084	2 248	1 610 825	2 295		2 295	1 802 850	1 975	1 680 848	1 978	1 793 219	1 981	1 911 315	(4.8)%	2.0%	5.2%
13 – 16	109	92 698	97	101 477	97	100 082	106		106	120 490	113	137 456	113	147 215	113	157 520	2.2%	9.3%	0.4%
Other	15 061	559 172	22 241	745 245	21 820	978 121	20 303		20 303	1 624 024	20 473	1 781 673	20 912	1 879 404	21 673	1 982 562	2.2%	6.9%	5.2%
Total	94 393	23 734 110	102 488	25 981 867	105 565	28 660 401	105 371		105 371	31 401 688	106 900	33 738 301	107 498	36 025 798	108 418	38 359 896	1.0%	6.9%	100.0%
Programme																			
1. Administration	5 024	1 922 118	4 992	1 991 320	5 353	2 141 736	6 234		6 234	2 310 216	7 535	2 597 690	7 535	2 713 005	7 535	2 893 578	6.5%	7.8%	7.5%
2. Public Ordinary School Education	68 888	19 769 461	69 553	21 618 167	73 152	23 848 271	74 791		74 791	26 186 002	74 965	27 966 727	75 141	29 948 813	75 366	31 916 713	0.3%	6.8%	83.2%
3. Independent School Subsidies																	0.0%	0.0%	0.0%
4. Public Special School Education	5 432	1 483 359	5 702	1 627 135	6 177	1 817 966	6 779		6 779	2 006 630	6 802	2 167 433	6 825	2 310 962	6 869	2 438 880	0.4%	6.7%	6.4%
5. Early Childhood Development	3 132	243 765	3 950	322 781	3 948	363 138	4 740		4 740	410 885	4 783	519 045	5 183	549 147	5 833	579 350	7.2%	12.1%	1.5%
6. Infrastructure Development					70	34 119	72		72	34 146	60	39 867	60	41 860	60	43 953	(5.9)%	8.8%	0.1%
7. Examination And Education Related Services	11 917	315 407	18 291	422 464	16 865	455 171	12 755		12 755	453 809	12 755	447 539	12 755	462 011	12 755	487 422	0.0%	2.4%	1.3%
Direct charges																			
Total	94 393	23 734 110	102 488	25 981 867	105 565	28 660 401	105 371		105 371	31 401 688	106 900	33 738 301	107 498	36 025 798	108 418	38 359 896	1.0%	6.9%	100.0%
Employee dispensation classification																			
Public Service Act appointees not covered by OSDs			16 822	3 062 561	19 648	2 601 282	19 836		19 836	2 843 526	19 763	3 037 241	19 858	3 235 657	20 012	3 446 625	0.3%	6.6%	9.0%
Public Service Act appointees still to be covered by OSDs																			
Professional Nurses, Staff Nurses and Nursing Assistants			528	25 354	528	74 040	536		536	82 889	534	88 536	537	94 319	541	100 470	0.3%	6.6%	0.3%
Legal Professionals			10	5 150	9	4 974	10		10	5 673	10	6 059	10	6 455	10	6 876	0.3%	6.6%	0.0%



The staff numbers of the Department indicate the commitment to keep class sizes to the policy norms of 1:40 in primary schools and 1:35 in secondary schools. Other specific norms relate to Technical Schools with a ratio of 1:12 and special schools with a maximum ratio of 1:15. The increase in staff numbers at school level is an attempt to rectify the divergence from policy norms and to maintain the current averages, simultaneously accommodating the growth in learner numbers in the schools.

In the 2018 academic year the staff headcount is at 105 473 and is increasing by 811 owing to the ongoing need to employ additional educators to cater for high learner numbers. The Department will not grow administration personnel in programme 1 and the capacity building personnel in the infrastructure programme will also be maintained over the 2018 MTEF. The number of personnel in the ESSP, school sport and school safety programmes will also be maintained over the 2018 MTEF. The early childhood development programme has the highest growth in personnel numbers over the 2018 MTEF owing to the attempt to reach the universalisation of Grade R target by 2019. Educator numbers in public ordinary schools remain fairly stable and growth is informed by increase in learner numbers, curriculum diversity and opening of new schools.

## 9.2 Training

TABLE 5.21: INFORMATION ON TRAINING: EDUCATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Number of staff	94 393	102 488	105 565	105 371	105 371	105 371	106 900	107 498	108 418
Number of personnel trained	40 808	43 665	43 505	37 428	37 428	37 428	40 500	42 300	45 100
of which									
Male	19 339	18 097	17 997	15 382	15 382	15 382	18 200	19 200	21 400
Female	21 469	25 568	25 508	22 046	22 046	22 046	22 300	23 100	23 700
Number of training opportunities	35 808	49 976	42 417	55 122	55 122	55 122	56 720	58 301	60 201
of which									
Tertiary	1 625	1 350	3 200	4 950	4 950	4 950	5 950	6 950	7 950
Workshops	34 183	48 626	39 217	50 172	50 172	50 172	50 770	51 351	52 251
Seminars									
Other									
Number of bursaries offered	3 655	2 820	516	62	150	200	250	300	350
Number of interns appointed	150	480	417	475	500	600	650	700	750
Number of learnerships appointed	4 500	3 531	4	86	100	140	200	250	300
Number of days spent on training									
<b>Payments on training by programme</b>									
1. Administration	11 671	26 868	14 801	29 777	29 177	19 706	43 931	48 829	51 515
2. Public Ordinary School Education	111 472	146 109	149 291	164 500	164 500	127 297	174 041	184 136	194 263
3. Independent School Subsidies									
4. Public Special School Education		1 850	1 949	2 045	2 045	2 045	2 164	2 290	2 416
5. Early Childhood Development	16 532	14 489	15 257	16 020	16 020	16 020	16 949	17 932	18 918
6. Infrastructure Development									
7. Examination And Education Related Services	238 413	298 939	136 917	180 181	174 110	174 110	176 416	187 655	197 976
<b>Total payments on training</b>	<b>378 088</b>	<b>488 255</b>	<b>318 215</b>	<b>392 523</b>	<b>385 852</b>	<b>339 178</b>	<b>413 501</b>	<b>440 842</b>	<b>465 088</b>

The Integrated Strategic Framework for Teacher Education and Development in South Africa dictates that all Provinces need to establish the Provincial Teacher Development Institutes (PTDIs) and the District Teacher Development Centres (DTDCs). The main aim for PTDIs and DTDCs is to provide training and development programmes, to enhance the quality of teaching and learning in schools. The Province has 18 DTDCs whose functions include the implementation of the Supply Driven and Demand Driven Programmes.

The Matthew Goniwe School of Leadership, Sci-Bono Discovery Centre and the Gauteng City Region Academy implements teacher development programmes on behalf of the Department. Emphasis is placed on Mathematics, Science and Technology and CAPS as informed by the standardised tests results, IQMS and school evaluation, moderators report, school improvement plans and district improvement plans.

Bursaries are awarded to enable the employees to obtain partial or full qualifications. All training programmes are provided to deliver quality teachers to improve the performance of office-based employees and to address the gaps as shown in needs identification report.

**9.3 Reconciliation of structural changes**

N/A

# **ANNEXURE TO THE ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE**

TABLE 5.22: SPECIFICATION OF RECEIPTS: EDUCATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Tax receipts</b>									
<b>Sales of goods and services other than capital assets</b>	<b>25 042</b>	<b>24 723</b>	<b>25 815</b>	<b>26 663</b>	<b>26 663</b>	<b>23 878</b>	<b>27 330</b>	<b>28 013</b>	<b>29 554</b>
Sale of goods and services produced by department (excluding capital assets)	25 042	24 723	25 815	26 663	26 663	23 878	27 330	28 013	29 554
Sales by market establishments		2 233							
Other sales	25 042	22 490	25 815	26 663	26 663	23 878	27 330	28 013	29 554
Of which									
Sales of Goods	25 042	22 274	25 815	26 663	26 663	23 878	27 330	28 013	29 554
<b>Transfers received from:</b>									
<b>Fines, penalties and forfeits</b>	<b>30</b>	<b>65</b>	<b>31</b>	<b>39</b>	<b>39</b>	<b>83</b>	<b>41</b>	<b>42</b>	<b>44</b>
<b>Interest, dividends and rent on land</b>	<b>173</b>	<b>263</b>	<b>461</b>	<b>192</b>	<b>192</b>	<b>268</b>	<b>197</b>	<b>202</b>	<b>213</b>
Interest	173	263	461	192	192	268	197	202	213
<b>Sales of capital assets</b>		<b>19 940</b>							
Land and sub-soil assets		19 940							
<b>Transactions in financial assets and liabilities</b>	<b>10 795</b>	<b>6 417</b>	<b>22 782</b>	<b>4 162</b>	<b>4 162</b>	<b>6 827</b>	<b>4 403</b>	<b>4 513</b>	<b>4 761</b>
<b>Total departmental receipts</b>	<b>36 040</b>	<b>51 408</b>	<b>49 089</b>	<b>31 056</b>	<b>31 056</b>	<b>31 056</b>	<b>31 971</b>	<b>32 770</b>	<b>34 572</b>

TABLE 5.23: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: EDUCATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>27 267 237</b>	<b>30 126 478</b>	<b>32 793 641</b>	<b>35 020 508</b>	<b>35 780 786</b>	<b>35 761 988</b>	<b>39 224 970</b>	<b>41 766 691</b>	<b>44 428 201</b>
Compensation of employees	23 734 110	25 981 867	28 660 401	30 247 916	30 484 224	31 401 688	33 738 301	36 025 798	38 359 896
Salaries and wages	20 514 013	22 327 532	24 683 542	26 132 695	26 350 697	27 031 739	29 193 184	31 172 721	33 190 999
Social contributions	3 220 097	3 654 335	3 976 859	4 115 220	4 133 526	4 369 949	4 545 117	4 853 077	5 168 897
Goods and services	3 530 901	4 143 950	4 129 754	4 772 592	5 296 563	4 360 270	5 486 669	5 740 893	6 068 305
Administrative fees	7 773	16 281	7 212	4 702	90 896	38 262	114 090	120 705	126 955
Advertising	14 629	46 365	11 217	16 924	29 264	24 574	11 973	12 667	13 364
Minor assets	3 439	2 134	1 399	6 502	13 775	4 054	3 946	4 174	4 403
Audit cost: External	13 593	14 490	15 098	20 000	20 000	19 548	20 000	21 160	22 324
Bursaries: Employees	5 116	817	3 628	8 000	11 645	8 715	26 427	30 310	31 978
Catering: Departmental activities	8 297	8 528	5 774	11 040	14 827	13 023	13 759	14 557	15 355
Communication (G&S)	53 560	55 058	75 105	68 103	66 689	61 060	68 200	69 899	73 743
Computer services	105 803	98 156	56 599	139 095	155 723	99 528	254 446	265 846	280 467
Consultants and professional services: Business and advisory services	48 938	39 925	32 719	44 055	46 879	41 714	65 616	69 423	73 242
Infrastructure and planning	232								
Legal services	27 406	42 374	16 619	11 250	11 825	11 825	16 000	16 928	17 859
Contractors	11 649	7 723	6 394	8 561	345 287	390 559	322 414	343 438	362 327
Agency and support / outsourced services	684 740	779 673	786 083	991 809	976 658	853 220	1 047 015	1 101 105	1 175 262
Fleet services (including government motor transport)	15 418	14 315	14 157	21 451	21 265	16 940	21 808	23 140	24 413
Inventory: Clothing material and accessories	20								
Inventory: Learner and teacher support material	490 421	819 426	535 167	810 686	753 063	475 126	622 440	658 795	694 935
Inventory: Materials and supplies	224								
Inventory: Other supplies	343 278	266 806	824 544	633 018	333 629	127 517	271 337	287 020	302 806
Consumable supplies	21 590	16 414	15 366	48 662	57 265	53 313	97 088	102 719	108 367



R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Consumable:									
Stationery, printing and office supplies	21 150	20 080	22 947	37 574	38 573	33 126	32 211	34 139	36 018
Operating leases	177 979	212 330	220 879	147 357	165 363	177 694	183 541	194 288	204 973
Property payments	846 684	900 519	641 123	512 222	728 815	688 838	831 681	823 679	864 826
Transport provided:									
Departmental activity	423 989	550 340	570 742	790 325	1 010 786	841 211	1 067 453	1 128 674	1 193 693
Travel and subsistence	83 431	95 369	104 536	115 689	133 563	126 112	118 249	125 133	132 011
Training and development	53 413	45 886	70 860	218 420	141 310	138 960	126 123	133 491	140 602
Operating payments	57 042	71 407	65 205	92 396	102 842	89 090	123 065	130 203	137 363
Venues and facilities	10 282	18 103	24 502	12 249	21 098	19 535	24 685	26 117	27 555
Rental and hiring	805	1 431	1 879	2 504	5 523	6 725	3 102	3 283	3 464
Interest and rent on land	2 226	661	3 486			30			
Interest	2 226	661	3 486			30			
<b>Transfers and subsidies</b>	<b>3 348 634</b>	<b>4 007 867</b>	<b>4 056 193</b>	<b>4 227 708</b>	<b>4 093 512</b>	<b>4 099 362</b>	<b>4 435 175</b>	<b>4 693 011</b>	<b>4 951 113</b>
Departmental agencies and accounts	60 247	75 345	79 350	84 639	84 639	84 639	95 072	101 593	107 181
Provide list of entities receiving transfers	60 247	75 345	79 350	84 639	84 639	84 639	95 072	101 593	107 181
Non-profit institutions	2 953 402	3 571 656	3 546 626	3 776 826	3 642 510	3 600 662	3 952 419	4 181 249	4 411 204
Households	334 985	360 866	430 217	366 243	366 363	414 061	387 684	410 169	432 728
Social benefits	156 817	144 109	194 249	118 915	119 035	165 034	125 813	133 109	140 430
Other transfers to households	178 168	216 757	235 968	247 328	247 328	249 027	261 871	277 060	292 298
<b>Payments for capital assets</b>	<b>1 010 581</b>	<b>2 150 749</b>	<b>2 548 995</b>	<b>1 595 653</b>	<b>1 912 244</b>	<b>1 912 413</b>	<b>1 560 395</b>	<b>1 321 062</b>	<b>1 361 882</b>
Buildings and other fixed structures	929 570	2 067 452	2 407 325	1 456 259	1 736 152	1 736 152	1 392 059	1 159 123	1 180 496
Buildings	929 570	2 067 333	2 407 325	1 456 259	1 736 152	1 736 152	1 392 059	1 159 123	1 180 496
Other fixed structures		119							
Machinery and equipment	39 504	73 135	114 755	99 037	127 092	127 693	151 104	159 929	168 706
Transport equipment			7						
Other machinery and equipment	39 504	73 135	114 748	99 037	127 092	127 693	151 104	159 929	168 706
Land and sub-soil assets	41 507	9 499	23 210	36 357	46 000	46 000	17 182	1 957	12 624
Software and other intangible assets		663	3 705	4 000	3 000	2 567	50	53	56
<b>Payments for financial assets</b>	<b>9 788</b>	<b>11 428</b>	<b>11 097</b>			<b>12 780</b>			
<b>Total economic classification</b>	<b>31 636 240</b>	<b>36 296 522</b>	<b>39 409 926</b>	<b>40 843 869</b>	<b>41 786 542</b>	<b>41 786 542</b>	<b>45 220 540</b>	<b>47 780 764</b>	<b>50 741 196</b>

TABLE 5.24: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>2 490 293</b>	<b>2 599 090</b>	<b>2 682 822</b>	<b>2 866 706</b>	<b>2 957 440</b>	<b>2 941 547</b>	<b>3 260 452</b>	<b>3 415 523</b>	<b>3 634 736</b>
Compensation of employees	1 922 118	1 991 320	2 141 736	2 285 124	2 288 031	2 310 216	2 597 690	2 713 005	2 893 578
Salaries and wages	1 654 249	1 703 798	1 837 061	1 951 942	1 954 601	1 970 509	2 221 712	2 319 817	2 474 688
Social contributions	267 869	287 522	304 675	333 181	333 429	339 707	375 978	393 188	418 890
Goods and services	567 687	607 167	541 001	581 582	669 410	631 301	662 762	702 518	741 158
Administrative fees	1 647	1 799	1 526	1 208	1 545	1 261	1 463	1 548	1 633
Advertising	11 006	22 136	4 502	5 902	4 355	4 355	4 284	4 532	4 781
Minor assets	2 990	1 320	982	3 064	11 178	1 416	2 531	2 678	2 825
Audit cost: External	12 658	14 490	15 098	20 000	20 000	19 548	20 000	21 160	22 324
Bursaries: Employees		817	3 628	8 000	8 145	5 215	21 427	25 020	26 397
Catering: Departmental activities	1 107	1 031	380	1 402	3 028	2 824	1 757	1 859	1 961
Communication (G&S)	44 511	29 333	30 931	16 626	16 707	18 686	14 722	15 577	16 434
Computer services	100 256	95 435	54 754	130 803	126 523	70 328	118 944	122 485	129 221
Consultants and professional services: Business and advisory services	22 517	8 452	20 839	25 055	26 879	17 069	28 148	29 781	31 419
Legal services	25 535	41 861	16 619	11 250	11 825	11 825	16 000	16 928	17 859

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Contractors	915	2 745	4 041	4 702	122 546	167 818	123 094	132 557	139 848
Agency and support / outsourced services	67 010	74 887	77 088	90 446	47 773	25 363	35 747	37 821	39 901
Fleet services (including government motor transport)	11 253	10 708	10 543	8 561	8 682	10 273	7 710	8 156	8 605
Inventory: Clothing material and accessories	2								
Inventory: Learner and teacher support material	165	435	427	629	613	169	592	626	660
Inventory: Other supplies		10 897	3 154	4 782	4 782	4 600			
Consumable supplies	4 326	4 233	4 935	6 780	7 811	7 123	8 479	8 971	9 466
Consumable: Stationery, printing and office supplies	7 578	8 063	9 964	15 625	14 709	9 791	14 116	14 936	15 759
Operating leases	165 526	195 194	202 031	120 607	135 760	148 369	146 607	155 111	163 643
Property payments	33 689	39 261	40 079	66 258	52 978	53 069	52 651	55 704	58 767
Transport provided: Departmental activity	122	33	245	200	200	200	350	371	392
Travel and subsistence	35 106	28 884	24 864	16 817	18 081	32 012	19 671	20 809	21 951
Training and development	4 170	6 177	4 640	9 475	8 238	7 904	11 125	11 771	12 418
Operating payments	11 992	6 796	7 280	9 305	10 475	6 367	9 260	9 796	10 334
Venues and facilities	3 581	1 497	588	1 986	1 665	1 203	1 880	1 989	2 100
Rental and hiring	25	683	1 863	2 100	4 912	4 512	2 204	2 332	2 460
Interest and rent on land	488	603	85			30			
Interest	488	603	85			30			
<b>Transfers and subsidies</b>	<b>13 284</b>	<b>13 749</b>	<b>19 686</b>	<b>5 513</b>	<b>5 513</b>	<b>8 626</b>	<b>5 834</b>	<b>6 171</b>	<b>6 510</b>
Departmental agencies and accounts	2								
Provide list of entities receiving transfers	2								
Non-profit institutions			3 549						
Households	13 282	13 749	16 137	5 513	5 513	8 626	5 834	6 171	6 510
Social benefits	13 282	13 711	16 028	5 513	5 513	7 392	5 834	6 171	6 510
Other transfers to households		38	109			1 234			
<b>Payments for capital assets</b>	<b>13 972</b>	<b>13 699</b>	<b>25 033</b>	<b>15 536</b>	<b>34 463</b>	<b>34 464</b>	<b>33 608</b>	<b>35 558</b>	<b>37 514</b>
Machinery and equipment	13 972	13 186	21 328	13 536	32 463	32 463	33 558	35 505	37 458
Other machinery and equipment	13 972	13 186	21 328	13 536	32 463	32 463	33 558	35 505	37 458
Software and other intangible assets		513	3 705	2 000	2 000	2 000	50	53	56
<b>Payments for financial assets</b>	<b>9 788</b>	<b>11 428</b>	<b>11 097</b>			<b>12 780</b>			
<b>Total economic classification</b>	<b>2 527 337</b>	<b>2 637 966</b>	<b>2 738 638</b>	<b>2 887 755</b>	<b>2 997 416</b>	<b>2 997 416</b>	<b>3 299 894</b>	<b>3 457 252</b>	<b>3 678 760</b>

TABLE 5.25: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PUBLIC ORDINARY SCHOOL EDUCATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>21 489 562</b>	<b>23 903 070</b>	<b>26 614 474</b>	<b>28 551 408</b>	<b>28 979 882</b>	<b>28 978 114</b>	<b>31 951 287</b>	<b>34 148 899</b>	<b>36 365 585</b>
Compensation of employees	19 769 461	21 618 167	23 848 271	25 269 816	25 354 271	26 186 002	27 966 727	29 948 813	31 916 713
Salaries and wages	17 020 373	18 490 773	20 446 226	21 752 538	21 828 037	22 433 045	24 089 375	25 799 760	27 494 638
Social contributions	2 749 088	3 127 394	3 402 045	3 517 278	3 526 234	3 752 957	3 877 352	4 149 053	4 422 075
Goods and services	1 719 417	2 284 845	2 762 802	3 281 592	3 625 611	2 792 112	3 984 560	4 200 086	4 448 872
Administrative fees	71		2	10	70 505	18 155	109 043	115 365	121 321
Advertising	614	1 770	673	1 273	3 474	2 813	2 469	2 612	2 756
Minor assets	13	39	71	200	172	172	205	216	228
Audit cost: External	935								
Bursaries: Employees	5 102								
Catering: Departmental activities	122	680	1 443	1 370	8 659	7 059	9 259	9 796	10 332
Communication (G&S)	4 454	21 210	38 154	40 833	41 054	33 487	41 097	41 151	43 414
Computer services	12	13			8 114	8 114	125 000	132 250	139 524

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Consultants and professional services: Business and advisory services	31						15 250	16 135	17 023
Infrastructure and planning	232								
Legal services	1 871	148							
Contractors	86	902	140	42	212 595	212 595	195 219	206 542	217 901
Agency and support / outsourced services	596 414	666 380	694 803	869 078	907 877	806 863	977 676	1 027 743	1 097 865
Fleet services (including government motor transport)	578	77	179	651	952	1 036	1 213	1 284	1 355
Inventory: Clothing material and accessories	18								
Inventory: Learner and teacher support material	305 546	623 786	401 454	633 452	588 721	342 068	521 496	551 700	581 952
Inventory: Materials and supplies	224								
Inventory: Other supplies	68 825	91 024	727 006	628 173	328 847	121 409	271 187	286 861	302 638
Consumable supplies	14 014	9 902	3 683	9 778	21 882	19 982	36 843	38 980	41 123
Consumable: Stationery, printing and office supplies	4 538	1 703	2 216	3 619	4 477	3 587	3 283	3 474	3 665
Operating leases	896	272	1 852	791	2 122	2 122	14 583	15 429	16 277
Property payments	280 369	301 930	308 809	230 609	369 167	329 167	528 029	552 898	585 270
Transport provided: Departmental activity	416 243	544 281	563 995	779 992	1 006 952	837 377	1 063 727	1 124 731	1 189 532
Travel and subsistence	5 859	5 427	5 561	11 963	12 318	10 231	17 986	19 029	20 071
Training and development	4 846	3 255	6 569	67 229	22 583	20 567	19 716	20 795	21 709
Operating payments	6 359	7 383	3 206	752	10 139	9 820	26 496	28 034	29 576
Venues and facilities	989	3 918	2 986	1 427	4 390	3 275	3 885	4 110	4 336
Rental and hiring	156	745		350	611	2 213	898	951	1 004
Interest and rent on land	684	58	3 401						
Interest	684	58	3 401						
<b>Transfers and subsidies</b>	<b>1 784 879</b>	<b>2 481 878</b>	<b>2 492 313</b>	<b>2 539 678</b>	<b>2 440 735</b>	<b>2 442 184</b>	<b>2 519 224</b>	<b>2 665 213</b>	<b>2 811 786</b>
Non-profit institutions	1 649 356	2 358 281	2 323 231	2 428 969	2 330 026	2 292 823	2 402 094	2 541 289	2 681 046
Households	135 523	123 597	169 082	110 709	110 709	149 361	117 130	123 924	130 740
Social benefits	135 523	123 380	169 033	110 709	110 709	149 361	117 130	123 924	130 740
Other transfers to households		217	49						
<b>Payments for capital assets</b>	<b>30 299</b>	<b>20 227</b>	<b>16 789</b>	<b>1 637</b>	<b>1 777</b>	<b>2 096</b>	<b>21 335</b>	<b>22 574</b>	<b>23 796</b>
Buildings and other fixed structures	11 852	119							
Buildings	11 852								
Other fixed structures		119							
Machinery and equipment	18 447	20 108	16 789	1 637	1 777	2 096	21 335	22 574	23 796
Other machinery and equipment	18 447	20 108	16 789	1 637	1 777	2 096	21 335	22 574	23 796
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>23 304 740</b>	<b>26 405 175</b>	<b>29 123 576</b>	<b>31 092 723</b>	<b>31 422 394</b>	<b>31 422 394</b>	<b>34 491 846</b>	<b>36 836 686</b>	<b>39 201 167</b>

TABLE 5.26: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: INDEPENDENT SCHOOL SUBSIDIES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>16 462</b>					<b>4 645</b>			
<b>Goods and services</b>	<b>16 462</b>					<b>4 645</b>			
Consultants and professional services: Business and advisory services	16 460					4 645			
Operating leases	2								
<b>Transfers and subsidies</b>	<b>498 597</b>	<b>592 600</b>	<b>635 368</b>	<b>691 636</b>	<b>691 636</b>	<b>686 991</b>	<b>731 752</b>	<b>774 194</b>	<b>816 775</b>

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Non-profit institutions	498 597	592 600	635 368	691 636	691 636	686 991	731 752	774 194	816 775
Payments for capital assets									
Payments for financial assets									
<b>Total economic classification</b>	<b>515 059</b>	<b>592 600</b>	<b>635 368</b>	<b>691 636</b>	<b>691 636</b>	<b>691 636</b>	<b>731 752</b>	<b>774 194</b>	<b>816 775</b>

TABLE 5.27: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PUBLIC SPECIAL SCHOOL EDUCATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>1 498 360</b>	<b>1 637 764</b>	<b>1 823 696</b>	<b>1 967 443</b>	<b>2 036 609</b>	<b>2 030 394</b>	<b>2 193 630</b>	<b>2 339 419</b>	<b>2 468 900</b>
Compensation of employees	1 483 359	1 627 135	1 817 966	1 938 236	2 012 563	2 006 630	2 167 433	2 310 962	2 438 880
Salaries and wages	1 281 867	1 389 947	1 553 085	1 675 440	1 740 665	1 734 732	1 875 646	2 000 126	2 110 948
Social contributions	201 492	237 188	264 881	262 796	271 898	271 898	291 787	310 836	327 932
Goods and services	15 001	10 629	5 730	29 207	24 046	23 764	26 197	28 457	30 020
Administrative fees					63	63			
Advertising	142	75		2	518	518	465	492	519
Minor assets	31	34	26						
Catering: Departmental activities	138	40		172	883	883	534	565	597
Communication (G&S)	290	163	113		170	170	793	911	961
Computer services		1							
Agency and support / outsourced services	695	309		400					
Fleet services (including government motor transport)	1 278	629	76				800	914	964
Inventory: Learner and teacher support material	7 705	5 681			2 240	1 400	3 490	3 989	4 208
Inventory: Other supplies		52	1 031			1 508			
Consumable supplies	60	276	3 339	15 412	15 840	14 476	12 365	13 082	13 800
Consumable: Stationery, printing and office supplies	538	665	187	3	110	471	670	766	808
Operating leases	2 402	1 435	70		900	622	1 180	1 349	1 423
Property payments	78				500	617	3 972	4 202	4 433
Transport provided: Departmental activity	67			60	185	185	130	138	146
Travel and subsistence	578	833	655	13 098	597	869	350	400	422
Training and development	730	380			1 867	1 867	1 368	1 564	1 650
Operating payments	269	42	233		81	23			
Venues and facilities		14		60	15	15	20	22	23
<b>Transfers and subsidies</b>	<b>306 328</b>	<b>330 352</b>	<b>363 514</b>	<b>376 305</b>	<b>374 797</b>	<b>380 730</b>	<b>493 247</b>	<b>521 570</b>	<b>550 257</b>
Non-profit institutions	298 391	323 646	354 658	373 612	372 104	372 104	490 398	518 556	547 077
Households	7 937	6 706	8 856	2 693	2 693	8 626	2 849	3 014	3 180
Social benefits	7 937	6 706	8 856	2 693	2 693	8 161	2 849	3 014	3 180
<b>Payments for capital assets</b>	<b>156</b>	<b>223</b>	<b>46</b>		<b>496</b>	<b>778</b>	<b>700</b>	<b>800</b>	<b>844</b>
Machinery and equipment	156	223	46		496	778	700	800	844
Other machinery and equipment	156	223	46		496	778	700	800	844
Payments for financial assets									
<b>Total economic classification</b>	<b>1 804 844</b>	<b>1 968 339</b>	<b>2 187 256</b>	<b>2 343 748</b>	<b>2 411 902</b>	<b>2 411 902</b>	<b>2 687 577</b>	<b>2 861 789</b>	<b>3 020 001</b>

TABLE 5.28: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: EARLY CHILDHOOD DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>377 029</b>	<b>511 125</b>	<b>485 116</b>	<b>572 914</b>	<b>572 881</b>	<b>572 881</b>	<b>606 034</b>	<b>641 182</b>	<b>676 447</b>
Compensation of employees	243 765	322 781	363 138	410 885	410 885	410 885	519 045	549 147	579 350
Salaries and wages	243 764	322 685	362 840	410 885	410 885	410 621	519 045	549 147	579 350
Social contributions	1	96	298			264			

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Goods and services	133 264	188 344	121 978	162 029	161 996	161 996	86 989	92 035	97 097
Administrative fees					15 000	15 000			
Minor assets	12	7	1	12	12	12	12	13	14
Catering: Departmental activities				18			20	21	22
Communication (G&S)	5	1	1 606	312	317	317	103	109	115
Consultants and professional services: Business and advisory services	9 881	26 484	11 880	19 000	20 000	20 000	22 218	23 507	24 800
Contractors				1 265	662	662	500	529	558
Agency and support / outsourced services		66	529	250	250	250	250	265	280
Fleet services (including government motor transport)				79	79	79	54	57	60
Inventory: Learner and teacher support material	121 738	161 445	106 904	138 401	123 401	123 401	62 099	65 701	69 314
Inventory: Other supplies	50								
Consumable supplies	123	13	19	40	37	37	11	12	13
Consumable: Stationery, printing and office supplies	94	123	136	270	270	270	294	311	328
Operating leases			83	168	168	168	84	89	94
Property payments	30	145	398	360	240	240			
Travel and subsistence	2		422	544	650	650	744	786	829
Operating payments	1 329	60		1 310	910	910	600	635	670
<b>Transfers and subsidies</b>	<b>194 988</b>	<b>194 469</b>	<b>178 490</b>	<b>191 844</b>	<b>191 844</b>	<b>191 844</b>	<b>202 971</b>	<b>214 744</b>	<b>226 555</b>
Non-profit institutions	194 913	194 264	178 485	191 844	191 844	191 844	202 971	214 744	226 555
Households	75	205	5						
Social benefits	75	205	5						
<b>Payments for capital assets</b>		<b>141</b>	<b>177</b>	<b>701</b>	<b>734</b>	<b>734</b>	<b>850</b>	<b>899</b>	<b>948</b>
Machinery and equipment		141	177	701	734	734	850	899	948
Other machinery and equipment		141	177	701	734	734	850	899	948
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>572 017</b>	<b>705 735</b>	<b>663 783</b>	<b>765 459</b>	<b>765 459</b>	<b>765 459</b>	<b>809 855</b>	<b>856 825</b>	<b>903 950</b>

TABLE 5.29: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>801 404</b>	<b>719 211</b>	<b>420 348</b>	<b>248 113</b>	<b>341 468</b>	<b>341 901</b>	<b>286 896</b>	<b>252 735</b>	<b>260 309</b>
Compensation of employees			34 119	34 266	34 146	34 146	39 867	41 860	43 953
Salaries and wages			32 783	32 820	32 700	31 501	39 867	41 860	43 953
Social contributions			1 336	1 446	1 446	2 645			
Goods and services	801 404	719 211	386 229	213 847	307 322	307 755	247 029	210 875	216 356
Advertising			141		70	70			
Communication (G&S)				240	240	240			
Legal services		365							
Contractors			1 667		930	930			
Agency and support / outsourced services		59							
Inventory: Other supplies	270 682	161 225	92 926						
Property payments	530 722	557 562	290 781	212 846	305 321	305 136	247 029	210 875	216 356
Travel and subsistence			714	740	740	1 173			
Operating payments				21	21	206			
<b>Transfers and subsidies</b>					<b>120</b>	<b>120</b>			
<b>Payments for capital assets</b>	<b>959 225</b>	<b>2 076 832</b>	<b>2 430 580</b>	<b>1 494 716</b>	<b>1 783 252</b>	<b>1 782 819</b>	<b>1 409 241</b>	<b>1 161 080</b>	<b>1 193 120</b>
Buildings and other fixed structures	917 718	2 067 333	2 407 325	1 456 259	1 736 152	1 736 152	1 392 059	1 159 123	1 180 496
Buildings	917 718	2 067 333	2 407 325	1 456 259	1 736 152	1 736 152	1 392 059	1 159 123	1 180 496

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Machinery and equipment			45	100	100	100			
Other machinery and equipment			45	100	100	100			
Land and sub-soil assets	41 507	9 499	23 210	36 357	46 000	46 000	17 182	1 957	12 624
Software and other intangible assets				2 000	1 000	567			
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>1 760 629</b>	<b>2 796 043</b>	<b>2 850 928</b>	<b>1 742 829</b>	<b>2 124 840</b>	<b>2 124 840</b>	<b>1 696 137</b>	<b>1 413 815</b>	<b>1 453 429</b>

TABLE 5.30: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: EXAMINATION AND EDUCATION RELATED SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>594 127</b>	<b>756 218</b>	<b>767 185</b>	<b>813 924</b>	<b>892 506</b>	<b>892 506</b>	<b>926 671</b>	<b>968 933</b>	<b>1 022 224</b>
Compensation of employees	315 407	422 464	455 171	309 589	384 328	453 809	447 539	462 011	487 422
Salaries and wages	313 760	420 329	451 547	309 070	383 809	451 331	447 539	462 011	487 422
Social contributions	1 647	2 135	3 624	519	519	2 478			
Goods and services	277 666	333 754	312 014	504 335	508 178	438 697	479 132	506 922	534 802
Administrative fees	6 055	14 482	5 684	3 484	3 783	3 783	3 584	3 792	4 001
Advertising	2 867	22 384	5 901	9 747	20 847	16 818	4 755	5 031	5 308
Minor assets	393	734	319	3 226	2 413	2 454	1 198	1 267	1 336
Bursaries: Employees	14				3 500	3 500	5 000	5 290	5 581
Catering: Departmental activities	6 930	6 777	3 951	8 078	2 257	2 257	2 189	2 316	2 443
Communication (G&S)	4 300	4 351	4 301	10 092	8 201	8 160	11 485	12 151	12 819
Computer services	5 535	2 707	1 845	8 292	21 086	21 086	10 502	11 111	11 722
Consultants and professional services: Business and advisory services	49	4 989							
Contractors	10 648	4 076	546	2 552	8 477	8 477	3 541	3 747	3 954
Agency and support / outsourced services	20 621	37 972	13 663	31 635	20 758	20 744	33 342	35 276	37 216
Fleet services (including government motor transport)	2 309	2 901	3 359	12 160	11 552	5 552	12 031	12 729	13 429
Inventory: Learner and teacher support material	55 267	28 079	26 382	38 204	38 088	8 088	34 763	36 779	38 801
Inventory: Other supplies	3 721	3 608	427	63			150	159	168
Consumable supplies	3 067	1 990	3 390	16 651	11 695	11 695	39 390	41 674	43 965
Consumable: Stationery, printing and office supplies	8 402	9 526	10 444	18 057	19 007	19 007	13 848	14 652	15 458
Operating leases	9 153	15 429	16 843	25 791	26 413	26 413	21 087	22 310	23 536
Property payments	1 796	1 621	1 056	2 149	609	609			
Transport provided: Departmental activity	7 557	6 026	6 502	10 073	3 449	3 449	3 246	3 434	3 623
Travel and subsistence	41 886	60 225	72 320	72 527	101 177	81 177	79 498	84 109	88 738
Training and development	43 667	36 074	59 651	141 716	108 622	108 622	93 914	99 361	104 825
Operating payments	37 093	57 126	54 486	81 008	81 216	71 764	86 709	91 738	96 783
Venues and facilities	5 712	12 674	20 928	8 776	15 028	15 042	18 900	19 996	21 096
Rental and hiring	624	3	16	54					
Interest and rent on land	1 054								
Interest	1 054								
<b>Transfers and subsidies</b>	<b>550 558</b>	<b>394 819</b>	<b>366 822</b>	<b>422 732</b>	<b>388 867</b>	<b>388 867</b>	<b>482 147</b>	<b>511 119</b>	<b>539 230</b>
Departmental agencies and accounts	60 245	75 345	79 350	84 639	84 639	84 639	95 072	101 593	107 181
Provide list of entities receiving transfers	60 245	75 345	79 350	84 639	84 639	84 639	95 072	101 593	107 181
Non-profit institutions	312 145	102 865	51 335	90 765	56 900	56 900	125 204	132 466	139 751
Households	178 168	216 609	236 137	247 328	247 328	247 328	261 871	277 060	292 298
Social benefits		107	327						

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Other transfers to households	178 168	216 502	235 810	247 328	247 328	247 328	261 871	277 060	292 298
<b>Payments for capital assets</b>	<b>6 929</b>	<b>39 627</b>	<b>76 370</b>	<b>83 063</b>	<b>91 522</b>	<b>91 522</b>	<b>94 661</b>	<b>100 151</b>	<b>105 660</b>
Machinery and equipment	6 929	39 477	76 370	83 063	91 522	91 522	94 661	100 151	105 660
Transport equipment			7						
Other machinery and equipment	6 929	39 477	76 363	83 063	91 522	91 522	94 661	100 151	105 660
Software and other intangible assets		150							
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>1 151 614</b>	<b>1 190 664</b>	<b>1 210 377</b>	<b>1 319 719</b>	<b>1 372 895</b>	<b>1 372 895</b>	<b>1 503 479</b>	<b>1 580 203</b>	<b>1 667 114</b>

TABLE 5.31: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: EDUCATION INFRASTRUCTURE GRANT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>			<b>35 351</b>	<b>248 113</b>	<b>248 113</b>	<b>248 113</b>	<b>30 000</b>		
<b>Goods and services</b>			<b>1 269</b>	<b>213 847</b>	<b>213 847</b>	<b>213 847</b>			
Advertising			141						
Communication (G&S)				240	240	240			
Contractors			21						
Inventory: Other supplies			393						
Operating leases				21	21	21			
Property payments				212 846	212 846	212 846			
Travel and subsistence				740	740	740			
<b>Transfers and subsidies</b>									
<b>Payments for capital assets</b>	<b>617 785</b>	<b>1 349 744</b>	<b>1 350 338</b>	<b>1 220 033</b>	<b>1 220 033</b>	<b>1 214 094</b>	<b>1 343 073</b>	<b>1 283 691</b>	<b>1 424 381</b>
Buildings and other fixed structures	617 785	1 349 744	1 350 293	1 181 576	1 181 576	1 175 637	1 343 073	1 283 691	1 424 381
Buildings	617 785	1 349 744		1 181 576	1 181 576	1 175 637	1 343 073	1 283 691	1 424 381
Other fixed structures			1 350 293						
Machinery and equipment			45	100	100	100			
Transport equipment									
Other machinery and equipment			45	100	100	100			
Land and sub-soil assets				36 357	36 357	36 357			
Software and other intangible assets				2 000	2 000	2 000			
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>617 785</b>	<b>1 349 744</b>	<b>1 385 689</b>	<b>1 468 146</b>	<b>1 468 146</b>	<b>1 462 207</b>	<b>1 373 073</b>	<b>1 283 691</b>	<b>1 424 381</b>

TABLE 5.32: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HIV &amp; AIDS (LIFE SKILLS EDUCATION) GRANT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>22 031</b>	<b>20 047</b>	<b>32 399</b>	<b>26 036</b>	<b>26 036</b>	<b>26 036</b>	<b>29 959</b>	<b>31 558</b>	<b>33 171</b>
Compensation of employees	2 193	2 555	1 980	2 292	2 292	2 292	2 425	2 566	2 707
Salaries and wages	1 956	2 316	1 786	2 292	2 292	2 124	2 425	2 566	2 707
Social contributions	237	239	194			168			
<b>Goods and services</b>	<b>19 838</b>	<b>17 492</b>	<b>30 419</b>	<b>23 744</b>	<b>23 744</b>	<b>23 744</b>	<b>27 534</b>	<b>28 992</b>	<b>30 464</b>
Administrative fees				10	10	10	139	146	154
Advertising	506	126	292	400	400	400	250	265	280
Minor assets	4		4						
Catering: Departmental activities	855	451	1 144	630	630	630	1 459	1 544	1 629
Communication (G&S)	154	20	16						
Agency and support / outsourced services	2 998	954	2 287				2 150	2 275	2 400
Fleet services (including government motor transport)	258			170	170	170	170	179	189



Inventory: Learner and teacher support material	3 434	5 891	13 185	5 133	5 133	5 133	6 997	7 403	7 810
Inventory: Other supplies	982								
Consumable supplies	158	169	155	650	650	650	350	370	390
Consumable: Stationery, printing and office supplies	420	367	1 033	1 231	1 231	1 231	1 231	1 303	1 375
Operating leases	136	13		120	120	120	120	127	134
Transport provided: Departmental activity	759	1 042	1 527	2 080	2 080	2 080	2 100	2 222	2 344
Travel and subsistence	4 444	4 233	3 345	5 204	5 204	5 204	2 300	2 433	2 567
Training and development	3 968	3 155	5 165	7 253	7 253	7 253	7 868	8 187	8 514
Operating payments	2	4	2						
Venues and facilities	708	322	2 264	513	513	513	1 600	1 692	1 785
Rental and hiring	52	745		350	350	350	800	846	893
<b>Transfers and subsidies</b>	<b>7 999</b>	<b>8 000</b>	<b>23</b>	<b>8 400</b>	<b>8 400</b>	<b>8 400</b>	<b>6 000</b>	<b>6 349</b>	<b>6 698</b>
Non-profit institutions	7 999	8 000		8 400	8 400	8 400	6 000	6 349	6 698
Households			23						
Social benefits			23						
<b>Payments for capital assets</b>	<b>149</b>	<b>149</b>	<b>26</b>						
Machinery and equipment	149	149	26						
Transport equipment	149	149							
Other machinery and equipment			26						
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>30 179</b>	<b>28 196</b>	<b>32 448</b>	<b>34 436</b>	<b>34 436</b>	<b>34 436</b>	<b>35 959</b>	<b>37 907</b>	<b>39 869</b>

TABLE 5.33: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: NATIONAL SCHOOL NUTRION GRANT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>540 906</b>	<b>594 138</b>	<b>605 062</b>	<b>603 143</b>	<b>615 395</b>	<b>615 395</b>	<b>634 359</b>	<b>666 115</b>	<b>716 346</b>
Compensation of employees				4 158	5 748	5 748	5 208	5 510	5 813
Salaries and wages					4 158	4 158	5 208	5 510	5 813
Social contributions				4 158	1 590	1 590			
<b>Goods and services</b>	<b>540 906</b>	<b>594 138</b>	<b>605 062</b>	<b>598 985</b>	<b>609 647</b>	<b>609 647</b>	<b>629 151</b>	<b>660 605</b>	<b>710 533</b>
Advertising			237	600	600	600	440	461	486
Catering: Departmental activities		39	19	40	290	290	20	21	22
Communication (G&S)				108	108	108	68	71	75
Legal services		85							
Agency and support / outsourced services	538 660	592 722	603 497	575 760	586 422	586 422	613 606	644 283	693 314
Fleet services (including government motor transport)		11	39	240	240	240	85	88	93
Inventory: Learner and teacher support material		968							
Inventory: Other supplies				4 008	4 008	4 008			
Consumable supplies	857		5	7 012	10 012	10 012	13 530	14 255	15 039
Consumable: Stationery, printing and office supplies			155	1 065	1 065	1 065	132	97	102
Operating leases		48	463				600	635	670
Property payments	1 600	41							
Transport provided: Departmental activity	(211)	141							
Travel and subsistence				840	840	840	40	36	38
Training and development				9 200	4 550	4 550	190	194	205
Operating payments			178	112	112	112	400	422	445
Venues and facilities		83	469		1 400	1 400	20	21	22
<b>Transfers and subsidies</b>	<b>99 333</b>	<b>84 489</b>	<b>100 861</b>	<b>159 425</b>	<b>157 835</b>	<b>157 835</b>	<b>162 807</b>	<b>170 829</b>	<b>180 225</b>
Non-profit institutions	99 333	84 489	100 861	159 425	157 835	157 835	162 807	170 829	180 225
<b>Payments for capital assets</b>	<b>83</b>		<b>222</b>	<b>280</b>	<b>280</b>	<b>280</b>	<b>10 288</b>	<b>10 883</b>	<b>11 482</b>
Machinery and equipment	83		222	280	280	280	10 288	10 883	11 482

Transport equipment									
Other machinery and equipment	83	222		280	280	280	10 288	10 883	11 482
Payments for financial assets									
Total economic classification	640 322	678 627	706 145	762 848	773 510	773 510	807 454	847 827	908 052

TABLE 5.34: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: MATHS, SCIENCE AND TECHNOLOGY GRANT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>14 937</b>						<b>45 624</b>	<b>48 298</b>	<b>50 313</b>
Compensation of employees							227	240	253
Salaries and wages							227	240	253
Social contributions									
Goods and services	14 937						45 397	48 058	50 060
Administrative fees							4 826	5 104	5 385
Minor assets							5	5	5
Communication (G&S)							5	5	5
Inventory: Learner and teacher support material							40 277	42 644	44 348
Travel and subsistence							90	95	100
Training and development							194	205	216
<b>Transfers and subsidies</b>	<b>24 558</b>	<b>47 842</b>	<b>49 810</b>	<b>51 270</b>	<b>51 270</b>	<b>51 270</b>	<b>7 428</b>	<b>7 733</b>	<b>8 158</b>
Non-profit institutions	24 558	47 842	49 810	51 270	51 270	51 270	7 428	7 733	8 158
<b>Payments for capital assets</b>	<b>11 852</b>						<b>10</b>	<b>11</b>	<b>12</b>
Machinery and equipment							10	11	12
Transport equipment									
Other machinery and equipment							10	11	12
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>51 347</b>	<b>47 842</b>	<b>49 810</b>	<b>51 270</b>	<b>51 270</b>	<b>51 270</b>	<b>53 062</b>	<b>56 042</b>	<b>58 483</b>

TABLE 5.35: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: LEARNERS WITH PROFOUND INTELLECTUAL DISABILITIES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>				<b>12 632</b>	<b>12 144</b>	<b>11 862</b>	<b>25 751</b>	<b>29 438</b>	<b>31 871</b>
Compensation of employees					7 192	7 192	17 090	19 534	21 422
Salaries and wages					7 192	7 192	17 090	19 534	21 422
Social contributions									
Goods and services				12 632	4 952	4 670	8 661	9 904	10 449
Communication (G&S)					170	170	793	911	961
Fleet services (including government motor transport)							800	914	964
Inventory: Learner and teacher support material					1 400	1 400	3 490	3 989	4 208
Consumable supplies					615	144	10	11	12
Consumable: Stationery, printing and office supplies						471	670	766	808
Operating leases					900	618	1 180	1 349	1 423
Travel and subsistence				12 632			350	400	422
Training and development					1 867	1 867	1 368	1 564	1 650
<b>Transfers and subsidies</b>									
<b>Payments for capital assets</b>					<b>488</b>	<b>770</b>	<b>700</b>	<b>800</b>	<b>844</b>
Machinery and equipment					488	770	700	800	844
Transport equipment									
Other machinery and equipment					488	770	700	800	844
<b>Payments for financial assets</b>									
<b>Total economic classification</b>				<b>12 632</b>	<b>12 632</b>	<b>12 632</b>	<b>26 451</b>	<b>30 238</b>	<b>32 715</b>

TABLE 5.36: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: EPWP INTEGRATED GRANT FOR PROVINCES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>36 016</b>	<b>44 784</b>	<b>28 661</b>	<b>9 791</b>	<b>9 791</b>	<b>9 791</b>	<b>8 375</b>		
Compensation of employees	36 016	44 784	28 661	9 791	9 791	9 791	8 375		
Salaries and wages	35 656	44 336	28 661	9 791	9 791	9 791	8 375		
Social contributions	360	448							
Goods and services									
Transfers and subsidies									
Payments for capital assets									
Payments for financial assets									
<b>Total economic classification</b>	<b>36 016</b>	<b>44 784</b>	<b>28 661</b>	<b>9 791</b>	<b>9 791</b>	<b>9 791</b>	<b>8 375</b>		

TABLE 5.37: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: SOCIAL SECTOR EPWP INCENTIVE GRANT FOR PROVINCES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>2 450</b>	<b>2 409</b>	<b>918</b>	<b>2 537</b>	<b>2 537</b>	<b>2 537</b>	<b>2 480</b>		
Compensation of employees	2 450	2 409	918	2 537	2 537	2 537	2 480		
Salaries and wages	2 450	2 409	918	2 537	2 537	2 537	2 480		
Social contributions									
Goods and services									
Transfers and subsidies									
Payments for capital assets									
Payments for financial assets									
<b>Total economic classification</b>	<b>2 450</b>	<b>2 409</b>	<b>918</b>	<b>2 537</b>	<b>2 537</b>	<b>2 537</b>	<b>2 480</b>		



# VOTE 6

## DEPARTMENT OF SOCIAL DEVELOPMENT

To be appropriated by vote in 2018/19	R 4 983 495 000
Responsible MEC	MEC for Social Development
Administering Department	Department of Social Development
Accounting Officer	Head of Department

### 1. OVERVIEW

#### Vision

A caring and self-reliant society.

#### Mission

To transform our society by building conscious and capable citizens through the provision of integrated social development services.

#### Strategic goals

- To provide support to core business in rendering effective and efficient services through 21 365 beneficiaries by the 2019/20 financial year;
- Efficient and effective integrated developmental social welfare services to 7 522 198 social service recipients focussing on children, youth, older persons, persons with disabilities and women by the 2019/20 financial year; and
- Efficient, effective anti-poverty community interventions, youth development and women empowerment services to 5 202 971 beneficiaries promoting sustainable livelihoods by the 2019/20 financial year.

#### Core functions and responsibilities

- Rendering management and administration to the network of social development services within Gauteng;
- Provision, in partnership with relevant stakeholders, of prevention, early intervention, rehabilitation and after care services to people abusing substances. This also includes services rendered in in-patient and out-patient treatment centres;
- Provision of community and home-based care, residential and all other protection services for vulnerable older persons at risk, and people with disabilities;
- Provision of secure care facilities, home based services, and assessment and referral services for children found to be in conflict with the law;
- Provision of services for children through the construction and funding of Early Childhood Development (ECD) facilities throughout the province;
- Provision of child care and protection services and implementation of the Children's Act;
- Provision of shelters and counselling services for women and children who are victims of domestic violence and abuse;
- Provision, through home and community-based care (HCBC) centres, of psycho-social support services to people who are infected and affected by HIV and AIDS, especially orphans and vulnerable children;
- Provision of reunification and preservation services for families; and
- Provision of youth development and sustainable livelihood services to poor households through the implementation of the War on Poverty (WoP) programme.

#### Main services

- Reforming the welfare sector through legislative and policy reforms: we seek to expand services by ensuring adequate numbers and training of social service professionals, and by review of funding models and the roles assigned to Non-Profit Organisations (NPOs);
- Improving access to quality ECD through the provision of comprehensive ECD services as an instrument to undertake investment in health, development of capabilities, and mitigation of vulnerabilities, as well as to serve as the building blocks for future resilience. Effective ECD is also critical in ensuring equitable participation of women in the labour force and securing the productive and social life of communities;

- Deepening social assistance and extending the scope for social security to address issues of coverage while defining policies that create a social protection floor that provides a minimum set of guarantees coupled with a framework of progressive realization of rights;
- Enhancing the capabilities of the identified groups and communities to achieve sustainable livelihoods and household food and nutrition security through a combination of income, direct provision and support to local economies through local procurement; and
- Establishing social protection systems and strengthening of monitoring and evaluation of services so as to ensure that our interventions are responsive and yield sustainable outcomes.

### **Ten Pillar Programme of Transformation, Modernisation and Re-industrialisation**

The department's response to Pillar 3: Accelerated Social Transformation includes:

- Reforming the welfare sector through transformation of services in previously advantaged communities and NPOs for inclusion of vulnerable groups;
- Modernizing its services through the introduction of the National Integrated Social Information System (NISIS) for household profiling and the Supatsela Information Technology system for NPO payment, social work services case management and reindustrialization (production of school uniform, gardening and laundry service by cooperatives);
- Improving access to quality ECD provided primarily by the social cluster, are critical components of the millennium development goals (MDGs) in terms of universal access to education. In this regard the department will ensure the design of child friendly and child responsive human settlements in the province's urban development planning processes by including critical social infrastructure such as ECD facilities. The department will expand the rollout of ECD prototypes in the poorest communities, providing non-centre based ECD (mobile ECDs, toy libraries, play groups and child minders);
- Combating substance abuse and gender-based violence and ensuring integration of interventions with the programmes of the Gauteng Department of Community Safety;
- Expanding the WoP programme to ensure a comprehensive profiling of all households situated within the 50 poorest wards and fighting urban poverty through the food security programmes. The department will also increase the scale of operations to include Coloured and Indian communities by partnering with Community Development Workers (CDWs), municipal street workers and community health care workers in profiling households; and
- Upscaling the Welfare to Work programme by making extensive use of the co-operative model and Expanded Public Works programme (EPWP) opportunities (including the Lulaway project and the Tshepo 1 Million programme).

### **National Development Plan (NDP)**

The department aligned its plans and policies to the NDP 2030, in terms of the eradication of poverty and addressing inequality through inclusive social dialogue and an active and engaged citizenry. The department's interventions are concentrated in the area of expanded social protection (including social insurance, social assistance, social and productive inclusion), contributing to the improvement of the quality of life for the poor, the marginalised, the vulnerable and those with special needs.

### **Acts, rules and regulations**

- Draft National Early Childhood Development Policy 2015
- Broad-Based Black Economic Empowerment Act, No. 46 of 2013
- Basic Conditions of Employment Amendment Act, No. 20 of 2013
- Prevention and Combating of Trafficking in Persons Act, No. 7 of 2013
- Cooperatives Amendment Act, No. 6 of 2013
- Protection of Personal Information Act, No. 4 of 2013
- Women Empowerment and Gender Equality Bill, November 2013
- White Paper on Families approved by Cabinet on 26 June 2013
- National Strategic Plan (NSP) 2007-2011
- Child Justice Act, No. 75 of 2008
- Prevention of and Treatment for Substance Abuse Act, No. 70 of 2008
- Criminal Law (Sexual Offences and Related Matters) Amendment Act, No. 32 of 2007
- Older Persons Act, No. 13 of 2006
- Children's Act, No. 38 of 2005 as amended
- South African Social Security Agency Act, No. 9 of 2004
- Advisory Board on Social Development Act, No. 3 of 2001
- Public Finance Management Act, No. 1 of 1999
- Domestic Violence Act, No. 116 of 1998
- Maintenance Act, No. 99 of 1998
- Welfare Laws Amendment Act, No. 106 of 1997
- Non-Profit Organisations Act, No. 71 of 1997
- White Paper for Social Welfare 1997

- The Constitution of the Republic of South Africa Act, No. 108 of 1996.
- Child Care Amendment Act, No. 96 OF 1996
- Prevention and Treatment of Drug Dependency Act, No. 20 of 1992
- Probation Service Act, No. 116 of 1991
- Adoption Matters Amendment Act, No. 56 of 1988
- Mediation in Certain Divorce Matters Act, No. 24 of 1987
- Social Service Professions Act, No. 110 of 1978
- National Welfare Act, No. 100 of 1978
- Criminal Procedures Act, No. 51 of 1971
- Gauteng Strategic Policy Framework on Gender Equality and Women Empowerment
- Policy Framework on Orphans and Other Children made Vulnerable by HIV and AIDS
- Gauteng Provincial Government Strategic Policy Framework on Disability Rights
- Gauteng AIDS Strategic Plan
- Policy on Residential Facilities for Persons with Disabilities
- Minimum Standards on Residential Facilities for Persons with Disabilities
- Policy on the Management and Transformation of Protective Workshops
- South African Policy for Older Persons
- Protocol on Management of Elder Abuse
- South African Older Persons' Charter and the United Nations Convention for the Rights of Older Persons

## 2. REVIEW OF THE CURRENT FINANCIAL YEAR (2017/18)

### Pillar 3: Accelerated social transformation

#### Output 1: Services to Older Persons

At the end of the third quarter of the 2017/18 financial year, 20 496 older persons against a target of 23 404 were reached through services provided by funded community-based care and support facilities (inclusive of service centres, luncheon clubs and home-based care facilities) for older persons. A total of 24 701 older persons participated in active-ageing programmes provided by both government and NPOs, this resulted in 217 older persons to reach the target in the last quarter. A total number of 26 facilities for older persons were provided with gym equipment as planned, which benefited 1 676 older persons against a target of 1 540. Furthermore, a total of 30 610 people were reached through the elder abuse prevention programmes throughout the province exceeding the set target of 27 760.

#### Output 2: Services to Persons with Disabilities

A total of 2 060 persons with disabilities accessed services in residential facilities at the end of the third quarter against the target of 2 128 and 81 companies owned by persons with disabilities benefitted from the preferential procurement direction of the department exceeding the target of 74. Furthermore, 4 517 persons with disabilities accessed services in protective workshops managed by funded NPOs against the set target of 4 672 and 42 581 beneficiaries were reached through disability prevention programmes, thus exceeding the target of 32 253 beneficiaries.

#### Output 3: HIV and AIDS

By the end of the third quarter of the 2017/18 financial year, 38 340 vulnerable households and 93 836 beneficiaries received psychosocial support services exceeding the targets of 35 938 and 84 871 respectively. A total of 6 927 work opportunities out of a target of 8 393 were created to date in Home and Community-Based Care through the EPWP.

Food parcels were provided to 86 227 beneficiaries in HCBC organisations and a total of 35 517 beneficiaries received daily meals at drop-in centres against the targets of 75 992 and 40 515 set for the year.

#### Isibindi

Furthermore, 19 172 children accessed services through the Isibindi model exceeding the set target of 15 182.

#### Output 4: Integrated Child Care and Protection Services

##### Access to Child and Youth Care Centres (CYCCs)

At the end of the third quarter, a total of 4 817 children accessed services through 110 CYCCs against the set targets of 111 CYCCs and 5 011 beneficiaries.

##### Foster Care

A total of 3 542 children were newly placed in foster care; 42 397 children placed in foster care received social work services and 64 433 children in need of care and protection received psychosocial support services by the end of the third quarter.



**The Bana Pele Programme**

The department facilitates a basket of services in respect of children in conjunction with key stakeholders. At school level the services comprise of the provision of school uniforms, scholar transport, no-fee paying schools, free health care as well as dignity packs. The latter are designed to target boys, girls and children with albinism.

**School Uniform**

Distribution of school uniform is only planned for the fourth quarter of the financial year.

**Dignity Packs**

At the end of the third quarter, 389 359 children received the dignity packs from the department.

**Food Security**

By the end of third quarter of 2017/18 financial year 86 227 food parcels were issued by HCBC organizations and 163 930 beneficiaries of food relief received food from food banks, while 52 529 household accessed food through Department of Social Development (DSD) food security programmes exceeding the target of 31 196.

**Output 5: Early Childhood Development (ECD)**

A total of 100 518 children accessed funded ECD programmes as at the end of the third quarter against the set target of 101 665. Furthermore, a total of 2 221 partial-care sites were registered against the target of 2 225 and 2 243 children reached through non-centre based services against the set target of 3 000.

**Output 6: Crime Prevention and Support**

The department rendered social crime awareness and prevention programmes reaching 188 905 beneficiaries (including children) by the end of the third quarter against the set target of 198 745. The department also manages 2 secure care centres (CYCCs) and 1 secure care centre is managed by NPOs as planned, and a total of 595 children against a target of 980 benefited from these secure care centres. A further 1 115 children in conflict with the law participated in diversion programmes and 609 children completed the diversion programme from respective targets of 3 152 and 1 417.

**Output 7: Victim Empowerment Services (VEP)**

At the end of the third quarter of 2017/18 financial year, the department reached 1 491 victims of crime and violence through services rendered at 20 shelters managed by funded NPOs. A total of 224 308 beneficiaries were reached through the programme of no-violence against women and children, including 16 days of activism and exceeded the planned target of 198 910. A total of 36 566 victims of crime accessed the Victim Empowerment Programme (VEP) services through 51 NPOs funded by the department.

**Output 8: Substance Abuse Prevention, Treatment and Rehabilitation**

As reported at the end of the third quarter, the department reached out to 18 199 service users who accessed funded substance abuse treatment centres and community based services; 573 572 children and youth were reached through Ke-Moja drug prevention programmes exceeding the target of 516 575 and a total of 423 046 people benefitted from the substance abuse prevention programmes. Aftercare programmes were provided to 6 165 persons who received assistance from substance abuse treatment centres. A total of 1 190 beneficiaries were counselled through the mobile counselling service busses at the end of the 3<sup>rd</sup> quarter exceeding the set target of 752.

**Output 9: Community development through sustainable livelihoods strategies****Ward-based Model**

The department approved a ward-based model to co-ordinate and align programmes that maximise impact, avoid wastage, duplication in the delivery of services to communities and households.

**War on Poverty**

The department provides food parcels and food relief as part of war on poverty initiative and a total of 163 930 beneficiaries were provided with food relief from food banks against the planned target of 156 119. A total of 46 343 beneficiaries were referred for intervention through the NISIS system.

**Output 10: Youth Development**

By the end of the third quarter of 2017/18 financial year, the department provided opportunities to 14 742 youth to participate in entrepreneurship programmes and 29 596 youth participated in skills development programmes rendered by funded NPOs. In addition, a total of 83 773 youth participated in social change programmes against the target of 91 000.

**Output 11: Women Development**

The department planned to ensure that 1 687 women on child support grant will be linked to economic opportunities in the 2017/18 financial year; and 9 200 women to participate in empowerment programmes.

A total of 2 525 women on child support grants were linked to economic opportunities and 8 102 women participated in empowerment programmes by the end of the third quarter.

**Output 12: Sustainable employment creation****Expanded Public Works Programme**

At the end of the third quarter, a total of 6 927 job opportunities were created through the EPWP within the HCBC programme.

**Support to Cooperatives**

It was planned in the 2017/18 financial year that the department will continue to empower a total of 543 cooperatives to provide goods and services to the department and other service users.

A total of 537 cooperatives were empowered by the department as at the end of the third quarter of the 2017/18 financial year.

**3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2018/19)****Pillar 3: Accelerated social transformation**

The department will continue to contribute to addressing the challenges of unemployment, poverty and inequality in response to Pillar 3: Accelerated Social Transformation.

**Output 1: Services to Older Persons**

The department plans to fund 264 community-based care and support facilities, inclusive of service centres, luncheon clubs and home based care facilities, for older persons and to provide access to 23 977 older persons in the 2018/19 financial year. It is also planned that 28 919 older persons will participate in active-ageing programmes during the activities arranged by government and NPOs.

**Output 2: Services to Persons with Disabilities**

In the 2018/19 financial year, the department plans to support 108 companies owned by persons with disabilities participating in the preferential procurement spend, support 117 NPOs providing services for persons with disabilities, and ensure that 4 672 persons with disabilities access services in funded protective workshops managed by NPOs. Furthermore, 50 221 beneficiaries will be reached through disability prevention programmes.

**Output 3: HIV and AIDS**

The department continues to fund 253 NPOs delivering HIV and AIDS services, and reach out to 86 519 beneficiaries receiving psychosocial support services from HCBC organisations in the 2018/19 financial year. The department will further ensure that 37 335 vulnerable households receive psychosocial support services, 99 100 beneficiaries receive food parcels from HCBC organizations and 35 517 beneficiaries receive daily meals.

**Isibindi**

The department will continue to provide support to the Child and Youth Care Workers (CYCWs) through training 300 trainees on the Isibindi model. A total of 19 172 children will access services through Isibindi model.

**Output 4: Integrated Child Care and Protection services****Foster care**

In the 2018/19 financial year, the department will ensure that a total of 5 508 children are newly placed in foster care; 55 704 children will be placed in foster care that receive social work services and a further 79 814 children in need of care and protection will be provided with psychosocial support services.

**Access to child and youth care centres**

The department plans to fund 111 CYCCs (children' homes, shelters, places of safety and schools of industry) managed by government and NPOs and to provide access to 4 802 children in the 2018/19 financial year.

**Bana Pele Programme****School uniform**

The department plans to expand the provision of school uniform packs to a total of 151 351 learners in the 2018/19 financial year.

**Dignity packs**

In the 2018/19 financial year, the department will provide dignity packs to 1 200 000 children.

**Output 5: Early childhood development**

The department will continue to improve ECD social infrastructure and appropriate programme design focusing on 50 prioritized areas. In the 2018/19 financial year, it plans to ensure that 107 358 children will access ECD services from 1 426 funded partial care sites, and to fully register 2 262 partial care sites.

**Output 6: Crime prevention and support**

The department will continue to strengthen the implementation of the Social Crime Prevention Strategy to reduce the incidence and impact of social crimes in the 2018/19 financial year. This will be done through the expansion of social crime awareness and prevention programmes reaching 231 644 beneficiaries (children included).

Furthermore, 660 children will be provided with access to secure care centres and the department will also ensure that the number of children who participate in diversion programmes reaches 3 009.

**Output 7: Integrated victim empowerment services (VEP)**

In the 2018/19 financial year, the department continues to fund 22 service sites for victims of crime and violence managed by funded NPOs, and 2 107 victims of crime and violence managed by funded NPOs will have access to these service sites. A further 34 621 victims of crime will access VEP services through NPOs funded by the department.

**Output 8: Integrated substance abuse prevention, treatment and rehabilitation**

In the 2018/19 financial year, the department plans to fund 52 substance abuse treatment centres managed by government and NPOs; reach out to 27 254 service users accessing treatment centres managed by funded NPOs; and reach 714 868 children and youth through the Ke-Moja drug prevention programme. A further 10 244 beneficiaries of aftercare programmes will receive treatment for substance abuse.

**Output 9: Community Development services through sustainable livelihoods strategies**

The department in partnership with civil society continues to assist in setting up community advice centres. Young people will continue to be trained as advice agents to serve the community by giving people easier access to social services.

In the 2018/19 financial year, the department plans to reach 32 789 people through community mobilisation programmes.

**War on Poverty**

The department continues to make steady progress in the battle to end hunger among households in Gauteng through food banks. It plans to increase the number of beneficiaries of food relief from food banks to 248 000, with a total of 70 857 households accessing food through DSD food security programmes in the 2018/19 financial year.

**Output 10: Youth Development**

In the 2018/19 financial year, the department plans to reach out to 39 746 youth participating in skills development programmes, with 13 600 youth participating in entrepreneurship programmes and 96 096 in social change programmes.

The department also plans to support the number of youth participating in learnership programmes to 100, while 30 unemployed youth will be provided with external bursaries and 337 young people will participate in internship programmes.

**Output 11: Women Development**

The department plans to ensure that 3 374 women on child support grants will be linked to economic opportunities in the 2018/19 financial year; and 18 400 women will participate in empowerment programmes.

**Output 12: Sustainable employment creation****Expanded Public Works Programme**

The EPWP continues to make an important contribution towards the sustainable development goals. The department will create a total of 7 086 work opportunities through the EPWP in the 2018/19 financial year.

**Support to cooperatives**

Social cooperatives are organs of civil society intended to stimulate social cohesion and local economic development amongst organised communities.

In the 2018/19 financial year, the department will continue to empower a total of 587 cooperatives to provide goods and services to the department and other service users.

**4. REPRIORITISATION**

A total amount of R89.1 million is reprioritised from non-profit institutions (NPIs) over the 2018 Medium Term Expenditure Framework (MTEF) to augment compensation of employees' budget to make provision for existing staff in the department.

The department also reprioritised the goods and services budget to ease spending pressure on items such as Microsoft licences, leases of office buildings and outsourced services (security, gardening and cleaning) and to cover price increases on existing contracts and the revised rates on newly awarded contracts.

## 5. PROCUREMENT

The department will continue to strengthen supply chain management (SCM) through various interventions such as:

- Continuous training of SCM officials on new frameworks, guidelines and policies;
- Strengthening quarterly SCM forums and quarterly supplier forums;
- Monitoring compliance with legislative requirements;
- Implementing open tender processes; and
- Empowering cooperatives and township suppliers to participate in the departmental procurement opportunities.

Some of the major procurement to be undertaken by the department over the 2018 MTEF relates to the following:

- Provision of security, cleaning and gardening services at head office, regions, service points and institutions;
- Provision of catering and laundry services for beneficiaries at the institutions;
- Improvement of information technology infrastructure;
- Continued implementation of the township economy revitalisation strategy; and
- Continued training of departmental staff.

## 6. RECEIPTS AND FINANCING

### 6.1 Summary of receipts

TABLE 6.1: SUMMARY OF RECEIPTS: SOCIAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Equitable share	3 412 095	3 978 354	4 258 494	4 390 005	4 533 993	4 533 993	4 914 578	5 224 759	5 525 623
Conditional grants	22 267	18 785	13 108	52 326	52 326	52 326	68 917	69 156	73 789
Social Sector EPWP Incentive Grant	20 267	16 785	13 108	9 384	9 384	9 384	1 485		
EPWP Integrated Grant	2 000	2 000		2 000	2 000	2 000	2 000		
Early Childhood Development Grant				38 489	38 489	38 489	62 777	66 287	70 728
Social Worker Employment Grant				2 453	2 453	2 453	2 655	2 869	3 061
<b>Total receipts</b>	<b>3 434 362</b>	<b>3 997 139</b>	<b>4 271 602</b>	<b>4 442 331</b>	<b>4 586 319</b>	<b>4 586 319</b>	<b>4 983 495</b>	<b>5 293 915</b>	<b>5 599 412</b>

The departmental budget increased from R3.4 billion in the 2014/15 financial year to R4.3 billion in the 2016/17 financial year. The increase relates to the expansion of services such as the provision of school uniforms and nutrition to the beneficiaries identified through departmental officials, ward committees, NPOs and household profiles. The increase in budget is also attributed to the increase in the number of ECD centres funded by the department.

Over the 2018 MTEF, the budget increases from R4.9 billion in 2018/19 to R5.6 billion in 2020/21 financial year. This increase is attributed to amongst others, the provision of nutrition, school uniforms and dignity packs. The department will also continue to use EPWP opportunities by expanding the programmes beyond the grant beneficiaries to other categories in welfare such as skills development centres.

Through the ECD grant, the department will increase nutritional support, build ECD prototypes in the poorest communities and provide non-centre based ECD services through mobile ECD units, toy libraries and play grounds.

An additional allocation of R835.9 million was received over the 2018 MTEF to fund programmes such as Violence Against Women, Isibindi, the Caregivers' Subsidy, the absorption of social work graduates, the Dignity Packs Programme, key infrastructure projects and capacity building to deliver infrastructure aligned to the Infrastructure Delivery Management System (IDMS). In compliance to the NAWONGO court case judgement, the department received an amount of R88.3 million for the 2019/20 and 2020/21 financial years to ensure that those non-governmental organisations providing statutory services are capacitated and fully funded for the service.

### 6.2 Departmental receipts

TABLE 6.2: SUMMARY OF DEPARTMENTAL RECEIPTS: SOCIAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Sales of goods and services other than capital assets	2 468	2 589	2 712	2 645	2 645	2 645	2 798	2 956	3 118
Transfers received									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Fines, penalties and forfeits	1					1			
Interest, dividends and rent on land	15	69	40	26	46	47	28	29	31
Sales of capital assets									
Transactions in financial assets and liabilities	2 334	1 318	1 515	551	9 372	9 372	583	616	650
<b>Total departmental receipts</b>	<b>4 818</b>	<b>3 976</b>	<b>4 267</b>	<b>3 222</b>	<b>12 063</b>	<b>12 065</b>	<b>3 409</b>	<b>3 601</b>	<b>3 799</b>

The departmental revenue decreased from R4.8 million in the 2014/15 financial year to R4.2 million in the 2016/17 financial year. The decrease in revenue over the past three financial years relates to a decrease in the recovery of previous years' expenditure, which is primarily receivables (debtors) and refund of previous years' unspent funds by the NPOs. The decrease in recovery of the unspent funds by the NPOs is a direct result of the department's implementation of the NPO sector's monitoring and reporting strategy.

Over the 2018 Medium Term Revenue Framework (MTRF), revenue is estimated to increase from R3.4 million in the 2018/19 financial year to R3.8 million in the 2020/21 financial year, increasing by R390 000 at an annual average growth of 5.7 per cent. The R390 000 revenue increase is attributable to the inflationary effects, while the departmental revenue sources have not changed.

The significant part of revenue collection in the 2017/18 financial year emanates from sales of goods and services other than capital assets. This revenue source includes garnishee orders, parking fees collected from employees, and boarding fees from officials who occupy official residences at the departmental institutions.

## 7. PAYMENT SUMMARY

### 7.1 Key assumptions

The key assumptions below were considered when formulating the budget over the 2018 medium term:

- Ten Pillar Programme;
- Absorption of social work graduates over the 2018 MTEF;
- Improvement in conditions of service;
- Establishment of centres of excellence (skills development centres);
- Integrated substance abuse intervention across the province;
- The cost of outsourced services and the annual increase on existing contracts;
- Expansion of ECD centres and home-based care services;
- Expansion of provision of dignity packs, school uniforms and food bank projects;
- Implementation of non-centre-based programmes such as toy libraries, mobile buses and mobile ECD facilities;
- Continued services to children in conflict with the law and poverty alleviation programmes;
- Implementation of social infrastructure projects and continued implementation of Welfare to Work programme; and
- Projects and programmes identified through the Ntirhisano Community Outreach Programme.

### 7.2 Programme summary

TABLE 6.3: SUMMARY OF PAYMENTS AND ESTIMATES: SOCIAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Administration	442 905	480 121	531 646	551 235	572 662	568 088	623 594	682 170	719 687
2. Social Welfare Services	625 311	697 285	721 251	759 847	770 524	771 110	814 123	859 379	906 845
3. Children And Families	1 629 765	1 925 638	2 062 920	2 078 062	2 181 050	2 190 607	2 303 871	2 432 337	2 618 247
4. Restorative Services	348 538	407 075	442 299	506 117	516 125	518 261	619 317	660 836	659 185
5. Development And Research	362 286	432 122	493 687	547 071	545 958	537 853	622 590	659 193	695 448
<b>Total payments and estimates</b>	<b>3 408 805</b>	<b>3 942 241</b>	<b>4 251 803</b>	<b>4 442 331</b>	<b>4 586 319</b>	<b>4 585 919</b>	<b>4 983 495</b>	<b>5 293 915</b>	<b>5 599 412</b>

### 7.3 Summary of economic classification

TABLE 6.4: SUMMARY OF ECONOMIC CLASSIFICATION: SOCIAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>1 403 658</b>	<b>1 674 373</b>	<b>1 805 307</b>	<b>1 884 124</b>	<b>1 961 577</b>	<b>1 961 130</b>	<b>2 084 056</b>	<b>2 275 168</b>	<b>2 407 452</b>
Compensation of employees	1 018 431	1 233 601	1 332 444	1 382 798	1 410 625	1 410 393	1 519 821	1 662 370	1 759 682
Goods and services	385 227	440 772	472 863	501 326	550 952	550 737	564 235	612 798	647 770
<b>Transfers and subsidies to:</b>	<b>1 869 455</b>	<b>2 104 668</b>	<b>2 254 508</b>	<b>2 471 133</b>	<b>2 461 953</b>	<b>2 461 953</b>	<b>2 784 472</b>	<b>2 984 935</b>	<b>3 156 286</b>
Departmental agencies and accounts	67	67	6 652	80	69	69	84	89	94
Non-profit institutions	1 861 312	2 095 086	2 237 344	2 461 466	2 452 366	2 452 366	2 774 257	2 974 144	3 144 902
Households	8 076	9 515	10 512	9 587	9 518	9 518	10 131	10 702	11 290
<b>Payments for capital assets</b>	<b>135 452</b>	<b>162 734</b>	<b>186 713</b>	<b>87 074</b>	<b>162 573</b>	<b>162 573</b>	<b>114 967</b>	<b>33 812</b>	<b>35 674</b>
Buildings and other fixed structures	89 981	114 154	145 734	74 400	153 899	153 899	98 859	16 540	17 452
Machinery and equipment	45 120	48 533	40 879	12 674	8 535	8 535	16 108	17 272	18 222
Software and other intangible assets	351	47	100		139	139			
<b>Payments for financial assets</b>	<b>240</b>	<b>466</b>	<b>5 275</b>		<b>216</b>	<b>263</b>			
<b>Total economic classification</b>	<b>3 408 805</b>	<b>3 942 241</b>	<b>4 251 803</b>	<b>4 442 331</b>	<b>4 586 319</b>	<b>4 585 919</b>	<b>4 983 495</b>	<b>5 293 915</b>	<b>5 599 412</b>

The overall expenditure increased from R3.4 billion in 2014/15 to R4.3 billion in the 2016/17 financial year. The increase in the expenditure is attributable to the provision of school uniforms and nutrition to the beneficiaries identified through departmental officials, NPOs and household profiles. The increase in the expenditure is also attributable to the increase in the number of ECD centres funded by the department, which provides an environment that is conducive to learning for children.

The increase in expenditure on compensation of employees from the 2014/15 financial year to the 2016/17 financial year, is attributed to the appointment of nursing professionals, social work graduates and the implementation of the ward-based model. The expenditure for goods and services increased owing to the price increases for outsourced services (security, cleaning and gardening services), Microsoft Office licences and leases on office buildings for new service points to ensure that social welfare services are closer to communities. The expenditure on goods and services is further increased by the leasing of additional fleet to address the shortage of vehicles after the absorption of social work graduates.

The budget increases from R4.9 billion in 2018/19 to R5.6 billion in 2020/21. The increase over the 2018 MTEF budget is primarily owing to the expansion of school uniforms and dignity packs programmes to the poorest communities.

Through the ECD conditional grant, the department will expand ECD subsidies to poor children in existing centres and improve conditionally registered facilities to meet basic requirements in order to become fully registered. The allocation will increase the number of subsidised children in ECD centres and help to improve the conditions of these facilities to comply with health and safety standards.

The department will continue to implement integrated substance abuse prevention programmes, as well as treatment and rehabilitation programmes across the province by increasing the number of service users accessing treatment centres through the additional allocation received over the 2018 MTEF.

An additional allocation of R835.9 million is received over the 2018 MTEF to fund programmes such as Violence Against Women, Isibindi, the Caregivers' Subsidy, the absorption of social work graduates, the Dignity Packs Programme, key infrastructure projects and capacity building to deliver infrastructure aligned to the Infrastructure Delivery Management System (IDMS). In compliance with the NAWONGO Court Case Judgement, the department received an amount of R88.3 million in 2019/20 and 2020/21 financial years.

## 7.4 Infrastructure payments

### 7.4.1 Departmental infrastructure payments

Please refer to the 2018 Estimates of Capital Expenditure (ECE).

### 7.4.2 Departmental Public-Private-Partnership (PPP) projects

N/A



## 7.5 Transfers

### 7.5.1 Transfers to public entities

N/A

### 7.5.2 Transfers to other entities

TABLE 6.5: SUMMARY OF DEPARTMENTAL TRANSFERS TO OTHER ENTITIES (NGOS)

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Care and Services to Older Persons	199 030	235 550	220 915	217 105	220 213	220 213	238 122	251 510	265 343
Services to Persons with Disabilities	83 614	88 464	94 756	101 146	101 719	101 719	110 136	116 363	122 763
HIV and AIDS	264 906	273 237	311 267	343 777	350 367	350 367	369 557	388 743	410 315
Care and Support Services to Families	118 228	122 189	125 930	133 813	134 276	134 276	142 060	192 834	248 900
Child Care and Protection	21 206	16 655	10 890	19 150	3 500	3 500	1 221	1 053	1 111
ECD and Partial Care	315 028	336 914	358 659	412 150	412 150	412 150	440 969	456 967	482 895
Child and Youth Care Centres	144 420	154 060	150 384	167 154	161 154	161 154	168 779	178 188	187 989
Community- Based Care Services for Children	294 659	411 794	447 787	437 907	443 557	443 557	488 205	523 226	552 003
Crime Prevention and Support	108 562	92 551	82 551	85 390	75 639	75 639	77 943	82 151	86 669
Victim Empowerment	52 331	57 226	65 294	67 767	71 215	71 215	96 414	106 026	72 591
Substance Abuse, Prevention and Rehabilitation	61 440	88 764	123 036	192 991	195 458	195 458	281 786	297 946	314 333
Institution Capacity and Support to NPOs	20 000	20 000	20 700	20 190	20 190	20 190	21 365	22 562	23 803
Poverty Alleviation and Sustainable Livelihoods	149 004	174 671	193 017	224 543	224 543	224 543	297 099	313 700	330 954
Youth Development	16 627	17 261	23 128	24 035	24 035	24 035	25 429	26 853	28 330
Women Development	12 257	5 750	9 030	14 350	14 350	14 350	15 172	16 022	16 903
<b>Total departmental transfers</b>	<b>1 861 312</b>	<b>2 095 086</b>	<b>2 237 344</b>	<b>2 461 466</b>	<b>2 452 366</b>	<b>2 452 366</b>	<b>2 774 257</b>	<b>2 974 144</b>	<b>3 144 902</b>

The expenditure increased from R1.9 billion in the 2014/15 financial year to R2.2 billion in the 2016/17 financial year. The increase in expenditure mostly emanates from the Community-Based Care Services in the Sub-programme: Children, followed by the ECD and Partial Care sub-programmes.

The higher expenditure resulted from the provision of school uniforms and nutrition to the beneficiaries identified through departmental officials, ward committees, NPOs and household profiles. The growth in expenditure is also attributed to the increase in the number of ECD centres funded by the department which provides services to children to ensure they are taught in an environment that is conducive to learning.

Through the ECD conditional grant, the department will expand subsidies to poor children in existing centres and improve conditionally registered facilities to meet basic requirements to become fully registered. The allocation will increase the number of subsidised children in ECD centres and help improve the facilities to comply with health and safety standards.

Transfers to the NGOs' will increase from R2.8 billion in 2018/19 to R3.1 billion in 2020/21. The higher increase over the 2018 MTEF budget is attributed to an additional allocation received for implementation of programmes such as Violence Against Women, Dignity Packs, and the Caregivers' Subsidy to reach parity, and the NAWONGO court case judgement.

### 7.5.3 Transfers to local government

N/A

## 8. PROGRAMME DESCRIPTION

### PROGRAMME 1: ADMINISTRATION

#### Programme description

To provide political and strategic direction and leadership, and to guide and support the development of policy frameworks and guidelines for the implementation of priority programmes.



### Programme objectives

- To provide effective and efficient human resource management, development services and maintain sound labour peace to 16 282 beneficiaries towards the 2019/20 financial year;
- To provide infrastructure support services to 88 projects in the 2015-20 financial years;
- To provide Gender, Youth and Disability (GEYODI) mainstreaming capacity building sessions to 918 officials of the department including NPO officials by the 2019/20 financial year;
- To provide risk management and internal control services through the provision of 10 risk assessments towards the 2019/20 financial year;
- To empower township suppliers as per GPG targets, provide preferential procurement to 3 957 companies historically disadvantaged individuals (HDIs); small, medium, and micro enterprises (SMMEs); persons with disabilities (PWD) and youth-owned enterprises;
- To provide legal services to the department through 32 legislative compliance audits, litigation and contract management in the 2015-20 financial years;
- To provide effective and efficient financial management to ensure that 95 per cent of suppliers are paid within 30 days in the 2015-20 financial years;
- To provide services to 100 per cent (809) cases received via the Hotline and other stakeholders in the 2015-20 financial years;
- To provide strategic planning, performance monitoring and evaluation services in the 2015-20 financial years; and
- To provide Information Communication and Technology (ICT) services in the 2015-20 financial years.

### Key Policies, Priorities and Outputs

Support services provide administrative and financial support to accomplish the mandate of the department which is social work services. The programme's key priorities include effective and efficient human resources management; financial management services; infrastructure support services; internal control and risk management services; gender youth and disability mainstreaming; legal services; and district management services.

TABLE 6.6: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Office Of The Mec	3 441	6 474	8 707	8 003	9 149	9 148	10 722	8 695	9 173
2. Corporate Management Services	221 411	233 515	266 617	272 324	278 601	275 818	321 427	343 019	361 888
3. District Management	218 053	240 132	256 322	270 908	284 912	283 122	291 445	330 456	348 626
<b>Total payments and estimates</b>	<b>442 905</b>	<b>480 121</b>	<b>531 646</b>	<b>551 235</b>	<b>572 662</b>	<b>568 088</b>	<b>623 594</b>	<b>682 170</b>	<b>719 687</b>

TABLE 6.7: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>405 697</b>	<b>436 965</b>	<b>487 316</b>	<b>531 940</b>	<b>557 865</b>	<b>554 508</b>	<b>601 520</b>	<b>658 444</b>	<b>694 656</b>
Compensation of employees	210 991	231 413	256 180	267 808	277 469	274 126	302 703	327 126	345 117
Goods and services	194 706	205 552	231 136	264 132	280 396	280 382	298 817	331 318	349 539
<b>Transfers and subsidies to:</b>	<b>5 201</b>	<b>6 669</b>	<b>13 998</b>	<b>6 621</b>	<b>6 541</b>	<b>6 305</b>	<b>7 882</b>	<b>8 327</b>	<b>8 785</b>
Departmental agencies and accounts	67	67	6 652	80	69	69	84	89	94
Households	5 134	6 602	7 346	6 541	6 472	6 236	7 798	8 238	8 691
<b>Payments for capital assets</b>	<b>31 940</b>	<b>36 364</b>	<b>30 303</b>	<b>12 674</b>	<b>8 171</b>	<b>7 190</b>	<b>14 192</b>	<b>15 399</b>	<b>16 246</b>
Machinery and equipment	31 589	36 317	30 203	12 674	8 032	7 051	14 192	15 399	16 246
Software and other intangible assets	351	47	100		139	139			
<b>Payments for financial assets</b>	<b>67</b>	<b>123</b>	<b>29</b>		<b>85</b>	<b>85</b>			
<b>Total economic classification</b>	<b>442 905</b>	<b>480 121</b>	<b>531 646</b>	<b>551 235</b>	<b>572 662</b>	<b>568 088</b>	<b>623 594</b>	<b>682 170</b>	<b>719 687</b>

The expenditure increased from R442.9 million in 2014/2015 to R531.6 million in the 2016/17 financial year. The growth in expenditure relates to the department entering into a new contract for the rental of buildings and price increases for outsourced services at regional offices, service points and fleet services. In addition, the programme increased its budget for Microsoft licences owing to the current licensing model which is per user as opposed to the previous one which was per machine. The expenditure in the 2016/17 financial year was also increased by a once-off payment amounting to R6.6 million to the Government Employees Pension Fund (GEPPF).

The budget will increase from R623.6 million in 2018/19 to R719.7 million in the 2020/21 financial year owing to the increase in the compensation of employees' budget. The budget for compensation of employees increases because of reprioritisation of funds to align the budget to warm bodies on the staff establishment. The increase in the goods and services budget, can be attributed to additional funds allocated to outsourced services, to provide for the rental of buildings for regional offices and service points, and to pay for Microsoft licences for the entire department. Included in the budget for the programme are funds set aside for the procurement of assets in the department.

An additional amount of R38.1 million will be received over the 2018 MTEF for internal capacity building for the Infrastructure Delivery Management System (IDMS) and maintenance of buildings at the head office and regional offices.

## SERVICE DELIVERY MEASURES

### PROGRAMME 1: ADMINISTRATION

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of people participating in internship programmes	191	337	359	383
Number of learners in learnership programmes	100	400	422	446
Number of new bursars participating in external bursary programmes	Target in the fourth quarter	30	32	34
Percentage of women on salary levels 13-16	PPI not recorded in the FY	50%	50%	50%
Percentage of persons with disabilities (PWD) employed by the department	PPI not recorded in the FY	3%	3%	3%
Percentage of disciplinary cases at SMS (13-16) resolved within 90 days from date of awareness of the misconduct	PPI not recorded in the FY	90%	90%	90%
Number of social worker bursary holder graduates	Target in the fourth quarter	135	120	46
Vacancy rate of staff on salary levels 13-16 (%)	PPI not recorded in the FY			
Number of community home-based care facilities including day care facilities for older persons constructed in Gauteng	4 projects-G7	4 projects- G8 2 projects- G6B	2 projects- G7	2 projects- G8
Number of ECD centres constructed in Gauteng	6 projects G7	6 projects- G8 1 projects- G7 3 projects - G6B	4 projects G7	4 projects- G8
Number of service delivery accommodation facilities constructed in Gauteng	5 projects G7	5 projects- G8 1 project- G7 2 projects- G6B	1 project- G8 2 projects- G7	2 projects-G8
Number of GEYODI mainstreaming capacity building sessions conducted	4	3	3	
Number of beneficiaries reached through GEYODI mainstreaming capacity building sessions	248	250	264	
Number of risk assessments conducted	1	2	2	
Percentage of investigations actioned from the National Anti-Corruption Hotline	100%	100%	100%	0%
Number of contracts awarded by the department to HDI/SMME companies	15	32	31	35
Preferential procurement spent per GPG targets	HDI: 92.15% WOMEN:26.19% YOUTH:13.28% DISABILITY:2.87%	HDI: 80% WOMEN:30% YOUTH:10% DISABILITY:5%	HDI: 80% WOMEN:30% YOUTH:10% DISABILITY:5%	HDI: 80% WOMEN:30% YOUTH:10% DISABILITY:5%
Number of service providers capacitated by the department	1 735	2 000	2 112	2 230
Number of companies owned by persons with disabilities participating in preferential procurement	81	108	114	120
Number of companies owned by youth participating in preferential procurement	347	599	634	672
Number of legislative compliance tests conducted	6	8	8	8
Percentage of suppliers paid within 30 days	100%	100%	100%	100%
Audit opinion on annual financial statements expressed by the AGSA	Unqualified (clean) audit opinion	Unqualified (clean) audit opinion	Unqualified (clean) audit opinion	Unqualified (clean) audit opinion
Number of reports on the implementation of the Service Delivery Improvement Plan (SDIP)	2	4	4	4
Response rate to cases received via the Hotline and other stakeholders (%).	100% (30)	100% (240)	100% (253)	100% (267)
Percentage of grievances resolved within 30 days	PPI not recorded in the FY	100%	100%	100%
Percentage of precautionary suspensions uplifted within 60 days	PPI not recorded in the FY	100%	100%	100%
Percentage of staff disciplined found guilty of fraud and corruption	PPI not recorded in the FY	100%	100%	100%
Percentage of disciplinary cases resolved within 90 days from the date of awareness of the misconduct	PPI not recorded in the FY	80%	80%	80%

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of shelters for vulnerable women and children constructed in Gauteng	PPI not recorded in the FY	1 project- G6B	1 project- G7	1 project- G8

## PROGRAMME 2: SOCIAL WELFARE SERVICES

### Programme description

To provide integrated developmental social welfare services to the poor and vulnerable beneficiaries in partnership with stakeholders and civil society.

### Programme objectives

- To provide integrated developmental social welfare services for the care, support and protection of 243 572 older persons in the 2015-20 financial years;
- To provide integrated developmental social welfare services to facilitate the care, social inclusion and economic empowerment of 125 397 persons with disabilities in the 2015-20 financial years;
- To provide integrated community-based care programmes aimed at mitigating the social and economic impact of HIV and AIDS to 1 168 005 people living with and affected by HIV and AIDS in the 2015-20 financial years; and
- To respond to emergency needs identified in communities affected by disasters not declared, and or any other social conditions resulting in undue hardship to 9 395 beneficiaries in the 2015-20 financial years.

### Key Policies, Priorities and Outputs

- To ensure the provision of social protection and statutory services aiming to safeguard the wellbeing of individuals and families;
- To ensure a safe living and nurturing environment where the rights of individuals and families are protected and respected; and
- To ensure that designated people and/or institutions take required action necessary to protect the wellbeing of the vulnerable groups. The key priorities include services to Persons with Disabilities, Services to Older Persons and social relief of distress.

TABLE 6.8: SUMMARY OF PAYMENTS AND ESTIMATES: SOCIAL WELFARE SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Management And Support	3 222	4 262	3 922	4 871	4 655	4 655	5 261	5 451	5 760
2. Care And Services To Older Persons	246 816	299 273	278 480	275 702	280 322	279 880	293 680	312 329	329 507
3. Services To Persons With Disabilities	106 291	114 946	122 573	130 025	129 383	129 824	137 170	145 252	153 241
4. Hiv And Aids	268 982	278 804	316 276	349 249	356 164	356 751	378 012	396 347	418 337
<b>Total payments and estimates</b>	<b>625 311</b>	<b>697 285</b>	<b>721 251</b>	<b>759 847</b>	<b>770 524</b>	<b>771 110</b>	<b>814 123</b>	<b>859 379</b>	<b>906 845</b>

TABLE 6.9: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: SOCIAL WELFARE SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>70 995</b>	<b>92 483</b>	<b>89 552</b>	<b>97 069</b>	<b>92 666</b>	<b>93 251</b>	<b>94 982</b>	<b>101 393</b>	<b>106 977</b>
Compensation of employees	42 917	58 500	54 754	61 185	54 040	54 627	58 406	62 813	66 268
Goods and services	28 078	33 983	34 798	35 884	38 626	38 624	36 576	38 580	40 709
<b>Transfers and subsidies to:</b>	<b>548 029</b>	<b>597 902</b>	<b>627 743</b>	<b>662 777</b>	<b>673 049</b>	<b>673 049</b>	<b>718 541</b>	<b>757 386</b>	<b>799 234</b>
Non-profit institutions	547 550	597 251	626 938	662 027	672 299	672 299	717 815	756 616	798 421
Households	479	651	805	750	750	750	726	770	813
<b>Payments for capital assets</b>	<b>6 282</b>	<b>6 900</b>	<b>3 941</b>		<b>4 799</b>	<b>4 798</b>	<b>600</b>	<b>600</b>	<b>634</b>
Buildings and other fixed structures	3 682	4 955	2 940		4 500	4 500	600	600	634
Machinery and equipment	2 600	1 945	1 001		299	298			
<b>Payments for financial assets</b>	<b>5</b>		<b>15</b>		<b>10</b>	<b>12</b>			
<b>Total economic classification</b>	<b>625 311</b>	<b>697 285</b>	<b>721 251</b>	<b>759 847</b>	<b>770 524</b>	<b>771 110</b>	<b>814 123</b>	<b>859 379</b>	<b>906 845</b>

The programme expenditure increased from R625.3 million in 2014/15 to R721.3 million in the 2016/17 financial year. The increase in the expenditure was due to the department strengthening and enhancing existing services and programmes such as residential facilities, active-ageing programmes, gym facilities and elder abuse prevention programmes through NPOs.

The department provided programmes such as protective workshops and residential facilities to persons with disabilities to provide full protection and equal enjoyment of all human rights. The department will also continue to provide employment opportunities to work at home and community based care (HCBC) projects to young people who have limited or no work experience.

The 2018 MTEF will increase from R814.1 million in 2018/19 to R906.9 million in the 2020/21 financial year. The increase over the MTEF is mainly owing to the department providing services to previously disadvantaged communities including the vulnerable groups from the poorest of the poor. The department continued to provide integrated community-based care programmes to mitigate the social impact of HIV and AIDS to infected and affected people.

An additional amount of R10.9 million is made available to fund a Caregivers' Subsidy to reach parity. The purpose of this subsidy is to bring parity to all caregivers across the department. The increase will also enable caregivers to qualify to register for UIF and subsequently benefit from assistance such as maternity leave.

The programme further received an amount of R2.1 million over the 2018 MTEF mainly to address Occupational Health and Safety (OHS) compliance matters and to refurbish and rehabilitate departmental institutions.

## SERVICE DELIVERY MEASURES

### PROGRAMME 2: SOCIAL WELFARE SERVICES

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of older persons accessing funded residential facilities	6 347	6 240	6 589	6 952
Number of older persons in residential facilities managed by Government	119	110	116	123
Number of older persons accessing community-based care and support services (home-based care) managed by funded NPOs	7 458	7 195	7 598	8 016
Number of older persons participating in active aging programmes by Government	10 397	13 319	14 065	14 838
Number of older persons participating in active aging programmes by NPOs	14 304	15 600	16 474	17 380
Number of older persons accessing community-based care and support services (service centres and luncheon clubs) managed by funded NPOs	13 038	16 782	17 722	18 696
Number of facilities for older persons in the 50 poorest wards and other prioritised areas provided with gym equipment.	26	26	27	29
Number of older persons in the 50 poorest wards and other prioritised areas utilising gym facilities	1 676	1 670	1 764	1 861
Number of beneficiaries reached through elder abuse prevention programmes	30 610	37 190	39 273	41 433
Number of beneficiaries reached through prevention programmes on disability	42 581	50 221	53 033	55 950
Number of persons with disabilities in residential facilities managed by Government	179	180	190	201
Number of persons with disabilities accessing funded residential facilities	1 881	1 870	1 975	2 083
Number of persons with disabilities accessing funded assisted living facilities	56	59	62	66
Number of persons with disabilities accessing services in protective workshops managed by funded NPOs	4 517	4 672	4 934	5 205
Number of persons with disabilities receiving psychosocial support services	9 382	11 004	11 620	12 259
Number of persons with disabilities benefiting from community-based care and support programmes	533	549	580	612
Percentage of funded NPOs delivering HIV and AIDS services	100% (240)	100% (255)	100% (269)	100% (284)
Number of food parcels issued by HCBC organisations	86 227	99 100	104 650	110 405
Number of beneficiaries receiving daily meals at HCBC organisations	35 517	35 517	37 506	39 569
Number of vulnerable households receiving psychosocial support services	38 340	37 335	39 426	41 594
Number of organisations trained on social and behaviour change programmes	90	120	137	134
Number of beneficiaries reached through social and behaviour change programmes	75 798	77 007	81 319	85 792
Number of beneficiaries receiving psychosocial support services from HCBC organisations	93 836	86 519	91 364	96 389
Number of work opportunities created by the department through the EPWP	6 927	7 086	7 483	7 894

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of social relief applications recommended for approval by South African Social Security Agency (SASSA)	2 483	3 604	3 806	4 015

### PROGRAMME 3: CHILDREN AND FAMILIES

#### Programme description

To provide comprehensive child and family care and support services to communities in partnership with stakeholders and civil society organisations.

#### Programme objectives

- To provide integrated developmental social welfare services promoting functional families to 410 706 families / service recipients in the 2015-20 financial years;
- To provide alternative care and support to 552 850 vulnerable children in the 2015-20 financial years;
- To provide Early Childhood Development (ECD) and partial care services to 481 621 children in the 2015-20 financial years;
- To provide integrated developmental social welfare services for the care and protection of 28 107 children in CYCCs in the 2015-20 financial years; and
- To provide community-based care support programmes for the care and protection of 53 238 orphans and vulnerable children through the Isibindi programme in the 2015-20 financial years.

#### Key Policies, Priorities and Outputs

- To ensure the provision of social protection and statutory services aiming to safeguard the wellbeing of individuals and families;
- To ensure a safe living and nurturing environment where their rights are protected and respected;
- To ensure that designated people and/or institutions take required action necessary to protect the wellbeing of the vulnerable groups; and
- The protection of children's rights as outlined in the Child Protection Act, provision and regulation of ECDs; promoting functional families and provision of community-based care and protection services to orphans and vulnerable children.

TABLE 6.10: SUMMARY OF PAYMENTS AND ESTIMATES: CHILDREN AND FAMILIES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Management And Support	5 141	5 891	7 589	7 514	7 728	7 739	9 171	9 213	9 719
2. Care And Services To Families	120 812	124 756	127 332	135 566	136 011	136 011	144 798	194 622	250 786
3. Child Care And Protection	403 861	483 862	515 507	520 141	529 073	537 877	587 483	671 884	714 717
4. Ecd And Partial Care	368 784	413 354	449 944	485 062	523 543	523 612	535 032	472 681	499 473
5. Child And Youth Care Centres	436 508	485 981	514 761	491 871	541 138	541 811	539 182	560 711	591 549
6. Community-Based Care Services For Children	294 659	411 794	447 787	437 907	443 557	443 557	488 205	523 226	552 003
<b>Total payments and estimates</b>	<b>1 629 765</b>	<b>1 925 638</b>	<b>2 062 920</b>	<b>2 078 062</b>	<b>2 181 050</b>	<b>2 190 607</b>	<b>2 303 871</b>	<b>2 432 337</b>	<b>2 618 247</b>

TABLE 6.11: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: CHILDREN AND FAMILIES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>646 033</b>	<b>772 231</b>	<b>826 138</b>	<b>831 887</b>	<b>889 304</b>	<b>898 194</b>	<b>965 023</b>	<b>1 063 462</b>	<b>1 127 829</b>
Compensation of employees	535 558	650 193	692 434	707 795	734 857	743 948	805 191	898 320	953 606
Goods and services	110 475	122 038	133 704	124 092	154 447	154 246	159 832	165 142	174 223
<b>Transfers and subsidies to:</b>	<b>895 063</b>	<b>1 043 318</b>	<b>1 095 194</b>	<b>1 171 775</b>	<b>1 156 238</b>	<b>1 156 393</b>	<b>1 242 273</b>	<b>1 353 362</b>	<b>1 474 051</b>
Non-profit institutions	893 541	1 041 612	1 093 650	1 170 174	1 154 637	1 154 637	1 241 234	1 352 268	1 472 898
Households	1 522	1 706	1 544	1 601	1 601	1 756	1 039	1 094	1 153
<b>Payments for capital assets</b>	<b>88 549</b>	<b>109 754</b>	<b>141 503</b>	<b>74 400</b>	<b>135 401</b>	<b>135 880</b>	<b>96 575</b>	<b>15 513</b>	<b>16 367</b>
Buildings and other fixed structures	80 786	101 804	132 900	74 400	135 244	135 244	94 659	13 640	14 391
Machinery and equipment	7 763	7 950	8 603		157	636	1 916	1 873	1 976
<b>Payments for financial assets</b>	<b>120</b>	<b>335</b>	<b>85</b>		<b>107</b>	<b>140</b>			
<b>Total economic classification</b>	<b>1 629 765</b>	<b>1 925 638</b>	<b>2 062 920</b>	<b>2 078 062</b>	<b>2 181 050</b>	<b>2 190 607</b>	<b>2 303 871</b>	<b>2 432 337</b>	<b>2 618 247</b>

The overall expenditure in this programme increased from R1.6 billion in 2014/15 to R2.1 billion in the 2016/17 financial year. The increase in this expenditure is attributed to the increased number of ECD sites and non-centre-based ECD services funded by the department. The increase in expenditure is also attributable to the expansion of the distribution of school uniforms over the years and the implementation of non-centre-based ECD services. The school uniform packages which are funded by the department consists of a pair of shoes, one shirt, one jersey, one pair of trousers/tunic and one pair of socks.

The expenditure for goods and services increased owing to the price increase of outsourced services such as security, cleaning and gardening services, including catering services for beneficiaries at the CYCCs in the department.

The budget of this programme will increase from R2.3 billion in 2018/19 to R2.6 billion in the 2020/21 financial year. Over the 2018 MTEF, the allocation for compensation of employees is increased to fund personnel costs for warm bodies on the staff establishment.

Through the ECD conditional grant, the department will expand the provision of ECD subsidies to poor children in existing ECD centres; it will also improve conditionally registered facilities to meet basic requirements to become fully registered. The conditional grant allocation will increase the number of subsidised children in ECD centres and help to improve ECD facilities to comply with health and safety standards. The programme will continue to provide non-centre-based ECD services through mobile ECD units, toy libraries and playgrounds.

Additional funds were allocated to the programme to expand the provision of school uniform packs over the 2018 MTEF period. The programme received an additional amount of R481.6 million during the 2018 MTEF to fund the absorption of social work graduates, the Isibindi Programme, and key infrastructure projects which are planned to be completed in the 2018/19 financial year. To address the funding gap between the actual cost of social welfare services provision and the current subsidies provided, the programme received an additional R88.3 million in the 2019/20 and 20/21 financial years.

## SERVICE DELIVERY MEASURES

### PROGRAMME 3: CHILDREN AND FAMILIES

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of family members participating in family preservation services provided by Government	34 180	35 341	37 320	39 373
Number of family members participating in family preservation services provided by funded NPOs	40 296	42 794	45 190	47 676
Number of families participating in re-unification programmes provided by Government	2 765	2 997	3 165	3 339
Number of families participating in re-unification programmes by funded NPOs	2 648	3 609	3 811	4 020
Number of families participating in parenting skills programmes	19 193	19 564	20 660	21 796
Number of families receiving crisis intervention services (social work services)	17 462	26 137	27 601	29 119
Number of family members reunited with their families through services provided by Government	970	468	494	521
Number of family members reunited with their families through services provided by funded NPOs	621	769	812	857
Percentage of children placed in foster care (newly placed)	3 542	5 508	5 816	6 136
Number of children placed in foster care that receive social work services	42 397	55 704	58 823	62 059
Number of children in need of care and protection receiving psychosocial support services	64 433	79 814	84 283	88 919
Number of children awaiting foster care placement (new)	2 587	3 452	3 645	3 846
Percentage of funded partial care (ECD) sites	100% (1 372)	100% (1 426)	100% (1 506)	100% (1 589)
Number of children accessing funded ECD programmes	100 518	107 358	113 370	119 605
Percentage of newly funded partial care (ECD) sites managed by funded NPOs	100% (55)	100% (100)	100% (106)	100% (111)
Number of fully registered ECD centres	2 221	2 262	2 389	2 520
Percentage of non-centre based sites funded	100% (33)	100% (34)	100% (36)	100% (38)
Number of children accessing non-centre based services	2 243	3 168	3 345	3 529
Percentage of children in need of care and protection placed in CYCCs (children's homes, place of safety, school of industry) managed by Government	100% (784)	100% (840)	100% (886)	100% (936)
Percentage of Child and Youth Care centres (Children's homes, places of safety and schools of industry) managed by Government	10	10	10	10
Percentage of Child and Youth Care centres (Children's homes and shelters) managed by funded NPOs	100	101	101	101
Percentage of children in need of care and protection placed in CYCCs (children's homes and shelters) managed by funded NPOs	100% (4033)	100% (3962)	100% (4184)	100% (4414)
Number of CYCW receiving training through the Isibindi model	100	300	317	335



Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of CYCCs capacitated to meet compliance with transformation in line with the norms and standards of the Children's Act	132	112	118	125
Number of CYCW who completed training through the Isibindi model	100	100	106	111
Number of children accessing services through the Isibindi model	19 172	19 172	20 246	21 359
Number of ECD centres renovated	PPI not recorded in this FY	125	132	139
Universal access of children to registered ECD services (%)	PPI not recorded in this FY			
Number of children with disability accessing funded ECD programmes	PPI not recorded in this FY	200	211	223
Number of children accessing registered ECD programmes (private and subsidised)	PPI not recorded in this FY	150 000	158 400	167 112

## PROGRAMME 4: RESTORATIVE SERVICES

### Programme description

To provide integrated developmental social crime prevention and anti-substance abuse services and victim empowerment programme to the most vulnerable in partnership with stakeholders and civil society organisations.

### Programme objectives

- To provide integrated social crime prevention programmes, probation and after-care services to 797 307 children, youth and adults in conflict with the law in the 2015-20 financial years;
- To provide integrated developmental social welfare services for the care, support and protection of 221 475 victims of gender based violence and crime in the 2015-20 financial years; and
- To provide integrated developmental social welfare services for substance abuse prevention, treatment and aftercare to 3 430 525 beneficiaries in the 2015-20 financial years.

### Key Policies, Priorities and Outputs

- To ensure the provision of social protection and statutory services aiming to safeguard the wellbeing of individuals and families;
- To ensure a safe living and nurturing environment where the rights are protected and respected; and
- To ensure that designated people and/or institutions take required action necessary to protect the wellbeing of the vulnerable groups. The key priorities include provision of social crime prevention, victim empowerment and substance abuse services and programmes.

TABLE 6.12: SUMMARY OF PAYMENTS AND ESTIMATES: RESTORATIVE SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Management And Support	1 040	1 129	845	1 195	1 098	1 098	1 425	1 220	1 288
2. Crime Prevention And Support	183 242	165 856	156 912	154 789	148 105	149 653	146 954	151 538	159 875
3. Victim Empowerment	59 061	66 764	75 449	74 615	80 148	80 610	108 171	124 198	93 027
4. Substance Abuse, Prevention And Rehabilitation	105 195	173 326	209 093	275 518	286 774	286 900	362 767	383 880	404 995
<b>Total payments and estimates</b>	<b>348 538</b>	<b>407 075</b>	<b>442 299</b>	<b>506 117</b>	<b>516 125</b>	<b>518 261</b>	<b>619 317</b>	<b>660 836</b>	<b>659 185</b>

TABLE 6.13: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: RESTORATIVE SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>117 184</b>	<b>159 384</b>	<b>155 255</b>	<b>159 470</b>	<b>159 123</b>	<b>161 127</b>	<b>159 206</b>	<b>172 024</b>	<b>182 755</b>
Compensation of employees	70 449	85 923	89 419	93 859	92 108	94 111	100 121	104 759	110 525
Goods and services	46 735	73 461	65 836	65 611	67 015	67 016	59 085	67 265	72 230
<b>Transfers and subsidies to:</b>	<b>222 709</b>	<b>238 743</b>	<b>271 242</b>	<b>346 647</b>	<b>342 812</b>	<b>342 812</b>	<b>456 511</b>	<b>486 512</b>	<b>474 003</b>
Non-profit institutions	222 333	238 541	270 881	346 147	342 312	342 312	456 143	486 123	473 593
Households	376	202	361	500	500	500	368	389	410
<b>Payments for capital assets</b>	<b>8 601</b>	<b>8 940</b>	<b>10 656</b>		<b>14 178</b>	<b>14 298</b>	<b>3 600</b>	<b>2 300</b>	<b>2 427</b>
Buildings and other fixed structures	5 513	7 395	9 894		14 155	14 155	3 600	2 300	2 427
Machinery and equipment	3 088	1 545	762		23	143			
<b>Payments for financial assets</b>	<b>44</b>	<b>8</b>	<b>5 146</b>		<b>12</b>	<b>24</b>			



R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Total economic classification	348 538	407 075	442 299	506 117	516 125	518 261	619 317	660 836	659 185

The programme expenditure increased from R348.5 million in 2014/15 to R442.3 million in the 2016/17 financial year. The department continues to improve access to diversion programmes for children in conflict with the law to ensure that they are not only empowered to accept responsibility, but are also afforded opportunities to learn from their wrongdoings thereby discouraging reoffending. To contribute to a reduction in crime, the department, in collaboration with other stakeholders, conducts awareness campaigns.

Over the 2018 MTEF, the budget will increase from R619.3 million in 2018/19 to R659.1 million in the 2020/21 financial year. The increase is because of the implementation of the department's aftercare programmes for children in conflict with the law and their families. Through the victim empowerment programmes the department will continue to strengthen the implementation of perpetrator programmes; and campaign against human trafficking and violence against woman and children.

The department will also continue with the implementation of the Gauteng City Region (GCR) Anti-Substance Abuse Social Movement Campaign, the expansion of inpatient treatment centres and halfway houses (Sedibeng and Johannesburg).

During the 2018 MTEF, the programme will receive an additional amount of R124.9 million to expand the Violence Against Women programme and to provide for the Caregivers' Subsidy, which is aimed at reaching parity among caregivers across the department. In addition, budget is availed for infrastructure projects such as the Ratanda Shelter and Sebokeng Rehabilitation Centre.

The additional funds for the Violence Against Women programme will be used to strengthen the Victim Empowerment Programme across the province, including prevention and awareness programmes to improve care and support of victims of gender-based violence.

## SERVICE DELIVERY MEASURES

### PROGRAMME 4: RESTORATIVE SERVICES

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of adults benefiting from social crime awareness and prevention programmes	73 406	95 287	100 623	106 157
Percentage of adults in conflict with the law assessed	100% (3 833)	100% (4 394)	100% (4 640)	100% (4 895)
Percentage of children in conflict with the law assessed	100% (1 904)	100% (2 784)	100% (2 940)	100% (3 102)
Percentage of children in conflict with the law referred to diversion programmes	100% (984)	100% (1 566)	100% (1 654)	100% (1 745)
Percentage of children in conflict with the law who participate in diversion programmes	100% (1 115)	100% (3 009)	100% (3 178)	100% (3 352)
Percentage of children in conflict with the law who completed diversion programmes	100% (609)	100% (1 611)	100% (1 701)	100% (1 798)
Percentage of children in conflict with the law in home-based supervision	100% (1 314)	100% (1 534)	100% (1 620)	100% (1 709)
Percentage of children in conflict with the law awaiting trial in secure care centres managed by Government	100% (595)	100% (660)	100% (697)	100% (735)
Number of children benefiting from social crime awareness and prevention programmes	115 499	136 357	143 993	151 913
Percentage of funded NPOs implementing diversion and prevention programmes	100% (26)	100% (28)	100% (30)	100% (31)
Percentage of sentenced children in secure care centres	100% (67)	100% (100)	100% (106)	100% (112)
Percentage of victims of crime and violence in VEP service sites (shelters) managed by funded NPOs	100% (1 491)	100% (2 107)	100% (2 225)	100% (2 347)
Number of beneficiaries reached through programmes of non-violence against children and women including 16 days of activism	224 308	212 698	224 609	236 963
Percentage of victims of crime accessing VEP services (excluding the services rendered at shelters)	100% (36 566)	100% (34 621)	100% (36 560)	100% (38 571)
Percentage of human trafficking victims who accessed social services	100% (60)	100% (58)	100% (61)	100% (65)
Percentage of perpetrators participating in programme for intimate partner violence	100% (2 448)	100% (1 431)	100% (1 511)	100% (1 594)
Number of beneficiaries reached through substance abuse prevention programmes managed by Government	87 708	124 745	131 731	138 976
Number of beneficiaries reached through substance abuse prevention programmes by funded NPOs	335 338	594 098	627 367	661 873
Number of service users who accessed outpatient-based treatment services	4 887	7 622	8 049	8 492

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of service users who have accessed private inpatient treatment services at funded treatment centres	4 015	4 590	4 847	5 114
Number of service users who have accessed public inpatient substance abuse treatment centres	1 404	1 652	1 745	1 840
Number of children 18 years and below reached through the Ke-Moja drug prevention programme	437 043	551 425	582 305	614 332
Number of youth (19-35) reached through the Ke-Moja drug prevention programme	136 529	163 443	172 596	182 089
Percentage of persons who received substance abuse treatment participating in aftercare programmes	100% (6 165)	100% (10 244)	100% (10 818)	100% (11 413)
Number of anti-substance abuse halfway houses registered and funded	Target in the fourth quarter	1	1	1
Number of service users who completed inpatient treatment services at funded treatment centres	1 868	2 540	2 682	2 830
Number of service users who accessed funded substance abuse community-based services	7 893	13 390	14 140	14 918
Percentage of beneficiaries counselled through the mobile counselling busses	100% (1190)	100% (1032)	100% (1090)	100% (1150)
Percentage of substance abuse community based services managed by funded NPOs	20	21	22	23

## PROGRAMME 5: DEVELOPMENT AND RESEARCH

### Programme description

To provide sustainable development programmes which facilitate empowerment of communities based on empirical research and demographic information.

### Programme objectives

- To build safe and sustainable communities through the creation of strong community networks, based on principles of trust and respect for local diversity; and nurturing a sense of belonging and confidence in local people to 55 922 recipients in the 2015-20 financial years;
- To support NPO registration and compliance monitoring, as well as NPO stakeholder liaison and communication; to provide institutional capacity building, manage NPO funding and monitoring and create a conducive environment for all NPOs to flourish;
- To provide poverty alleviation and sustainable livelihood services to 3 987 217 recipients in the 2015-20 financial years;
- To provide community-based research and planning to 922 721 households in the 2015-20 financial years;
- Create an environment to help 185 618 young people to develop constructive, affirmative and sustainable relationships while concurrently providing opportunities for them to build their competencies and needed skills to engage as partners in their own development and that of their communities ;
- Create an environment to help 51 493 women to develop constructive, affirmative and sustainable relationships while concurrently providing opportunities for them to build their competencies and needed skills to engage as partners in their own development and that of their communities; and
- To promote the implementation of the Population Policy within all spheres of government and civil society through population research, advocacy, capacity building and monitoring and evaluating the implementation of the policy.

### Key Policies, Priorities and Outputs

The key priorities include women and youth empowerment programmes, community mobilisation, support to NPOs, poverty alleviation and sustainable livelihood programmes, community based research and population policy promotion services.

TABLE 6.14: SUMMARY OF PAYMENTS AND ESTIMATES: DEVELOPMENT AND RESEARCH

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Management And Support	5 782	5 932	5 303	6 558	5 673	6 656	6 188	6 663	7 028
2. Community Mobilisation	6 672	8 641	12 260	15 611	11 932	11 932	12 590	15 944	16 821
3. Institutional Capacity And Support For Npos	137 621	154 213	189 826	197 125	207 203	198 664	204 073	217 349	229 304
4. Poverty Alleviation And Sustainable Livelihoods	176 664	232 042	244 718	277 731	270 715	270 166	347 113	364 302	384 339
5. Community Based Research And Planning	3 722	5 124	4 694	5 942	5 653	5 653	5 438	6 462	6 818
6. Youth Development	18 017	18 571	25 131	26 119	25 946	25 946	28 080	28 980	30 573
7. Women Development	12 257	5 750	9 030	14 350	14 350	14 350	15 172	16 022	16 903

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
8. Population Policy Promotion	1 551	1 849	2 725	3 634	4 486	4 486	3 936	3 471	3 662
<b>Total payments and estimates</b>	<b>362 286</b>	<b>432 122</b>	<b>493 687</b>	<b>547 071</b>	<b>545 958</b>	<b>537 853</b>	<b>622 590</b>	<b>659 193</b>	<b>695 448</b>

TABLE 6.15: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: DEVELOPMENT AND RESEARCH

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>163 749</b>	<b>213 310</b>	<b>247 046</b>	<b>263 758</b>	<b>262 619</b>	<b>254 050</b>	<b>263 325</b>	<b>279 845</b>	<b>295 235</b>
Compensation of employees	158 516	207 572	239 657	252 151	252 151	243 581	253 400	269 352	284 166
Goods and services	5 233	5 738	7 389	11 607	10 468	10 469	9 925	10 493	11 069
<b>Transfers and subsidies to:</b>	<b>198 453</b>	<b>218 036</b>	<b>246 331</b>	<b>283 313</b>	<b>283 313</b>	<b>283 394</b>	<b>359 265</b>	<b>379 348</b>	<b>400 213</b>
Non-profit institutions	197 888	217 682	245 875	283 118	283 118	283 118	359 065	379 137	399 990
Households	565	354	456	195	195	276	200	211	223
<b>Payments for capital assets</b>	<b>80</b>	<b>776</b>	<b>310</b>		<b>24</b>	<b>407</b>			
Buildings and other fixed structures									
Machinery and equipment	80	776	310		24	407			
<b>Payments for financial assets</b>	<b>4</b>				<b>2</b>	<b>2</b>			
<b>Total economic classification</b>	<b>362 286</b>	<b>432 122</b>	<b>493 687</b>	<b>547 071</b>	<b>545 958</b>	<b>537 853</b>	<b>622 590</b>	<b>659 193</b>	<b>695 448</b>

The expenditure in this programme increases from R362.3 million in 2014/15 to R493.7 million in 2016/17 financial year. The increase in expenditure originates from the establishment of centres of excellence aimed at creating entrepreneurship programmes for young people to eradicate youth unemployment. In addition, the department has over the years increased the distribution of dignity packs to learners, which expanded to include boys and children with albinism.

The programme budget will increase from R622.6 million in 2018/19 to R695.4 million in the 2020/21 financial year. The increase can be attributed to the expansion of welfare to work programme, the provision of dignity packs to more learners and distribution of food parcels.

The department continues to make steady progress in the battle to end hunger in households throughout Gauteng through food banks. An amount of R175.5 million was allocated to the provision of food banks over the 2018 MTEF.

The department continues to render various services to youth such as skills development and entrepreneurship programmes. In addition, support is given to women on child grants by linking them to economic opportunities and woman empowerment programmes.

Over the 2018 MTEF the programme received an additional amount of R156.5 million to provide dignity packs to learners in the province.

## SERVICE DELIVERY MEASURES

### PROGRAMME 5: DEVELOPMENT AND RESEARCH

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of people reached through community mobilisation programmes	22 118	32 789	34 625	36 530
Number of NPOs capacitated according to capacity building guidelines	953	1 250	1 320	1 393
Percentage of funded NPOs	100% (2 548)	100% (2 765)	100% (2 920)	100% (3 080)
Number of cooperatives enlisted to provide goods and services to the department and other service users	537	587	620	656
Number of food relief issued to people through food banks	163 930	248 000	261 888	276 292
Number of households accessing food through DSD food security programmes	52 529	70 857	74 825	78 940
Number of dignity packs distributed	389 359	1 200 000	1 267 200	1 336 896
Number of people participating in income generating programmes and economic opportunities	25 848	33 723	35 611	37 606
Number of school uniform packs distributed	Target in the fourth quarter	151 351	159 827	168 617
Number of community development interventions conducted in the 50 poorest wards and other prioritised areas	69	70	74	78

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of beneficiaries participating in the Welfare to Work programme	8 624	13 000	13 728	14 483
Number of households profiled	12 769	27 000	28 512	30 080
Number of wards profiled	10	15	16	17
Number of community-based plans developed	15	15	16	17
Number of youth participating in skills development programmes	29 596	40 646	42 922	45 326
Number of youth participating in entrepreneurship programmes	14 742	13 600	14 362	15 151
Number of youth participating in social change programmes	83 773	96 096	101 477	107 059
Number of youth accessing economic opportunities and income generating programmes	31 209	25 597	27 030	28 544
Percentage of funded youth development structures supported	100% (105)	100% (105)	100% (111)	100% (117)
Number of women participating in empowerment programmes	8 102	18 400	19 430	20 499
Number of women on child support grants linked to economic opportunities	2 525	3 374	3 563	3 759
Number of research projects completed	2	3	3	3
Number of dissemination workshops for population and development conducted	8	8	8	9
Number of stakeholders (individuals) who participated in population capacity building training	170	154	163	172
Number of demographic profiles completed	31	34	36	38
Number of population policy monitoring and evaluation thematic reports produced	2	3	3	3
Number of population capacity development sessions conducted	2	2	2	2
Percentage of Ntirhisano commitments achieved	PPI not recorded in this FY	1	1	1

## 9. OTHER PROGRAMME INFORMATION

### 9.1 Personnel numbers and costs

Revised estimate				Medium-term expenditure estimate						Average annual growth over MTEF			
2017/18				2018/19		2019/20		2020/21		2017/18 - 2020/21			
Filled posts	Additional posts	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel growth rate	Costs growth rate	% Costs of Total	
1 589	729	2 318	391 240	2 379	420 682	2 446	448 001	2 498	472 640	2.5%	6.5%	27.1%	
1 671	373	2 044	838 070	2 333	873 967	2 366	971 242	2 383	1 030 542	5.2%	7.1%	58.8%	
120	12	132	130 697	165	172 710	171	186 638	175	196 904	9.9%	14.6%	10.6%	
40	1	41	50 386	42	52 462	42	56 489	42	59 596	0.8%	5.8%	3.4%	
3 420	1 115	4 535	1 410 393	4 919	1 519 821	5 025	1 662 370	5 098	1 759 682	4.0%	7.7%	100.0%	
1 007	447	1 454	274 126	779	302 703	815	327 126	828	345 117	(17.1)%	8.0%	19.6%	
152	20	172	54 627	214	58 406	224	62 813	228	66 268	9.9%	6.7%	3.8%	
1 659	335	1 994	743 948	2 808	805 191	2 848	898 320	2 885	953 606	13.1%	8.6%	53.7%	
149	70	219	94 111	334	100 121	336	104 759	341	110 525	15.9%	5.5%	6.4%	
453	243	696	243 581	784	253 400	802	269 352	816	284 166	5.4%	5.3%	16.5%	
3 420	1 115	4 535	1 410 393	4 919	1 519 821	5 025	1 662 370	5 098	1 759 682	4.0%	7.7%	100.0%	
1 095	82	1 177	369 737	1 233	379 716	1 233	424 622	1 233	447 976	1.6%	6.6%	25.7%	
132	1	133	2 634	176	2 787	176	2 943	176	3 105	9.8%	5.6%	0.2%	
3		3	1 685	4	2 808	4	2 965	4	3 128	10.1%	23.4%	0.2%	
2 187	630	2 817	1 020 345	3 054	1 101 465	3 158	1 195 067	3 231	1 266 433	4.7%	7.5%	72.1%	
	5	5	1 826	10	8 967	12	12 255	12	13 173	33.9%	93.2%	0.6%	



The increase in the compensation of employees' budget during the 2018 MTEF period is to cover inflationary increases on the current number of employees appointed on the staff establishment, as well as a gradual increase in especially the social work category.

An increase in personnel numbers is based on the additional funds received for the absorption of social work graduates who received learnerships/bursaries from the department. The department will continue to fill the IDMS posts as per the funding allocation by the provincial Department of Treasury over the MTEF.

In terms of occupational therapy and clinical psychology, the department will attempt to explore alternative strategies such as community service placements through engagements with the Department of Health to increase the employment of such categories over the MTEF.

## 9.2 Training

TABLE 6.17: INFORMATION ON TRAINING: SOCIAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Number of staff	4 188	4 198	4 191	4 535	4 535	4 535	4 919	5 025	5 098
Number of personnel trained	1 554	1 786	1 901	2 091	2 091	2 091	2 213	2 213	2 337
of which									
Male	396	429	480	528	528	528	559	559	590
Female	1 158	1 357	1 421	1 563	1 563	1 563	1 654	1 654	1 747
Number of training opportunities	73	74	74	74	74	74	73	73	73
of which									
Tertiary	6	6	6	6	6	6	6	6	6
Workshops									
Seminars									
Other	67	68	68	67	67	67	67	67	67
Number of bursaries offered	510	342	241	301	301	301	250	260	270
Number of interns appointed	237	261	276	291	291	291	337	347	357
Number of learnerships appointed	182	200	211	223	223	223	100	105	110
Number of days spent on training									
<b>Payments on training by programme</b>									
1. Administration	12 287	11 937	9 861	13 846	13 019	13 019	12 054	14 400	15 194
2. Social Welfare Services									
3. Children And Families									
4. Restorative Services									
5. Development And Research									
<b>Total payments on training</b>	<b>12 287</b>	<b>11 937</b>	<b>9 861</b>	<b>13 846</b>	<b>13 019</b>	<b>13 019</b>	<b>12 054</b>	<b>14 400</b>	<b>15 194</b>

The number of bursaries fluctuates on an annual basis since the number is influenced by graduation, drop-out rates and bursary audits, which inform the decline, as well as the costing relating to study fees. In addition, the department grants internal departmental bursaries based on the number of applications received per annum.

The department will focus on priorities such as an increase in bursaries around formal studies for the occupational categories care work and community development. This is in line with the aim of professionalisation and key strategic priorities informed by a skills audit. In addition, attention will be given to post-graduate qualifications in social work.

The allocated training budget will continue to focus on the continuous professional development of social service professionals as required by the professional body, as well as the implementation of management development programs over the MTEF.

The department furthermore ensures the supply of social work graduates through the bursary and learnership schemes on an annual basis to cater for the demand within the department and sector. The employment of these graduates has an impact on the budget associated with compensation of employees, as well as the acquiring of tools of trade and infrastructure. The latter currently poses a challenge and contributed to the department's inability to employ. This situation will continue since the department has existing contracts until 2020 for which there is an anticipated obligation of employment. Strategies are being devised on a national level to consider a reduction in the awarding of bursaries in the field of social work.



### **9.3 Reconciliation of structural changes**

No structural change in the department.

## **ANNEXURE TO THE ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE**



TABLE 6.18: SPECIFICATION OF RECEIPTS: SOCIAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Sales of goods and services other than capital assets</b>	<b>2 468</b>	<b>2 589</b>	<b>2 712</b>	<b>2 645</b>	<b>2 645</b>	<b>2 645</b>	<b>2 798</b>	<b>2 956</b>	<b>3 118</b>
Sale of goods and services produced by department (excluding capital assets)	2 432	2 589	2 637	2 645	2 645	2 645	2 798	2 956	3 118
Sales by market establishments	1 355	1 509	1 485	1 455	1 455	1 455	1 539	1 626	1 715
Other sales	1 077	1 080	1 152	1 190	1 190	1 190	1 259	1 330	1 403
Of which									
Health patient fees	24	36	26	39	39	39	41	44	46
Other (Specify)	242	264	156	292	292	292	309	326	344
Other (Specify)	812	780	970	859	859	859	909	960	1 013
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	36		75						
<b>Fines, penalties and forfeits</b>	<b>1</b>					<b>1</b>			
<b>Interest, dividends and rent on land</b>	<b>15</b>	<b>69</b>	<b>40</b>	<b>26</b>	<b>46</b>	<b>47</b>	<b>28</b>	<b>29</b>	<b>31</b>
Interest	15	69	40	26	46	47	28	29	31
<b>Transactions in financial assets and liabilities</b>	<b>2 334</b>	<b>1 318</b>	<b>1 515</b>	<b>551</b>	<b>9 372</b>	<b>9 372</b>	<b>583</b>	<b>616</b>	<b>650</b>
<b>Total departmental receipts</b>	<b>4 818</b>	<b>3 976</b>	<b>4 267</b>	<b>3 222</b>	<b>12 063</b>	<b>12 065</b>	<b>3 409</b>	<b>3 601</b>	<b>3 799</b>

TABLE 6.19: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: SOCIAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>1 403 658</b>	<b>1 674 373</b>	<b>1 805 307</b>	<b>1 884 123</b>	<b>1 961 577</b>	<b>1 961 130</b>	<b>2 084 056</b>	<b>2 275 168</b>	<b>2 407 452</b>
Compensation of employees	1 018 431	1 233 601	1 332 444	1 382 797	1 410 625	1 410 393	1 519 821	1 662 370	1 759 682
Salaries and wages	874 974	1 055 248	1 136 999	1 180 129	1 199 737	1 198 663	1 304 621	1 418 546	1 502 448
Social contributions	143 457	178 353	195 445	202 668	210 888	211 730	215 200	243 824	257 234
Goods and services	385 227	440 772	472 863	501 326	550 952	550 737	564 235	612 798	647 770
Administrative fees	334	171	174	497	195	471	531	561	591
Advertising	5 437	5 269	6 164	5 289	7 966	7 003	6 990	9 775	10 315
Minor assets	5 948	3 880	3 644	3 269	3 281	3 281	4 081	3 941	4 158
Audit cost: External	3 225	3 492	3 252	3 829	3 829	3 829	3 434	3 623	3 822
Bursaries: Employees	3 806	3 045	2 554	3 728	3 201	3 201	3 380	4 249	4 483
Catering: Departmental activities	5 783	7 374	6 494	6 255	5 407	5 859	5 906	5 737	6 061
Communication (G&S)	25 753	31 246	34 324	35 495	28 451	28 451	27 092	28 647	30 223
Computer services	17 819	12 836	20 727	16 215	20 078	20 078	27 518	29 031	30 628
Consultants and professional services: Business and advisory services	328	2 051	1 060	2 972	2 704	2 758	7 550	7 691	8 113
Legal services	483	1 525	814	1 316	2 358	2 820	2 676	2 812	2 967
Contractors	3 687	6 268	4 103	6 345	6 334	6 096	5 728	3 930	4 145
Agency and support / outsourced services	17 935	21 424	23 781	30 295	30 553	30 553	26 596	28 063	29 606
Fleet services (including government motor transport)	22 095	22 700	30 102	67 302	67 299	67 299	71 668	75 637	79 796
Inventory: Clothing material and accessories	41	14		2			6	6	6
Inventory: Food and food supplies	13 399	12 591	10 930	9 414	9 454	9 454	9 430	9 950	10 497
Inventory: Fuel, oil and gas		5					10	11	12
Inventory: Learner and teacher support material	45	33	283	122	80	80	97	103	109
Inventory: Materials and supplies	116	563	331	256	241	202	499	527	556
Inventory: Medical supplies	1 554	1 651	1 464	1 921	421	423	272	290	306
Inventory: Medicine	415	232	237	300	519	519	396	418	441

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Inventory: Other supplies	7 577	15 279	10 916	8 316	12 010	11 382	13 473	14 213	14 995
Consumable supplies	6 868	7 091	7 683	7 891	6 889	7 432	7 286	7 662	8 083
Consumable: Stationery, printing and office supplies	6 996	9 328	10 922	9 362	9 462	9 271	7 710	8 126	8 573
Operating leases	48 930	49 725	56 562	57 687	58 931	58 931	69 942	86 395	91 144
Property payments	147 325	180 568	200 175	178 608	227 824	227 656	219 772	232 892	245 702
Transport provided: Departmental activity	8 477	5 251	2 842	3 243	2 332	2 373	3 351	4 079	4 304
Travel and subsistence	7 261	8 093	8 295	10 307	11 061	10 969	10 231	10 800	11 395
Training and development	9 979	10 296	8 671	11 300	11 595	11 644	10 972	14 517	16 577
Operating payments	9 640	13 311	12 192	15 643	14 035	13 603	12 983	13 726	14 480
Venues and facilities	3 014	4 696	3 092	2 875	3 561	3 493	3 295	3 480	3 671
Rental and hiring	957	764	1 075	1 269	882	1 606	1 360	1 906	2 011
<b>Transfers and subsidies</b>	<b>1 869 455</b>	<b>2 104 668</b>	<b>2 254 508</b>	<b>2 471 134</b>	<b>2 461 953</b>	<b>2 461 953</b>	<b>2 784 472</b>	<b>2 984 935</b>	<b>3 156 286</b>
Departmental agencies and accounts	67	67	6 652	80	69	69	84	89	94
Provide list of entities receiving transfers	67	67	6 652	80	69	69	84	89	94
Non-profit institutions	1 861 312	2 095 086	2 237 344	2 461 466	2 452 366	2 452 366	2 774 257	2 974 144	3 144 902
Households	8 076	9 515	10 512	9 587	9 518	9 518	10 131	10 702	11 290
Social benefits	3 163	3 461	3 391	2 721	2 754	3 455	2 876	3 039	3 206
Other transfers to households	4 913	6 054	7 121	6 866	6 765	6 063	7 255	7 663	8 084
<b>Payments for capital assets</b>	<b>135 452</b>	<b>162 734</b>	<b>186 713</b>	<b>87 074</b>	<b>162 573</b>	<b>162 573</b>	<b>114 967</b>	<b>33 812</b>	<b>35 674</b>
Buildings and other fixed structures	89 981	114 154	145 734	74 400	153 899	153 899	98 859	16 540	17 452
Buildings	89 981	114 154	145 734	74 400	153 899	153 899	98 859	16 540	17 452
Machinery and equipment	45 120	48 533	40 879	12 674	8 535	8 535	16 108	17 272	18 222
Transport equipment	24 944	30 202	28 236						
Other machinery and equipment	20 176	18 331	12 643	12 674	8 535	8 535	16 108	17 272	18 222
Software and other intangible assets	351	47	100		139	139			
<b>Payments for financial assets</b>	<b>240</b>	<b>466</b>	<b>5 275</b>		<b>216</b>	<b>263</b>			
<b>Total economic classification</b>	<b>3 408 805</b>	<b>3 942 241</b>	<b>4 251 803</b>	<b>4 442 331</b>	<b>4 586 319</b>	<b>4 585 919</b>	<b>4 983 495</b>	<b>5 293 915</b>	<b>5 599 412</b>

TABLE 6.20: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>405 697</b>	<b>436 965</b>	<b>487 316</b>	<b>531 940</b>	<b>557 865</b>	<b>554 508</b>	<b>601 520</b>	<b>658 444</b>	<b>694 656</b>
Compensation of employees	210 991	231 413	256 180	267 808	277 469	274 126	302 703	327 126	345 117
Salaries and wages	184 441	200 310	221 624	227 510	237 608	235 530	267 115	282 901	298 460
Social contributions	26 550	31 103	34 556	40 298	39 861	38 596	35 588	44 225	46 657
Goods and services	194 706	205 552	231 136	264 132	280 396	280 382	298 817	331 318	349 539
Administrative fees	244	165	121	420	120	393	438	463	488
Advertising	924	841	865	1 076	1 822	1 549	1 619	1 736	1 831
Minor assets	3 118	2 945	2 184	3 269	3 216	3 202	3 459	3 650	3 851
Audit cost: External	3 225	3 492	3 252	3 829	3 829	3 829	3 434	3 623	3 822
Bursaries: Employees	3 806	3 045	2 554	3 728	3 201	3 201	3 380	4 249	4 483
Catering: Departmental activities	416	661	471	560	454	454	635	673	711
Communication (G&S)	20 311	24 889	26 239	26 769	21 546	21 546	20 124	21 236	22 404
Computer services	17 769	12 672	20 694	16 215	20 078	20 075	27 483	28 994	30 589
Consultants and professional services: Business and advisory services	63	52	56	142	173	210	99	105	111
Legal services	478	1 525	814	1 316	2 358	2 820	2 676	2 812	2 967
Contractors	2 526	3 119	2 822	3 130	3 072	2 869	2 791	2 941	3 102

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Agency and support / outsourced services	49								
Fleet services (including government motor transport)	15 960	16 451	18 873	50 804	50 804	50 804	49 649	52 380	55 261
Inventory: Materials and supplies	3	1							
Inventory: Other supplies		70	256		225	249			
Consumable supplies	2 776	2 131	3 119	2 387	2 423	2 431	3 034	3 170	3 344
Consumable: Stationery, printing and office supplies	5 139	6 640	7 310	4 412	5 170	5 170	4 024	4 243	4 476
Operating leases	46 728	48 236	53 772	54 895	55 528	55 528	66 504	82 765	87 314
Property payments	58 732	65 681	75 927	74 273	89 225	89 225	93 636	100 570	106 102
Transport provided: Departmental activity		194	77	350	115	114	175	185	195
Travel and subsistence	1 826	2 111	2 157	2 842	3 187	3 104	2 990	3 159	3 333
Training and development	8 481	8 892	7 307	9 749	9 818	9 818	8 674	10 151	10 711
Operating payments	1 119	968	1 437	3 107	2 932	2 599	2 920	3 081	3 250
Venues and facilities	958	667	743	800	1 026	1 027	988	1 042	1 099
Rental and hiring	55	104	86	59	68	159	85	90	95
<b>Transfers and subsidies</b>	<b>5 201</b>	<b>6 669</b>	<b>13 998</b>	<b>6 621</b>	<b>6 541</b>	<b>6 305</b>	<b>7 882</b>	<b>8 327</b>	<b>8 785</b>
Departmental agencies and accounts	67	67	6 652	80	69	69	84	89	94
Provide list of entities receiving transfers	67	67	6 652	80	69	69	84	89	94
Households	5 134	6 602	7 346	6 541	6 472	6 236	7 798	8 238	8 691
Social benefits	703	1 225	807	542	522	1 017	1 462	1 547	1 632
Other transfers to households	4 431	5 377	6 539	6 000	5 951	5 219	6 336	6 691	7 059
<b>Payments for capital assets</b>	<b>31 940</b>	<b>36 364</b>	<b>30 303</b>	<b>12 674</b>	<b>8 171</b>	<b>7 190</b>	<b>14 192</b>	<b>15 399</b>	<b>16 246</b>
Machinery and equipment	31 589	36 317	30 203	12 674	8 032	7 051	14 192	15 399	16 246
Transport equipment	17 781	22 105	21 567						
Other machinery and equipment	13 808	14 212	8 636	12 674	8 032	7 051	14 192	15 399	16 246
Software and other intangible assets	351	47	100		139	139			
<b>Payments for financial assets</b>	<b>67</b>	<b>123</b>	<b>29</b>		<b>85</b>	<b>85</b>			
<b>Total economic classification</b>	<b>442 905</b>	<b>480 121</b>	<b>531 646</b>	<b>551 235</b>	<b>572 662</b>	<b>568 088</b>	<b>623 594</b>	<b>682 170</b>	<b>719 687</b>

TABLE 6.21: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: SOCIAL WELFARE SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>70 995</b>	<b>92 483</b>	<b>89 552</b>	<b>97 069</b>	<b>92 666</b>	<b>93 251</b>	<b>94 982</b>	<b>101 393</b>	<b>106 977</b>
Compensation of employees	42 917	58 500	54 754	61 185	54 040	54 627	58 406	62 813	66 268
Salaries and wages	36 461	50 741	47 135	53 451	45 584	46 114	49 006	52 977	55 891
Social contributions	6 456	7 759	7 619	7 734	8 456	8 513	9 400	9 836	10 377
Goods and services	28 078	33 983	34 798	35 884	38 626	38 624	36 576	38 580	40 709
Advertising	180	14	15				33	35	37
Minor assets	473	317	365		11	11			
Catering: Departmental activities	1 895	1 994	2 049	1 599	1 438	1 503	1 974	2 082	2 204
Communication (G&S)	487	594	484	574	510	510	477	504	532
Computer services	13					3			
Consultants and professional services: Business and advisory services	52	62			13	13	12	12	12
Contractors	575	1 664	170	304	287	287	177	186	197
Agency and support / outsourced services	2 458	2 945	4 867	6 915	6 367	6 367	6 657	7 024	7 411

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Fleet services (including government motor transport)	830	528	1 282	2 226	2 226	2 226	2 100	2 215	2 336
Inventory: Clothing material and accessories	22	14							
Inventory: Food and food supplies	2 234	2 308	1 137	5	1	1			
Inventory: Materials and supplies	52	5				2	39	41	43
Inventory: Medical supplies	902	981	769	1 140	135	137	133	141	149
Inventory: Medicine			3	5	35	35	30	32	34
Inventory: Other supplies	856	923	1 073	1 900	3 311	2 877	3 343	3 526	3 720
Consumable supplies	1 611	2 072	1 923	2 300	2 170	2 353	1 864	1 965	2 073
Consumable: Stationery, printing and office supplies	72	124	229	467	272	272	299	315	332
Operating leases	614	460	762	498	494	494	463	489	516
Property payments	10 202	12 530	13 887	11 139	14 542	14 542	12 368	13 043	13 761
Transport provided: Departmental activity	958	1 034	677	661	839	864	887	937	988
Travel and subsistence	1 185	1 894	1 719	2 149	1 984	2 003	1 832	1 933	2 039
Training and development	737	895	960	1 124	997	1 040	891	939	990
Operating payments	994	2 098	1 984	2 227	2 294	2 294	2 345	2 474	2 610
Venues and facilities	317	264	121	384	451	451	325	342	361
Rental and hiring	359	263	322	268	249	339	317	334	352
<b>Transfers and subsidies</b>	<b>548 029</b>	<b>597 902</b>	<b>627 743</b>	<b>662 777</b>	<b>673 049</b>	<b>673 049</b>	<b>718 541</b>	<b>757 386</b>	<b>799 234</b>
Non-profit institutions	547 550	597 251	626 938	662 027	672 299	672 299	717 815	756 616	798 421
Households	479	651	805	750	750	750	726	770	813
Social benefits	185	254	424	430	473	398	270	286	302
Other transfers to households	294	397	381	320	277	352	456	484	511
<b>Payments for capital assets</b>	<b>6 282</b>	<b>6 900</b>	<b>3 941</b>		<b>4 799</b>	<b>4 798</b>	<b>600</b>	<b>600</b>	<b>634</b>
Buildings and other fixed structures	3 682	4 955	2 940		4 500	4 500	600	600	634
Buildings	3 682	4 955	2 940		4 500	4 500	600	600	634
Machinery and equipment	2 600	1 945	1 001		299	298			
Transport equipment	925	1 166	568						
Other machinery and equipment	1 675	779	433		299	298			
<b>Payments for financial assets</b>	<b>5</b>		<b>15</b>		<b>10</b>	<b>12</b>			
<b>Total economic classification</b>	<b>625 311</b>	<b>697 285</b>	<b>721 251</b>	<b>759 847</b>	<b>770 524</b>	<b>771 110</b>	<b>814 123</b>	<b>859 379</b>	<b>906 845</b>

TABLE 6.22: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: CHILDREN AND FAMILIES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>646 033</b>	<b>772 231</b>	<b>826 138</b>	<b>831 887</b>	<b>889 304</b>	<b>898 194</b>	<b>965 023</b>	<b>1 063 462</b>	<b>1 127 829</b>
Compensation of employees	535 558	650 193	692 434	707 795	734 857	743 948	805 191	898 320	953 606
Salaries and wages	457 451	551 830	586 749	601 879	622 610	630 600	687 413	766 840	814 895
Social contributions	78 107	98 363	105 685	105 916	112 247	113 348	117 778	131 480	138 711
Goods and services	110 475	122 038	133 704	124 092	154 447	154 246	159 832	165 142	174 223
Administrative fees	60		1				11	12	13
Advertising	1 681	2 421	3 032	2 714	3 359	3 359	3 888	4 102	4 329
Minor assets	1 591	478	888		40	40	622	291	307
Catering: Departmental activities	1 923	1 750	1 838	1 851	1 603	1 603	1 320	1 394	1 471
Communication (G&S)	3 654	4 500	5 007	5 259	4 862	4 862	4 478	4 727	4 987
Consultants and professional services: Business and advisory services		805	23	11			5 014	5 015	5 291
Contractors	354	540	826	2 333	2 516	2 516	2 374	396	417

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Agency and support / outsourced services	5 142	6 735	6 218	9 908	10 260	10 260	9 240	9 751	10 287
Fleet services (including government motor transport)	4 682	4 429	7 573	11 066	11 063	11 063	16 499	17 406	18 363
Inventory: Clothing material and accessories	19			2			6	6	6
Inventory: Food and food supplies	11 125	10 255	9 787	9 394	9 433	9 433	9 400	9 918	10 463
Inventory: Fuel, oil and gas		5							
Inventory: Learner and teacher support material	42	30	244	107	75	75	86	91	96
Inventory: Materials and supplies	61	139	79	180	196	155	191	202	213
Inventory: Medical supplies	633	663	619	709	208	208	121	130	137
Inventory: Medicine	282	232	206	225	389	389	266	281	296
Inventory: Other supplies	5 693	7 772	7 574	5 017	7 158	6 940	8 856	9 342	9 856
Consumable supplies	2 160	2 321	1 933	2 275	1 482	1 830	1 787	1 888	1 992
Consumable: Stationery, printing and office supplies	1 237	1 531	2 267	2 836	2 522	2 369	2 101	2 213	2 334
Operating leases	835	600	1 135	1 467	1 746	1 746	1 841	1 943	2 050
Property payments	55 567	67 422	75 939	59 516	88 682	88 514	83 530	87 388	92 194
Transport provided: Departmental activity	6 760	2 271	939	1 067	737	700	775	817	862
Travel and subsistence	2 086	1 921	2 312	2 518	3 012	2 978	2 617	2 756	2 908
Training and development	325	178	179	139	193	193	104	110	116
Operating payments	4 071	4 184	4 163	4 446	4 159	4 227	4 018	4 239	4 472
Venues and facilities	348	772	834	859	623	623	573	605	638
Rental and hiring	144	84	88	193	130	163	114	119	125
<b>Transfers and subsidies</b>	<b>895 063</b>	<b>1 043 318</b>	<b>1 095 194</b>	<b>1 171 775</b>	<b>1 156 238</b>	<b>1 156 393</b>	<b>1 242 273</b>	<b>1 353 362</b>	<b>1 474 051</b>
Non-profit institutions	893 541	1 041 612	1 093 650	1 170 174	1 154 637	1 154 637	1 241 234	1 352 268	1 472 898
Households	1 522	1 706	1 544	1 601	1 601	1 756	1 039	1 094	1 153
Social benefits	1 362	1 465	1 370	1 381	1 381	1 556	840	885	933
Other transfers to households	160	241	174	220	220	200	199	209	220
<b>Payments for capital assets</b>	<b>88 549</b>	<b>109 754</b>	<b>141 503</b>	<b>74 400</b>	<b>135 401</b>	<b>135 880</b>	<b>96 575</b>	<b>15 513</b>	<b>16 367</b>
Buildings and other fixed structures	80 786	101 804	132 900	74 400	135 244	135 244	94 659	13 640	14 391
Buildings	80 786	101 804	132 900	74 400	135 244	135 244	94 659	13 640	14 391
Machinery and equipment	7 763	7 950	8 603		157	636	1 916	1 873	1 976
Transport equipment	5 193	6 133	5 446						
Other machinery and equipment	2 570	1 817	3 157		157	636	1 916	1 873	1 976
<b>Payments for financial assets</b>	<b>120</b>	<b>335</b>	<b>85</b>		<b>107</b>	<b>140</b>			
<b>Total economic classification</b>	<b>1 629 765</b>	<b>1 925 638</b>	<b>2 062 920</b>	<b>2 078 062</b>	<b>2 181 050</b>	<b>2 190 607</b>	<b>2 303 871</b>	<b>2 432 337</b>	<b>2 618 247</b>

TABLE 6.23: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: RESTORATIVE SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>117 184</b>	<b>159 384</b>	<b>155 255</b>	<b>159 470</b>	<b>159 123</b>	<b>161 127</b>	<b>159 206</b>	<b>172 024</b>	<b>182 755</b>
Compensation of employees	70 449	85 923	89 419	93 858	92 108	94 111	100 121	104 759	110 525
Salaries and wages	60 058	73 352	76 061	81 173	77 803	79 501	84 141	88 524	93 397
Social contributions	10 391	12 571	13 358	12 685	14 305	14 610	15 980	16 235	17 128
Goods and services	46 735	73 461	65 836	65 611	67 015	67 016	59 085	67 265	72 230
Administrative fees	1	2		2					
Advertising	2 652	1 993	2 237	1 500	2 785	2 095	1 434	3 885	4 100
Minor assets	664	127	106			13			
Catering: Departmental activities	983	2 488	1 287	1 175	874	1 244	1 056	614	648



R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Communication (G&S)	633	492	1 857	1 030	461	461	958	1 062	1 121
Computer services		134							
Consultants and professional services: Business and advisory services	5	22	6	7	7	18	18	19	20
Legal services	5								
Contractors	220	944	262	473	357	322	334	351	370
Agency and support / outsourced services	10 286	11 744	12 696	13 473	13 926	13 926	10 699	11 288	11 908
Fleet services (including government motor transport)	623	1 292	2 374	3 206	3 206	3 206	3 420	3 636	3 836
Inventory: Food and food supplies	40	28	6	15	20	20	30	32	34
Inventory: Learner and teacher support material	3	3	39	15	5	5	11	12	13
Inventory: Materials and supplies		418	252	76	45	45	269	284	300
Inventory: Medical supplies	19	7	76	72	72	72	18	19	20
Inventory: Medicine	133		28	70	95	95	100	105	111
Inventory: Other supplies	1 028	6 514	1 870	1 400	1 316	1 316	1 227	1 295	1 367
Consumable supplies	261	478	528	639	550	542	390	411	434
Consumable: Stationery, printing and office supplies	179	451	331	680	394	394	346	365	385
Operating leases	559	411	496	574	674	674	482	508	536
Property payments	22 824	34 935	34 422	33 682	35 367	35 367	30 238	31 891	33 645
Transport provided: Departmental activity	455	1 569	617	330	235	290	1 046	1 645	1 736
Travel and subsistence	479	371	445	615	743	743	590	625	660
Training and development	412	319	210	267	547	553	1 303	3 317	4 760
Operating payments	3 036	5 686	4 542	5 384	4 514	4 347	3 628	3 855	4 067
Venues and facilities	857	2 728	639	575	616	553	726	770	812
Rental and hiring	378	305	510	353	206	715	762	1 276	1 347
<b>Transfers and subsidies</b>	<b>222 709</b>	<b>238 743</b>	<b>271 242</b>	<b>346 647</b>	<b>342 812</b>	<b>342 812</b>	<b>456 511</b>	<b>486 512</b>	<b>474 003</b>
Non-profit institutions	222 333	238 541	270 881	346 147	342 312	342 312	456 143	486 123	473 593
Households	376	202	361	500	500	500	368	389	410
Social benefits	348	163	334	173	183	208	104	110	116
Other transfers to households	28	39	27	327	317	292	264	279	294
<b>Payments for capital assets</b>	<b>8 601</b>	<b>8 940</b>	<b>10 656</b>		<b>14 178</b>	<b>14 298</b>	<b>3 600</b>	<b>2 300</b>	<b>2 427</b>
Buildings and other fixed structures	5 513	7 395	9 894		14 155	14 155	3 600	2 300	2 427
Buildings	5 513	7 395	9 894		14 155	14 155	3 600	2 300	2 427
Machinery and equipment	3 088	1 545	762		23	143			
Transport equipment	1 045	798	655						
Other machinery and equipment	2 043	747	107		23	143			
<b>Payments for financial assets</b>	<b>44</b>	<b>8</b>	<b>5 146</b>		<b>12</b>	<b>24</b>			
<b>Total economic classification</b>	<b>348 538</b>	<b>407 075</b>	<b>442 299</b>	<b>506 117</b>	<b>516 125</b>	<b>518 261</b>	<b>619 317</b>	<b>660 836</b>	<b>659 185</b>

TABLE 6.24: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: DEVELOPMENT AND RESEARCH

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>163 749</b>	<b>213 310</b>	<b>247 046</b>	<b>263 758</b>	<b>262 619</b>	<b>254 050</b>	<b>263 325</b>	<b>279 845</b>	<b>295 235</b>
Compensation of employees	158 516	207 572	239 657	252 151	252 151	243 581	253 400	269 352	284 166
Salaries and wages	136 563	179 015	205 430	216 117	216 132	206 918	216 946	227 304	239 805
Social contributions	21 953	28 557	34 227	36 035	36 019	36 663	36 454	42 048	44 361
Goods and services	5 233	5 738	7 389	11 606	10 468	10 469	9 925	10 493	11 069
Administrative fees	29	4	52	75	75	78	82	86	90

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Advertising			15				16	17	18
Minor assets	102	13	101		14	15			
Catering: Departmental activities	566	481	849	1 070	1 038	1 055	921	974	1 027
Communication (G&S)	668	771	737	1 863	1 072	1 072	1 055	1 118	1 179
Computer services	37	30	33				35	37	39
Consultants and professional services: Business and advisory services	208	1 110	975	2 811	2 511	2 517	2 407	2 540	2 679
Contractors	12	1	23	105	102	102	52	56	59
Inventory: Other supplies			143				47	50	52
Consumable supplies	60	89	180	291	264	276	211	228	240
Consumable: Stationery, printing and office supplies	369	582	785	966	1 104	1 066	940	990	1 046
Operating leases	194	18	397	253	489	489	652	690	728
Transport provided: Departmental activity	304	183	532	835	406	405	468	495	523
Travel and subsistence	1 685	1 796	1 662	2 184	2 135	2 141	2 202	2 327	2 455
Training and development	24	12	15	20	40	40			
Operating payments	420	375	66	479	136	136	72	77	81
Venues and facilities	534	265	755	257	845	839	683	721	761
Rental and hiring	21	8	69	396	229	230	82	87	92
<b>Transfers and subsidies</b>	<b>198 453</b>	<b>218 036</b>	<b>246 331</b>	<b>283 313</b>	<b>283 313</b>	<b>283 394</b>	<b>359 265</b>	<b>379 348</b>	<b>400 213</b>
Non-profit institutions	197 888	217 682	245 875	283 118	283 118	283 118	359 065	379 137	399 990
Households	565	354	456	195	195	276	200	211	223
Social benefits	565	354	456	195	195	276	200	211	223
<b>Payments for capital assets</b>	<b>80</b>	<b>776</b>	<b>310</b>		<b>24</b>	<b>407</b>			
Machinery and equipment	80	776	310		24	407			
Other machinery and equipment	80	776	310		24	407			
<b>Payments for financial assets</b>	<b>4</b>				<b>2</b>	<b>2</b>			
<b>Total economic classification</b>	<b>362 286</b>	<b>432 122</b>	<b>493 687</b>	<b>547 071</b>	<b>545 958</b>	<b>537 853</b>	<b>622 590</b>	<b>659 193</b>	<b>695 448</b>

TABLE 6.25: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: SOCIAL SECTOR EPWP INCENTIVE GRANT FOR PROVINCES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>									
Compensation of employees									
Goods and services									
Interest and rent on land									
<b>Transfers and subsidies</b>	<b>350</b>	<b>1 499</b>		<b>2 000</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>		
Provinces and municipalities									
Provinces									
Municipalities									
Departmental agencies and accounts									
Public corporations and private enterprises									
Public corporations									
Private enterprises									
Households									
<b>Payments for capital assets</b>									
Buildings and other fixed structures									
Machinery and equipment									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>350</b>	<b>1 499</b>		<b>2 000</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>		

TABLE 6.26: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: EPWP INTEGRATED GRANT FOR PROVINCES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>									
Compensation of employees									
Goods and services									
Interest and rent on land									
<b>Transfers and subsidies</b>	20 267	16 785	13 108	9 384	9 384	9 384	1 485		
Provinces and municipalities									
Provinces									
Municipalities									
Departmental agencies and accounts									
Public corporations and private enterprises									
Public corporations									
Private enterprises									
Subsidies on production									
Households									
<b>Payments for capital assets</b>									
Buildings and other fixed structures									
Machinery and equipment									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	20 267	16 785	13 108	9 384	9 384	9 384	1 485		

TABLE 6.27: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: EARLY CHILDHOOD DEVELOPMENT GRANT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>									
<b>Transfers and subsidies</b>				38 489	38 489	38 489	62 777	66 287	70 728
Non-profit institutions				38 489	38 489	38 489	62 777	66 287	70 728
Households									
<b>Payments for capital assets</b>									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>				38 489	38 489	38 489	62 777	66 287	70 728

TABLE 6.28: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: SOCIAL WORKER EMPLOYMENT GRANT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>									
Compensation of employees									
Goods and services									
Interest and rent on land									
<b>Transfers and subsidies</b>				2 453	2 453	2 453	2 655	2 869	3 061
Provinces and municipalities									
Provinces									
Municipalities									
Departmental agencies and accounts									
Non-profit institutions				2 453	2 453	2 453	2 655	2 869	3 061
<b>Payments for capital assets</b>									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>				2 453	2 453	2 453	2 655	2 869	3 061

# VOTE 7

## DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

To be appropriated by vote in 2018/19	R 468 235 000
Responsible Executing Authority	MEC for Cooperative Governance and Traditional Affairs
Administering Department	Department of Cooperative Governance and Traditional Affairs
Accounting Officer	Head of Department

### 1. OVERVIEW

#### Vision

To be globally competitive city region putting people first with service delivery excellence and economic performance.

#### Mission

To facilitate and support cooperative governance across all spheres of government and associated institutions, and to promote the institution of traditional leadership for Gauteng.

#### Strategic goals

The Department is geared towards achieving four strategic objectives which are to:

- Strengthen the administrative and financial management systems of the GPG departments by 2020.
- Revitalise and strengthen Local Government performance through the Back 2 Basics approach by 2020.
- Facilitate integrated infrastructure planning and the transformation of cities and towns by 2020.
- Institute transformed, functional, accountable and sustainable institution of traditional leadership by 2020.

#### Core functions and responsibilities

The mandate of the Department highlights cooperative governance and is essential for integrated development. The Department provides support to, and monitors, municipalities and tribal authorities by:

- Inter-governmental relations systems, processes and procedures;
- Monitoring, implementing and reviewing the Local Government legislative frameworks;
- Supporting and monitoring the implementation of performance management systems across all Gauteng municipalities;
- Coordinating and facilitating the development of infrastructure and urban planning led by the Gauteng Planning Division;
- Supporting the development and implementation of Local Economic Development strategies and programmes led by the Department of Economic Development;
- Supporting municipalities with their Human Resources Management and development systems;
- Facilitating and coordinating the development of Information and Communication Technology Systems across Gauteng municipalities;
- Supporting and monitoring the institution of traditional leadership;
- Coordinating and facilitating financial support to municipalities which is led by the Provincial Treasury; and
- Entrenching participatory democracy systems, structures, processes and procedures.

#### Main services

The Department will continue strengthening governance, putting controls in place for municipalities to collect debts timeously and intergovernmental relations within municipalities. Municipalities will still be supported in the implementation of the Municipal and Provincial IGR Frameworks which includes providing technical and financial support in areas of performance management system with a specific focus on core PMS in line with legislative and regulatory prescripts. The Department will ensure compliance with municipal regulation 2007 of Municipal Finance Management Act (MFMA) on minimum competency levels which requires that municipal officials meet minimum competency on relevant skills. Implementation of the post-merger support to Rand West City Local Municipality, based on six matrices adopted by Minmec during 2015/16 financial year remains a focus in the 2018/19 financial year. Municipalities will be provided with capacity and financial support: the

capacity support includes the training of municipal officials in the areas that have been identified in the Scarce Skills Strategy. The MEC for CoGTA recently issued a directive that all critical posts must be filled by 1 July 2017 and municipalities are expected to comply. The Gauteng CoGTA will monitor the compliance with the requirements for the appointment of senior managers in municipalities. The Department started assisting municipalities with understanding the MSA regulations especially in terms of the recruitment of senior managers.

Municipalities are supported to facilitate and support the development and functionality of public participation structures. This will be achieved through the provision of technical, advisory and capacity support through the development and implementation of a Gauteng City Region Public Participation Support and Capacity Building Framework and Programme. The functionality of the ward committees is monitored on a quarterly basis and the department intervenes when requested to support ward committees.

The Ethics Institute is implementing the Municipal Integrity Project in municipalities and the department plays an oversight role. The Memorandum of Understanding (MoU) signed between the Gauteng municipalities, The Ethics Institute and the Gauteng Provincial Government (GPG). The total of 162 officials were trained and 11 Ethics Champions were appointed across all Gauteng municipalities.

The Department exercises oversight over the relationship between local municipalities' structures, traditional leadership structures and communities in the Province through community mobilisation by community development workers (CDWs). CDWs facilitate and coordinate advocacy work in support of government and broader community initiatives at a ward level. The cases that are attended to by CDWs are channelled to the Premier's hotline and then monitored as part of the Ntirhisano Programme. The Department hired Rapid Response Teams that assist with the resolution of municipal queries received through the Ntirhisano Programme.

The Scarce and Critical Skills Strategy for Local Government was adopted by the EXCO under the title Municipal Transformation and Enhanced Service Delivery through Skills Development in April 2010. The main aim of the Scarce and Critical Skills Strategy was to train and provide opportunities for individual development. The main thrust of the Strategy is to increase the competence, efficiency and effectiveness of officials in municipalities within the core functional skills areas. CoGTA monitors the implementation of this strategy in municipalities and coordinates support mainly through the Provincial Municipal Capacity Coordinating and Monitoring Committee (PMCCMC). The committee consists of various sector departments and hosts representatives from all Gauteng municipalities.

## **Ten-Pillar Programme**

### **Transformation of state and governance**

In line with the audit outcomes of the 2016/17 financial year, the Department will allocate funding aimed at providing capacity-building support to municipalities in critical areas so that they comply with the Province's Operation Clean Audit (OPCA). To achieve this, it will support municipalities with asset management, financial management, revenue enhancement, performance management systems, project and contract management as well as skills development in scarce skills areas. Ten municipalities will be monitored and provided with advisory support for the implementation of audit response plans as per MFMA Section 131 based on the 2016/17 audit outcomes. The OPCA Provincial Coordination Committee is coordinated by the department to track the implementation of the audit action plans by municipalities.

The budget is also influenced by the establishment of the Provincial Disaster Management Centre which links to all municipal disaster centres in the province. This will be supported by additional staff who will operate the centre daily and weekly.

Gauteng municipalities face the ever-increasing challenge of municipal debt and a culture of non-payment for municipal services, poor liquidity and compliance with Supply Chain Management policies and processes. The Department of CoGTA in collaboration with GPT implemented several strategies aimed at improving revenue collection by municipalities. The debt management committee was established and has assisted with the acceleration of the payment of government debt owed to municipalities.

Post-merger support will be provided to the West Rand City Municipality. The municipality will be assisted with the placement and job evaluation implementation processes. The municipality will be assisted in process of merging the two payroll systems as an interim measure followed by a review of the system to create one for the new municipality. The Department is providing the municipality with financial and capacity support for this project.

The process of ensuring that 529 ward committees are in place will continue in the 2018/19 financial year. The focus has been on the induction of the new ward councillors and assisting with the functionality of the newly established wards. Municipalities are also being supported to develop ward operational plans and these will be monitored on a quarterly basis.

### **Modernisation of the public service**

During the droughts in 2015, the MEC for CoGTA established the Water and Sanitation Forum aimed at tackling the challenges of water and sanitation in the Province. This resulted in the adoption of the Water and Sanitation Plan for 2030 by the

Province. The #SaveWater Campaign was launched to create awareness about the use of water. The Department installed rain water-harvesting facilities in targeted schools in five corridors as part of the campaign.

The Province continues to experience in-migration of people seeking better opportunities. The Department plans to ensure that municipalities have support plans in place for the implementation of the Mega Human Settlements programmes. The Department also plans to monitor the implementation of the support actions identified in the support plan.

### **National Development Plan**

CoGTA is still committed to playing a role in meeting the NDP goals of reducing unemployment and poverty while improving the lives of the citizens of our country. The Department will prioritise job creation initiatives through the Tshepo 1 Million Programme and the Community Workers Programme (CWP). The plan is to create 750 job opportunities through Tshepo 1 Million with the 19 000 jobs on the CWP programme maintained. Support will be provided to municipalities to take them forward considering the Outcome 9 as part of the national government priorities. The Department will support and monitor local government performance to ensure that municipalities become viable and sustainable and are able to carry out their constitutional mandate.

### **External activities and event relevant to budget decisions**

The expected promulgation of the National Bill on Traditional Affairs, which will allow Khoisan leaders to be traditional leaders, will have an impact on the budget, including the anticipated remuneration packages for traditional leaders.

The budget is also influenced by the establishment of the Provincial Disaster Management Centre which links to all municipal disaster centres in the Province. This will also be directed by the employment of additional staff who will operate the centre.

### **Acts, rules and regulations – legislative mandates**

- Intergovernmental Relations Framework Act (Act No. 13 of 2005);
- Local Government: Municipal Property Rate Act (Act No. 6 of 2004);
- National Environmental Management Act (Act No. 107 of 1998), as amended by Act No. 8 of 2004;
- Broad Based Black Economic Empowerment Act (Act No. 53 of 2003);
- Municipal Finance Management Act (Act No. 56 of 2003);
- Local Government: Municipal Systems Act (Act No. 32 of 2000);
- Public Finance Management Act (Act No. 1 of 1999);
- Local Government: Demarcation Act (Act No. 27 of 1998);
- Local Government: Municipal Structure Act (Act No. 117 of 1998);
- Extension of Security of Tenure Act (Act No. 62 of 1997);
- Land Administration Act (Act No. 2 of 1995);
- Reconstruction and Development Programme Fund Act (Act No. 7 of 1994);
- Expropriation Act (1951), as repealed by Act No. 63 of 1975;
- State Land Disposal Act (Act No. 48 of 1961); and
- Deeds Registries Act (Act No. 47 of 1937).

### **Provincial legislation**

- Gauteng Traditional Leadership Act no of 2010;
- Gauteng Types of Municipality Act no 03 of 2000; and
- Gauteng City Improvement Act no 12 of 1997.

### **Good governance legislation**

- Broad Based Black Economic Empowerment Act (Act No. 53 of 2003);
- Municipal Finance Management Act (Act No. 56 of 2003); and
- Public Finance Management Act (Act No. 1 of 1999).

## **2. REVIEW OF THE CURRENT FINANCIAL YEAR (2017/18)**

### **Transformation of the state and governance**

The Department pays all service providers within 30 days. A resolution by the Executive Committee to have Gauteng departments paying invoices within 15 days was supported and is being implemented successfully. The Department is implementing phase 2 of the Back 2 Basic (B2B) Programme which is based on eight pillars and eight points. The revision of the programme from the 10-pillar plan was presented to all municipalities and sector departments attending the B2B Forum. The implementation of the support plans in municipalities is being monitored and reported against quarterly.

The finalisation of the grading of the new Rand West City Local Municipality was concluded on 30 September 2017. The grading of a municipality was confirmed by the SALGA Bargaining Council. The placement of staff in the municipality will be concluded in the fourth quarter of 2017/18.

The thematic programmes were supported:

- Four Human Rights Month campaigns/initiatives were supported in two municipalities: City of Johannesburg: 3, Rand West City: 1;
- Two Workers Month campaigns/initiatives were supported in the Rand West City;
- Five Freedom Month campaigns/initiatives were supported in two municipalities; Rand West City: 4 and City of Johannesburg: 1;
- Two Youth Month campaigns/initiatives were supported in two municipalities: City of Ekurhuleni: 1 and Rand West City: 1;
- In addition, 186 other ad hoc campaigns/initiatives were supported: Heritage Month (9), Transport Month (6);
- And 16 Days of Activism (3).

The Department monitored and provided hands-on support to three municipalities on the implementation of the Scarce and Critical Skills Strategy. Support was provided to the West Rand District and the Sedibeng District. Eight municipalities namely Emfuleni Local Municipality, Midvaal LM, Sedibeng District Municipality, Rand West City LM, West Rand District Municipality and Mogale City LM attended the meeting. One of the success stories is the achievement of the 95 per cent pass rate of General Workers who completed Grade 12 at the Sedibeng District. Seventy one officials attended the training provided by the district. The Department negotiated with MISA to realign their current support to municipalities to ensure that the support is in line with CoGTA's Deliverology Plan on Human Settlements Mega Projects. MISA subsequently confirmed the hands-on support and deployment of five engineers in the following Municipalities:

- 2 in Sedibeng LM - Civil Engineer;
- 1 in Lesedi LM – Civil Engineer;
- 1 in Merafong LM – Civil Engineer; and
- 1 in Rand West City LM – Civil Engineer.

#### **Izimbizo**

Seven izimbizos were supported in three municipalities, i.e. the Emfuleni, Merafong City, and Mogale City local municipalities.

#### **Emfuleni Local Municipality**

- Launch of ward committees by the Acting Mayor held at Sebokeng (ward 30) on the 20/09/2017; and
- Handover of RDP houses by the Minister/MEC of Human Settlements and the Mayor of Emfuleni held at De Deur (ward 6, 18, 29, 31) on the 23/09/2017.

#### **Merafong City**

- Community engagement and introduction of the new MMC by the Mayor held at Merafong Library Hall (ward 1) on 10/11/2017; and
- Service delivery imbizo by the Office of the Premier held at Kokosi (ward 22) on the 21/10/2017.

#### **Mogale City**

Report on the National Development Plan (NDP) 2030 by the Minister in the Presidency for Planning, Monitoring and Evaluation held in Kagiso (ward 11) on 11/11/2017.

#### **Modernisation of the public service**

A report was produced indicating that the Ekurhuleni and Tshwane Municipal Disaster Centres are functional and the other municipal disaster centres will also be evaluated during the financial year.

#### **Transformation of the public service**

Regional introductory sessions were held at Tshwane Metro, Sedibeng and Mogale City LM to familiarise the five targeted municipalities with the HR audit. The HR standard and HR audit methodology workshop was conducted targeting the five prioritised municipalities (City of Tshwane, Mogale City LM, Lesedi LM, Emfuleni LM and Sedibeng District). Various engagements were conducted to establish the state of readiness across the five targeted municipalities. In planning towards the HR Audit Project CoGTA Municipal Institutional Support conducted regular pre-HR Audit engagements with targeted municipalities. The aim was to prepare the targeted municipalities with all relevant information and documents in preparation for the audit.

1 Municipality (Rand West City LM) was supported to institutionalise performance management systems: 66 level 1-3 officials trained on PMS. Eleven municipalities were supported to comply with MSA regulations in terms of the appointment of Senior Managers. The service provider was appointed and group one of the training was conducted from 4 to 8 December 2017 with 25 officials trained in business process engineering (management/modelling). One organisational development and design roll-out forum was convened. Chapters 1-5 and Chapter 10-15 were rolled out from 28 to 29 November 2017.



### **Transformation of the state and governance**

2000 Residential accounts were assessed in detail and a significant 257 of the accounts with a debt value of R41.6 million were resolved as deceased estates. Addressing these accounts requires a two-pronged approach to deal with the arrears and to establish the new living account holder's information and status. In addition, it is critical to establish the status of the current occupant of the property as the primary person responsible for the payment of the municipal bill. Nine municipalities were supported and monitored in the implementation of the Government Debt Strategy. The total collected for all Gauteng municipalities for November 2017 amounted to R 120 million.

Merafong City LM was provided with additional capacity to implement a provincially developed tariff model. A working session was held to collate the outstanding data and complete populating the model to produce a base model. The municipality was given different scenarios to choose. The scenarios provided had the potential to improve the current tariff structures of the Municipality. The Municipality selected one scenario which was tested. The final model results were then presented to the Municipality together with the recommendations. Workshops and training sessions were conducted with finance and infrastructure officials on how to populate the model to come out with a cost-reflective tariff structure.

All Municipalities prepared annual financial statements (AFS) and year-end closure process plans in preparation for the 2017/18 financial year-end on 30 June 2018 and Annual Financial Statements submission on the 31st August 2017 as required by section 126 of the MFMA that for audit. The Department provided advisory support to the municipalities during the audit process by participating in the Municipal Audit Steering Committee Meetings. All four municipalities updated and maintained the Infrastructure Asset Registers in line with the GRAP 17 requirements. Midvaal LM was supported with additional capacity support to resolve their top 100 defaulting debtors. The total associated with the resolved debtors is R13.3 million. The City of Johannesburg was provided with additional capacity support to resolve their top 100 defaulting debtors. The total amount associated with the resolved debtors is R4.1 million.

### **Modernisation of the public service**

The restoration of the Provincial Disaster Management Centre (PDMC) is on course, with the plan approved by EXCO. An appropriate building to house the Centre was secured and a fleet of vehicles, able to deal with any type of disaster in the Province, were branded. The building is in Midrand and is currently in the process of being equipped. The Department is working with the State Information Technology Agency (SITA) and other state entities to ensure a state of the art ICT system for the Centre. The Disaster Management Strategy is being developed to deal with current and future challenges. The centre is expected to be launched in the second quarter of the 2018/19 financial year.

### **Transformation of the public service**

To contribute to the transformation of the public service, the Department achieved 57 per cent of its employment equity targets in the 2017/18 financial year. A moratorium on filling of vacancies was in place since November 2016 so this target will not be achieved in this financial year.

To improve financial management, 12 municipalities will be monitored and provided with advisory support on implementing Audit Response Plans based on the 2015/16 audit outcomes as per MFMA Section 131. This will be done through municipal-based Operation Clean Audit (OPCA) steering committee meetings and quarterly OPCA Provincial Coordinating Committee (PCC) engagements. There was an OPCA steering committee meeting in the first quarter of 2017/18 and the next one will be in the fourth quarter.

## **3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2018/19)**

### **Transformation of the state and governance**

The Department is implementing phase 2 of the Back 2 Basic (B2B) Programme which is based on eight pillars and eight points. A quarterly report will indicate the support provided to municipalities by the department in terms of the B2B Programme.

Continuous research on HR developmental trends will assist the department to work smarter, faster and be responsive to the current challenges facing our municipalities and Local Government in general. The Department of Cooperative Governance and Traditional Affairs (COGTA) will support all municipalities as part of the Provincial Transformation Mandate ensuring good governance and repositioning of the HR function in the coming financial year. As part of transforming municipalities to perform better in 2018/19, COGTA is in the process of appointing the SA Board of People Practice (SABPP) to support the five targeted municipalities with conducting the HR Audit. The five targeted municipalities are the City of Tshwane, Sedibeng DM, Mogale City LM, Emfuleni LM and Lesedi LM. The proper implementation of the project will lead to the fulfilment of the Departmental Mandate and Gauteng 10 Pillars of Radical Transformation in particular pillar 4 and 5 Transformation of the State and Governance and Modernisation of the Public Service. It will also lead to good governance and empowered personnel to deliver efficient and effective service delivery. The other objective of the department is to train municipalities with regard to HR standards, auditing and skills transfer during 2018/19 financial year with the main aim of assisting the sector to deliver on their mandate.

The Organisational Development (OD) and Design Task team was established during the current year. It consists of 22 OD Managers and Practitioners from all Gauteng municipalities. COGTA will continue to drive the process of developing the Draft

Organisational Development and Design (OD & D) Framework. The 11 municipalities will be requested to submit all names of all OD managers/practitioners that will be attending the business process reengineering training. Commitment and enrolment forms will be obtained from the 22 OD managers/practitioners for this training.

CoGTA is developing strategies aimed at activating and reinvigorating citizen engagement and community mobilisation around key service delivery commitments and offerings. This delivery will be a collaboration between CoGTA, Municipal Public Participation Units as well as relevant line function and sector departments.

**The two approaches that will be deployed are:**

- The first is aimed at tapping into the underlying asset potential of communities called Asset Based Community Development (ABCD). This approach focuses on leveraging underlying assets ranging from culture and traditions (Ubuntu [social cohesion]), physical skills, local knowledge, public and communal assets that includes service delivery. The second approach is Citizen Based Monitoring (CBM) which is spearheaded by the DPME. The focus is on strengthening the oversight abilities of ward committees and citizens broadly.

The Department plans to design, develop and accredit a Qualification for Councillors with Oversight Function (section 79, inclusive of MPACs) to provide capacity support to municipalities. One hundred councillors to be trained on the qualification (learning programme) for Councillors with oversight function (including section 79 and MPACs), NQF L3, 4 and 5.

Progress will be made by training 60 learners on the MCD Training Centre technical programme (electrical and plumbing). The technical training commences in June 2018 with an induction for 60 officials, 30 officials for the plumbing apprenticeship and 30 officials for the electrical apprenticeship. Phase 1 of the training is scheduled to be completed in December 2018.

CoGTA will assist the identified municipalities with the customising, populating and testing scenarios as well as implementing the tariff model to raise sufficient revenue. The support initiative will be carried out in Mogale City, Merafong, Lesedi and Rand West City Local Municipalities.

While noting the positive action taken by metropolitan municipalities in the fight against corruption, they consistently fail to comply with section 57A (7) and the Schedule 1 of the Municipal Systems Act, which require that municipalities inform the MEC of any cases of corruption at municipal level. Compliance with this legislative provision ensures that no person is charged and dismissed because fraud and/or corruption is appointed in any other organ of state. In the coming year, the Department of CoGTA will provide the following support to build and encourage a culture of anti-corruption, ethics and integrity:

- Establishment of Cities Fraud and Anti-Corruption Network to share best practice among metros;
- Establishment of Fraud and Anti-Corruption Forums in Sedibeng DM and West Rand DM to share best practice and facilitate regional integration; and
- Ensure close monitoring in the district and local municipalities as they do not have records of fraud and corruption cases investigated.

CoGTA identified the need to support Gauteng municipalities to be more sustainable through the process of resolving debt owed to municipalities by residential customers. The objective of this top 100 residential debtors' project is to establish a sound methodology to deal with residential debtors going forward and to ensure that municipal billing integrity improves to allow for timeous revenue collection. The project will focus on the top 100 residential debtors, establish a sound methodology to deal with data and debt in the province. The Department is implementing the "The Resolution of Top 100 defaulting residential debtor's accounts in 6 Local Municipalities". The purpose of this is to provide all Gauteng municipalities with web-enabled access to accurate residential customer data for their Top 100 defaulting residential debtors accounts. Data provided to municipalities will include various sets of integrated data for electronic and automated residential debtor data purification. Access to accurate data and data integrity on the municipal Financial Management System will enhance the residential debt resolution process going forward.

Municipalities are implementing corrective measure by executing the action plans and monitoring progress through the bi-weekly Municipal OPCA Steering Committee Meetings. To date the consolidated progress on the action plan indicates that 54 per cent of the issues raised are resolved, 40 per cent of the issues are partially resolved, and 6 per cent of issues have not yet been resolved. CoGTA and GPT will review the fixed assets register and Annual Financial Statements before submission to audit committees (AC) and AGSA. Workshops will be conducted to create awareness in communities on disaster management to increase the resilience to disasters and reduce the effects of disaster incidence. Risk assessments are also planned to ensure safer communities in disaster times and a 50 per cent reduction in mortalities that result from disasters.

**Modernisation of the public service**

The Department will contribute to the Province's e-Governance Strategy and is in the process of deploying IT technicians to municipalities to support and assist with ICT improvements in 2018. The Disaster Management centre restoration project will be completed in June 2018 and the plan for the 2018/19 financial year is the procurement ICT hardware and equipment. The procurement of Disaster Management Early Warning Systems is also planned in the coming financial year. The Department will conduct an institutional diagnostic assessment across all Gauteng municipalities. The purpose of this diagnostic

assessment will be to identify capacity gaps and ensure that the capacity and capability development put into place is relevant to these gaps.

#### **Decisive spatial transformation**

The Department, as part of its legislative duty in the Municipal Structures Act No. 32 of 2000 (MSA 2000) will continue with the assessment of IDPs on an annual basis to comply with relevant legislation to foster horizontal and vertical alignment as well as sustaining the credibility of the IDPs. In collaboration with sector departments in the province, CoGTA will finalise the review of the Gauteng IDP Analysis Framework to foster integration of the TMR and Sustainable Development Goals (SDGs) in municipal IDPs. This will ensure effective planning and roll out of development projects identified within the five Corridors of Development such as the Sedibeng Regional Sanitation Scheme, Aerotropolis and Inland Port during the coming financial year which was not entirely completed in the current year.

Over the MTEF the department will pursue strategic objectives, which will shape the future of the Province. These include, inter alia, the Township Economies Revitalisation; Tshepo 1 million; Community Workers Programme; Gauteng Energy Plan; Welfare to Work; Gauteng Safety Strategy; Human Settlement Strategy and e-Governance Strategy.

## **4. REPRIORITISATION**

The Department continues to review its operations to identify potential cost savings and eliminate inefficiencies. This will translate into reprioritisation which is essential in the present tight fiscal environment. The Department continues to explore less expensive goods and services and, taking the MTEF period, as a whole has examined how it can prioritise its budget to meet its primary objectives. The National Disaster Management Framework prescribes certain minimum infrastructural requirements for such a centre and the department reprioritised funds within programme 3 from capital assets to consultants and professional services to ensure all minimum requirements as prescribed in the National Disaster Management Framework are met. The Department also reprioritised funds from programme 2 Local Governance to programme 1, 3 and 4 to ensure alignment of the CoE budget with the approved organisational structure and to align the budget with where functions are performed.

Reprioritised funds will assist the department with the implementation plan for the Gauteng Energy Security Strategy that will give impetus to the resolutions of the Gauteng Integrated Energy Strategy developed by CoGTA in 2017 to capture the strategic direction of the fifth provincial administration that aims to transform, modernise and industrialise the Gauteng City Region. Prioritisation of the allocated budget for the 2018 MTEF period will also be utilised to conduct feasibility studies of the heritage sites of Amendable Ndzunza Sokhumi and Amendable Ba Lebelo which were delayed during 2017/18 financial year.

## **5. PROCUREMENT**

The Department will be implementing and undertaking the below projects for the coming financial year:

- Support municipalities with implementing the Scare and Critical Skills Strategy particularly in the areas of:
  - Providing capacity support to enhance service delivery including infrastructure and oversight of section 79 managers with the inclusion of Municipal Public Accounts Committees (MPACs), finance and project management;
  - Training of 30 officials in finance;
  - Training of 100 officials in project management; and
  - Training of 30 officials in governance and national certificate on Local Economic Development (LED).
- Provide capacity building in technical skills with reference to B2B;
- Provide ICT equipment for the Provincial Disaster Management Centre;
- Procure unmanned aerial vehicles and cameras for Provincial Disaster Management Centre;
- Develop a disaster management information system for communication at the PDMC;
- Conduct a feasibility study for the two traditional council's heritage sites;
- Continue to support municipalities in developing and adopting their public participation frameworks;
- Provide continuous training and development for ward committees in all municipalities; and
- Provide training for municipal officials and councillors on IDP, budgets and the PMS.

## 6. RECEIPTS AND FINANCING

### 6.1 Summary of receipts

TABLE 7.1: SUMMARY OF RECEIPTS: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Equitable share	338 598	406 972	514 463	468 218	477 041	477 041	466 235	496 588	527 317
Conditional grants	2 000		2 000	2 000	2 000	2 000	2 000		
<b>Total receipts</b>	<b>340 598</b>	<b>406 972</b>	<b>516 463</b>	<b>470 218</b>	<b>479 041</b>	<b>479 041</b>	<b>468 235</b>	<b>496 588</b>	<b>527 317</b>

The budget increased from R340.6 million in 2014/15 to R516.5 million in 2016/17. The budget catered for building departmental capacity as per the approved organisational structure, procurement of disaster relief material, funding of departmental initiatives in respect of municipal support, transfers to municipalities for water infrastructure projects and the establishment of Rand West Local Municipality as well as capital requirements regarding the procurement of the building for the Provincial Disaster Management Centre.

In 2017/18 the budget of R470.2 million provided mainly for the PMDC renovation project and operational requirements of the PMDC, continuation of water infrastructure projects, and support to Rand West Local Municipality. Over the MTEF the allocation increases from R468.2 million to R527.3 million in 2020/21. The budget will fund the department's staff requirements and interventions in municipalities. The budget will also be used to fund procurement of the ICT equipment and the early warning systems for the transmission of information between disaster centres and other departments, coordinate and manage disaster response and recovery initiatives and to fund other initiatives in respect of integrated development planning in the province. The budget will also assist the department to implement the Gauteng Energy Security Strategy as approved by EXCO. The expanded public works' programme (EPWP) conditional grant amounting to R2 million annually to supports the job creation initiatives in communities.

### 6.2 Departmental receipts

TABLE 7.2: DEPARTMENTAL RECEIPTS: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Sales of goods and services other than capital assets	317	292	276	156	156	276	166	174	184
Interest, dividends and rent on land			27	29	29	29	30	32	34
Transactions in financial assets and liabilities	173	66	1 440	347	347	227	367	388	409
<b>Total departmental receipts</b>	<b>490</b>	<b>358</b>	<b>1 743</b>	<b>532</b>	<b>532</b>	<b>532</b>	<b>563</b>	<b>594</b>	<b>627</b>

The Departmental receipts increased from R490 000 in 2014/15 to R1.7 million in 2016/17 owing to unspent funds returned from the City of Tshwane Metropolitan Municipality. The purpose of the grant to the municipality was to support the municipality with its debt management system. The budget for departmental receipts amounted to R532 000 in 2017/18. This budget consists of transactions in financial assets and liabilities which are mainly the staff debt repayments as well as sales of non-capital goods and services which are staff parking fees, sales of tender documents and third party transactions such as commissions. Interest on staff debt contributes a small proportion to total departmental receipts.

The budget increases from R532 000 in 2017/18 to R563 000 in 2018/19 mainly because the sales of tender documents are lower owing to the availability of free tender documents online. The budget for departmental receipts increases from R563 000 in 2018/19 to R627 000 in 2020/21. The increase over the MTEF is informed by inflation adjustments.

## 7. PAYMENT SUMMARY

### 7.1 Key assumptions

The assumptions that underpin the department's 2018 expenditure are summarised below. A 7.2 per cent wage increase is anticipated over the MTEF. A 5.6 per cent increase in goods and services is anticipated. This is in line with projected consumer price inflation (CPI). The following elements have been taken into consideration when determining budgets for staff and other economic classification items for the 2018 MTEF:

- Number of staff, vacancies and possible changes over the MTEF;

- Basic salary costs including improvements in conditions of service adjustment from 1 April of each year;
- Salary increases for officials with occupation-specific dispensations (OSDs);
- Provision for filling vacant posts because of the approved structure of the Department by DPSA;
- The need to fill CDW vacancies in all wards as delayed during 2017/18 financial year;
- The procurement of ICT equipment for the new PDMC building and procurement of Unmanned Ariel Vehicle (UAV) in PDMC;
- Provide support for the newly merged Rand West City Local Municipality;
- Provision for early warning infrastructure systems for the dissemination of information during disasters across all centres; and
- Provision and monitoring of water-harvesting system to be installed in municipalities across the number of schools.

## 7.2 Programme summary

TABLE 7.3: SUMMARY OF PAYMENTS AND ESTIMATES: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Administration	82 819	105 531	120 292	129 090	131 090	131 090	144 284	153 214	162 578
2. Local Governance	162 712	206 287	196 722	224 108	225 098	225 098	215 389	229 064	245 015
3. Development Planning	31 418	50 231	128 805	105 956	110 868	110 868	95 983	100 914	105 577
4. Traditional Institutional Management	6 507	6 802	10 057	11 064	11 985	11 985	12 579	13 396	14 147
<b>Total payments and estimates</b>	<b>283 456</b>	<b>368 851</b>	<b>455 876</b>	<b>470 218</b>	<b>479 041</b>	<b>479 041</b>	<b>468 235</b>	<b>496 588</b>	<b>527 317</b>

## 7.3 Summary of economic classification

TABLE 7.4: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>274 604</b>	<b>316 519</b>	<b>369 180</b>	<b>421 825</b>	<b>430 648</b>	<b>430 648</b>	<b>445 367</b>	<b>469 842</b>	<b>499 101</b>
Compensation of employees	222 104	247 479	275 335	302 359	302 359	302 359	319 895	341 648	363 855
Goods and services	52 500	69 040	93 845	119 465	128 289	128 289	125 472	128 194	135 246
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>6 835</b>	<b>50 659</b>	<b>50 861</b>	<b>16 766</b>	<b>26 752</b>	<b>26 752</b>	<b>8 746</b>	<b>6 454</b>	<b>6 809</b>
Provinces and municipalities	5 000	48 988	49 613	15 136	25 136	25 136	7 000	5 000	5 275
Households	1 835	1 671	1 248	1 630	1 616	1 616	1 746	1 454	1 534
<b>Payments for capital assets</b>	<b>1 879</b>	<b>1 170</b>	<b>35 769</b>	<b>31 627</b>	<b>21 627</b>	<b>21 627</b>	<b>14 122</b>	<b>20 292</b>	<b>21 407</b>
Buildings and other fixed structures			31 600						
Machinery and equipment	1 865	1 170	4 169	31 627	21 627	21 627	14 122	20 292	21 407
Software and other intangible assets	14								
<b>Payments for financial assets</b>	<b>138</b>	<b>503</b>	<b>66</b>	<b>14</b>	<b>14</b>	<b>14</b>			
<b>Total economic classification</b>	<b>283 456</b>	<b>368 851</b>	<b>455 876</b>	<b>470 218</b>	<b>479 041</b>	<b>479 041</b>	<b>468 235</b>	<b>496 588</b>	<b>527 317</b>

The Departmental expenditure increased from R283.5 million in 2014/15 to R368.9 million in 2015/16 and to R455.9 million in the 2016/17. The increase was mainly for procurement of the PMDC building, disaster relief funding, the erecting of water infrastructure for Emfuleni and Merafong Municipalities and to support the merger of Westonaria LM and Randfontein LM to form Rand West Municipality.

During 2017/18 the Department budget was adjusted upwards from R470.2 million to R479 million owing to the rollover of funds for the tools of trade for staff and disaster material to support the intervention initiative in respect of the floods in the province. The budget also provides for water projects through the distribution of water tankers to affected communities for rain water harvesting and training of ward councillors on IDP framework and disaster related education and awareness campaign.

The overall budget increased from R468.2 million in 2018/19 to R527.3 million in the 2020/21 financial year. A large part of the increase is allocated to continue to support municipalities, the refurbishment and operational requirements of the acquired PDMC, to implement initiatives for water conservation and to support community development outreach programmes to improve service delivery. The budget will further be utilised for capacity building in areas of talent management, organisational development and design across all municipalities. The budget will also be used to fund the



procurement of the ICT equipment and the early warning systems for the transmission of information between disaster centres and other departments, coordinate and manage disaster response and recovery initiatives, and to fund other initiatives in respect of integrated development planning in the province. Furthermore, the budget will assist the department to implement the Gauteng Energy Security Strategy as approved by EXCO.

**Programme 1:** The expenditure in this programme increased from R82.8 million in 2014/15 to R120.3 million in 2016/17. The increase is attributed to the filling of vacant posts, training of staff, MECs outreach programmes and operational requirements of the department. The increase in 2017/18 provides for the tools of trade for the staff, equipment and ICT requirements. Over the MTEF the budget increases from R144.3 million in 2018/19 to R162.6 million in 2020/21 and is mainly for the provision of the refurbishment of the building that will be acquired to accommodate staff, the procurement of the ICT infrastructure, training of staff and the provision of G-fleet services that will support the department's mandate including the settlement of software licences.

**Programme 2:** The programme expenditure is R162.7 million in 2014/15, R206.3 million in 2015/16 and R196.7 million in 2016/17. The expenditure incurred was to support the processes of the merger of Westonaria LM and Randfontein LM by facilitating the implementation of the new boundaries, the local government elections outreach programs and training of CDWs and ward counsellors. This program has the largest share of the budget. In 2017/18 the budget of R224.1 provides for training of municipal officials on contract, financial management and business processes reengineering. The allocation increases to R245 million over the MTEF period to fund CDW programmes to enhance service delivery and support to municipalities. The budget will fund the department's interventions in municipalities (such as GRAP17 projects, performance management system (PMS), revenue enhancement and debtors management), implementation of viability assessment studies and constant evaluation of the implementation of a clean audit.

**Programme 3:** The increase of expenditure from R31.4 million in 2014/15 to R128.9 million in 2016/17 is owing to additional funds allocated to address water infrastructure challenges in municipalities, procurement of the PDMC building and disaster relief material. The budget of R106 million in 2017/18 includes funds allocated for the studies conducted to assess the state of readiness of the PMDC and for the PMDC internal office fit-out services. The 2017/18 budget is adjusted upwards to R10.9 million to procure the disaster relief materials. The budget increases from R96 million in 2018/19 to R105.6 million in 2020/21 to fund the operational requirements of the PMDC, the disaster related education and awareness campaigns, the IDP engagements so that the Gauteng Energy Security Strategy can be implemented.

**Programme 4:** The Traditional Institutional Development Budget grows over the 2018 MTEF to R14.1 million mainly to support and enhance the capacity of traditional leadership and local governance institutions in the City of Tshwane (Amendable Ba Lebelo and Amendable Ndzunza Sokhumi traditional councils). In addition, the budget will also enable the department to conduct feasibility studies for the heritage sites that were delayed during 2017/18 financial year and commemorate heritage events for the traditional councils.

**The budget for compensation of employees:** increases from R222.1 million in 2014/15 to R319.9 million in 2018/19 primarily to fund departmental capacity as per the newly approved organisational structure, with a further increase to R363.9 million over the 2018 MTEF. The increased allocation is attributable to the annual general increment related to improved conditions of employment as well filling of vacant posts particularly the SMS positions already advertised.

**The Department's goods and services increases:** from R52.5 million in 2014/15 to R93.8 million in 2016/17 to cater for departmental operational requirements. In other words to fund the voter education programmes on local government elections, implement a revenue management model that will improve debt management in municipalities, fund disaster-related awareness campaigns of the PDMC, provide water tankers for rainwater harvesting for the traditional council and train ward councillors. The budget increases over the 2018 MTEF from R125.5 million in 2018/19 to R135.2 million in 2020/21 to support municipalities, fund the operational requirements of the PDMC and CDWs outreach programs and to enhance the capacity of traditional leadership and local governance institutions.

**The expenditure for machinery and equipment:** was R1.9 million in 2014/15 and increased to R35.8 million in 2016/17 mainly because of the procurement of the PDMC and the purchasing of tools of trade and equipment for the staff. The main budget for 2017/18 decreased from R31.6 million to R21.6 million during the adjustment budget process when funds were reallocated to goods and services for the construction of internal office fit out and install LAN for the PMDC. The budget amount decreased to R14.1 million in 2018/19 as the office construction project continues. The budget increases to R21.4 million over the MTEF as the department procures the infrastructure requirements of the PDMC and other equipment that will be required to run the business of the Department.

## 7.4 Infrastructure payments

N/A

### 7.4.1 Departmental infrastructure payments

N/A

**7.4.2 Maintenance**

N/A

**7.4.3 Departmental Public-private-partnership (PPP) projects**

N/A

**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 7.5: SUMMARY OF DEPARTMENTAL TRANSFERS TO LOCAL GOVERNMENT BY CATEGORY**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Category A									
Category B	5 000	48 988	40 884	14 136	25 136	25 136	7 000	4 500	4 665
Category C				1 000				500	610
<b>Total departmental transfers</b>	<b>5 000</b>	<b>48 988</b>	<b>40 884</b>	<b>15 136</b>	<b>25 136</b>	<b>25 136</b>	<b>7 000</b>	<b>5 000</b>	<b>5 275</b>

The Department transferred a total of R5 million during the 2014/15 financial year to provide support to municipalities in relation to GRAP 17, PMS and EPWP projects. The Department further transferred R49 million during the 2016/17 financial year to municipalities to support projects that were identified during the visit by the department: water infrastructure maintenance projects, a storm water and waste collection project for Emfuleni Local Municipality and a water loss and demand management project for Merafong Local Municipality as well as to support the merger of Randfontein and Westonaria local municipalities. The Department transferred R25 million for 2017/18 to address Rand West Municipality's post-merger challenges of salary disparities and a further R2 million for the Expanded Public Works Programme (EPWP) grant for job creation which aims to reduce poverty within communities. A total of R3 million was allocated in support of GRAP 17 and R2 million was allocated for the PMS Project. Over the 2018 MTEF period, the Department will transfer funds to support municipalities with GRAP 17, PMS projects and EPWP.

**8. PROGRAMME DESCRIPTION****Programme description**

The goal of this programme is to strengthen and align the department's organisational capacity and capability to deliver on its mandate. It enables the department's business units to perform efficiently by providing corporate support (HR, financial management, SCM, ICT, risk management and facilities management). The programme ensures effective and efficient leadership, management and administrative support to the core business of the department by refining organisational strategy and structure in compliance with appropriate legislation and practice. The programme's outputs reflect Pillar 5 (modernisation of the public service which seeks to achieve an efficient, effective and developmental oriented public service and an empowered, fair and inclusive citizenry).

**Programme objectives are to:**

- Ensure that HRM is a strategic partner with all units in the department;
- Provide effective legal services to the department;
- Provide efficient and effective facilities management to the department;
- Provide efficient, effective and stable ICT infrastructure and support to the department;
- Ensure prudent financial management, efficient and effective SCM and systems to ensure that financial planning and budgeting are aligned with the department's strategic plan;
- Maintain effective, efficient and transparent risk management and financial systems, as well as controls, to safeguard Departmental assets; and
- Ensure good governance and improved productivity through the promotion of discipline, transparency, independence, accountability, fairness and social responsibility within departmental operations.



**Key policies, priorities and outputs**

- Develop policies, provide strategic direction as well as monitor and evaluate the department's programmes, support services and operations;
- Render strategic and focused HRM support to ensure effective execution of the department's functions and strategy;
- Render effective and economic financial management services to the department as well as ensure the alignment of strategy and budget in addition to managing expenditure, reporting, and the supply chain;
- Render corporate services within the department and ensure the efficient execution of the Department's functions and strategy (structure; resources: budget, physical and human; systems);
- Manage the risk strategy of the department;
- Anti-corruption enforcement;
- Building capacity and capability to professionalise the department;
- Monitor and support legislative compliance;
- Facilitate access to information;
- Provide sound legal advice and support to the department; and
- Provide gender mainstreaming activities and female counsellor training.

**TABLE 7.6: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Office Of The Mec	3 563	3 839	3 065	4 992	4 992	4 992	5 203	5 571	5 877
2. Corporate Services	79 256	101 692	117 227	124 098	126 098	126 098	139 081	147 643	156 701
<b>Total payments and estimates</b>	<b>82 819</b>	<b>105 531</b>	<b>120 292</b>	<b>129 090</b>	<b>131 090</b>	<b>131 090</b>	<b>144 284</b>	<b>153 214</b>	<b>162 578</b>

**TABLE 7.7: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>78 967</b>	<b>102 187</b>	<b>117 169</b>	<b>121 889</b>	<b>121 889</b>	<b>121 889</b>	<b>136 644</b>	<b>145 536</b>	<b>154 478</b>
Compensation of employees	53 277	71 754	79 573	83 442	83 441	83 442	93 432	98 425	104 776
Goods and services	25 690	30 433	37 596	38 447	38 448	38 447	43 212	47 111	49 702
<b>Transfers and subsidies to:</b>	<b>1 835</b>	<b>1 671</b>	<b>1 248</b>	<b>1 630</b>	<b>1 616</b>	<b>1 616</b>	<b>1 746</b>	<b>1 454</b>	<b>1 534</b>
Provinces and municipalities									
Non-profit institutions									
Households	1 835	1 671	1 248	1 630	1 616	1 616	1 746	1 454	1 534
<b>Payments for capital assets</b>	<b>1 879</b>	<b>1 170</b>	<b>1 809</b>	<b>5 571</b>	<b>7 571</b>	<b>7 571</b>	<b>5 894</b>	<b>6 224</b>	<b>6 566</b>
Buildings and other fixed structures									
Machinery and equipment	1 865	1 170	1 809	5 571	7 571	7 571	5 894	6 224	6 566
Software and other intangible assets	14								
<b>Payments for financial assets</b>	<b>138</b>	<b>503</b>	<b>66</b>		<b>14</b>	<b>14</b>			
<b>Total economic classification</b>	<b>82 819</b>	<b>105 531</b>	<b>120 292</b>	<b>129 090</b>	<b>131 090</b>	<b>131 090</b>	<b>144 284</b>	<b>153 214</b>	<b>162 578</b>

The programme's expenditure increased from R82.8 million to R120.3 million between 2014/15 and 2016/17 which was for the provision of operational requirements and support for the department including the MEC's Izimbizo in respect of local government elections. The programme's budget for 2017/18 amounted to R129.1 million for the provision of legal costs, office equipment and tools of trade for staff. This amount caters for the improvement in the condition of service, recruitment processes and envisaged procurement of ICT infrastructure, software licences, refurbishment of the new building and marketing for the MEC's outreach programmes to municipalities.

The administration programme allocation for 2018/19 amounts to R144.3 million and increases to R162.6 million over the MTEF period. The increase will fund the renovations, furniture and equipment for the newly identified building that will cater for the departmental employees, payment of g-fleet services, bursaries, communication equipment, training for the development of employees, Microsoft licence fees and general maintenance requirements for the running of the department.

**Compensation of employees:** The staff expenditure increases from R53.3 million in 2014/15 to R79.6 million in 2016/17 owing to funding departmental capacity as per the approved organisational structure. The budget increases from R93.4 million to R104.8 million over the MTEF.

**Goods and services:** Expenditure increased from R25.7 million to R37.6 million for the provision of voter education programmes, payment of Microsoft licence fees and to fund the operational requirements of the department. The budget for

2017/18 of R38.4 million is for the provision of bursaries for staff development, settlement of audit fees for the regulatory and operational expenses. The budget increases from R43.2 million in 2018/19 to R 49.7 million in 2020/21 financial year to fund operational requirements including MEC's outreach programmes.

**Machinery and equipment:** The Department spent between R1.1 million and R1.8 million during the first three years for the procurement of office furniture and equipment. A need for additional office furniture and equipment resulted in the increase in budget to R5.6 million in 2017/18. This budget increases to R7.6 million during the 2017/18 adjustments owing to an approved roll-over amount of R2 million for the procurement of tools of trade for staff. Provision of capital assets is catered for in the budget of R6.6 million over the MTEF to fund renovations for the newly acquired building and required equipment.

The item used for transfers and subsidies within this program is households. This is for pension benefits for ex-development board members and injury-on-duty claims. The budget remains constant over the MTEF period.

## PROGRAMME 2: LOCAL GOVERNANCE

### Programme description

The Local Governance Programme seeks to strengthen the developmental state by enhancing participatory governance and institutional stability as well as by building the capacity and capability of local government to achieve its constitutional mandate. The goal of the programme is to promote and facilitate viable and sustainable local governance in line with Pillar 4: Transformation of State and Governance.

The objectives of this programme are to:

- Provide management and support services to local government within the regulatory framework;
- Monitor and support municipalities to ensure financially viable and sustainable municipalities in accordance with applicable Acts;
- Deepen democracy by promoting community participation through appropriate structures, processes and systems, and by facilitating access to government services;
- Coordinate, cooperate and integrate support and monitor capacity building initiatives;
- Improve municipal performance through enhanced monitoring, reporting and evaluation;
- Improve the image of local government;
- Implement a differentiated approach to local government in the Province;
- Monitor and support legislative compliance;
- Establish and support viable and accountable governance structures;
- Promote intergovernmental and stakeholder relations as well as improved integration and planning;
- Facilitate the devolution of powers and functions to ensure stable local government;
- Improve public participation;
- Implement an appropriate finance model for local government to promote sustainability and viability;
- Enforce anti-corruption measures in municipalities;
- Provide urban management and built environment planning;
- Build capacity and capability towards improving professionalism in local government;
- Develop policy towards differentiated approaches and social inclusivity;
- Enhance participatory governance through CDW programmes; and
- Facilitate access to basic services for poor communities.

TABLE 7.8: SUMMARY OF PAYMENT AND ESTIMATES: LOCAL GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Municipal Administration	11 576	27 104	11 867	14 123	15 420	15 420	14 458	13 357	14 207
2. Municipal Finance	8 849	10 876	15 802	11 755	10 775	10 775	10 892	9 929	10 534
3. Public Participation	121 176	130 964	137 007	155 892	149 499	149 500	154 473	165 657	177 026
4. Capacity Development	10 064	26 452	18 056	26 759	34 384	34 384	19 111	20 113	21 738
5. Municipal Performance Monitoring, Reporting And Evaluation	11 047	10 891	13 990	15 580	15 020	15 019	16 455	20 008	21 510
<b>Total payments and estimates</b>	<b>162 712</b>	<b>206 287</b>	<b>196 722</b>	<b>224 108</b>	<b>225 098</b>	<b>225 098</b>	<b>215 389</b>	<b>229 064</b>	<b>245 015</b>

TABLE 7.9: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: LOCAL GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>158 712</b>	<b>168 299</b>	<b>182 809</b>	<b>210 971</b>	<b>196 962</b>	<b>196 962</b>	<b>210 389</b>	<b>224 064</b>	<b>239 740</b>
Compensation of employees	137 693	143 203	160 942	178 092	176 083	176 083	178 855	192 092	204 928

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Goods and services	21 019	25 096	21 867	32 879	20 879	20 879	31 534	31 972	34 812
<b>Transfers and subsidies to:</b>	<b>4 000</b>	<b>37 988</b>	<b>13 913</b>	<b>13 136</b>	<b>23 136</b>	<b>23 136</b>	<b>5 000</b>	<b>5 000</b>	<b>5 275</b>
Provinces and municipalities	4 000	37 988	13 913	13 136	23 136	23 136	5 000	5 000	5 275
<b>Payments for capital assets</b>					<b>5 000</b>	<b>5 000</b>			
Buildings and other fixed structures									
Machinery and equipment					5 000	5 000			
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>162 712</b>	<b>206 287</b>	<b>196 722</b>	<b>224 108</b>	<b>225 098</b>	<b>225 098</b>	<b>215 389</b>	<b>229 064</b>	<b>245 015</b>

The programme's expenditure increased from R162.7 million to R196.7 million between the 2014/15 and 2016/17 financial years. The spending was for the support provided to municipalities and to assist with the merger of Westonaria and Randfontein local municipalities with the systems and plans developed to enable the seamless transition to a new municipality. The increase in expenditure also provided for the deployment of CDWs after the local government elections. The Department assisted with establishment of asset management (GRAP 17) as part of operation clean audit and ensuring that municipalities transit from manual to automated performance management systems (PMS).

The increase from R196.7 million in 2016/17 to R224.1 million in 2017/18 supported the transfer of funds to Rand West Local Municipality to assist with the challenges of salary disparities including the implementation of revenue enhancement management strategies in five municipalities. The budget was also utilised for the capacity building initiatives in municipalities. Included in the allocation over the MTEF is the funding to support municipalities in relation to achieving clean audits, continuous training of ward committees and councillors in all aspects of municipal competencies, deployment of CDWs to each ward, conducting of research, implementation of revenue management strategies to deal with municipal debts that have been escalating drastically in line with the Municipal Rates Property Act (MRPA). The Department will continue to support the municipalities with institutionalisation of performance management systems including capacity building interventions with respect to financial management, project management, contract management, technical skills and governance.

The Department will further assist with the implementation and institutionalisation of the Scarce and Critical Skills Strategy, focusing on financial management, infrastructure and oversight (S79, inclusive of MPACs). The Department will also support the merged municipalities with the development and design of a functional organisational structure on macro and micro concept including the implementation of viability assessment of Mogale, Lesedi, Emfuleni, Rand West City and Merafong local municipalities. Continuous resolution on top 100 defaulting residential debtors accounts through improving data quality and integrity collection in all municipalities for revenue enhancement and debtor management, including the implementation of organisational development and design.

**Compensation of employee's expenditure:** This increased from R137.7 million in 2014/15 to R143.2 million in 2015/16. There is a further increase to R160.9 million in 2016/17. Over the MTEF it grows to R204.9 million. The increase will fund the deployment of CDWs and the filling of vacant posts.

**Goods and services:** The Department spent between R21 million and R25 million during the first three years owing to the reprioritisation of functions within programmes after the implementation of the organisational structure. The expenditure was for the training of CDWs and ward counsellors, development of revenue management strategy, and enhanced communication through public participation awareness campaigns to align the functions within programmes including capacity-building interventions in municipalities regarding financial and project management systems.

The increase over the 2018 MTEF will cater for CDWs programmes, conduct research studies, implementation of revenue management strategy to improve debt collection that will reduce municipal debts with 500 business debtors, top 700 residential debtors and top 100 account data cleansing as priory projects as well as to support with capacity interventions on talent management, employee relations and the training of female councillors.

**Transfers and subsidies:** Transfers amounted to R38 million during 2015/16 to support the merger of the Randfontein and Westonaria LM on integration of systems and assets registers. During 2016/17 the department transferred R13.9 million to assist the municipality with transformation projects in salary disparities.

Over the MTEF the budget remains at R5 million annually to support municipalities with transition processes to migrate from manual to electronic information on performance targets (PMS) and assets management support (GRAP 17) to enhance compliance with the standard in maintaining and updating the assets register to ensure sustainable clean governance and to support job creation opportunities at municipal level through EPWP.

## SERVICE DELIVERY MEASURES

## PROGRAMME 2: LOCAL GOVERNANCE

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of post-merger support interventions provided to Rand-West City Municipality.	1	1	1	1
Number of IGR Structures functional in accordance with the IGR Framework by 2020.	3	3	4	5
Number of municipalities supported to implement the Red Tape reduction programme (Sub-outcome 4)	6	6	11	11
Number of reports produced on the extent to which municipalities comply with the implementation of the Anti-corruption measures (Sub-outcome 3, Action 8).	4	4	4	4
Number of reports on fraud, corruption and maladministration cases reported and investigated. (Sub-outcome 3, Action 8).	4	4	4	4
Number of research reports on key local government policy issues.	4	4	5	6
Number of Ward Committees supported to implement ward operational plans.	200	200	529	529
Number of municipalities supported on the development of ward level database with community concerns and remedial actions produced (Sub -outcome 2, Action 5).	6	6	9	11
Number of reports on the number of community report back meetings convened by Councillors in each ward (Sub-outcome 2, Action 7).	4	4	4	4
Number of reports on participatory democracy processes supported.	4	4	4	4
Report on implementation of Back to Basics support plans by municipalities (Sub-outcome 1)	4	4	4	4
Number of OPCA PCCs convened to provide advisory support to municipalities on the implementation of the audit response plan.	2	2	2	2
Number of Municipalities provided with financial support to update and maintain Infrastructure Asset Registers in line with the GRAP 17 requirements.	4	4	5	6
Number of municipalities supported to improve revenue management and debt collection. (Sub-outcome 3).	2	2	2	3
Number of municipalities provided with additional capacity to resolve top 100 defaulting Residential debtors through improving billing data quality.	6	6	6	6
Number of municipalities provided with additional capacity to implement the cost reflective provincially developed Tariff Models.	4	4	5	6
Number of municipalities supported to institutionalise Performance Management System.	2	2	2	4
Number of municipalities provided with support to conduct Human Resource Audits	5	5	6	11
Number of capacity building interventions supported in Municipalities.	5	5	5	6
Number of Municipalities supported to comply with MSA regulations in terms of the appointment of Senior Managers (Sub outcome 3, Action 6).	11	11	11	11
Number of reports in terms of Section 131 of the Municipal Finance Management Act.	1	1	1	1
Number of municipal compliance reports in terms of Municipal Finance Management Act; Municipal Property rates Act; Municipal Systems Act and Remuneration of Public Office Bearers Act.	4	4	4	4
Number of municipalities guided to comply with the Municipal Property Rates Act.	10	10	10	9
Number of municipalities monitored on functionality of municipal internal audit units and audit committees	11	11	11	11
Number of municipalities monitored on implementation of Audit Response Plans based on the audit outcomes (Sub-outcome 3)	11	11	11	11
Number of municipal performance reports against the 4 key performance areas of Local Government.	4	4	4	4
Number of Annual Municipal performance reports compiled as per section 47 of the Municipal Systems Act.	1	1	1	1
Number of women councillors inducted on GEYODI.	50	50	50	50
Number of municipalities supported in meeting the minimum 2% disability employment target.	3	3	3	2
Number of municipalities supported on the roll-out of gender policy framework.				

## PROGRAMME 3: DEVELOPMENT AND PLANNING

### Programme description

The purpose of the programme is to coordinate, facilitate and promote integrated development and planning in municipalities to ensure that services are delivered in an integrated and sustainable manner in line with the transformation of the state and governance.

### Programme objectives

- It facilitates and coordinates processes to ensure that municipal IDPs are credible, implementable and aligned with national and provincial outcomes, plans and strategies;
- It ensures strategic management of provincial land for economic and social purposes;
- It ensures accelerated delivery of municipal basic services and infrastructure delivery to meet national targets;
- It provides coordination and support for implementation of the National Disaster Management Act, the Fire Brigade Services Act and the Disaster Management Framework to ensure effective management of disasters at national, provincial and local level;
- It facilitates integrated urban management and planning;
- It improves integration and planning;
- It increases community-based planning; and
- It facilitates access to basic services for poor communities.

TABLE 7.10: SUMMARY OF PAYMENTS AND ESTIMATES: DEVELOPMENT AND PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Land Use Management	1 663	4 755	106						
2. Idp Coordination	4 925	3 978	6 312	6 431	9 244	9 244	10 266	11 285	11 962
3. Disaster Management	13 817	21 669	72 133	62 925	64 359	64 359	64 598	67 561	71 276
4. Municipal Infrastructure	11 013	19 829	50 254	36 600	37 265	37 265	21 119	22 068	22 339
<b>Total payments and estimates</b>	<b>31 418</b>	<b>50 231</b>	<b>128 805</b>	<b>105 956</b>	<b>110 868</b>	<b>110 868</b>	<b>95 983</b>	<b>100 914</b>	<b>105 577</b>

TABLE 7.11: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: DEVELOPMENT AND PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>30 418</b>	<b>39 231</b>	<b>59 145</b>	<b>77 900</b>	<b>99 812</b>	<b>99 812</b>	<b>85 755</b>	<b>86 846</b>	<b>90 736</b>
Compensation of employees	26 249	28 007	29 650	34 060	35 148	35 147	39 606	42 537	45 069
Goods and services	4 169	11 224	29 495	43 840	64 664	64 665	46 149	44 309	45 667
<b>Transfers and subsidies to:</b>	<b>1 000</b>	<b>11 000</b>	<b>35 700</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>		
Provinces and municipalities	1 000	11 000	35 700	2 000	2 000	2 000	2 000		
<b>Payments for capital assets</b>			<b>33 960</b>	<b>26 056</b>	<b>9 056</b>	<b>9 056</b>	<b>8 228</b>	<b>14 068</b>	<b>14 841</b>
Buildings and other fixed structures			31 600						
Machinery and equipment			2 360	26 056	9 056	9 056	8 228	14 068	14 841
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>31 418</b>	<b>50 231</b>	<b>128 805</b>	<b>105 956</b>	<b>110 868</b>	<b>110 868</b>	<b>95 983</b>	<b>100 914</b>	<b>105 577</b>

The Premier made a proclamation to relocate the Land Management function to the Gauteng Department of Infrastructure Development to streamline land management matters in the Province. This is owing to the on-going transfer of properties to beneficiaries and the vesting of properties in the Province.

The programme expenditure increased from R31.4 million in the 2014 /15 financial year to R128.8 million in the 2016/17 financial year. This included additional funding of R50 million which was transferred to support municipalities with service delivery challenges relating to water infrastructure and electricity services for Emfuleni LM and Rand West LM. The expenditure also included a roll-over of R27 million for procurement of the PDMC building and R20 million for disaster relief funding relating to floods in the province. The Department received a conditional grant amounting to R2 million from the National Department of Public Works for the Expanded Public Works Programme (EPWP) for job creation initiatives in the province. Over the MTEF the allocation increases to R106 million to fund the operational requirements of the centre, disaster related education and awareness campaigns, as well as IDP engagements to implement the IDP framework. The budget will assist the department to implement the Gauteng Energy Security Strategy as approved by EXCO.

**Compensation of employees:** This increased from R28 million in 2015/16 to R29.7 million in 2016/17 and increases to R45.1 million over the MTEF for filling of OSD positions within the unit and to capacitate the PDMC to function effectively.

**Goods and services:** The allocation increased from R11.2 million in 2015/16 to R29.4 million in 2016/17 to respond to the disaster relief by providing temporary accommodation, blankets, tents and utensils to the affected communities. The further increases in expenditure was to provide water tanks to ensure water supply in schools during drought season. The allocation reaches R45.7 million over the 2018 MTEF. The increase will fund operational requirements of the PDMC such as awareness campaigns by disseminating information regarding disaster management in the province to communities that are vulnerable, payment of fleet services and to coordinate and manage disaster response and recovery initiatives to ensure that the province is able to respond to disasters in the event of a disaster. This includes the early warning and infrastructure requirements for the PDMC, the establishment of interoperable radio communication system for emergency management which will allow communication within and across agencies, IDP coordination within municipalities to provide support to Human Settlement Mega Projects Infrastructure projects and IDP process by 2020. The funds will also cater for the reprioritised development and implementation of Gauteng Energy Security Strategy as an intervention tool to address energy carriers including coal, electricity and gas and the implementation of rain water harvesting project for schools and clinics.

**Payments for capital assets:** The expenditure of R31.6 million is for buildings and other fixed structures in 2016/17 financial year was for the procurement of PDMC building and equipment. The allocation for the outer year of the MTEF amounts to R14.8 million and will be utilised for procurement of ICT infrastructure, office equipment and unmanned aerial vehicles (UAV) and cameras to conduct disaster risk assessments over large areas as well as areas that are not easily accessible to photographers who need to take pictures of the incidents.

## SERVICE DELIVERY MEASURES

### PROGRAMME 3: DEVELOPMENT AND PLANNING

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of municipalities supported with development of legally compliant IDPs.	11	11	11	11
Number of municipalities supported with the implementation of SPLUMA.	2	2	2	2
Number of municipalities supported to implement bulk infrastructure on Human Settlement mega projects.	9	9	9	9
Number of municipalities supported with service delivery programmes.	6	6	6	6
Number of municipalities supported to implement indigent policies (Sub-outcome 1, Action 6).	9	9	9	9
Percentage reduction of water losses by 15% 2020.	4%	4%	4%	4%
Number of schools supported with installation of Rainwater Harvesting Systems in the province.	50	100	100	100
Number of jobs created to meet the targets of the Community Works Programme (CWP).	19 000	19 000	19 000	19 000
Number of Provincial Disaster Management Centres fully functional and compliant to the legislative mandate to meet Gauteng needs.	1	1	1	1
Number of functional Municipal Disaster Management Centres	5	5	5	5

### PROGRAMME 4: TRADITIONAL INSTITUTIONAL DEVELOPMENT

#### Programme description

The programme promotes and facilitates viable and sustainable traditional institutions by enhancing the capacity of traditional leadership and local governance institutions in line with Pillar 4: Transformation of the State and Governance.

- The key performance areas are:
- Traditional institutional administration;
- Traditional resource administration;
- Rural development facilitation;
- Traditional land administration; and
- Facilitating the devolution of powers and functions to ensure stable local government and traditional leadership.

TABLE 7.12: SUMMARY OF PAYMENTS AND ESTIMATES: TRADITIONAL INSTITUTIONAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Traditional Institution Administration	3 888	4 393	4 376	6 848	5 926	5 926	6 047	6 391	6 742
2. Traditional Resource Administration	1 059	662	3 463	1 660	4 466	4 466	5 022	5 393	5 707
3. Rural Development Facilitation		400	450	552	553	553	555	586	618



R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
4. Traditional Land Administration	1 560	1 347	1 768	2 004	1 040	1 040	955	1 026	1 080
<b>Total payments and estimates</b>	<b>6 507</b>	<b>6 802</b>	<b>10 057</b>	<b>11 064</b>	<b>11 985</b>	<b>11 985</b>	<b>12 579</b>	<b>13 396</b>	<b>14 147</b>

TABLE 7.13: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: TRADITIONAL INSTITUTIONAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>6 507</b>	<b>6 802</b>	<b>10 057</b>	<b>11 064</b>	<b>11 985</b>	<b>11 985</b>	<b>12 579</b>	<b>13 396</b>	<b>14 147</b>
Compensation of employees	4 885	4 515	5 170	6 765	7 687	7 687	8 002	8 594	9 082
Goods and services	1 622	2 287	4 887	4 299	4 298	4 298	4 577	4 802	5 065
<b>Transfers and subsidies to:</b>									
<b>Payments for capital assets</b>									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>6 507</b>	<b>6 802</b>	<b>10 057</b>	<b>11 064</b>	<b>11 985</b>	<b>11 985</b>	<b>12 579</b>	<b>13 396</b>	<b>14 147</b>

The expenditure of the programme was R6.5 million in 2014/15 and R6.8 million in 2015/16 for training traditional councils, cultural and commemoration events. The allocation for 2016/17 increased to R10.1 million for the hosting of the Zulu cleansing ceremony that was held at Huntersfield Stadium in Katshele. The Budget increases to R14.1 million over the 2018 MTEF period. The increase is to address powers and functions on intergovernmental relations and the development of the oversight and accountability management model. The increase in allocation will further assist with amalgamation, coordination and facilitating local government knowledge management.

Expenditure on compensation of employees increases from R4.9 million to R5.2 million between the 2014/15 and 2016/17 financial year. Over the 2018 MTEF it increases to R9.1 million to fund staff requirements and filling of posts.

Expenditure on goods and services expenditure was owing to the commemoration of traditional and cultural events. Over the MTEF the budget increases to R5.1 million for capacitating and training of traditional councils to conduct feasibility studies for the heritage sites. In terms of the funds allocated to the Amandebele Ndzunza Sokhumi and Amandebele Ba Lebelo Commemoration and heritage events that were not implemented in the current year, including the anti-corruption cases, these will be further utilised to conduct training of IGR practitioners dealing with petitions in municipalities. The allocation over the MTEF also caters for the transfers to traditional councils for the maintenance and running of the offices and vehicles. The allocation will further be utilised to implement the IGR strategy across all sister departments.

## SERVICE DELIVERY MEASURES

### PROGRAMME 4: TRADITIONAL INSTITUTIONAL DEVELOPMENT

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of Presidential Proclamations in terms of the Remuneration of Public Office Bearers Act (POBA) implemented by target date.	1	1	1	1
Number of Traditional Councils complying with legislative prescripts.	2	2	2	2
Percentage of traditional leadership complaints resolved within 90 days after date of receipt.	100%	100%	100%	100%

## 9. OTHER PROGRAMME INFORMATION

### 9.1 Personnel numbers and costs



TABLE 7.14: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS

R thousands	Actual			Revised estimate			Medium-term expenditure estimate				Average annual growth over MTEF		
	2014/15	2015/16	2016/17	2017/18		2018/19	2019/20		2020/21		2017/18 - 2020/21		% Costs of Total
Salary level	Personnel numbers <sup>1</sup>	Personnel numbers <sup>1</sup>	Personnel numbers <sup>1</sup>	Filled posts	Additional posts		Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel growth rate	Costs growth rate	
1 – 6	551	442	442	415		411	411	133 257	433	140 589	1.4%	2.6%	40.1%
7 – 10	159	152	152	159		159	159	86 448	165	91 201	1.2%	8.6%	24.7%
11 – 12	50	49	49	56	2	58	58	58 024	60	64 630	1.1%	10.7%	16.9%
13 – 16	23	28	28	33	1	34	34	63 716	34	67 221	0.0%	8.4%	18.2%
Other		17	17	16		16	16	203	18	214	4.0%	(23.6)%	0.1%
<b>Total</b>	<b>783</b>	<b>688</b>	<b>688</b>	<b>679</b>	<b>3</b>	<b>678</b>	<b>678</b>	<b>341 648</b>	<b>710</b>	<b>363 855</b>	<b>1.4%</b>	<b>6.4%</b>	<b>100.0%</b>
<b>Programme</b>													
1. Administration	114	154	154	148	3	151	151	90 188	159	98 563	1.7%	8.4%	26.4%
2. Local Governance	598	472	472	457		457	457	200 085	481	211 093	1.7%	4.8%	59.0%
3. Development Planning	61	51	51	59		59	59	41 761	59	44 057	0.0%	9.6%	11.8%
4. Traditional Institutional Management	10	11	11	15		11	11	9 614	11	10 142	(9.8)%	8.1%	2.8%
Direct charges											0.0%	0.0%	0.0%
<b>Total</b>	<b>783</b>	<b>688</b>	<b>688</b>	<b>679</b>	<b>3</b>	<b>678</b>	<b>678</b>	<b>341 648</b>	<b>710</b>	<b>363 855</b>	<b>1.4%</b>	<b>6.4%</b>	<b>100.0%</b>

The DPSA has approved the organisational structure of the Department of Cooperative Governance and Traditional Affairs. The recruitment process to fill vacant positions resumed in the 2016/17 financial year to ensure that core business and support functions were supported appropriately. Personnel numbers of the department may increase as placement of staff is not finalised. The personnel numbers projected over the MTEF are as per full establishment of the organisational structure.

## 9.2 Training

TABLE 7.15: PAYMENTS ON TRAINING: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Number of staff	783	688	688	682	682	682	678	678	710
Number of personnel trained	120	120	120	126	126	126	133	141	149
of which									
Male	40	40	40	42	42	42	44	47	50
Female	80	80	80	84	84	84	89	94	99
Number of training opportunities	68	68	68	71	71	71	76	80	84
of which									
Tertiary	50	50	50	53	53	53	56	59	62
Workshops	16	16	16	17	17	17	18	19	20
Seminars	2	2	2	2	2	2	2	2	2
Other									
Number of bursaries offered	50	50	50	53	53	53	56	59	62
Number of interns appointed	10	10	10	11	11	11	11	12	13
Number of learnerships appointed									
Number of days spent on training	100	100	100	105	105	105	111	117	123
<b>Payments on training by programme</b>									
1. Administration	6 461	1 749	3 804	3 024	3 024	3 024	3 199	3 416	3 604
2. Local Governance	1 100	973							
3. Development Planning	3 160	466							
4. Traditional Institutional Management	780								
<b>Total payments on training</b>	<b>11 501</b>	<b>3 188</b>	<b>3 804</b>	<b>3 024</b>	<b>3 024</b>	<b>3 024</b>	<b>3 199</b>	<b>3 416</b>	<b>3 604</b>

The Department has allocated 1 per cent of the compensation of personnel budget for training. The Department develops an annual workplace skills plan that is informed by staff members' performance plans annually, and awards bursaries to qualifying employees. This is due to the demand for skilled employees in the department and to ensure that there is continuity in developing employees on the latest trends. The Department is funding CDWs' studies to improve their capacity to deliver a good service. The significant high expenditure of R11.5 million for training in 2014/15 was informed by training of CDW's and ward Counsellors. CDW's support government programmes through advocacy initiatives and participatory processes, in particular with the IDP process, ward committees and izimbizos.

## 9.3 Reconciliation of Structural Changes

N/A

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

TABLE 7.16: SPECIFICATION OF RECEIPTS: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Tax receipts</b>									
<b>Sales of goods and services other than capital assets</b>	<b>317</b>	<b>292</b>	<b>276</b>	<b>156</b>	<b>156</b>	<b>276</b>	<b>166</b>	<b>174</b>	<b>184</b>
Sale of goods and services produced by department (excluding capital assets)	317	292	276	156	156	276	166	174	184
Sales by market establishments	317	292	276	156	156	276	166	174	184
<b>Transfers received from:</b>									
<b>Fines, penalties and forfeits</b>									
<b>Interest, dividends and rent on land</b>			<b>27</b>	<b>29</b>	<b>29</b>	<b>29</b>	<b>30</b>	<b>32</b>	<b>34</b>
Interest			27	29	29	29	30	32	34
<b>Sales of capital assets</b>									
<b>Transactions in financial assets and liabilities</b>	<b>173</b>	<b>66</b>	<b>1 440</b>	<b>347</b>	<b>347</b>	<b>227</b>	<b>367</b>	<b>388</b>	<b>409</b>
<b>Total departmental receipts</b>	<b>490</b>	<b>358</b>	<b>1 743</b>	<b>532</b>	<b>532</b>	<b>532</b>	<b>563</b>	<b>594</b>	<b>627</b>

TABLE 7.17: PAYMENT AND ESTIMATES BY ECONOMIC CLASSIFICATION: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>274 604</b>	<b>316 519</b>	<b>369 180</b>	<b>421 825</b>	<b>430 648</b>	<b>430 648</b>	<b>445 367</b>	<b>469 842</b>	<b>499 101</b>
Compensation of employees	222 104	247 479	275 335	302 359	302 359	302 359	319 895	341 648	363 855
Salaries and wages	191 480	212 017	237 604	259 986	260 205	260 205	278 756	296 071	315 772
Social contributions	30 624	35 462	37 731	42 374	42 154	42 154	41 139	45 577	48 083
Goods and services	52 500	69 040	93 845	119 465	128 289	128 289	125 472	128 194	135 246
Administrative fees	139	328	278	180	291	378	915	947	999
Advertising	2 086	7 343	14 062	3 910	4 491	4 723	4 150	4 534	4 782
Minor assets	436	278	775	346	357	293	876	1 926	2 032
Audit cost: External	3 650	2 966	2 627	2 950	2 950	2 761	3 000	3 070	3 239
Bursaries: Employees	374	264	597	500	500	500	464	584	616
Catering: Departmental activities	1 447	3 839	2 622	2 572	2 732	2 826	1 868	1 770	1 866
Communication (G&S)	8 794	10 419	7 671	13 702	6 470	6 470	11 800	12 488	13 176
Computer services	3 392	661	5 658	2 744	8 328	6 172	5 473	5 097	5 377
Consultants and professional services: Business and advisory services	386	396	722	199	3 783	4 028	27 554	20 791	21 934
Legal services	681	245	3 245	55	655	900	1 065	1 400	1 477
Contractors	806	413	205	1 012	1 438	1 438	300	265	279
Agency and support / outsourced services	4 309	10 968	8 752	51 139	31 031	32 924	15 416	17 239	17 531
Entertainment	2	165		43	43	43	10	11	12
Fleet services (including government motor transport)	1 934	6 069	8 304	11 805	8 889	8 199	6 720	7 004	7 390
Inventory: Materials and supplies	5	22							
Inventory: Other supplies			1 788						
Consumable supplies	2 607	6 175	14 156	4 529	12 875	12 877	5 285	6 277	6 621
Consumable: Stationery, printing and office supplies	2 273	3 393	4 669	2 695	3 245	3 139	3 341	3 756	3 962
Operating leases	1 211	148	383	500	500	547	834	873	921
Property payments	552	1 145	1 095	4 209	17 911	17 313	7 774	8 300	8 756
Travel and subsistence	5 035	5 241	5 699	5 376	7 113	7 439	7 096	8 840	9 327
Training and development	6 427	2 924	3 207	5 393	6 917	6 428	12 035	12 449	13 795
Operating payments	795	653	551	1 151	1 069	1 801	2 752	2 663	2 809
Venues and facilities	5 159	4 985	6 779	4 456	6 701	7 090	6 744	7 910	8 345
<b>Transfers and subsidies</b>	<b>6 835</b>	<b>50 659</b>	<b>50 861</b>	<b>16 766</b>	<b>26 752</b>	<b>26 752</b>	<b>8 746</b>	<b>6 454</b>	<b>6 809</b>
Provinces and municipalities	5 000	48 988	49 613	15 136	25 136	25 136	7 000	5 000	5 275
Municipalities	5 000	48 988	49 613	15 136	25 136	25 136	7 000	5 000	5 275
Municipalities	5 000	48 988	49 613	15 136	25 136	25 136	7 000	5 000	5 275

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Households	1 835	1 671	1 248	1 630	1 616	1 616	1 746	1 454	1 534
Social benefits		1 606	1 248	30		30	32	34	36
Other transfers to households	1 835	65		1 600	1 616	1 586	1 714	1 420	1 498
<b>Payments for capital assets</b>	<b>1 879</b>	<b>1 170</b>	<b>35 769</b>	<b>31 627</b>	<b>21 627</b>	<b>21 627</b>	<b>14 122</b>	<b>20 292</b>	<b>21 407</b>
Buildings and other fixed structures			31 600						
Buildings			31 600						
Machinery and equipment	1 865	1 170	4 169	31 627	21 627	21 627	14 122	20 292	21 407
Other machinery and equipment	1 865	1 170	4 169	31 627	21 627	21 627	14 122	20 292	21 407
Software and other intangible assets	14								
<b>Payments for financial assets</b>	<b>138</b>	<b>503</b>	<b>66</b>		<b>14</b>	<b>14</b>			
<b>Total economic classification</b>	<b>283 456</b>	<b>368 851</b>	<b>455 876</b>	<b>470 218</b>	<b>479 041</b>	<b>479 041</b>	<b>468 235</b>	<b>496 588</b>	<b>527 317</b>

TABLE 8.18: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>78 967</b>	<b>102 187</b>	<b>117 169</b>	<b>121 889</b>	<b>121 889</b>	<b>121 889</b>	<b>136 644</b>	<b>145 536</b>	<b>154 478</b>
Compensation of employees	53 277	71 754	79 573	83 442	83 441	83 442	93 432	98 425	104 776
Salaries and wages	47 236	63 438	70 303	71 760	72 917	72 917	83 775	88 306	94 100
Social contributions	6 041	8 316	9 270	11 682	10 524	10 525	9 657	10 119	10 676
Goods and services	25 690	30 433	37 596	38 447	38 448	38 447	43 212	47 111	49 702
Administrative fees	39	73	176	20	131	131	155	163	172
Advertising	1 712	2 278	4 481	2 000	1 864	1 745	750	1 887	1 990
Minor assets	366	143	283	241	252	178	271	331	349
Audit cost: External	2 198	2 870	2 438	2 950	2 950	2 761	3 000	3 070	3 239
Bursaries: Employees	374	264	597	500	500	500	464	584	616
Catering: Departmental activities	607	587	388	748	726	692	297	314	331
Communication (G&S)	3 998	4 532	4 301	6 825	3 352	3 352	4 840	6 243	6 588
Computer services	3 268	526	5 215	1 360	3 944	5 064	5 003	4 707	4 966
Consultants and professional services: Business and advisory services	386	396	715	443	2 703	2 703	2 049	2 395	2 527
Legal services	681	245	2 775	300	900	900	1 325	1 400	1 477
Contractors	802	413	195	12	699	699	220	180	190
Agency and support / outsourced services	883	1 354	354	662	1 307	969	2 022	1 485	1 567
Entertainment		165		43	43	43	10	11	12
Fleet services (including government motor transport)	1 934	6 069	6 008	9 805	6 889	6 199	5 620	5 904	6 229
Inventory: Materials and supplies	5	22							
Consumable supplies	1 999	2 587	2 429	3 028	1 392	1 392	1 087	1 285	1 355
Consumable: Stationery, printing and office supplies	1 654	1 871	2 057	1 717	2 594	2 482	3 001	3 286	3 467
Operating leases	1 211	148	383	500	500	547	700	739	780
Property payments	71	775	721	1 064	765	765	3 491	3 480	3 671
Travel and subsistence	1 086	1 630	2 068	2 030	3 344	3 216	2 540	3 102	3 272
Training and development	612	1 477	1 044	3 024	1 226	976	3 199	3 416	3 604
Operating payments	91	87	127	95	181	948	1 450	1 498	1 580
Venues and facilities	1 713	1 921	841	1 080	2 186	2 185	1 718	1 631	1 720
<b>Transfers and subsidies</b>	<b>1 835</b>	<b>1 671</b>	<b>1 248</b>	<b>1 630</b>	<b>1 616</b>	<b>1 616</b>	<b>1 746</b>	<b>1 454</b>	<b>1 534</b>
Non-profit institutions									
Households	1 835	1 671	1 248	1 630	1 616	1 616	1 746	1 454	1 534
Social benefits		1 606	1 248	30		30	32	34	36
Other transfers to households	1 835	65		1 600	1 616	1 586	1 714	1 420	1 498
<b>Payments for capital assets</b>	<b>1 879</b>	<b>1 170</b>	<b>1 809</b>	<b>5 571</b>	<b>7 571</b>	<b>7 571</b>	<b>5 894</b>	<b>6 224</b>	<b>6 566</b>
Machinery and equipment	1 865	1 170	1 809	5 571	7 571	7 571	5 894	6 224	6 566
Other machinery and equipment	1 865	1 170	1 809	5 571	7 571	7 571	5 894	6 224	6 566

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Software and other intangible assets	14								
<b>Payments for financial assets</b>	<b>138</b>	<b>503</b>	<b>66</b>		<b>14</b>	<b>14</b>			
<b>Total economic classification</b>	<b>82 819</b>	<b>105 531</b>	<b>120 292</b>	<b>129 090</b>	<b>131 090</b>	<b>131 090</b>	<b>144 284</b>	<b>153 214</b>	<b>162 578</b>

TABLE 17.19: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: LOCAL GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>158 712</b>	<b>168 299</b>	<b>182 809</b>	<b>210 971</b>	<b>196 962</b>	<b>196 962</b>	<b>210 389</b>	<b>224 064</b>	<b>239 740</b>
Compensation of employees	137 693	143 203	160 942	178 092	176 083	176 083	178 855	192 092	204 928
Salaries and wages	116 948	120 160	136 809	153 120	149 617	149 618	153 241	162 936	174 168
Social contributions	20 745	23 043	24 133	24 972	26 466	26 465	25 614	29 156	30 760
Goods and services	21 019	25 096	21 867	32 879	20 879	20 879	31 534	31 972	34 812
Administrative fees	69	156	58	120	120	120	230	244	257
Advertising	102	2 735	4 258	869	634	671	600	747	786
Minor assets	31	62	26	()		7	105	198	209
Audit cost: External	1 452	96	189						
Bursaries: Employees									
Catering: Departmental activities	210	2 129	46	1 140	1 109	1 109	365	388	409
Communication (G&S)	4 796	5 887	3 257	5 877	3 047	3 047	6 720	6 000	6 330
Computer services			295	350	350	350	370	390	411
Consultants and professional services: Business and advisory services			7	1			2 125	120	127
Legal services			306						
Contractors	4		1				5	5	5
Agency and support / outsourced services	2 821	6 890	6 122	17 264	5 795	5 841	5 967	7 266	8 090
Entertainment	2			()					
Fleet services (including government motor transport)			512						
Consumable supplies		19	41			2	1 858	2 632	2 776
Consumable: Stationery, printing and office supplies	576	1 414	1 677	514	132	132	40	60	63
Property payments			15						
Travel and subsistence	3 134	2 146	1 505	2 083	2 202	2 198	2 010	2 550	2 690
Training and development	5 483	981	1 685	1 300	4 419	4 310	7 116	7 117	8 170
Operating payments	568	406	303	1 000	480	499	697	659	695
Venues and facilities	1 771	2 175	1 564	2 362	2 591	2 593	3 326	3 596	3 794
<b>Transfers and subsidies</b>	<b>4 000</b>	<b>37 988</b>	<b>13 913</b>	<b>13 136</b>	<b>23 136</b>	<b>23 136</b>	<b>5 000</b>	<b>5 000</b>	<b>5 275</b>
Provinces and municipalities	4 000	37 988	13 913	13 136	23 136	23 136	5 000	5 000	5 275
Municipalities	4 000	37 988	13 913	13 136	23 136	23 136	5 000	5 000	5 275
Municipalities	4 000	37 988	13 913	13 136	23 136	23 136	5 000	5 000	5 275
<b>Payments for capital assets</b>					<b>5 000</b>	<b>5 000</b>			
Machinery and equipment					5 000	5 000			
Other machinery and equipment					5 000	5 000			
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>162 712</b>	<b>206 287</b>	<b>196 722</b>	<b>224 108</b>	<b>225 098</b>	<b>225 098</b>	<b>215 389</b>	<b>229 064</b>	<b>245 015</b>

TABLE 7.20: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: DEVELOPMENT PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>30 418</b>	<b>39 231</b>	<b>59 145</b>	<b>77 900</b>	<b>99 812</b>	<b>99 812</b>	<b>85 755</b>	<b>86 846</b>	<b>90 736</b>
Compensation of employees	26 249	28 007	29 650	34 060	35 148	35 147	39 606	42 537	45 069
Salaries and wages	22 965	24 485	25 962	29 291	30 871	30 870	34 778	37 352	39 600
Social contributions	3 284	3 522	3 688	4 769	4 277	4 277	4 828	5 185	5 469
Goods and services	4 169	11 224	29 495	43 840	64 664	64 665	46 149	44 309	45 667

Administrative fees	17	99	44	40	40	127	530	540	570
Advertising	272	2 258	5 323	999	1 931	2 245	2 800	1 900	2 006
Minor assets	30	71	466	105	105	108	500	1 397	1 474
Catering: Departmental activities	624	1 017	1 081	527	533	534	706	568	598
Communication (G&S)			113	1 000	71	71	240	245	258
Computer services	124	135	148	1 034	4 034	758	100		
Consultants and professional services: Business and advisory services				(245)	1 080	1 325	23 380	18 276	19 280
Legal services			162	(245)	(245)		(260)		
Contractors			9	1 000	739	739	75	80	84
Agency and support / outsourced services		1 428	1 811	30 568	22 238	24 467	5 649	6 602	5 886
Fleet services (including government motor transport)			1 784	2 000	2 000	2 000	1 100	1 100	1 161
Inventory: Other supplies			1 788						
Consumable supplies	587	3 569	11 548	1 500	11 213	11 213	2 340	2 360	2 490
Consumable: Stationery, printing and office supplies	1	102	817	464	464	464	150	260	274
Property payments	481	370	359	3 145	17 144	16 546	4 283	4 820	5 085
Travel and subsistence	681	1 265	1 633	1 014	917	1 368	1 767	2 301	2 429
Training and development	254	466	396	457	660	626	1 050	1 237	1 305
Operating payments	136	160	121	56	408	354	505	406	428
Venues and facilities	962	284	1 892	421	1 332	1 720	1 100	2 083	2 198
<b>Transfers and subsidies</b>	<b>1 000</b>	<b>11 000</b>	<b>35 700</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>		
Provinces and municipalities	1 000	11 000	35 700	2 000	2 000	2 000	2 000		
Municipalities	1 000	11 000	35 700	2 000	2 000	2 000	2 000		
Municipalities	1 000	11 000	35 700	2 000	2 000	2 000	2 000		
<b>Payments for capital assets</b>			<b>33 960</b>	<b>26 056</b>	<b>9 056</b>	<b>9 056</b>	<b>8 228</b>	<b>14 068</b>	<b>14 841</b>
Buildings and other fixed structures			31 600						
Buildings			31 600						
Machinery and equipment			2 360	26 056	9 056	9 056	8 228	14 068	14 841
Transport equipment									
Other machinery and equipment			2 360	26 056	9 056	9 056	8 228	14 068	14 841
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>31 418</b>	<b>50 231</b>	<b>128 805</b>	<b>105 956</b>	<b>110 868</b>	<b>110 868</b>	<b>95 983</b>	<b>100 914</b>	<b>105 577</b>

TABLE 7.21: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: TRADITIONAL INSTITUTIONAL MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>6 507</b>	<b>6 802</b>	<b>10 057</b>	<b>11 064</b>	<b>11 985</b>	<b>11 985</b>	<b>12 579</b>	<b>13 396</b>	<b>14 147</b>
Compensation of employees	4 885	4 515	5 170	6 765	7 687	7 687	8 002	8 594	9 082
Salaries and wages	4 331	3 934	4 530	5 814	6 800	6 800	6 962	7 477	7 904
Social contributions	554	581	640	951	887	887	1 040	1 117	1 178
Goods and services	1 622	2 287	4 887	4 299	4 298	4 298	4 577	4 802	5 065
Administrative fees	14								
Advertising		72		42	62	62			
Minor assets	9	2							
Catering: Departmental activities	6	106	1 107	157	364	491	500	500	528
Legal services			2						
Agency and support / outsourced services	605	1 296	465	2 645	1 691	1 647	1 778	1 886	1 988
Consumable supplies	21		138	1	270	270			
Consumable: Stationery, printing and office supplies	42	6	118		55	61	150	150	158
Travel and subsistence	134	200	493	249	650	657	779	887	936
Training and development	78		82	612	612	516	670	679	716
Venues and facilities	713	605	2 482	593	592	592	600	600	633
<b>Transfers and subsidies</b>									
<b>Payments for capital assets</b>									



R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Payments for financial assets									
Total economic classification	6 507	6 802	10 057	11 064	11 985	11 985	12 579	13 396	14 147

TABLE 7.22: TRANSFERS TO LOCAL GOVERNMENT BY CATEGORY AND MUNICIPALITY: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Category A									
Category B	5 000	48 988	40 884	14 136	25 136	25 136	7 000	4 500	4 665
Emfuleni	1 500	13 588	18 884	1 500	1 500	2 000	750	750	750
Midvaal									500
Lesedi	500	1 500	1 500	1 000	1 000	1 000	2 250	1 250	750
Mogale City							500	500	500
Merafong City	500	5 400	500	1 000	1 000	500	2 000	1 000	1 165
Rand West City	2 500	28 500	20 000	10 636	21 636	21 636	1 500	1 000	1 000
Category C				1 000				500	610
Sedibeng District Municipality									
West Rand District Municipality				1 000				500	610
Unallocated									
Total transfers to municipalities	5 000	48 988	40 884	15 136	25 136	25 136	7 000	5 000	5 275

# VOTE 8

## DEPARTMENT OF HUMAN SETTLEMENTS

To be appropriated by vote in 2018/19	R 5 888 425 000
Responsible MEC	MEC for Human Settlements
Administering Department	Department of Human Settlements
Accounting Officer	Head of Department

### 1. OVERVIEW

#### Vision

To create integrated and sustainable human settlements within a smart Gauteng City Region.

#### Mission

To facilitate the delivery of sustainable integrated human settlements, new towns and smart cities, in partnership with relevant role players from all sectors of society through:

- Development of suitably located and affordable housing (shelter) and decent human settlements;
- Creating new post-apartheid towns, and transforming current cities and towns in Gauteng, moving towards efficiency, inclusion and sustainability; and
- Building cohesive, sustainable and caring communities with improved access to work and social amenities, including sports and recreation facilities, with community development and optimal access/inclusion.

#### Values

The Department's values are based on the *Batho Pele* (People First) principles of the South African Public Service. Its specific focus is on:

- Integrity;
- Honesty;
- Loyalty;
- Professionalism;
- Human dignity;
- Service delivery;
- Excellence;
- Discouraging bad and rewarding good behaviour;
- Sound ethical standards; and
- Accountability.

#### Strategic goals

The Department's Strategic Plan gives effect to the ten pillars that drive the Gauteng Provincial Government's (GPG) five-year programme. The Department aims to achieve the following four strategic outcome-oriented goals:

- Good governance and strategic management of the Gauteng Department of Human Settlements (GDHS);
- Development of legislative frameworks, policies and plans that enable spatial transformation in the delivery of human settlements;
- Well-located, sustainable, integrated human settlements that provide security of tenure; and
- GDHS immovable assets maintained, devolved and transferred.

#### Core functions and responsibilities

The mandate of the Department is derived from the Constitution of South Africa. Its primary roles are to:

- Promote and facilitate the provision of adequate housing in the province;
- Develop provincial human settlements housing policies that will strengthen the ability to provide housing opportunities to qualifying beneficiaries to build sustainable communities;
- Develop and implement programmes and projects that give effect to the province's short, medium and long-term housing plans; and

- Manage the housing delivery process and transform informal settlements, especially in priority townships, into sustainable and vibrant communities, and provide services in respect of subsidies and rental housing.

### **Main services**

The Department delivers quality-housing opportunities to the people of Gauteng, and develops integrated infrastructure to create cohesive communities. The Department is responsible for managing provincial housing assets through the property management programme, and for redistributing or transferring properties to beneficiaries. In addition, it aims to build cohesive and sustainable communities by ensuring that services and infrastructure are provided to create sustainable human settlements. Through the Human Settlement Development Grant (HSDG), the Department delivers mega human settlements and post-apartheid cities. Developing human settlements along other nodal developments is important to achieve maximum impact, as well as economies of scale, whilst supporting the programme of Radical Economic Transformation (RET). The Department is mandated with upgrading existing townships and inner cities through urban renewal programmes, inner city revitalisation, ensuring that the Gauteng Rental Housing Strategy is realised, mining towns' revitalisation, integration of hostel residents into the broader social fabric, and ensuring that every Gauteng resident has access to housing opportunities through various departmental programmes like the Finance Linked Individual Subsidy Programme (FLISP).

### **Ten pillar programme of Transformation, Modernisation and Re-industrialisation**

#### **Modernisation of public service and transformation of the state and governance**

The Department will support the above pillar by strengthening and aligning the Department's organisational capacity and capability to deliver on its mandate. The Department will ensure that its business units perform efficiently by providing effective and efficient corporate support through technology to the Department's core functions. The Programme ensures effective leadership, management and administrative support to the core business divisions through continuous refinement of organisational strategy and structure, in compliance with appropriate legislation and best practice.

#### **Decisive spatial transformation and modernisation of human settlements and urban development**

As part of achieving decisive spatial transformation and modernising human settlements and urban development, the Department will undertake research and develop policies and plans that give support to the achievement of the ideals expressed by the pillars. Examples of such policies include the Inclusionary Housing Bill; the Densification Policy; the Gauteng Rental Housing Strategy, and the Land Invasion Framework. Through the Housing Development Programme, the Department aims to build cohesive and sustainable communities by ensuring that innovative services and infrastructure are provided to create sustainable human settlements. A total allocation of R5 billion, in the form of the HSDG, is allocated to support the realisation of these pillars. The emphasis is on providing individual subsidies and housing opportunities to beneficiaries in accordance with the housing policy. The Department plans to implement mega-projects to provide various housing types, developed along nodes with economic and employment opportunities, and transport.

The Department further supports these pillars by providing for the sale and transfer of rental stock, devolution of housing assets, implementation of the Enhanced Extended Discount Benefit Scheme (EEDBS) and housing property maintenance. The Department also provides cleaning services to its stock of flats and the transfer of ownership to beneficiaries. An allocation of R106 million is set aside in the form of a title deeds restoration grant, to fast-track issuing title deeds to beneficiaries to support the realisation of the above pillars through these programmes. The Department facilitates affordable rental accommodation and delivers housing units in targeted presidential projects to promote home ownership. It is combating fraud and corruption by allocating houses to beneficiaries and ensuring RET. In April 2014, the Department approved the Strategic Framework on Anti-Fraud, Corruption and Ethics and the Fraud Prevention Plan. The Department is engaged on combating issues of fraud and corruption, oversight, transparency and accountability, fraud detection, reporting and monitoring, as they are critical components to dealing with fraud and corruption, as part of its mandate to deliver housing opportunities to the people of Gauteng. The Department has established the Project Management Office (PMO), to deliver on the collaboration, cooperation and coordination protocols, thereby addressing service delivery protest, reducing waiting times for beneficiaries, and ensuring coordination of departmental plans with other GPG departments.

The main objectives of the PMO include the following:

- Developing processes to support the efficient and effective delivery of services in partnership and collaboration with various stakeholders in the public and private sector;
- Facilitating and coordinating the implementation of allocated projects from initiation through execution to closure; and
- Overseeing and ensuring attainment of quality project deliverables in line with project plan.

Lastly, the Department intends to support the modernisation of human settlements by utilising modern technology through the installation of the centralised biometric system for beneficiary administration. The validation of qualifying housing beneficiaries will be implemented without exception, and the waiting list will be reformed through the monitored and up-to-date demand database.

### **National Development Plan (NDP) and the departmental strategy for 2014–19**

The NDP is the overarching plan with which all departments and state agencies are aligned. In terms of NDP Vision 2030, and Chapter 8 in particular, the Department needs to ensure that the people of Gauteng have a decent standard of living, eliminating poverty and reducing inequality, through the following key areas of focus:

- Shaping the spatial form of Gauteng by focusing on infrastructure investment and urban regeneration in terms of infill developments between major urban centres and aggressive densification in good locations;
- Devising alternative innovative financial instruments to increase housing opportunities by increasing the supply of FLISP housing products; harnessing private sector funding and investment in housing, infrastructure development and affordable rental accommodation, and servicing stands by the capital subsidy scheme;
- Playing a central coordinating and facilitative role between Global City Region (GCR) cities and capitalising on the growing integrated urban network to implement the housing chapters of the Human Settlement Master Plan, supported by transport and infrastructure plans, and well located human settlements in areas of employment and economic activity;
- Prioritising the development of urban infrastructure, the environment and the affordability of living in urban centres, to implement the provincial Bulk Infrastructure Plan, and align funding streams to support the plan (MIG/USDG/MISA);
- Promoting social and spatial integration to achieve social cohesion through identifying and providing new human settlements;
- Developing efficient and effective human settlements, as opposed to marginalised and dysfunctional settlements or “pockets of poverty”, through a joint effort with stakeholders; and
- Encouraging optimal use of land through densification in strategic locations.

#### **External activities and events relevant to budget decisions**

The total number of households in Gauteng has grown by 139 per cent, between 1996 and 2016, with an average increase of 10 per cent between 2014 and 2016. Household sizes have reduced to fewer than three people per household, adding to the demand for suitable housing. While the percentage of formal households has increased by 168.8 per cent, between 1996 and 2016, the number of informal households increased at a slightly lower rate of 77.9 per cent as compared to formal household for the same period. In total, the proportion of informal to formal dwellings has reduced from 23.9 per cent (in 2001) to 17.7 per cent (in 2016). While the number of households in informal settlements has stagnated, there is a growing trend in informal dwellings in backyards, which comprised 55 per cent of informal dwellings in 2015 (up from 37.4 per cent in 2004). Although Gauteng has done well in providing low cost housing to the poor, with 31 per cent (1.23 million) of the country’s low cost houses are located in Gauteng, spatial inequality has largely persisted, with the poor continuing to live on the urban fringe. While Gauteng has realised large advances in access to public services, such as water, electricity, sanitation, health, education, social welfare and transport, it has struggled to keep up with demand influenced by the high levels of in-migration into the province.

#### **Acts, rules and regulations (most recent first)**

- Intergovernmental Relations Framework Act (Act No. 13 of 2005);
- National Environmental Management Act (Act No. 107 of 1998, as amended by Act No. 8 of 2004);
- Broad-Based Black Economic Empowerment Act (Act No. 53 of 2003);
- Municipal Finance Management Act (Act No. 56 of 2003);
- Construction Industry Development Board Act (Act no. 38 of 2000);
- Extension of Security of Tenure Act (Act No. 62 of 1997);
- Land Administration Act (Act No. 2 of 1995);
- Reconstruction and Development Programme Fund Act (Act No. 7 of 1994);
- National Building Regulations and Building Standards Act (Act No. 103 of 1977);
- State Land Disposal Act (Act No. 48 of 1961); and
- Deeds Registries Act (Act No. 47 of 1937).

#### **Legislative and other mandates**

The core mandate of the Department is to ensure the provision of housing and sustainable human settlements.

#### **Policy mandate**

The Department is guided by the following policies and strategies:

- Provincial Growth and Development Strategy (PGDS);
- Breaking New Ground (BNG) Strategy;
- Gauteng City Region (GCR) Strategy;
- Gauteng Human Settlements Mega Projects Strategy;
- National Housing Policy; and
- National Housing Code.

## 2. REVIEW OF THE CURRENT FINANCIAL YEAR (2017/18)

### **Decisive spatial transformation and modernisation of human settlements and urban development**

The location of housing is critical. Whilst significantly altering existing spatial patterns, the Department has the responsibility to “modernise urban development and human settlements” through the greening of these developments and densifying them to counteract the shortage and cost of land in the province.

The Department is phasing out “legacy” projects, which are micro projects found across the development corridors. The Department is consolidating all legacy projects into mega human settlements projects in all development corridors of the GCR. This endeavours to have such developments taking place in areas closer to employment, economic opportunities and transport facilities, so that residents save money and time commuting between their workplaces and homes, and gain access to basic services and other amenities. The Department’s performance against the housing programmes (implemented until the third quarter of 2017/18) is summarised below.

**Housing Development:** Against the annual targets of 19 799 serviced stands, and 35 112 housing units, actual delivery at the end of the third quarter of 2017/18 stood at 3 402 (or 17 per cent) of the planned number of serviced stands, and 13 651 (or 39 per cent) of housing units respectively.

The programmes that have performed adequately during the first three quarters of the financial year are the Rural Intervention Programme and the Provincial Specific Programme. The Rural Intervention Programme yielded 241 housing units, surpassing the annual target of 200 houses. The Provincial Specific Programme achieved 796 units, which is a 96 per cent achievement of the planned annual output of 825 units. It is important, however, to note that this record includes work that was almost complete at the close of the previous financial year, and reached full completion in the current financial year.

Within the first three quarters of the 2017/18 financial year, the Department planned to deliver 7 545 serviced stands and 23 473 housing units. 3 402 serviced stands and 13 651 housing units were realised. Slow delivery is generally attributed to the delays in the appointment of PRTs and contractors. Some projects were affected by the unavailability of bulk infrastructure. PRTs and contractors have been appointed, and project reprioritisation was undertaken to shift resources to projects ready for implementation.

Weekly monitoring of implementation of projects, including expenditure and unlocking of blockages, through the War Room, is undertaken to fast-track service delivery as part of the remedial actions.

### **Financial Intervention Programme**

Under **FLISP**, the Department aimed to produce 1 663 housing units in the first three quarters of the financial year, of which 610 units were achieved. The Programme is implemented with the assistance of the National Housing Finance Corporation (NHFC) and the yield is dependent on approval of beneficiaries for bonds from the banks.

### **Incremental Housing Programme**

**Under the Low Cost Phase 1: Planning and Services:** The Department planned to service 3 213 stands for the period under review, and to date no stands have been serviced. The projects were not ready for implementation due to the unavailability of bulk infrastructure.

**For the Low Cost Phase 1: Planning and Services:** Under the planning and services of Informal Settlements, the Department planned to service 3 782 stands. To date the Department has serviced 2 937 stands. The slow delivery is attributed to one project being affected by community unrests (namely Slovo Park). The Department is working on resolving the community issues in order to unblock service delivery at the Slovo Park project.

**Phase 2: Top Structure Construction:** Under this Programme, the Department planned to deliver 5 976 units, and 1 899 units were achieved. Delivery was affected by delays in the appointment of contractors, lack of bulk infrastructure, as well as community unrest. Appointment of contractors and PRTs has since been finalised. Contractors are working on a catch-up programme to make up for the time lost during labour unrests. Implementation of projects without bulk infrastructure challenges has been prioritised.

**Phase 2: Integrated Residential Development Programme:** For the Top Structure Construction Informal Settlements, 11 673 units were planned to be delivered; only 7 173 unit were realised at the end of the third quarter of 2017/18. Implementation in most projects was affected by delays in the appointment of PRTs and contractors. Contractors are now on site.

**Under the Informal Settlement Upgrading Programme:** 107 units were planned for the first three quarters of the financial year; only 17 units were achieved. The Ivory Park 77/78/79 project is not ready for implementation this year, and funds have been moved to other projects, which demonstrated readiness to implement.

### **Social and Rental Intervention Programme**

No targets were set for the Institutional Subsidies; however, a delivery of 289 units was realised from the projects that were completed in the previous financial year, but only certified in the current year.

The Department planned to build 605 Social Housing Capital Grant units for rental housing and 791 were built. Some outputs achieved are carried over from the previous financial year.

**Under CRUs.** The Department aimed to complete 508 units; only 337 units have been complete to date. Delayed appointment of PRTs affected the performance of the Programme.

**The Farm Worker Housing Assistance Programme:** Targeted 365 housing units; however 465 stands and 0 houses were achieved. Stands were serviced in the previous financial year and final completion realised in the current year.

**The Rural Housing: Communal Land Rights Programme:** Planned 170 housing units and 241 achieved, with the additional units being delivered from the previous financial year.

**Priority Projects:** Targeted 1 571 housing units and 300 stands; 0 stands and 1 358 housing units were achieved. Installation of sewer and construction of storm water management systems have commenced in the Goudrand Ext. 4 project and the planned serviced stands are not likely to be completed in the current financial year. The construction of houses was affected by the slow appointment of contractors. Implementation is underway in different projects and is at different stages.

**The Provincial Specific Programme:** Had a target of 735; 825 were achieved towards the implementation of annual targets.

#### **Sales and Transfer of Housing Properties Programme**

In relation to residential properties transferred to beneficiaries through the Enhanced Extended Discount Benefit Scheme (EEDBS) (pre-1994), the Department planned to transfer 400 title deeds to beneficiaries; whilst under the post-1994 properties regularised programme, the target is 50 923 for 2017/18. A total of 2 146 pre-1994 and 12 883 post-1994 title deeds have been transferred. Continuous engagements are held with the stakeholders, including the municipalities and the Deeds Office, to improve the output for transfer of housing properties to beneficiaries.

### **3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2018/19)**

#### **Modernisation of human settlements and urban development**

In alignment with the Medium Term Strategic Framework (MTSF) targets, the Department will continue to undertake a rigorous exercise to ensure that targets set are a true reflection of the MTSF expectations, and to ensure variances that occurred during the previous financial years, are carried forward and spread across the remaining financial years and linked to the budget. This is to make up for the loss or under-planning encountered during the past three financial years, due to various reasons highlighted under challenges. The Department has therefore attempted to align the 2018/19 targets with those of both national and provincial MTSFs.

The following are some of the critical areas that the Department is currently focusing on with a view to fast-track sustainable human settlements delivery:

- Integrated sector planning;
- Strengthening delivery capacity through partnerships with the private sector;
- Commitment to eradicate backlog on title deeds back-log by;
  - Registration of townships
  - Registration of title deeds
- Use of alternative building technologies, and working closely with the National Home Builders Registration Council (NHBC), coupled with community education; and
- Intense community education on the Finance Linked Individual Subsidy Programme (FLISP) and development of an end-to-end suitable land acquisition process (fit for purpose) including a Land Invasion Strategy.

#### **Financial Intervention Programme**

Under **FLISP**, which is intended to assist people who do not earn enough to qualify for financial assistance (mortgage bonds) from the financial institutions, but who do not earn a sufficiently small amount to qualify for social housing (that is, people who earn between R3 500–R18 000 per month), the Department aims to produce 12 320 housing units for the coming financial year.

#### **Incremental Housing Programme**

Under the IRDP: Phase 1: Planning and Services, the Department plans to service 1 835 stands in 2018/19. For the IRDP Phase 1: Planning and Services under Informal Settlements, the Department plans to service 2 901 stands in the coming year. Under Phase 2: Top Structure Construction, the Department plans to deliver 14 615 units, and under IRDP: Phase 2: Top Structure: Informal Settlements, it plans to deliver 6 348 units.

Under the Informal Settlement Upgrading Programme, no sites will be serviced and 73 units will be built.

#### **Social and Rental Intervention Programme**



Under **CRUs**, the Department plans to upgrade/convert 1 112 units in 2018/19. It will implement the Farm Worker Housing Assistance Programme targeting 300 sites and 565 housing units. The Rural Housing: Communal Land Rights Programme has a target of 100 housing units for the year coming year.

The Department supports the important national goal of universal access to basic services. The servicing of stands provides access to basic services, such as access to basic water, sanitation and electricity.

### **Sales and Transfer of Housing Properties Programme**

In relation to residential properties transferred to beneficiaries through the Enhanced Extended Discount Benefit Scheme (EEDBS) (pre-1994), the Department is planning to transfer 3 452 title deeds to beneficiaries, whilst under the post-1994 properties regularised programme, the target is 27 712 for 2018/19. The planned target for the number of title deeds issued on new housing developments throughout the year is 25 897, and the targeted number of property units devolved to municipalities is 1 000.

### **Decisive spatial transformation**

Developing human settlements along other nodal developments is vitally important to achieve maximum impact, as well as economies of scale. The Department is targeting pockets of land that are located closer to socio-economic amenities across the province. To develop sustainable human settlements, the Department has to ensure that it affords the various segments of the housing market access to different housing typologies that suit their needs.

In line with the provincial priorities of an inclusive GCR, the Department will, during the 2018/19 financial year, embark on high-yield projects, which include Tsakane Ext. 22; Chief Luthuli Ext.; Mega and Germiston South (Eastern Development Corridor) (Ekurhuleni); Cosmo City; Goudrand Ext. 24 (DRD); 3D Diepsloot East (Central Development Corridor) (Johannesburg); Winterveldt Ext. 3 Phase 2 (Northern Development Corridor) (Tshwane); Wagterskop (Mega); (Western Development Corridor) (West Rand); Sebokeng Ext. 28 (Boiketlong Mega); Ratanda Ext. 1, 3, 5, 6, 7 and 8 (Ratanda Precinct Mega); Savannah City (Vaal Triangle Mega); Obed Mthombeni Nkosi Phase I (Mose) (Ratanda Precinct Mega); Westside Park (Golden Highway Mega), and the Southern Development Corridor (Sedibeng).

### **Job creation**

The Department plans to create 8 000 employment opportunities in 2018/19, through the Extended Public Works Programme (EPWP), GEYODI and the Tshepo 1 000 000 Programme. The Department will strengthen the implementation of its empowerment policies by prioritising GEYODI mainstreaming across all the programmes.

Through its empowerment and job creation initiatives, the Department will train 250 youth on technical skills namely, plumbing and bricklaying and place them equally with contractors through the National Youth Service Framework (NYSF).

The implementation of the Tshepo 1 000 000 Programme in the 2018/19 financial year will target five co-operatives, to be established and supported by the Department, through skills training and development on business and technical development training, linked to mentorship.

The Department has targeted 180 designated small, medium and micro-sized enterprise (SMME) contractors for empowerment through financial assistance and technical and management training. This is in housing construction-related activities in partnership with the NHBRC. Furthermore, the incubation programme will continue to train and mentor the new contractors under the construction-linked experiential learning based on allocated projects.

### **Challenges faced by the Department are:**

- Planning for project implementation;
- Supply-Chain Management;
- Contract Management;
- Payment of contractors;
- Project Management Capacity;
- Public participation, engagement and community relations; and
- Monitoring and Evaluation.

### **The following are some of the mitigating steps that will be taken to address these difficulties:**

- Ensure better planning for the 2018/19 and beyond;
- NHBRC projects enrolment;
- HSDG and USDG alignment, and spatial integration;
- Implementation of transformation objectives;
- Ensure that all contracts are concluded and enforced;
- Ensure monitoring of contractual obligations;
- Ensure an effective payment system that pays within acceptable stipulated days of approval of invoices;
- Beef-up in-house capital projects management capacity;
- Ensure effective project management;



- Ensure effective public participation during the planning phase of each project;
- Undertake project profiling to anticipate any community dynamics which may negatively affect projects;
- Ensure effective communication of delivery;
- Work to achieve community ownership of projects;
- Proper and effective projects monitoring and evaluation systems; and
- Regular reporting of performance of projects and contractors.

## 4. REPRIORITISATION

The Department continues to review its operations to identify potential cost savings and eliminate inefficiencies. This will translate into reprioritisation, essential in the present tight fiscal environment. The Department continues to explore less expensive building technologies and, taking into account the MTEF period as a whole, has examined how it can prioritise its budget to meet its primary objectives. An amount of R55.7 million from Programme 3: Housing Development is reprioritised from the item property payments, following the realignment of the departmental operational budget, and re-directed to Programme 1: Administration, where the expenditure is incurred.

When comparing the 2018/19 budget to the 2019/20 budget, Programme 1: Administration under Sub-Programme Corporate Services reprioritised funds within the Programme as part of the realignment of the departmental operational budget. Items, such as audit fees, fleet services and property payments (general renovations) were reduced to fund items that support the core, such as consultants, operating payments, agency and support/outsourced services and computer services. Programme 3: Housing Development, decreases by R55.7 million to fund Programme 1: Administration, where expenditure on property payments is incurred. Programme 3: Housing Development, further decreases by R14 million to fund Programme 4: Housing Assets Property Management, as a result of the reprioritised departmental business plan.

Funding reprioritised to Programme 4: Housing Assets Property Management will promote home ownership in historically disadvantaged communities. It coordinates, manages and oversees the maintenance of departmental immovable assets in the form of flats, hostels and vacant stands, and encourages and supports the provision of tools and personnel to maintain these departmental immovable assets. The Department motivates, guides and manages the provision of tenure for occupants, and promotes home ownership through sectionalisation of flats.

## 5. PROCUREMENT

The Department will procure goods and services in line with the budget allocation, and in terms of all prescribed policies and acts, will monitor and control spending as efficiently and as effectively as possible. Purchasing, receiving and using goods and services on time is essential to service delivery. All contracts are subject to market-related price analysis, and the terms and conditions are analysed to identify areas where the Department can negotiate for better value for money without compromising quality. The Department encourages the use of small and township-based businesses to promote sustainable job creation, using a range of such businesses to promote fairness and transparency.

In relation to procurement, in the 2018/19 financial year, the Department plans to:

- Fully implement the SAP operating system for processing of orders and contract management for operational contracts;
- Continue to train and develop its staff;
- Implement the use of pre-approved lists, as the basis of appointment of service providers for regular services. This will ensure timeous appointment of contractors within the first quarter of the financial year;
- Acquire goods and services in line with targets, as indicated in the procurement plan;
- Ensure that there is significant improvement in the contract administration to ensure that the commitments are valid, complete and accurate;
- Implement the new procurement regulations to ensure compliance throughout the procurement processes.

## 6. RECEIPTS AND FINANCING

### 6.1 Summary of receipts

TABLE 8.1: SUMMARY OF RECEIPTS: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Equitable share	682 160	959 170	1 002 223	644 254	669 747	669 747	726 968	769 351	818 557
Conditional grants	4 432 595	4 126 734	5 046 443	5 542 105	5 585 810	5 585 810	5 161 457	5 348 304	5 716 361
Human Settlements Development Grant	4 430 595	4 124 734	5 022 669	5 528 050	5 571 755	5 571 755	5 046 583	5 236 578	5 598 471
Title Deeds Restoration Grant							105 811	111 726	117 890

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Housing Disaster Grant			21 569						
EPWP Intergrated Grant	2 000	2 000	2 205	14 055	14 055	14 055	9 063		
<b>Total receipts</b>	<b>5 114 755</b>	<b>5 085 904</b>	<b>6 048 666</b>	<b>6 186 359</b>	<b>6 255 557</b>	<b>6 255 557</b>	<b>5 888 425</b>	<b>6 117 655</b>	<b>6 534 918</b>

Over the MTEF period, total receipts will have increased steadily from R5.1 billion (in 2018/19) to R6.5 billion (in the 2020/21 financial year). The funding made available will enable the Department to embark on projects that will contribute decisively to spatial transformation and RET by ensuring that people are located closer to places of work and economic opportunities. It will also provide sustainable human settlements services and infrastructure, in line with national access and equity policy and objectives. The conditional grant decreases from R6.2 billion in 2017/18 to R5.8 billion in 2018/19 financial years. The decrease in the conditional grant funding amounts to R861 million (between the 2017/18 and 2018/19 financial years), and will total R1.7 billion over the MTEF period. The conditional grants increase from R5.1 billion in 2018/19, to R5.7 billion in the 2020/21 financial year, aligned to the estimated inflation projections. This grant will assist the Department in addressing the housing backlog in the province, mainly caused by the increasing number of people who migrate to the province in pursuit of a better life and employment opportunities.

Included in the HSDG is an amount of R151 million in 2018/19, earmarked for revamping mining towns, including Merafong City, Rand West City, and Mogale City. Funding earmarked for revamping mining towns amounts to R303 million for the two outer years of the MTEF. The equitable share and conditional grants are the main source of funding for the GDHS. The Human Settlements Development Grant, and the funding made available by the province, caters for the implementation of national and provincial housing programmes.

Funding amounting to R105.8 million, in the form of a conditional grant, is made available to the Department in 2018/19 for the Title Deeds Restoration Programme and will fund the EEDBS and the transfer of housing properties to beneficiaries. Continuous engagements are held with stakeholders, including the municipalities and the Deeds Office, to improve the output for transfer of housing properties to beneficiaries. This amount is increased to R111.7 million and R117.9 million for the two outer years of the MTEF respectively.

## 6.2 Departmental receipts

TABLE 8.2: DEPARTMENTAL RECEIPTS: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Sales of goods and services other than capital assets	989	1 442	1 609	435	435	580	460	485	512
Interest, dividends and rent on land	2 007		9	380	380	380	402	425	448
Sales of capital assets		1 500	3 211						
Transactions in financial assets and liabilities	1 964	34 716	6 086	4 082	4 082	4 082	4 319	4 561	4 812
<b>Total departmental receipts</b>	<b>4 960</b>	<b>37 658</b>	<b>10 915</b>	<b>4 897</b>	<b>4 897</b>	<b>5 042</b>	<b>5 181</b>	<b>5 471</b>	<b>5 772</b>

The department generates its revenue from parking fees, sale of tender documents and collection of revenue from rental of departmental properties. For the period under review, revenue remains stable due to the nature of the department's business. The department receives a once off amount from the sale capital assets in the financial year 2015/16. The significant collection of R33 million resulted from revenue received from funds that were rolled over from Ekurhuleni Metropolitan Municipality. The department also received a once off amount in the form of servitudes rights in the financial year 2016/17. The budget will remain relatively stable after the Department transferred properties to DID and is not anticipating income to be derived from servitude rights. It is anticipated that tender document sales and more recoveries from previous year's expenditure could improve revenue collection over the MTEF. The department is no longer transferring funds to conveyancers upfront for individual subsidies hence there is no interest generated from such transactions.

## 6.2 Donor funding

N/A

## 7. PAYMENT SUMMARY

### 7.1 Key assumptions

The assumptions that underpin the department's 2018 expenditure are summarized below. A 7.2 per cent wage increase is anticipated over the MTEF. A 5.6 per cent increase in general goods and services is anticipated in 2018/19, 5.5 per cent in 2019/20 and 5.5 per cent in 2020/21, in line with the projected consumer price index (CPI). The following elements have been taken into consideration when determining budgets for personnel and other economic classifications for the 2018 MTEF:

- Number of staff and possible changes over the MTEF;
- Basic salary costs including conditions of service adjustments from 1 April each year;
- Increased take-up of benefits such as medical aid and home owners' allowance based on bargaining council agreements;
- Inflation in the cost of goods and services, based on headline CPI projections;
- Provision for eradicating informal settlements;
- Provision for upgrading infrastructure services; and

### 7.2 Programme summary

TABLE 8.3: SUMMARY OF PAYMENTS AND ESTIMATES: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Administration	278 832	364 812	461 651	417 217	424 067	422 553	512 510	542 206	578 919
2. Housing Needs, Research And Planning	14 595	22 369	18 447	35 822	44 269	44 290	41 778	44 126	46 553
3. Housing Development	4 647 462	4 278 821	5 347 593	5 559 388	5 604 655	5 606 148	5 163 858	5 354 935	5 726 637
4. Housing Assets Management Property Management	85 408	76 707	129 992	173 932	182 566	182 566	170 279	176 388	182 809
<b>Total payments and estimates</b>	<b>5 026 297</b>	<b>4 742 709</b>	<b>5 957 683</b>	<b>6 186 359</b>	<b>6 255 557</b>	<b>6 255 557</b>	<b>5 888 425</b>	<b>6 117 655</b>	<b>534 918</b>

### 7.3 Programme summary

TABLE 8.4 SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>417 208</b>	<b>545 326</b>	<b>610 909</b>	<b>582 004</b>	<b>596 310</b>	<b>596 282</b>	<b>669 765</b>	<b>703 536</b>	<b>751 306</b>
Compensation of employees	341 232	355 623	382 000	418 510	418 511	418 511	448 432	472 830	503 564
Goods and services	75 976	189 703	228 909	163 494	177 799	177 771	221 333	230 706	247 742
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>4 574 792</b>	<b>4 196 305</b>	<b>5 302 025</b>	<b>5 557 078</b>	<b>277 685</b>	<b>277 685</b>	<b>261 747</b>	<b>261 699</b>	<b>262 219</b>
Households	4 574 792	4 196 305	5 302 025	5 557 078	277 685	277 685	261 747	261 699	262 219
<b>Payments for capital assets</b>	<b>9 111</b>	<b>1 059</b>	<b>15 756</b>	<b>47 276</b>	<b>5 381 561</b>	<b>5 381 561</b>	<b>4 956 913</b>	<b>5 152 420</b>	<b>5 521 393</b>
Buildings and other fixed structures					5 338 421	5 338 421	4 915 555	5 103 364	5 471 822
Machinery and equipment	9 073	1 052	15 721	42 262	31 366	31 366	29 305	31 010	32 716
Software and other intangible assets	38	7	35	5 014	11 774	11 774	12 053	18 046	16 855
<b>Payments for financial assets</b>	<b>25 186</b>	<b>19</b>	<b>28 993</b>		<b>1</b>	<b>29</b>			
<b>Total economic classification</b>	<b>5 026 297</b>	<b>4 742 709</b>	<b>5 957 683</b>	<b>6 186 359</b>	<b>6 255 557</b>	<b>6 255 557</b>	<b>5 888 425</b>	<b>6 117 655</b>	<b>6 534 918</b>

The table above indicates that the departmental expenditure was R5 billion in 2014/15. The expenditure in 2015/16 financial year however, decreased to R4.7 billion as the Human Settlement Development Grant (HSDG) allocation was reduced by R908 million by the National Department of Human Settlements to fund priority projects in other provinces. Between 2015/16 and 2016/17 the expenditure increased to R5.9 billion due to the reprioritisation within the housing sector which led to the upward adjustments on the Human Settlements Development Conditional Grant. For the period under review, the budget decreases from R6.2 billion in 2017/18 to R5.8 billion in the 2018/19 financial year due to the reduction in conditional grants. The budget over the MTEF is expected to increase from R5.8 billion in 2018/19 to R6.5 billion in 2020/21 in line with the estimated inflation projections. The largest share of the budget is allocated to the Housing Development Programme, which aims to establish sustainable human settlements where all citizens have access to housing and other social amenities.

**Programme 1:** Administration expenditure increased from R279 million in 2014/15 to R462 million in the 2016/17 financial year translating to a 66 percent increase mainly due to the realignment of the personnel budget from programme 3 Housing

development to this programme. In 2017/18 the budget for the programme was adjusted downwards to R424 million as a result of the realignment of the departmental operational budget where funds were reprioritised to other programmes where expenditure is actually incurred and functions performed. The expenditure over the MTEF is however, expected to increase from R512 million in 2018/19 to R578 million in 2020/21 mainly in line with the estimated inflation projections. The increase will assist the department to improve its professionalism by employing more scarce skills to support the administration and development of Mega Projects. The increase in this program allocation is also due to the additional funding received for the payment of municipality services for 5 provincial assets.

**Programme 2:** Housing Needs, Planning and Research expenditure increased from R14.6 million to R22.4 million between 2014/15 and 2015/16 an average growth of 53 per cent. The increased budget was mainly because the personnel budget from Programme 3: Housing Development was transferred to the correct cost centre. Between the 2015/16 and 2016/17 financial years, the budget decreased by 17.9 per cent from R22.4 million to R18.4 million due to reprioritisation of funds to where expenditure is incurred and functions are performed. In 2018/19 the allocated budget of R41.8 million within the programme provides for the regulatory framework for housing delivery, develops policy guidelines and provides provincial inputs on housing legislation. Over the MTEF the budget grows to R46.6 million or by 11.5 per cent year on year to enhance planning capacity and to absorb inflationary shocks.

**Programme 3:** The Housing Development Programme makes up the largest share of the budget. Its aim is to establish sustainable human settlements where all citizens have access to housing and other social amenities. Expenditure for the programme grew from R4.6 billion in the 2014/15 financial year to R5.3 billion in the 2016/17 financial years due to additional funding of R390 million being made available for provincial mega projects and provision of bulk infrastructure for Syferfontein Phase 1-2 and Savannah City. Although the programme received additional funding, the HSDG was reduced by R400 million over the 2016 MTEF to make provision for the Housing Development Agency (HDA). An amount of R124 million was earmarked for the mining towns of Merafong, Randfontein and Westonaria in the 2016/17 financial year. The budget for the programme increases slightly from R5.3 billion in 2016/17 to R5.6 billion in 2017/18. The expenditure however decreases from R5.6 billion in 2017/18 to R5.1 billion in 2018/19 due to the reduction of R439 million HSDG allocation by the National Department of Human Settlements following the sectorial mid-term reviews. The programme, however, still managed to deliver a total of 1 982 stands from a target of 1 506 and a total of 6 194 housing units from a target of 8 601 for the year under review

The MTEF expenditure is then expected to increase from R5.1 billion 2018/19 to R5.7 billion in 2020/21 and included in the HSDG allocation for 2018/19 is the amount of R105.8 million in 2018/19 for title deeds restoration grant and R151.4 million earmarked for the mining Towns. R302 million in the two outer years of the MTEF is earmarked for the revamping of mining towns that includes Merafong, Rand West and Mogale City. The budget for the programme will enable the department to build integrated, cohesive and sustainable communities by ensuring that innovative services and infrastructure are provided to create sustainable human settlements and promote effective and efficient delivery of provincial and local housing programmes. This programme is also supported by the private sector with capacity to deliver more outputs. Included in the budget allocation for the programme for 2018/19 and over the MTEF are Gauteng Priority Projects (New Towns) and Provincial Specific Programmes such as Syferfontein and Savannah City.

**Programme 4:** Housing Assets Property Management expenditure was R85.4 million in 2014/15. The budget for the programme increased to R130 million in 2016/17 mainly to fund the EEDBS resulting from the reprioritisation of the departmental business plan. The budget decreases from R182.6 million in 2017/18 to R170.3 million in 2018/19 due to the reduction in the conditional grants amid tight fiscal constraints resulting from slow growth in the economy. Included in the allocation for this programme is a new conditional grant in the form of Title Deeds Restoration Grant amounting to R106 million for 2018/19 and R230 million for the outer years over the MTEF. This allocation is mainly for coordinating, managing and overseeing the maintenance of the department's immovable assets in the form of flats, hostels and vacant stands, and to provide the tools and personnel needed for these activities. The programme motivates, guides and manages the provision of tenure for occupants and promotes home ownership through sectionalisation of flats, and disposes off the department's commercial properties.

Expenditure on **compensation of employees** increased from R341 million in 2014/15 to R382 million in 2016/17 which amounts to 12 per cent increase. The personnel budget grows from R448 million in the 2018/19 financial year to R504 million in the 2020/21 financial year which equates to a growth of 12.5 per cent. The increased allocation is mainly attributable to the yearly general increment related to improved conditions of employment as well as the filling of critical vacant posts in the department.

The total expenditure for **goods and services** increased considerably from R76 million in the 2014/15 financial year, to R229 million in the 2016/17 financial year after the restructuring of the departmental operational budget mainly to address the pressure due to increased costs of operations. The significant increase of 201 per cent can also be attributed to once off additional funding provided to the department to fund payment of rates & taxes and payment for security services. The budget for 2018/19 amounts to R221 million mainly to fund the operational requirements of the department and purchase tools of trade for departmental staff. Included in this budget is R43.7 million additional funding earmarked for the municipality

services of 5 provincial assets. The budget grows by 11.9 per cent over the MTEF period and the increases are aligned to the estimated inflation projections. For the outer year of the MTEF, the budget will amount to R248 million.

**Transfers and subsidies** expenditure increased from R4.6 billion in 2014/15 to R5.3 billion in 2016/17 financial year representing a growth of 15.2 per cent. The growth in transfers and subsidies was driven by the growth in the HSDG intended to build cohesive and sustainable communities by ensuring that services and infrastructure are provided to create sustainable human settlements. Included in the 2016/17 budget for transfers and subsidies was funding made available for bulk infrastructure in Syferfontein Phase 2. The budget for transfers and subsidies will decrease from R5.6 billion in 2017/18 to R262 million in 2018/19 due to changes in SCOA items following migration from BAS V4 to BAS V5 which will see transfers and subsidies being re-classified as buildings and other fixed structures under payment capital assets. The budget remains R262 million for the outer year of the MTEF and the allocated budget will cater for the operational costs that are related to the HSDG spending.

**Expenditure on machinery and equipment:** increases from R9 million in the 2014/15 to R15.7 million in the 2016/17 financial year which is a growth of 74 per cent. The growth in expenditure is attributed to the purchase of new furniture and equipment for the office following the renovation on the building and the relocation of the Johannesburg regional offices. The budget for machinery and equipment will increase to R31 million and R33 million respectively for the two outer years of the MTEF and the increases are aligned to the estimated inflation projections. The budget allocated in the form of the conditional Grant and funding made available by the province will cater for the implementation of national and provincial housing programmes and will also be utilised for procuring the equipment for personnel to carry out their duties efficiently and effectively. This is due to the envisaged increase in human resource capacity to augment the professional capacity of the department.

**Buildings and fixed structures:** The adjusted budget for 2017/18 amounts to R5.4 billion due to changes in SCOA items following migration from BAS V4 to BAS V5 which saw the transfers and subsidies being re-classified as buildings and other fixed structures under capital assets. The budget decreases from R5.4 billion to R5 billion between 2017/18 and 2018/9 due to the HSDG being revised downwards.

## 7.4 Infrastructure payments

### 7.4.1 Departmental infrastructure payments

Please refer to the Estimates of Capital Expenditure (ECE) for details on infrastructure payments.

### 7.4.2 Departmental Public-Private-Partnership (PPP) projects

N/A

## 7.5 Transfers

### 7.5.1 Transfers to public entities

TABLE 8.5: SUMMARY OF DEPARTMENTAL TRANSFERS TO PUBLIC ENTITIES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Gauteng Partnership Fund	100 170	200 000	212 400	224 719	224 719	224 719	237 753	251 067	264 876
<b>Total departmental transfers</b>	<b>100 170</b>	<b>200 000</b>	<b>212 400</b>	<b>224 719</b>	<b>224 719</b>	<b>224 719</b>	<b>237 753</b>	<b>251 067</b>	<b>264 876</b>

The Gauteng Partnership Fund facilitates investment capital flows into integrated developments, as per the Sustainable Human Settlements Policy Framework. Facilitate equitable risk sharing project financing. Participate in Social Housing Projects through innovative funding interventions with Social Housing institutions (as a mechanism to entice capital market investment into this market. The role of the GPF extends to a financing vehicle and implementation agent of the Gauteng Department of Human Settlements (GDHS) for mega human settlements projects, and as custodian of strategic provincial land transferred to the GPF for effective fixed-asset management.

The GPF receives contributions from the GDHS from time to time, but the entity funds itself mainly from the interest earned from the original capitalisation of the GDHS donation. The GPF receives interest from loans that were given out to borrowers. In 2014/15 the contribution amounted to R100 million and increase to R200 million in 2015/16, and R212 million in 2016/17. The GPF will receive a contribution of R225 million in 2017/18, which will assist to strengthen its strategic objective of increasing and leveraging private sector funding for affordable housing in Gauteng, with the ultimate aim of increasing the rate of delivery of sustainable human settlements in the province. The funding is expected to increase to R238 million in 2018/19, and to R265 million in the outer year of the MTEF.



## 7.5.2 Transfers to other entities

N/A.

## 7.5.3 Transfers to local government

TABLE 8.6 SUMMARY OF DEPARTMENTAL TRANSFERS TO LOCAL GOVERNMENT BY CATEGORY

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Category A	38 349	516 576	741 384	389 069	492 797	492 797	327 091	401 507	371 304
Category B	138 871	135 066	190 452		246 070	246 070	211 327	151 438	151 438
Category C	13 133								
<b>Total departmental transfers</b>	<b>190 353</b>	<b>651 642</b>	<b>931 836</b>	<b>389 069</b>	<b>738 867</b>	<b>738 867</b>	<b>538 418</b>	<b>552 945</b>	<b>522 742</b>

Transfers to local government increase from R190 million to R652 million, between 2014/15 and 2015/16. During the 2015/16 period the Department transferred a total of R517 million to Category A, and R135 million to Category B municipalities. All transfers made to Category A municipalities were for the delivery of housing stock/units, where the municipality is appointed as an implementing agent. R40.5 million was transferred to Randfontein Municipality for the construction of a water reservoir, which will unlock a number of developments in the West Rand area and parts of the southern region. The budget for the construction of the water reservoir was funded from the mining town's earmarked allocation. R82 million was transferred to Merafong Municipality and was earmarked for the construction of a bridge over a railway line to connect the old and new developments; R22 million was earmarked for servicing of 500 sites and R34 million was allocated for the construction of 265 housing units.

The budget for transfers increases to R932 million during the 2016/17 financial year. Category A municipalities received R741 million, whereas category B municipalities receive R190 million. The Department entered into subsidy funding agreements with all the municipalities receiving funds. The funding was primarily for the construction of top structures, and to a lesser degree, servicing of stands. Mining towns' funds are being used to a large degree for infrastructure upgrades. These areas do not receive funds from the USDG. Funding is provided for these targeted areas to unblock development bottlenecks. The budget for transfers to local government decreases to R739 million in 2017/18 as the Department planned to implement some of the projects previously implemented by municipalities. The budget will further decrease to R538 million in 2018/19 and R523 million for the outer year of the MTEF.

## 8. PROGRAMME DESCRIPTION

### PROGRAMME 1: ADMINISTRATION

#### Programme description

The main goal of this Programme is to strengthen and align the Department's ability to deliver on its mandate. It enables the Department's business units to perform efficiently by providing corporate support (human resources, financial management, supply chain, information and communication technology (ICT), risk management and facilities' management and support). The Programme ensures effective leadership, management and administrative support of the core business divisions through continuous refinement of organisational strategy and structure, in compliance with appropriate legislation and practice. The Programme's outputs are in line with government's Outcome 12, which seeks to achieve "An efficient, effective and developmental-oriented public service and an empowered, fair and inclusive citizenship".

#### Programme objectives

- To ensure that the Department's supply-chain processes are conducted in a manner that is fair, transparent, equitable, competitive and cost effective, and that the management and operation of the function is efficient and effective and adds value to the strategic objectives of the Department;
- To ensure that human resources management is a strategic partner to all units in the Department;
- To provide effective legal services to the Department;
- To provide efficient and effective facilities management to the Department;
- To provide effective, efficient and stable ICT infrastructure and support to the Department;
- To ensure prudent financial management, efficient and effective procurement systems, and to ensure that financial planning and budgeting are aligned to the Department's Strategic Plan;
- To provide for the functioning of the Office of the MEC and legislative support services;
- To ensure effective, efficient and transparent risk management, financial systems and controls to safeguard departmental assets; and
- To ensure good corporate governance and improved productivity through the promotion of discipline, transparency, independence, accountability, fairness and social responsibility in departmental operations.

TABLE 8.7: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Office Of The Mec	278 832	364 812	461 651	417 217	424 067	422 553	512 510	542 206	578 919
<b>Total payments and estimates</b>	<b>278 832</b>	<b>364 812</b>	<b>461 651</b>	<b>417 217</b>	<b>424 067</b>	<b>422 553</b>	<b>512 510</b>	<b>542 206</b>	<b>578 919</b>

TABLE 8.8: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>244 354</b>	<b>362 731</b>	<b>416 282</b>	<b>369 609</b>	<b>380 094</b>	<b>378 565</b>	<b>470 797</b>	<b>492 780</b>	<b>528 958</b>
Compensation of employees	174 036	237 472	197 154	250 117	220 117	220 117	269 621	281 559	301 773
Goods and services	70 318	125 259	219 128	119 492	159 977	158 448	201 176	211 221	227 185
<b>Transfers and subsidies to:</b>	<b>181</b>	<b>1 003</b>	<b>625</b>	<b>332</b>	<b>832</b>	<b>832</b>	<b>355</b>	<b>370</b>	<b>390</b>
Households	181	1 003	625	332	832	832	355	370	390
<b>Payments for capital assets</b>	<b>9 111</b>	<b>1 059</b>	<b>15 751</b>	<b>47 276</b>	<b>43 140</b>	<b>43 127</b>	<b>41 358</b>	<b>49 056</b>	<b>49 571</b>
Machinery and equipment	9 073	1 052	15 716	42 262	31 366	31 353	29 305	31 010	32 716
Software and other intangible assets	38	7	35	5 014	11 774	11 774	12 053	18 046	16 855
<b>Payments for financial assets</b>	<b>25 186</b>	<b>19</b>	<b>28 993</b>		<b>1</b>	<b>29</b>			
<b>Total economic classification</b>	<b>278 832</b>	<b>364 812</b>	<b>461 651</b>	<b>417 217</b>	<b>424 067</b>	<b>422 553</b>	<b>512 510</b>	<b>542 206</b>	<b>578 919</b>

The table above shows that the Programme's expenditure increased from R279 million in the 2014/15 financial year, to R365 million in 2015/16, largely due to the personnel budget shifting from other programmes to this programme, in line with the approved organisational structure. The budget increased to R462 million in the 2016/17 financial year. The budget for the Programme is R424 million in 2017/18, after it was adjusted upwards by R7 million during the adjustment budget process, and will increase to R513 million in the 2018/19 financial year. The allocation is R579 million in the outer year of the MTEF. The increase results from the personnel budget being moved from other programmes to Programme 1: Administration, due to the centralisation of items such as training, property payments and fleet services, and the additional funding earmarked for municipality services for five provincial assets. The allocated funding will enable the Department to strengthen governance, combat fraud and corruption and enhance security and risk management by conducting internal audits and facilitating external audits. It will ensure the implementation of, and in compliance with, minimum information security standards and other security legislation. Improved service is aligned with the organisation's core objectives and is achieved through the provision of cost-effective and efficient ICT solutions and services, facilities, logistics and records management support services.

The Programme's expenditure on compensation of employees increased from R174 million in 2014/15, to R237 million in 2015/16, largely due to the personnel budget shifting from other programmes to this programme, in line with the approved structure. The allocation decreased to R220 million during the adjustment budget in 2017/18, due to the land use management function shifting to the Department of Infrastructure Development. The budget for the Programme increases by 4.4 per cent, from R270 million, to R282 million between 2018/19 and 2019/20. The increase is mainly attributable to the yearly general increment, related to improved conditions of employment, as well as the filling of critical vacant posts in the Department. The allocation will be R302 million for the outer year of the MTEF, aligned to the estimated inflation projections.

Goods and services expenditure increased from R70 million to R219 million, between the 2014/15 and 2016/17 financial years. The increase in expenditure relates mainly to payment of software licences, office refurbishment and the establishment of the project management office. In the 2015/16 financial year, the expenditure amounted to R125 million. The budget increases from R201 million in the 2018/19, to R227 million in the outer year of the MTEF. The increase results from additional funding received for the payment of municipality services for the five provincial assets and the budget made available under goods and services to provide for the payment of Departmental operational activities.

Expenditure on machinery and equipment increases from R9 million in the 2014/15 to R15.7 million in the 2016/17 financial year, which is a growth of 74 per cent. The growth in expenditure is attributed to the purchase of new furniture and equipment for the offices, following the renovations made on the building and the relocation of the Johannesburg regional offices. The budget increases to R42 million in 2017/18 and the increases are aligned to the estimated inflation projections. The budget decreases to R29 million in 2018/19. Funding made available will be utilised for procuring telecommunication equipment (Network LAN) and, tools of trade for the personnel to carry out their duties efficiently and effectively. This is due to the envisaged increase in human resource capacity to augment the professional capacity of the Department.



## PROGRAMME 2: HOUSING NEEDS, RESEARCH AND PLANNING

### Programme description

The purpose of this Programme is to facilitate and undertake housing delivery planning; identify housing needs; provide a regulatory framework for housing delivery; develop policy guidelines; provide provincial inputs on housing legislation and any amendments to these; develop provincial multi-year housing delivery plans; ensure alignment of housing plans with IDPs, and conduct research into the demand for housing. The Programme promotes effective and efficient delivery of provincial and local government housing programmes; integrated redevelopment of urban communities at scale, and sustainable local economies. It performs a number of transversal functions, including quality assurance, research and development and inputs into policy development, planning and housing support.

### Programme objectives

- To develop and implement departmental policies and to initiate research to achieve strategic objectives;
- To facilitate the realignment of, and compliance with, the regulatory environment for sustainable human settlements;
- To develop annual performance plans and the Five Year Strategic Plan;
- To implement, revise and review the Department's Programme of Action (PoA); and
- To provide support to various directorates in the Department on the development of performance, and indicators for both the annual performance plans (APPs) and the PoA.

TABLE 8.9: SUMMARY OF PAYMENTS AND ESTIMATES: HOUSING NEEDS, RESEARCH AND PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Administration	1 095	1 334	587	14 051	15 108	15 105	15 062	15 905	16 780
2. Policy	12 784	17 664	14 912	11 303	18 062	18 067	14 963	15 807	16 676
3. Planning	695	3 197	2 948	10 468	11 099	11 118	11 753	12 414	13 097
4. Research	21	174							
<b>Total payments and estimates</b>	<b>14 595</b>	<b>22 369</b>	<b>18 447</b>	<b>35 822</b>	<b>44 269</b>	<b>44 290</b>	<b>41 778</b>	<b>44 126</b>	<b>46 553</b>

TABLE 8.10: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING NEEDS, RESEARCH AND PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>14 595</b>	<b>22 369</b>	<b>18 442</b>	<b>35 822</b>	<b>44 269</b>	<b>44 277</b>	<b>41 778</b>	<b>44 126</b>	<b>46 553</b>
Compensation of employees	14 162	21 422	17 824	35 380	40 380	40 380	36 335	38 371	40 481
Goods and services	433	947	618	442	3 889	3 897	5 443	5 755	6 072
Interest and rent on land									
<b>Transfers and subsidies to:</b>									
Provinces and municipalities									
Households									
<b>Payments for capital assets</b>			<b>5</b>			<b>13</b>			
Buildings and other fixed structures									
Machinery and equipment			5			13			
Land and sub-soil assets									
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>14 595</b>	<b>22 369</b>	<b>18 447</b>	<b>35 822</b>	<b>44 269</b>	<b>44 290</b>	<b>41 778</b>	<b>44 126</b>	<b>46 553</b>

The Programme's expenditure increased, from R14.6 million, to R18.4 million between the 2014/15 and 2016/17 financial years. The increase was to ensure that the Inclusionary Housing Incentives chapter was completed for insertion into the Inclusionary Housing Bill. Expenditure in 2015/16 increased significantly, by R7.4 million, to R22.4 million. The increase was a result of the personnel budget shift from Programme 3: Housing Development to this Programme, in line with the approved organisational structure. The budget increased from R41.8 million to R46.6 million between the 2018/19 and 2020/21 financial years, mainly to develop and implement departmental policies, initiate research to achieve strategic objectives, and to ensure alignment and compliance with the regulatory environment for sustainable human settlements and building new cities.

The expenditure for the Sub-Programme: Policy increased from R12.8 million to R14.9 million, between 2014/15 and 2016/17 financial years. For the 2018 MTEF, the budget increased from R15 million to R16.7 million. The budget of the Sub-Programme will assist the Department to develop and implement policies to achieve strategic objectives and ensure alignment and compliance with the regulatory environment.

The expenditure on Sub-programme: Planning increased from R695 000 for 2014/15 to R2.9 million in 2016/17. The budget increases from R11.8 million in 2018/19 to R13.1 million for the outer year of the MTEF period. The growth in the budget will support the development and alignment of the departmental planning frameworks, including the APPs, the Integrated Multi-Year Housing Development Plan, the Medium Term Budget Policy Statements, and the PoAs, in line with national and provincial requirements.

The Sub-Programme: Research recorded expenditure of R21 000 in 2014/15 and R174 000 in 2015/16, primarily to conduct research and develop innovative methods to address housing needs in the province. There is no budget allocated over the MTEF, as the function was moved to the Housing Development Agency (HAD) from the 2016/17 financial year.

## SERVICE DELIVERY MEASURES

### PROGRAMME 2: HOUSING, NEEDS, RESEARCH AND PLANNING

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of Acts passed and or policy guidelines approved	3	3	3	3
Number of municipalities capacitated and supported with regards to human settlements development planning	12	12	12	12
Number of research projects approved	2	2	2	2
Number of research papers completed	2	2	2	2

### PROGRAMME 3: Housing Development

#### Programme description

The core focus of the Housing Development Programme is to build integrated, cohesive and sustainable communities, by ensuring that innovative services and infrastructure are provided to create sustainable human settlements. The Programme's emphasis is on the provision of individual subsidies and housing opportunities to beneficiaries, in accordance with the National Housing Policy. This programme promotes effective and efficient delivery of provincial and local housing programmes. It concentrates on the integrated redevelopment of urban communities at scale, and cultivating sustainable local economies. The Programme's outputs are reflected in government's Outcome 8, which seeks to achieve "Sustainable human settlement and improved quality of household life".

#### Programme objectives

- To provide and develop integrated infrastructure for the creation of cohesive communities;
- To promote home ownership;
- To reduce levels of unemployment substantially;
- To create a healthy and clean living environment;
- To provide engineering services at an affordable and sustainable level;
- To reduce levels of crime and violence;
- To upgrade existing housing and create additional affordable housing;
- To alleviate poverty;
- To create sustainable livelihoods;
- To create a caring and responsive government;
- To create a better life for all; and
- To implement integrated, high-impact, time bound and targeted interventions.

TABLE 8.11: SUMMARY OF PAYMENTS AND ESTIMATES: HOUSING DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17		2017/18		2018/19	2019/20	2020/21
1. Administration	156 394	162 859	165 030	183 960	181 063	181 081	152 722	161 968	170 876
2. Financial Interventions	484 450	461 805	549 380	553 993	864 365	865 573	1 339 575	1 384 372	1 427 146
3. Incremental Interventions	3 460 983	3 095 163	3 733 464	4 244 326	4 146 773	4 146 773	3 288 072	3 567 488	3 796 443
4. Social And Rental Intervention	529 650	543 731	800 435	482 757	357 209	357 467	381 489	225 012	291 269
5. Rural Intervention	15 985	15 263	99 284	94 351	55 245	55 254	2 000	16 095	40 903
<b>Total payments and estimates</b>	<b>4 647 462</b>	<b>4 278 821</b>	<b>5 347 593</b>	<b>5 559 388</b>	<b>5 604 655</b>	<b>5 606 148</b>	<b>5 163 858</b>	<b>5 354 935</b>	<b>5 726 637</b>

TABLE 8.12: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>158 259</b>	<b>160 031</b>	<b>162 737</b>	<b>169 905</b>	<b>167 008</b>	<b>168 501</b>	<b>152 722</b>	<b>161 968</b>	<b>170 876</b>
Compensation of employees	153 034	96 729	154 577	129 487	154 487	154 487	139 069	149 360	157 575
Goods and services	5 225	63 302	8 160	40 419	12 521	14 014	13 653	12 608	13 301
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>4 489 203</b>	<b>4 118 790</b>	<b>5 184 856</b>	<b>5 389 482</b>	<b>276 853</b>	<b>276 853</b>	<b>261 392</b>	<b>261 329</b>	<b>261 829</b>
Provinces and municipalities									
Non-profit institutions									
Households	4 489 203	4 118 790	5 184 856	5 389 482	276 853	276 853	261 392	261 329	261 829
<b>Payments for capital assets</b>				<b>5 160 794</b>	<b>5 160 794</b>		<b>4 749 744</b>	<b>4 931 638</b>	<b>5 293 932</b>
Buildings and other fixed structures				5 160 794	5 160 794		4 749 744	4 931 638	5 293 932
Machinery and equipment									
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>4 647 462</b>	<b>4 278 821</b>	<b>5 347 593</b>	<b>5 559 388</b>	<b>5 604 655</b>	<b>5 606 148</b>	<b>5 163 858</b>	<b>5 354 935</b>	<b>5 726 637</b>

The Programme's purpose is to establish sustainable human settlements where all citizens have access to housing and other social amenities, and to assist the Department to deliver on its mega projects and programmes – mixed housing development, eradication of informal settlements, alternative tenure, and the Urban Renewal Programme.

The Programme takes up the largest share of the Department's budget and expenditure increased from R4.6 billion in 2014/15 to R5.3 billion in the 2016/17 financial year. Additional funding of R390 million was made available for provincial mega projects and provision of bulk infrastructure for Syferfontein Phases 1–2 and Savannah City. This is after the National Department of Human Settlements reprioritised R908 million from the provincial HSDG allocation to priority provinces. The HSDG budget was further reduced by R400 million, over a period of three years, from 2014/15 to 2016/17 financial years, to make provision for the HDA. The expenditure of R5.3 billion in 2016/17 included once-off additional funding of R100 million from the province to fund bulk infrastructure for the Syferfontein Phase 2 mega project. An amount of R124 million was made available for the revamping of mining towns that included Merafong, Randfontein and Westonaria in the 2016/17 financial year. For the 2017/18 financial year, the budget is adjusted to R5.6 billion and includes an allocation of R14 million from the EPWP-integrated grant made available for job creation initiatives in the province, as well as funding made available for provincial infrastructure. The budget for the Programme increases slightly from R5.2 billion in 2018/19 to R5.7 billion in the 2020/21 MTEF period, in line with inflationary rates. Included in the 2018/19 allocation of the HSDG is an amount of R151 million, earmarked for revamping mining towns. The budget for the Programme will enable the Department to build integrated, cohesive and sustainable communities by ensuring that innovative services and infrastructure are provided, to create sustainable human settlements and by promoting effective and efficient delivery of provincial and local housing programmes.

Expenditure for the Sub-Programme Financial Interventions was R484 million for 2014/15, and R461.8 million for 2015/16, and enabled the Department to cater for credit-linked individual housing subsidies, housing-finance linked individual subsidies, The EEDBS, Rectified RDP stock (1994–2002), social and economic facilities, NHBRC enrolment and procurement of land parcels. The expenditure also facilitated immediate access to housing goods and services, created an enabling environment and providing implementation support. In 2016/17, the Sub-Programme expenditure amounted to R549 million, due to the reprioritisation of the departmental business plan, and the EEDBS funding moving to Programme 4: Housing Assets and Property Management. The Sub-Programme budget increased to R864 million in 2017/18, and caters for 1 725 houses to be built under the Finance Linked Individual Subsidy Programme. The increase in the budget is a result of the reprioritisation of the departmental business plan, due to of late approval by the National Department of Human Settlements. The Sub-Programme's budget is expected to increase from R1.3 billion 2018/19 to R1.4 billion in the 2020/21 financial period.

Sub-Programme: Incremental Intervention makes up the largest share of the departmental expenditure and budget. The aim of this Sub-Programme is to establish sustainable human settlements where all citizens have access to housing and other social amenities. Expenditure for the Sub-Programme grew from R3.5 billion in the 2014/15 financial year to R3.7 billion in the 2016/17, due to additional funding of R390 million made available for provincial mega projects and provision of bulk infrastructure for Syferfontein Phases 1–2 and Savannah City. HSDG funding was reduced by R400 million over the 2016 MTEF, to make provision for the Housing Development Agency (HDA) and the large share of the cut was absorbed by this Sub-Programme. Included in the expenditure for the Sub-Programme in 2016/17 was an amount of R124 million earmarked for the mining towns of Merafong, Randfontein and Westonaria. The budget for the Sub-Programme increases slightly, from R3.7 billion in 2016/17 to R4.2 billion in 2017/18, due to the HSDG being reduced by R439 million by the National Department of Human Settlements following the sectorial mid-term reviews. The budget decreases from R4.2 billion in 2017/18 to R3.2

billion in 2018/19, after the conditional grant was reduced by R861 million by the National Treasury. The budget increases to R3.8 billion for the outer year of the MTEF, mainly because of the reprioritisation of the departmental business plan. Included in the 2018/19 budget for the Sub-Programme is an amount of R151.4 million earmarked for the revamping of mining towns. The budget for the Sub-Programme will enable the Department to build integrated, cohesive and sustainable communities by ensuring that innovative services and infrastructure are provided to create sustainable human settlements and promote effective and efficient delivery of provincial and local housing programmes.

Expenditure for the Sub-Programme: Social and Rental Intervention increases slightly from R529.7 million in 2014/15 to R543.7 million in 2015/16, mainly because of a portion of the personnel budget being moved from this Programme to Programme 1: Administration, in line with the organisational structure and where functions are performed. Between 2015/16 and 2016/17, expenditure increases significantly to R800 million, and the increase was driven by the growing demand for housing resulting from, among other factors, in-migration to the province. The budget will amount to R381.5 million in 2018/19, and will provide institutional subsidies and construction of housing units for CRUs over the MTEF period. The budget for the Sub-Programme will decrease to R225 million and R291.3 million respectively, for the two outer years of the MTEF.

Transfers and subsidies expenditure decreases from R4.5 billion in 2014/15 to R4.1 billion in 2015/16. The expenditure was driven by the growth in the HSDG to build cohesive and sustainable communities, by ensuring that services and infrastructure were provided. For the period 2016/17, the total expenditure for transfers and subsidies amounted to R5.2 billion, due to provincial funding made available for bulk infrastructure in Syferfontein Phase 2. The budget is adjusted downwards to R276.9 million, due to changes in SCoA items, following migration from BAS V4 to BAS V5, which saw transfers and subsidies being reclassified as buildings and other fixed structures under capital assets. The budget decreases to R261.8 million for the outer year of the MTEF after the conditional grant was reduced and the allocated budget will cater for the operational costs that are related to the HSDG spending.

## SERVICE DELIVERY MEASURES

### PROGRAMME 3: HOUSING DEVELOPMENT

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of houses/units built for financial interventions	26	26	26	26
Number of land parcels acquired for human settlements development	20	20	20	20
Number of stands serviced for incremental interventions	28 635	28 635	28 635	28 635
Number of houses/units built for incremental interventions	47 910	47 910	47 910	47 910
Number of stands serviced for social and rental housing				
Number of units built for social and rental housing	3 325	3 325	3 325	3 325
Number of stands serviced for priority projects	1 050	1 050	1 050	1 050
Number of houses/units built for priority projects	1 000	1 000	1 000	1 000
Number of houses/units built for provincial specific programmes	215	215	215	215

### PROGRAMME 4: HOUSING ASSETS AND PROPERTY MANAGEMENT

#### Programme description

The purpose of the Programme is to promote home-ownership in historically disadvantaged communities. It coordinates, manages and oversees the maintenance of departmental immovable assets in the form of flats, hostels and vacant stands, and encourages and supports the provision of tools and personnel to maintain these departmental immovable assets. The Department motivates, guides and manages the provision of tenure for occupants, and promotes home ownership through sectionalisation of flats. It disposes of the Department's commercial properties.

#### Programme objectives

- To capacitate social housing institutions to accelerate housing delivery;
- To facilitate the stabilisation of the sectional title environment;
- To facilitate an enabling environment that allows for the delivery of social housing including facilitating the involvement of financial institutions;
- To phase out special needs housing and facilitate interactions with provincial departments;
- To provide housing assistance to departmental staff;
- To facilitate medium-density housing (rental, instalment sale and cooperative housing);
- To facilitate affordable rental accommodation (including upgrade of backyard rentals and non-transferable stock);
- To promote home ownership;
- To dispose of commercial property and vacant land owned by the Department in the most economical way; and
- To deliver housing units in targeted presidential projects.

TABLE 8.13: SUMMARY OF PAYMENTS AND ESTIMATES: HOUSING ASSETS AND PROPERTY MAINTENANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Administration			13 448	6 668	4 939	4 931	4 468	4 662	4 919
2. Sales And Transfer Of Housing Properties	42 642	39 388	62 277	100 000	103 751	103 751	105 811	111 726	117 890
3. Devolution Of Housing Properties				2 384	2 384	2 384			
4. Housing Properties Maintenance	42 766	37 319	54 267	64 880	71 492	71 500	60 000	60 000	60 000
<b>Total payments and estimates</b>	<b>85 408</b>	<b>76 707</b>	<b>129 992</b>	<b>173 932</b>	<b>182 566</b>	<b>182 566</b>	<b>170 279</b>	<b>176 388</b>	<b>182 809</b>

TABLE 8.14: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING ASSETS AND PROPERTY MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>		195	13 448	6 668	4 939	4 939	4 468	4 662	4 919
Compensation of employees			12 445	3 527	3 527	3 527	3 407	3 540	3 735
Goods and services		195	1 003	3 142	1 412	1 412	1 061	1 122	1 184
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>85 408</b>	<b>76 512</b>	<b>116 544</b>	<b>167 264</b>					
Provinces and municipalities									
Non-profit institutions									
Households	85 408	76 512	116 544	167 264					
<b>Payments for capital assets</b>					177 627	177 627	165 811	171 726	177 890
Buildings and other fixed structures					177 627	177 627	165 811	171 726	177 890
Machinery and equipment									
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>85 408</b>	<b>76 707</b>	<b>129 992</b>	<b>173 932</b>	<b>182 566</b>	<b>182 566</b>	<b>170 279</b>	<b>176 388</b>	<b>182 809</b>

Housing Assets Property Management expenditure was R85.4 million in 2014/15. The budget for the Programme increased to R130 million in 2016/17, mainly to fund the EEDBS resulting from the reprioritisation of the departmental business plan. Over the MTEF, the budget increases from R170.3 million in 2018/19 to R182.8 million in 2020/21. This allocation is mainly for coordinating, managing and overseeing the maintenance of the Department's immovable assets in the form of flats, hostels and vacant stands; to provide the tools and personnel needed for these activities. The Programme motivates, guides and manages the provision of tenure for occupants, and promotes home ownership through sectionalisation of flats, and disposes of the Department's commercial properties.

## SERVICE DELIVERY MEASURES

### PROGRAMME 4: HOUSING ASSETS AND PROPERTY MAINTENANCE

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of residential properties transferred to beneficiaries through the Enhanced Extended Discount Benefit Scheme (EEDBS)	2 000	2 000	2 000	2 000
Number disputes between landlords and tenants resolved by the Rental Tribunal	1 800	1 800	1 800	1 800
Number of rental units devolved to municipalities in terms of Section 15 of the Housing Unit Act of 1997	2 500	2 500	2 500	2 500

## 9. OTHER PROGRAMME INFORMATION

### 9.1 Personnel numbers and costs

TABLE 8.15: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBER AND COSTS: HUMAN SETTLEMENTS

R thousands	Actual			Revised estimate			Medium-term expenditure estimate				Average annual growth over MTEF		
	2014/15		Costs	2016/17		Costs	2017/18		Costs	Costs	2017/18 - 2020/21		% Costs of Total
	Personnel numbers <sup>1</sup>	Personnel numbers <sup>1</sup>		Personnel numbers <sup>1</sup>	Costs		Filled posts	Additional posts	Personnel numbers <sup>1</sup>	Personnel numbers <sup>1</sup>	Personnel growth rate	Costs growth rate	
<b>Salary level</b>													
1 – 6	372	315	99 858	308	133 924	329	299	30	329	166 272	329	180 145	4.9%
7 – 10	350	350	103 315	346	110 835	346	342	4	346	134 695	346	142 103	5.1%
11 – 12	154	154	95 311	153	72 677	153	145	8	153	95 625	153	100 885	8.3%
13 – 16	43	43	37 298	42	42 144	42	40	2	42	52 828	42	55 733	6.5%
Other		21	19 841	21	22 420					23 410		24 698	18.8%
<b>Total</b>	<b>919</b>	<b>883</b>	<b>355 623</b>	<b>870</b>	<b>382 000</b>	<b>870</b>	<b>826</b>	<b>44</b>	<b>870</b>	<b>472 830</b>	<b>870</b>	<b>503 564</b>	<b>6.4%</b>
<b>Programme</b>													<b>100.0%</b>
1. Administration	519	483	237 472	483	197 154	483	448	35	483	281 559	483	301 773	6.5%
2. Housing Needs, Research And Planning	38	38	21 422	38	17 824	38	37	1	38	38 371	38	40 481	4.6%
3. Housing Development	304	304	96 729	304	154 577	304	297	7	304	149 360	304	157 575	6.8%
4. Housing Assets Management Property Management	58	58		45	12 445	45	44	1	45	3 540	45	3 735	1.9%
Direct charges													0.0%
<b>Total</b>	<b>919</b>	<b>883</b>	<b>355 623</b>	<b>870</b>	<b>382 000</b>	<b>870</b>	<b>826</b>	<b>44</b>	<b>870</b>	<b>472 830</b>	<b>870</b>	<b>503 564</b>	<b>6.4%</b>
													<b>100.0%</b>



For the period under review, the table above indicates personnel numbers and personnel cost estimates relating to the GDHS. The departmental structure was reviewed immediately after the splitting of the former Department of Local Government and Housing, in order to ensure that the new GDHS is able to meet its delivery objectives with the required personnel capacity. The filling of posts that resumed after the split was done in accordance with the new Department, taking into consideration the availability of funds in the compensation of employee's budget. The number of contract workers declined substantially from the previous financial years, with contract workers absorbed as permanent staff members. The table above indicates that the personnel numbers will remain stable at 870 over the MTEF, as the Department does not plan to create additional positions but rather to fill all the critical vacant positions in line with the approved structure. The slight decline from 883 to 870 is due to the land management function being moved to the Department of Infrastructure Development. The departmental personnel budget will grow from R448 million (in 2018/19) to R504 million in the outer year of the MTEF. The growth in personnel costs is in line with inflation rates and takes into consideration improved conditions of service.

## 9.2 Training

TABLE 8.16: INFORMATION ON TRAINING: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Number of staff	919	883	870	870	870	870	870	870	914
Number of personnel trained	300	400	500	600	600	600	635	635	670
of which									
Male	140	160	240	240	240	240	254	254	268
Female	160	240	260	360	360	360	381	381	402
Number of training opportunities	20	20	25	25	25	25	26	26	27
of which									
Tertiary	10	8	10	12	12	12	13	13	14
Workshops	7	4	5	6	6	6	6	6	6
Seminars	3	3	3	2	2	2	2	2	2
Other		5	7	5	5	5	5	5	5
Number of bursaries offered	100	100	100	100	100	100	106	106	112
Number of interns appointed	30	30	30	30	30	30	32	32	34
Number of learnerships appointed	30	15	15	15	15	15	16	16	17
Number of days spent on training	80	100	120	126	126	126	133	133	140
<b>Payments on training by programme</b>									
1. Administration	1 325	3 686	3 547	3 980	5 818	5 818	5 868	6 273	6 617
2. Housing Needs, Research And Planning									
3. Housing Development									
4. Housing Assets Management Property Management									
<b>Total payments on training</b>	<b>1 325</b>	<b>3 686</b>	<b>3 547</b>	<b>3 980</b>	<b>5 818</b>	<b>5 818</b>	<b>5 868</b>	<b>6 273</b>	<b>6 617</b>

The GDHS recognises that its most important asset is its employees and that this asset will need to be managed to ensure its continued success. The transformation of the GDHS requires a continuous and uncompromising acquisition of the requisite skills. The table above gives the number of staff participating in the training programmes provided by the Department to improve efficiency and service delivery. It shows a gender breakdown in relation to various types of training, as well as details of the number of bursaries and training developments. The training offered relates to the core service delivery programmes, which are aimed at improving performance and efficiency, i.e. technical planning and project management, strategic management, governance and financial management. The other training cost relates to bursaries to various institutions for different courses. The Department budgeted one per cent of the departments' total compensation to training as prescribed by the Skills Development Act (SDA).

The Department will, over the 2018 MTEF, continue to offer bursaries (undergraduate and postgraduate) and support to staff members interested in pursuing their studies. In addition, the Department grants internal and external bursaries, based on the number of applications received per annum and the cost attached to them. However, the Department will be conducting a skills audit, focusing on the core occupations to inform a new human resource plan over the MTEF. This will result in different priorities that will be aligned to the departmental strategic plan and government priorities.

## 9.3 Reconciliation of structural changes

There are no structural changes.



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

TABLE 8.17: SPECIFICATION OF RECEIPTS: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Tax receipts</b>									
<b>Sales of goods and services other than capital assets</b>	<b>989</b>	<b>1 442</b>	<b>1 609</b>	<b>435</b>	<b>435</b>	<b>580</b>	<b>460</b>	<b>485</b>	<b>512</b>
Sale of goods and services produced by department (excluding capital assets)	989	1 442	1 609	435	435	580	460	485	512
Sales by market establishments	989	1 442	1 609	435	435	580	460	485	512
<b>Transfers received from:</b>									
<b>Fines, penalties and forfeits</b>									
<b>Interest, dividends and rent on land</b>	<b>2 007</b>		<b>9</b>	<b>380</b>	<b>380</b>	<b>380</b>	<b>402</b>	<b>425</b>	<b>448</b>
Interest	2 007		9	380	380	380	402	425	448
<b>Sales of capital assets</b>		<b>1 500</b>	<b>3 211</b>						
Other capital assets		1 500	3 211						
<b>Transactions in financial assets and liabilities</b>	<b>1 964</b>	<b>34 716</b>	<b>6 086</b>	<b>4 082</b>	<b>4 082</b>	<b>4 082</b>	<b>4 319</b>	<b>4 561</b>	<b>4 812</b>
<b>Total departmental receipts</b>	<b>4 960</b>	<b>37 658</b>	<b>10 915</b>	<b>4 897</b>	<b>4 897</b>	<b>5 042</b>	<b>5 181</b>	<b>5 471</b>	<b>5 772</b>

TABLE 8.18: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>417 208</b>	<b>545 326</b>	<b>610 909</b>	<b>582 004</b>	<b>596 310</b>	<b>596 282</b>	<b>669 765</b>	<b>703 536</b>	<b>751 306</b>
Compensation of employees	341 232	355 623	382 000	418 510	418 511	418 511	448 432	472 830	503 564
Salaries and wages	341 232	308 961	332 614	345 134	360 134	360 134	370 427	395 508	421 043
Social contributions		46 662	49 386	73 376	58 377	58 377	78 005	77 322	82 521
Goods and services	75 976	189 703	228 909	163 494	177 799	177 771	221 333	230 706	247 742
Administrative fees	71	56	60	174	166	166	178	188	198
Advertising	2 230	3 525	2 011	4 256	3 446	3 446	3 511	3 715	3 919
Minor assets	169	52	349	683	1 174	1 174	1 460	1 544	1 630
Audit cost: External	5 209	12 531	7 323	13 265	9 755	9 755	14 192	15 018	15 844
Bursaries: Employees	421	446	976	597	2 936	2 936	2 639	2 784	2 937
Catering: Departmental activities	361	611	986	802	2 781	2 781	1 523	1 607	1 695
Communication (G&S)	15 600	12 280	11 043	10 200	10 201	10 201	10 915	11 515	12 148
Computer services	3 891	3 488	13 719	3 852	5 737	5 737	8 257	8 711	9 190
Consultants and professional services: Business and advisory services	15 960	20 195	17 875	15 677	21 903	21 646	19 041	20 097	21 203
Legal services	13		36		4 170	4 170			
Contractors	196		765	938	1 279	1 279	14 619	9 680	10 212
Agency and support / outsourced services		5 402	26 295	6 690	5 431	5 431	5 881	6 223	6 565
Fleet services (including government motor transport)	14 745	10 149	5 768	10 154	10 154	10 154	7 865	8 463	8 928
Inventory: Clothing material and accessories	381		46						
Inventory: Food and food supplies	13		16	216					
Inventory: Fuel, oil and gas				17					
Inventory: Medical supplies		6							
Consumable supplies	1 397	2 751	5 555	2 880	2 544	2 543	2 562	2 758	2 910
Consumable: Stationery, printing and office supplies	2 350	1 577	1 455	2 096	2 005	2 235	1 488	1 570	1 656
Operating leases	1 948	14 760	15 158	15 779	18 852	18 852	14 705	15 624	16 483
Property payments	1 601	88 731	105 867	63 815	51 560	51 560	87 664	96 664	106 330
Transport provided: Departmental activity				625					

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Travel and subsistence	5 919	5 127	6 182	3 110	9 728	9 728	11 973	10 890	11 488
Training and development	904	3 240	2 571	3 383	2 882	2 882	3 229	3 489	3 681
Operating payments	850	1 080	832	776	2 368	2 368	2 813	2 971	3 134
Venues and facilities	1 747	3 696	4 021	3 510	8 727	8 727	6 818	7 195	7 591
<b>Transfers and subsidies</b>	<b>4 574 792</b>	<b>4 196 305</b>	<b>5 302 025</b>	<b>5 557 078</b>	<b>277 685</b>	<b>277 685</b>	<b>261 747</b>	<b>261 699</b>	<b>262 219</b>
Households	4 574 792	4 196 305	5 302 025	5 557 078	277 685	277 685	261 747	261 699	262 219
Social benefits	264	1 355	716	332	832	832	355	370	390
Other transfers to households	4 574 528	4 194 950	5 301 309	5 556 746	276 853	276 853	261 392	261 329	261 829
<b>Payments for capital assets</b>	<b>9 111</b>	<b>1 059</b>	<b>15 756</b>	<b>47 276</b>	<b>5 381 561</b>	<b>5 381 561</b>	<b>4 956 913</b>	<b>5 152 420</b>	<b>5 521 393</b>
Machinery and equipment	9 073	1 052	15 721	42 262	31 366	31 366	29 305	31 010	32 716
Transport equipment		837		16 605	5 709				
Other machinery and equipment	9 073	215	15 721	25 657	25 657	31 366	29 305	31 010	32 716
Software and other intangible assets	38	7	35	5 014	11 774	11 774	12 053	18 046	16 855
<b>Payments for financial assets</b>	<b>25 186</b>	<b>19</b>	<b>28 993</b>		<b>1</b>	<b>29</b>			
<b>Total economic classification</b>	<b>5 026 297</b>	<b>4 742 709</b>	<b>5 957 683</b>	<b>6 186 359</b>	<b>6 255 557</b>	<b>6 255 557</b>	<b>5 888 425</b>	<b>6 117 655</b>	<b>6 534 918</b>

TABLE 8.19: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>244 354</b>	<b>362 731</b>	<b>416 282</b>	<b>369 609</b>	<b>380 094</b>	<b>378 565</b>	<b>470 797</b>	<b>492 780</b>	<b>528 958</b>
Compensation of employees	174 036	237 472	197 154	250 117	220 117	220 117	269 621	281 559	301 773
Salaries and wages	174 036	205 100	170 696	199 350	189 350	189 350	215 508	229 467	245 870
Social contributions		32 372	26 458	50 767	30 767	30 767	54 113	52 092	55 903
Goods and services	70 318	125 259	219 128	119 492	159 977	158 448	201 176	211 221	227 185
Administrative fees	71	56	60	166	166	166	178	188	198
Advertising	2 230	3 525	1 956	2 099	3 146	3 146	3 511	3 715	3 919
Minor assets	169	42	344	522	473	473	669	708	747
Audit cost: External	5 209	12 531	7 323	13 265	9 755	8 330	14 192	15 018	15 844
Bursaries: Employees	421	446	976	597	2 936	2 918	2 639	2 784	2 937
Catering: Departmental activities	317	610	918	600	2 289	2 289	1 158	1 222	1 289
Communication (G&S)	15 600	12 280	11 043	10 201	10 201	10 201	10 915	11 515	12 148
Computer services	3 891	3 488	13 719	3 852	5 737	5 737	8 257	8 711	9 190
Consultants and professional services: Business and advisory services	15 686	17 204	16 998	12 177	18 725	18 468	15 037	15 864	16 737
Legal services	13		36		4 170	4 170			
Contractors	196		765	787	1 130	1 130	14 619	9 680	10 212
Agency and support / outsourced services			21 090	259					
Fleet services (including government motor transport)	14 745	10 149	5 768	10 154	10 154	10 154	7 865	8 463	8 928
Inventory: Clothing material and accessories	276		46						
Inventory: Food and food supplies	13		16	216					
Inventory: Fuel, oil and gas				17					
Inventory: Medical supplies		6							
Consumable supplies	1 397	2 314	5 544	2 518	2 184	2 181	2 172	2 346	2 475
Consumable: Stationery, printing and office supplies	2 332	1 572	1 449	1 889	2 000	2 224	1 398	1 475	1 556
Operating leases		14 760	15 158	15 612	18 852	18 852	14 705	15 624	16 483
Property payments	1 601	37 491	105 867	33 815	51 560	51 560	87 664	96 664	106 330
Transport provided: Departmental activity				625					

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Travel and subsistence	3 180	2 171	3 229	2 946	4 236	4 236	5 239	5 602	5 910
Training and development	904	3 240	2 571	3 382	2 882	2 882	3 229	3 489	3 681
Operating payments	320	304	271	494	954	954	1 557	1 642	1 732
Venues and facilities	1 747	3 070	3 981	3 300	8 427	8 377	6 172	6 511	6 869
<b>Transfers and subsidies</b>	<b>181</b>	<b>1 003</b>	<b>625</b>	<b>332</b>	<b>832</b>	<b>832</b>	<b>355</b>	<b>370</b>	<b>390</b>
Households	181	1 003	625	332	832	832	355	370	390
Social benefits	181	1 003	625	332	832	832	355	370	390
<b>Payments for capital assets</b>	<b>9 111</b>	<b>1 059</b>	<b>15 751</b>	<b>47 276</b>	<b>43 140</b>	<b>43 127</b>	<b>41 358</b>	<b>49 056</b>	<b>49 571</b>
Machinery and equipment	9 073	1 052	15 716	42 262	31 366	31 353	29 305	31 010	32 716
Transport equipment		837		16 605	5 709				
Other machinery and equipment	9 073	215	15 716	25 657	25 657	31 353	29 305	31 010	32 716
Software and other intangible assets	38	7	35	5 014	11 774	11 774	12 053	18 046	16 855
<b>Payments for financial assets</b>	<b>25 186</b>	<b>19</b>	<b>28 993</b>		<b>1</b>	<b>29</b>			
<b>Total economic classification</b>	<b>278 832</b>	<b>364 812</b>	<b>461 651</b>	<b>417 217</b>	<b>424 067</b>	<b>422 553</b>	<b>512 510</b>	<b>542 206</b>	<b>578 919</b>

TABLE 8.20: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING NEEDS, RESEARCH AND PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>14 595</b>	<b>22 369</b>	<b>18 442</b>	<b>35 822</b>	<b>44 269</b>	<b>44 277</b>	<b>41 778</b>	<b>44 126</b>	<b>46 553</b>
Compensation of employees	14 162	21 422	17 824	35 380	40 380	40 380	36 335	38 371	40 481
Salaries and wages	14 162	18 812	15 774	27 685	32 685	32 685	28 347	29 935	31 581
Social contributions		2 610	2 050	7 695	7 695	7 695	7 988	8 436	8 900
Goods and services	433	947	618	442	3 889	3 897	5 443	5 755	6 072
Administrative fees				8					
Advertising				8					
Minor assets		7	3	4	64	64	68	72	76
Catering: Departmental activities		1	68	45	154	154	68	71	75
Consultants and professional services: Business and advisory services	274	174			2 848	2 848	4 004	4 233	4 466
Agency and support / outsourced services			461						
Inventory: Clothing material and accessories	105								
Consumable supplies			10	9	6	8	10	11	12
Consumable: Stationery, printing and office supplies				73		6	54	57	60
Travel and subsistence	54	139	36	13	223	223	266	282	297
Operating payments				282	294	294	551	583	615
Venues and facilities		626	40		300	300	421	446	471
<b>Transfers and subsidies</b>							( )		
<b>Payments for capital assets</b>			<b>5</b>			<b>13</b>			
Buildings and other fixed structures									
Buildings									
Machinery and equipment			5			13			
Other machinery and equipment			5			13			
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>14 595</b>	<b>22 369</b>	<b>18 447</b>	<b>35 822</b>	<b>44 269</b>	<b>44 290</b>	<b>41 778</b>	<b>44 126</b>	<b>46 553</b>

TABLE 8.21: PAYMENT AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>158 259</b>	<b>160 031</b>	<b>162 737</b>	<b>169 905</b>	<b>167 008</b>	<b>168 501</b>	<b>152 722</b>	<b>161 968</b>	<b>170 876</b>
Compensation of employees	153 034	96 729	154 577	129 487	154 487	154 487	139 069	149 360	157 575
Salaries and wages	153 034	85 049	135 174	115 571	135 571	135 571	124 123	133 577	140 924
Social contributions		11 680	19 403	13 916	18 916	18 916	14 946	15 783	16 651
Goods and services	5 225	63 302	8 160	40 419	12 521	14 014	13 653	12 608	13 301
Minor assets		3	2	()	480	480	556	588	621
Audit cost: External						1 425			
Catering: Departmental activities	44			()	180	180	128	135	142
Consultants and professional services: Business and advisory services		2 817		3 500					
Contractors				150	149	149			
Agency and support / outsourced services		5 402	4 744	6 431	5 431	5 431	5 881	6 223	6 565
Consumable supplies		242	1	39	39	39	42	44	46
Consumable: Stationery, printing and office supplies	18	5	6	133	5	5	36	38	40
Operating leases	1 948			167					
Property payments		51 240		30 000					
Travel and subsistence	2 685	2 817	2 846	()	5 117	5 117	6 305	4 834	5 100
Operating payments	530	776	561	()	1 120	1 120	705	746	787
Venues and facilities						50			
<b>Transfers and subsidies</b>	<b>4 489 203</b>	<b>4 118 790</b>	<b>5 184 856</b>	<b>5 389 482</b>	<b>276 853</b>	<b>276 853</b>	<b>261 392</b>	<b>261 329</b>	<b>261 829</b>
Households	4 489 203	4 118 790	5 184 856	5 389 482	276 853	276 853	261 392	261 329	261 829
Social benefits	83	352	91						
Other transfers to households	4 489 120	4 118 438	5 184 765	5 389 482	276 853	276 853	261 392	261 329	261 829
<b>Payments for capital assets</b>					<b>5 160 794</b>	<b>5 160 794</b>	<b>4 749 744</b>	<b>4 931 638</b>	<b>5 293 932</b>
Buildings and other fixed structures					5 160 794	5 160 794	4 749 744	4 931 638	5 293 932
Buildings					5 160 794	5 160 794	4 749 744	4 931 638	5 293 932
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>4 647 462</b>	<b>4 278 821</b>	<b>5 347 593</b>	<b>5 559 388</b>	<b>5 604 655</b>	<b>5 606 148</b>	<b>5 163 858</b>	<b>5 354 935</b>	<b>5 726 637</b>

TABLE 8.22: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING ASSETS AND PROPERTY MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>		<b>195</b>	<b>13 448</b>	<b>6 668</b>	<b>4 939</b>	<b>4 939</b>	<b>4 468</b>	<b>4 662</b>	<b>4 919</b>
Compensation of employees			12 445	3 527	3 527	3 527	3 407	3 540	3 735
Salaries and wages			10 970	2 528	2 528	2 528	2 449	2 529	2 668
Social contributions			1 475	999	999	999	958	1 011	1 067
Goods and services		195	1 003	3 142	1 412	1 412	1 061	1 122	1 184
Advertising			55	2 150	300	300			
Minor assets				158	157	157	167	176	186
Catering: Departmental activities				158	158	158	169	179	189
Consultants and professional services: Business and advisory services			877		330	330			
Consumable supplies		195		315	315	315	337	357	377
Travel and subsistence			71	152	152	152	163	172	181
Venues and facilities				210			225	238	251
<b>Transfers and subsidies</b>	<b>85 408</b>	<b>76 512</b>	<b>116 544</b>	<b>167 264</b>					
Households	85 408	76 512	116 544	167 264					
Other transfers to households	85 408	76 512	116 544	167 264					

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Payments for capital assets					177 627	177 627	165 811	171 726	177 890
Payments for financial assets									
<b>Total economic classification</b>	<b>85 408</b>	<b>76 707</b>	<b>129 992</b>	<b>173 932</b>	<b>182 566</b>	<b>182 566</b>	<b>170 279</b>	<b>176 388</b>	<b>182 809</b>

TABLE 8.23: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HUMAN SETTLEMENTS DEVELOPMENT GRANT PROGRAMME 3

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments									
Transfers and subsidies									
Payments for capital assets	4 443 549	4 124 734	5 022 669	5 528 050	5 528 050	5 528 050	5 046 583	5 236 578	5 598 471
Buildings and other fixed structures	4 443 549	4 124 734	5 022 669	5 528 050	5 528 050	5 528 050	5 046 583	5 236 578	5 598 471
Other fixed structures	4 443 549	4 124 734	5 022 669	5 528 050	5 528 050	5 528 050	5 046 583	5 236 578	5 598 471
Payments for financial assets									
<b>Total economic classification</b>	<b>4 443 549</b>	<b>4 124 734</b>	<b>5 022 669</b>	<b>5 528 050</b>	<b>5 528 050</b>	<b>5 528 050</b>	<b>5 046 583</b>	<b>5 236 578</b>	<b>5 598 471</b>

TABLE 8.24: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: EPWP INTEGRATED GRANT

TABLE 8.25: TRANSFERS TO LOCAL GOVERNMENT BY CATEGORY AND MUNICIPALITY: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Category A</b>	<b>38 349</b>	<b>516 576</b>	<b>741 384</b>	<b>389 069</b>	<b>492 797</b>	<b>492 797</b>	<b>327 091</b>	<b>401 507</b>	<b>371 304</b>
Ekurhuleni		127 759	126 738	41 203	51 203	51 203			
City of Johannesburg	38 349	302 161	411 613	257 202	292 315	292 315	249 091	245 507	254 304
City of Tshwane		86 656	203 033	90 664	149 279	149 279	78 000	156 000	117 000
<b>Category B</b>	<b>138 871</b>	<b>135 066</b>	<b>190 452</b>		<b>246 070</b>	<b>246 070</b>	<b>211 327</b>	<b>151 438</b>	<b>151 438</b>
Emfuleni									
Midvaal									
Lesedi	13 700								
Mogale City			86 752		35 269	35 269	91 000	31 111	31 111
Merafong City		52 500	32 700		139 701	139 701	46 944	46 944	46 944
Rand West City			44 700		71 100	71 100	73 383	73 383	73 383
<b>Category C</b>	<b>13 133</b>								
Sedibeng District Municipality	13 133								
West Rand District Municipality									
Unallocated									
<b>Total transfers to municipalities</b>	<b>190 353</b>	<b>651 642</b>	<b>931 836</b>	<b>389 069</b>	<b>738 867</b>	<b>738 867</b>	<b>538 418</b>	<b>552 945</b>	<b>522 742</b>

# VOTE 9

## DEPARTMENT OF ROADS AND TRANSPORT

To be appropriated by vote in 2018/19	R 7 713 818 000
Responsible Executing Authority	MEC for Roads and Transport
Administering Department	Department of Roads and Transport
Accounting Officer	Head of Department

### 1. OVERVIEW

The mandate of the Gauteng Department of Roads and Transport (GDRT) is to provide an integrated transport system that is reliable, accessible, safe, affordable, and has a broad range of socio-economic effects. The Department also contributes to the provincial outcome of providing an environmentally sustainable road infrastructure that is inclusive of increased accessibility and efficiency, employment creation and social inclusion of all citizens of the province.

#### Vision

A modern integrated, efficient and sustainable transport and roads infrastructure system in Gauteng.

#### Mission

To facilitate and provide an integrated transport system that:

- Is reliable accessible, safe, and affordable;
- Promotes socio-economic development in Gauteng;
- Is environmentally sustainable; and
- Supports industrialisation and radical socio-economic transformation.

#### Strategic Goals

- A modern integrated public transport system that provides customer-centric transport services;
- Strategic economic transport infrastructure that stimulates socio-economic growth; and
- A modern, accountable and development-oriented department.

#### Core functions and responsibilities

- To contribute to the achievement of departmental outcomes;
- To develop and maintain a sustainable road infrastructure that contributes to increased economic growth and enhanced quality of life in Gauteng;
- To develop a policy framework in support of a modern, integrated and intelligent transport system;
- To contribute to the regulation of transport-related carbon emissions;
- Through green transport, to contribute to environmental protection;
- To provide public transport infrastructure to promote integration and inter-modality of public transport;
- To regulate public transport operations through the issuing of operating licenses and permits;
- To regulate public transport operations through the registration of associations;
- To issue valid drivers' licences; and
- To issue valid vehicle licenses.

#### Main services

Main services	Actual customers	Current standard of service	Actual achievement
Testing and issuing drivers and learner licences.	Aspirant drivers.	Testing and issuing of learner licences completed within two hours.	Testing and issuing of learner licences completed within two hours.



Main services	Actual customers	Current standard of service	Actual achievement
	Testing and issuing of learner licences completed within two hours.	Testing and issuing of drivers licences (temporary) completed within one and a half hours.	Generally licences are issued within the standard. However, there were also instances where driver's licences were issued a day or more after the test.
		The driving licence card to be ready for collection within four weeks.	Issued according to standard but between April and July, there were delays in terms of card collection owing to the change from one service provider to another.
Testing of vehicles and issuing of roadworthy certificates.	Vehicle owners and road users.	Testing of motor vehicles and issuing roadworthy certificates completed within one hour.	Testing of motor vehicles and issuing of roadworthy certificates varies but takes at maximum one hour.
Abnormal and heavy vehicle travel demand service.	Road freight, industry, engineers, law enforcement agencies, infrastructure planners, and the general public	One work day permit.	One work day permit.
Road traffic travel demand information service.	Property development industry, infrastructure development industry and public	Survey provincial annual road traffic.	Management of annual provincial road traffic data.

### Ten pillar Programme of Transformation, Modernisation and Re-industrialisation

The functions of the Department are aligned to the Ten Pillar Programme of Transformation, Modernisation and Re-Industrialisation (TMR) which is supported by the pillars of modernisation of public transport infrastructure, radical economic transformation, which relates to delivery of transformation and modernisation of the public service.

The Department plays a key role in the modernisation of public transport infrastructure through the provision of transport infrastructure, transport regulation services and transport-planning services. The Department contributes to the Provincial Rural Development Strategy through the construction of the infrastructure for rural roads. It will contribute to the Inner City Renewal Programme through the construction of road linkages, which in turn contribute to the provincial outcome of sustainable human settlements.

The administrative functions of the Department contribute to the public service and inclusive citizenship outcome. As it is a new focus within government, the outcomes planning and budgeting process has required extra effort within limited timeframes. Departments have had to focus on developing their plans for their own lead roles and at the same time focus on their supporting roles aligned with the lead roles of other Departments. Ensuring proper alignment has therefore posed a challenge. The province will continue to confront this challenge during further implementation of outcomes planning and budgeting.

### National Development plan

The National Development Plan (NDP) aims to eliminate poverty and reduce inequality by 2030. It provides a broad strategic framework to guide key choices and actions. Government recently adopted an infrastructure plan that is intended to transform the economic landscape of South Africa, create a significant number of new jobs, strengthen the delivery of basic services to the people of South Africa and support the integration of African economies.

In respect of transport priorities, the plan proposes to consolidate and selectively expand transport and logistics infrastructure, with key focus areas being:

- Upgrading the Durban-Gauteng freight corridor, including a new port at the old Durban airport site. (SIP2)
- Public transport infrastructure and systems, including the renewal of the commuter rail fleet, supported by enhanced links with road-based services. (SIP7).

In response to the NDP, the Department of Roads and Transport has developed the 25-year Integrated Transport Master Plan (ITMP25) that provides a framework within which an efficient and integrated transport system for Gauteng can be achieved. The plan has been widely consulted and agreed upon. The plan forms the guiding framework of the Department's 2014-2019 Strategic Plan.

### External activities and events relevant to budget decisions

The Gauteng Provincial Government continues to focus on accelerating service delivery. The Province has adopted a Ten Pillar Programme of Radical Transformation, Modernisation, and Reindustrialisation of the province over the next five to fifteen years. This necessitates that the Department align to the national and provincial priorities by engaging in projects that support these endeavours. The political landscape within the country necessitates action on the part of the Department to deliver quality products and services efficiently. The citizens of the province must realise the impact of the work of the Department.

The report on the socio-economic impact of the Gauteng Freeway Improvement Project (GFIP) and E-tolls requires the Department to accelerate the construction of new alternative roads as well as to maintain existing ones. This has been incorporated into the 2018 MTEF budget in line with available resources.

### Acts, rules and regulations

The legislative mandate for GDRT is derived from Schedules 4 and 5 of the Constitution of South Africa which grants all provinces concurrent competencies. Key legislation and policies to the mandate of the GDRT include:

#### Key legislation and policies relating to the mandate of the GDRT include:

National Policy and Legislative Mandates	
Legislation	Act/Policy
Administrative Adjudication of Road Traffic Offences Act	Act 46 of 1998
Cross-Border Road Transport Act	Act 4 of 1998
Construction Industry Development Board Act	Act 38 of 2000
Creating an Enabling Environment for Reconstruction and Development in the Construction Industry	White Paper
Environmental Conservation Act	Act 73 of 1989
National Road Traffic Act	Act 93 of 1996
National Road Traffic Safety Act	Act 12 of 1972
National Transport Policy	White Paper
National Land Transport Act	Act 5 of 2009
Road Traffic Management Corporation Act	Act 20 of 1999
Road Traffic Act	Act 29 of 1989

Provincial Policy and Legislative Mandates	
Legislation	Act/Policy
Gauteng Transport Framework Revision Act	Act 8 of 2002
Gauteng Transport Infrastructure Act	Act 8 of 2001
Gauteng Planning and Development Act	Act 3 of 2003
Gautrain Management Agency Act	Act 5 of 2007
Gauteng White Paper on Transport Policy	White Paper
Provincial Road Traffic Act	Act 10 of 1997

## 2. REVIEW OF THE CURRENT FINANCIAL YEAR (2017/18)

### Pillar 8: Modernisation of Public Transport Infrastructure

#### Output 1: Maintenance, strategic expansion, operational efficiency, capacity and competitiveness of our logistics and transport infrastructure ensured

The Department's function includes the provision of a balanced equitable road network that is accessible, sustainable, integrated and environmentally sensitive. It must support economic growth and social empowerment. GDRT is aligned to this pillar as it focuses on promoting accessibility to major economic hubs and creating job opportunities for citizens in the province. The Department contributes to this pillar through the construction and maintenance of the provincial road network.

#### Gauteng Freight Databank

The South African economy is reliant heavily on the trading of goods and services. Furthermore, higher transportation costs reduces the competitiveness of the freight and logistics industry. The Department has developed a freight databank that provides a clear understanding on the current and future movement of freight within Gauteng and is updated annually. It also serves to gather current modal distribution of interand intra-provincial freight movement and industry trends. The databank collates and stores freight information to enable easy retrieval of freight information by users.

The tri-annual improved data intelligence provides effective freight transport planning, policy-making and decision-making to create a better match between freight haulage supply and demand, improved cost and time efficiencies, lower cost of logistics as well as increased competitiveness, as local and regional economic development.

The Department continues to update the freight data and information to share it with all stakeholders through the established platform entitled “Gauteng Freight Databank”. Maintenance work on the database and website is ongoing. The maintenance on the website will be completed early in 2018/19.

### **Route Determinations**

The Gauteng Road Network remains one of the most important infrastructure assets in the province that underpins and supports local economic growth. This initiative results in job opportunities within the identified corridors (including freight corridors supporting freight hubs) and nodes. It is important that Gauteng develops and maintains an integrated road network. Route Determination focuses on refining and amending routes for the province to ensure that these are aligned to the Gauteng Spatial Development Framework. The Department has identified 28 routes and the processes are continuing to finalise these.

### **Gauteng Transport Modelling Centre**

The Department is in the process of establishing a transport modelling centre that will have the capacity to model Gauteng’s future transport systems. The Department, in collaboration with the Council for Scientific and Industrial Research (CSIR) is developing transport models and modelling capabilities that will form the core of the modelling centre. Transport models are used to develop information to assist in developing future transportation systems. The models being developed are internationally recognised transportation modelling tools that meet a growing set of sophisticated (functional and system) requirements needed for real-world transportation systems decision-making. Transport modelling is conducted to predict future transport development scenarios and their implications based on available data and specific assumptions, including land use. The modelling provides information that is critical in policy-making and is necessary for decision-making support with regard to planned freeways and land-use development.

The modelling centre tool will provide evidence-based decision-making capabilities which are required to improve the mobility of goods and people in the province. The transport model must be updated annually with new transport links, traffic information, land use information, demographics and economic data. Thus, effective transport planning focuses on collecting data-centred transport and transport-related information through the Gauteng Household Travel Surveys, Integrated Public Transport Network-specific studies undertaken, Integrated Transport Plan (ITP) information received and Gauteng Freight Databank. The information provides a representation of the current transportation system in Gauteng.

The Department - through the CSIR and in collaboration with the cities - initiated a process of capturing and converting data of the Bus Rapid Transport (BRT) system into General Transit Feed Specification (GTFS). To date the BRT data for Are Yeng and Rea Vaya has been published on Google Maps. In addition, the Department, together with CSIR, has also commenced with the development of a plan for the modelling centre which will be implemented in the 2018/19 financial year.

### **Master Plan for Transport Services Centres in Gauteng Province**

The Transport Services Centres (TSCs) are the largest revenue generators for the province. As such the Department’s 2015 annual report acknowledged the need to ensure the best experience for customers using these facilities. The Department has also experienced a multitude of problems in the planning, construction and management of transport services Driver Licence Testing Centres (DLTCs), Transport Operations License Administrative Bodies (TOLABS) and Vehicle Testing Stations (VTSs). This has been reflected in the annual monitoring and evaluation reports.

One of the main weaknesses that have been identified in the provision of transport services is the lack of project planning which has had a ripple effect throughout the value chain and reflects in the level of service delivered at the customer interface. The Department and CSIR are in the process of developing the Transport Services Centre Master Plan which will guide the development of TSCs in the province using more comprehensive information that includes: generalised costs, demand forecasts, typologies of transactions, state-of-the-art technology and facility types.

The functional classification and characterisation of the TSCs were completed in the 2017/18 financial year. A travel distance analysis of how far people are from the current TSCs (DLTC, MVRA, VTS, and TOLABS) was completed. A research report entitled “Towards Integrated Customer Transport Services Centres for Gauteng Province” was also received in line with the project scope. A review and assessment of available accessibility norms and standards was conducted considering future locations, land availability, land-use planning as well as future demand. An amended final report was completed in December 2017, thereby completing the first phase of the project.

### **Integrated Transport Plan (ITP) Support/ Evaluation**

The Integrated Transport Plan (ITP) is a statutory plan required by the National Land Transport Act (NLTA) and the Gauteng Transport Framework Revision Act (GTFRA) for transport and operations in the city region. The ITP forms an integral component of the Integrated Development Plan (IDP). The ITP outlines all the transport projects that are required to accomplish the mandate of a municipality. It is therefore imperative that its execution be a focused, integrated, multi-sectoral,

comprehensive, data-centred approach concentrated on an evidence-based process. The plan outlines all the transport projects that are required to accomplish the mandate of a municipality. The Department is assisting the West Rand and Sedibeng to compile their ITPs. The service provider which will complete both the DITPs was appointed and Inception reports were submitted. The data-collection process on transport modes, demographic and socio-economic profile is underway.

### **Prioritised Freight Hubs**

One of the key aspects in the modernisation of freight transport in Gauteng is the movement of freight from road to rail, which includes the development of major rail-based freight logistics hubs located on the periphery of the Gauteng City Region (GCR) urban core. Key interventions identified in the road-to-rail strategy include establishing the following priority freight logistics hubs as part of the broader Durban-Free State-Gauteng (DFSG) Logistics and Freight Corridor Development which is part of the Strategic Infrastructure Projects 2 (SIP2) process. Freight infrastructure enhances the efficient movement of freight, improves economic potential, global competitiveness and creates job opportunities. The Department will focus on detailed planning of transport infrastructure required for the prioritised freight hubs, such as Tambo Springs and City Deep:

#### **Tambo Springs**

- In support of the Tambo Springs Logistics Gateway, the Department conducted a study on the surrounding road network. The outcome of the study indicated that the existing and future roads require re-alignment, design, Environmental Impact Assessments (EIA), Water Use Licence Application (WULA), widening and construction at different phases of the logistics gateway development.
- The primary link to the proposed Tambo Springs Logistics Gateway from the N3 includes the planned K148/N3 Interchange. The Department is in the process of developing the transport network to support the hub which includes the design and construction of the K148/N3 Interchange and the K148 route. The route and Interchange will serve as key mobility access to Tambo Springs by heavy goods vehicles from the N3 highway. To date the K148/N3 Interchange detail designs have been completed and are awaiting approval of the Water Use License (WULA) and the independent design check for crossing the N3.

#### **City Deep**

- City Deep is the largest inland trade port in South Africa. It covers approximately 2 000 ha. The project entails upgrading and construction of various roads forming a network near City Deep to enable efficient accessibility and mobility of road freight heavy goods vehicles in and around City Deep.
- For accessibility and mobility of heavy goods vehicles and other modes of transports in the City Deep Precinct, four out of the seven road network upgrade projects have been completed. The remaining projects are expected to be completed by 2018.

### **Infrastructure Design**

This sub-programme is responsible for road designs to upgrade/maintain provincial roads in Gauteng to provide a safe and accessible provincial road network as well as the proclamation of provincial road reserves. The 25 year Integrated Transport Master Plan 25 (ITMP25) and Five-Year Gauteng Transport Implementation Plan (GTIP5) is in line with the Strategic Infrastructure Plans of Government and highlights critical areas that require immediate intervention to improve and design road infrastructure. These designs will be executed to implement transport imperatives to achieve an efficient integrated transport system that will unlock and stimulate economic growth in the medium to long term.

The following projects were completed by the unit during the first three quarters of 2017/18:

#### **Southern Corridor**

K170: Interchange on N1 and Golden Highway: Access to Evaton and Sebokeng. This is a link between Carletonville, Evaton and Sebokeng connecting at Houtkoppen Road. The upgrade of the K170 will improve accessibility between Evaton and Sebokeng and stimulate economic growth in the Southern Corridor. The project was planned to be completed during the 2017/18 financial year there have been delays with approval of agreements with South African National Roads Agency (SANRAL) since the provincial road crosses the N1 freeway. The project is at detail design stage which will be followed by tender documentation and thereafter handed over to construction. The project is now expected to be completed in June 2018.

P1 - 1 (R82) from De Deur to Vereeniging: Upgrading of road to a dual carriage way. This road is situated in the North-South Corridor between Johannesburg and Vereeniging and is an alternative to the R59 Sybrand van Niekerk freeway. The K57 - after the completion of the section between De Deur and Vereeniging - will substantially improve accessibility, social cohesion and desired economic growth in the Southern Corridor. The road design makes provision for bus stops, shelters and sidewalks to improve road safety. A service provider was appointed for the preliminary design review. The project was planned to be completed during the 2017/18 financial year but because of delays with approval of Environmental Impact Assessment (EIA), the project is currently at detail design stage which will be followed by tender documentation and thereafter handed over to construction. The project is now expected to be completed in June 2018.

K77: Gauteng Highlands: Elizabeth Rd to K154 (Phase 1). The proposed K77 begins at the N12 South Klipriviersberg to Vereeniging where it intersects with R59. It is a north/south link between Johannesburg and the Vaal Triangle. The Blue Rose Development, which is mostly residential, is also located in the area. Motorists will utilise the K77 to travel from the Vaal Triangle to Johannesburg and other areas. The road will provide access to Gauteng Highlands Development. The project is complete. Designs and tender documentation have been handed over to the Department by consultants.

#### **Western Corridor**

K11: Randfontein bypass: Mogale City to Western Area from K198 to Mohlakeng. The K11 is in Randfontein, between Mogale City and Westonaria. The road provides access to the West Rand Freight Hub, improves accessibility and stimulates economic growth in the area. The design will include non-motorised and public transport facilities. The project was planned to be completed during the 2017/18 financial year however owing to delays with potential sinkholes created by mining activities adjacent to the road reserve, additional geotechnical investigations will be carried out. The project is now expected to be completed in September 2018.

BMS Phase 2 (7 bridges) - Designs for repairs and maintenance of bridges Krugersdorp region. All seven bridges will be completed before the end of the financial year.

#### **Northern Corridor**

K16 between Watloo and Mamelodi (Tshwane) is an east/west route between Watloo and Mamelodi in the east of Pretoria. The road links Eersterus and Watloo (Industrial area) in the Pretoria CBD. K16 will be designed as a dual carriageway with provision for walkways, cycle lanes and public transport. The project was planned to be completed during the 2017/18 financial year but because of delays with appointing Land surveyors (there is currently a shortage nationally), the project is currently at detail design stage which will be followed by tender documentation and thereafter handed over to construction. The project is now expected to be completed in June 2018.

K97 (P1-3) R101: Phase 2. Upgrading of K97 from N4 southwards to Wonderboom (K14) (Pyramid Freight hub) is in the North - South Corridor and forms part of the Pyramid Freight Hub. It links Hammanskraal, Pyramid and Pretoria and is utilised by motorists as an alternative route to bypass the N1 Toll road. The planned K97 is a 62 m road reserve single carriage way. The road is congested during peak times as most commuters travelling from Hammanskraal utilise public transport (buses and taxis). The upgrade of the road to a dual carriage way will improve the mobility of people, goods and services. However, owing to delays with approval of Environmental Impact Assessment (EIA), the project is currently at detail design stage which will be followed by tender documentation and thereafter handed over to Construction. The project is now expected to be completed in June 2018.

#### **Central Corridor**

K60 Access road to Ivory Park and Tembisa: between K58 (D51) and Chapman Rd. (K117) and K105 (single carriageway) forms an important link between Kempton Park, Tembisa and Fourways. The upgrade of the road includes a single carriageway which will contribute to economic development in the Ekurhuleni Metropolitan Municipality. The project was planned to be completed during the 2017/18 financial year however, owing to delays with appointing land surveyors (there is currently a shortage nationally) the project is currently at detail design stage which will be followed by tender documentation and thereafter handed over to construction. The project is now expected to be completed in June 2018.

K105 from K60 Tembisa to Kempton Park, which is also known as P38-1, will be upgraded to a dual carriageway and is situated in the Ekurhuleni Metropolitan Municipality. The road forms a link between Tembisa and Kempton Park. The design will make provision for the Rapid Bus System. The improvement of the road infrastructure will contribute towards the economic development in the area. The project was planned to be completed during the 2017/18 financial year but because of with the approval of Environmental Impact Assessment (EIA), the project is currently at detail design stage which will be followed by tender documentation and thereafter handed over to construction. The project is now expected to be completed in June 2018.

#### **Construction**

The Department will be embarking on several rehabilitation - as well as road upgrade - construction projects for the 2018 MTEF. In line with the plans of the Department, several projects have been completed and others will still be completed in the current financial year. There are however multi-year projects that were delayed and did not commence in 2017/18 as anticipated. These have been shifted to the 2018 MTEF. The following is the progress on the major 2017/18 projects that have been completed:

- D1027 Phase 2: Upgrading of D1027 (Cedar Road) from Uranium Road to Valley Road

This project is in the North-Western Region of the City of Johannesburg and forms part of the Central Corridor. The project entails the upgrading of Cedar Road between Valley Road and Uranium Road which includes the R114 intersection. It acts as an interurban arterial for the surrounding township. The road currently experiences a mix of light vehicle traffic and significant heavy vehicle traffic which is primarily related to the transportation of building materials from the northern outskirts of Johannesburg to the various development nodes. Significant development has been experienced in the area over the past



years and it is anticipated that it will continue to grow. This project is complete and was officially launched on 30th January 2018.

- **Sebe Road in Evaton**

The Sebe Road Project is in Evaton, in the Emfuleni Municipality, and acts as an important link between Sebokeng Zone 6 and 7 as well as Residensia, Sebokeng Zone 3, Evaton and Johannesburg. The project entails the inclusion of dedicated turning lanes and fitter lanes at the intersections. The construction of the road is expected to lead to greater economic benefit for this region and a great reduction to potholes claims from road users. In addition, the construction will lead to a decrease in travel time which translates into savings on fuel costs. The less time spent on the road also translates into increased productivity. This development opportunity has seen the mushrooming of new businesses along the road. The project is 90 per cent complete.

- **D904: Light Rehabilitation of D904 between R82 in Evaton and over rail bridge**

The project entails the rehabilitation of 4.9 km of road D904 commencing at the junction of road R82 in Evaton and proceeds in a generally south-westerly direction ending at the road over Rail Bridge. The road is in the Sedibeng Municipality in the southern corridor. The roads consist of a two-lane single carriageway with gravel shoulders on both sides. The expected road users include taxis, buses transporting school children and trucks travelling from Sebokeng and surrounding areas. The overall progress is 90 per cent complete and will be completed in March 2018.

- **P46/1: Rehabilitation of road P46/1 and D1073**

The road is in Meyerton, Eastern Corridor, and connects Meyerton to Katlehong. The project entails the rehabilitation through resealing a total of 15.39km. The road had deteriorated owing to extensive use by freight vehicles. The rehabilitation of this road will contribute to the economic development in the area because of industrial development. The contractor is busy with pothole patching and edge repairing. The overall progress is 83 per cent complete.

- **P186/1 (12): Damage Bridge Repairs**

- The road is located on the N12 in Nancefield, Soweto, and forms part of the Central Corridor. It entails the repairing of bridge no.1728 on road P186/1 (N12). The main objective is to complete the design and repairs to the bridge and to open both the N12 and the crossroad to normal traffic. The project was completed in July 2017.

- **P41/1: Rehabilitation (repair and resurfacing) of P41/1 from 0.84km to 5.61km West Nigel -**

The project entails the repairs and resurfacing of 4.77 km of the provincial road from km 0.84 to km 5.61 west of Nigel off the N3 and it forms part of the Eastern Corridor. The purpose of the project is to protect the pavement structure asset, therefore extending its serviceable life. The project is located just west of Nigel North. The project is complete.

## **Maintenance**

The main aims of the unit are to preserve the status of the existing road to its original state, promote road safety and to expand the lifespan of existing road networks. Furthermore, the unit maintains the provincial road network to ensure improved roads safety. It is thus responsive to the needs of roads users and communities by promoting accessibility. The programmes implemented within this unit run across all the development corridors.

The completed projects in the 2017/18 financial year include the continuous maintenance of provincial roads network through:

- The replacement of guard rails as and when required;
- The repainting of provincial road network and replacement of roads signs; and
- Cutting of grass, vegetation control, roads shoulder repairs and cleaning of storm water of drainages as part of protecting road infrastructure and road safety precautions.

The unit achieved more than 555 000m<sup>2</sup> of surfaced road reseal, 43km of gravel road re-gravelling, 140 000m<sup>2</sup> blacktop patching including potholes repairs and 1754 km blading of gravel roads. This is done in pursuance of preserving the status of the roads network and sustainable roads safety. Through all the activities within the unit, 2160 jobs were created.

The Department continued to finalise the Vuk'uphile Learner Contractor Development Programme by providing the required training to the remaining five contractors during the financial year. They exited the programme on 31 January 2018.

## **Public Transport Integration and Special Projects**

The project is a partnership project between Passenger Rail South Africa (PRASA), Sedibeng District Municipality, Emfuleni Local Municipality and the Department as part of modernising of public transport facilities around the railway stations. Implementation of the project is through a memorandum of agreement (MOA) between GDRT and PRASA. The project will be not be completed in March 2018 as previously envisaged because of contractual issues between the service provider and PRASA. The project has thus far created 50 employment opportunities to locals, 36 of which were allocated to the youth.

## **Sebokeng DLTC and TOLAB**

The TOLAB will be in the Sebokeng Township, Southern Corridor. The TOLAB and the DLTC will be in the same two-building precinct. It will provide access to public transport services to operators. The Department has since engaged with GDID to

implement the TOLAB within the DLTC scope as per the Provincial Treasury's recommendations. The TOLAB will be completed in 2018/19.

The DLTC and TOLAB will be housed in one location for ease of service delivery and project management. The establishment of Sebokeng DLTC and TOLAB seeks to bring services closer to previously marginalised areas. With the increase in vehicles in Gauteng, the Department realised a need to establish additional transport infrastructure such as DLTC, VTS and TOLABs as the services are only accessible in previously advantaged areas further resulting in overcrowding at the existing facilities.

The construction of the Sebokeng DLTC will be completed in March of the 2017/18 financial year. This project has thus far created 40 employment opportunities for Sebokeng locals and of these 25 were allocated to the youth of Sebokeng (Emfuleni Local Municipality).

The project experienced several challenges such as heavy rains and community unrest. Though some of the unrest was not related to the project (construction of Sebokeng DLTC) these affected access to site resulting in no work being completed until the unrest was resolved. These challenges resulted in the contractor applying for a time extension which was subsequently approved for 2 April 2018. The initial project completion date was September 2017.

#### **Bus subsidy contracts**

The Department's bus-contracting process is already underway where preparations for optimising the current contracts have been partially completed. To this end survey studies for the eight contracts were completed. The Department advertised the tenders for five of these contracts on 17 November 2017. The comprehensive survey studies for the outstanding 25 contracts have been completed and the final desktop analysis are to be completed in February 2018 for contracts in the Tshwane Area and March for the contracts around the Soweto Area. To date all the Tshwane contracts are ready to be packaged into adverts.

The main challenges encountered with the bus-contracting process were delays in the signing of the Intergovernmental Agreements (IGA) with the City of Johannesburg and Ekurhuleni, however these will be signed before the end of the financial year after extensive intervention. Further processes will be undertaken in the next financial year.

#### **Gautrain Management Agency: Gauteng Rapid Rail Integrated Network (GRRIN) Extensions**

As part of the Gautrain Network Capacity Assessment plan, the GMA is in the process of planning system network extensions to the Gauteng Rapid Rail Network. A pre-feasibility study was completed during 2013/2014 which informed part of the 25-Year Gauteng Integrated Transport Master Plan (ITMP25). The 25-Year Gauteng Integrated Transport Master Plan (GITMP) was adopted by the Gauteng Provincial Government (GPG) Cabinet in 2013 and Strategic Intervention 4 (GITMP 25 Section 2.4 p xviii) confirmed the fact that the passenger rail network should form the backbone of the transport system in the province.

The GMA appointed transaction advisors in October 2014 to undertake the feasibility study under the framework for Public Private Partnerships (PPP) in terms of the relevant National Treasury regulations to the Public Finance Management Act. The proposed extensions to the GRRIN were registered as a PPP with Provincial Treasury and the National Treasury in March 2014. The project has also been registered under SIP7 with the Presidential Infrastructure Coordinating Council (PICC) in 2015.

The GMA presented the final feasibility study report for the extensions to the Gauteng Rapid Rail Integrated Network to all the stakeholders and the Provincial Treasury permits the submission of the study to the National Treasury for Treasury Approval I for Phase 1.

Gauteng, through the Gauteng Treasury and the GMA, submitted the feasibility study to the National Treasury with the formal request for Treasury Approval I (TAI) for Phase 1 (Marlboro to Little Falls) of the project in accordance with Treasury Regulation 16.4.1. It does however require significant funding from various sources. To address affordability issues a specific section was included in the feasibility report. This study identifies various long-term alternative funding sources for the project that will require careful review and discussion.

The GMA also anticipated rigorous debate on rail as a modal choice, rapid rail as the form of rail transport and track gauge. Accordingly, it commissioned a separate analysis from independent experts titled "The Case for Rail in Gauteng" that was included in the report as section 10. The National Rail Policy Draft White Paper (first draft) dated June 2017 is in the process of review.

In the financial year 2017/18 to date the following progress took place:

- The Provincial Treasury submitted a letter, dated 6 April 2017, to National Treasury requesting for Treasury Approval I for Phase 1 and requesting their review and an informed dialogue to commence. Since the letter, information regarding the financial model was shared and clarification meetings were held. A letter dated 30 August 2017 requesting clarification questions was received from National Treasury and a meeting was held on 13 September 2017. Further analyses on specific matters need to be completed.
- A RFQ was sent out on 17 November 2017 for a route determination for phase 1 to be able to secure the land.



- An Internal Departmental Coordinating Meeting - consisting of NDoT, PRASA and GMA - was formed and various discussion meetings and workshop were held regarding the outcomes and further developments of the feasibility study. Further analyses and discussions will follow.

#### **Pillar 5: Modernisation of Public Service**

To build the capacity for good governance and effective service delivery, the Department offers bursaries to external candidates in a range of disciplines including transport engineering and economics as well as civil and other fields of engineering. The allocations for new bursaries have been reduced in the current financial year because of fiscal constraints. The Department is maintaining the bursaries that were allocated in previous financial years. The bursary recipients are required to offer their services to the Department post completion of their studies and further increase capacity within the Department. In relation to employees, there are funds allocated for training and development. These are both administrative government-specific training as well as job-specific training.

### **3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2018/19)**

The projects that the department will implement are aligned to the national and provincial priorities

#### **PILLAR 8: Modernisation of Public Transport Infrastructure**

##### **Output 1: Maintenance, strategic expansion, operational efficiency, capacity and competitiveness of our logistics and transport infrastructure ensured**

##### **Infrastructure planning**

##### **Mapping of Minibus Taxi Routes in Gauteng Province**

- Routes in Gauteng which will be consolidated into a geo-database linked map for the routes. The resulting consolidated map will enhance the integrated planning process as well as the provincial regulatory function within the province. The mapping will assist in obtaining accurate data and reliable records of minibus taxi routes in the province. The geo-coded database will be of importance in the design of an Integrated Public Transport Network (IPTN) with a defined hierarchy that includes the minibus industry. An assessment and review of all existing datasets from the municipalities was completed.
- A preliminary survey plan was designed using the available datasets, however this plan requires the input of the taxi associations. The Department in collaboration with the CSIR is in the process of collecting geo-referenced data pertaining to minibus taxi routes in Gauteng which will be consolidated into a geo-database linked map for the routes.
- A database was designed to host the complete official datasets of taxi routes. Letters were sent to SANTACO and other entities for collaboration with their GIS platform as well as for their enumerators to assist CSIR with field surveys that are warranted. This process is necessary as a quality check mechanism to confirm the information from official datasets as well as to add any other formal (skipped) routes and informal routes. This project will be completed in 2018/19.

##### **Gauteng Transport Centre of Excellence Hub**

- The Department in partnership with the CSIR, Innovation Hub, SANRAL and universities will establish a Transport Centre of Excellence. The purpose of this is to enhance all the expertise within the government, research institutions and academic and transport sector institutions. The centre will focus on research on transportation challenges, identify best practice, transport norms and standards, and transport innovations addressing some of the challenges in design, construction and maintenance of transportation infrastructure. In addition, the Centre will also prioritise challenges in the public transport environment.
- While Intelligent Transport Systems (ITS) projects are at various stages of implementation and/or operations, few of these were planned and deployed giving much thought to an overall provincial ITS context. Opportunities to integrate, facilitate and coordinate the sharing and optimisation of resources, information and technology are likely to have been missed. While these projects are at various stages of implementation and/or operations, few were planned and deployed giving much thought to an overall provincial ITS context. The Department has prioritised the development of the concept note for the establishment of the Centre and the feasibility study.

##### **Gauteng Household Travel Survey**

- The Gauteng Household Travel Survey (2014) provides a snapshot of the perceptions and travel experiences of residents in our province. How residents travel and what they think about public and other modes of transport provides critical data to government for future transport-planning. It highlights what is working well in the public transport system and what needs further and urgent attention. The Gauteng Household Travel Survey provides a composite and contextual picture of transport patterns in our province and will assist both government and transport stakeholders to make the appropriate interventions through proactive planning and allocation of resources to improve the public transport system.
- The household travel survey examines the provincial travel patterns in the specific provincial regions. It is essential in understanding travel modes of different market segments to measure the accessibility of public transport facilities and

private motor vehicles. The information obtained from the household travel survey is a critical component in planning the province's transportation infrastructure and is valuable in optimising transportation operations. The Department is required to conduct a household travel survey every five years and it will be conducting a reoccurring survey owing to the fast-changing travel demand and trends in Gauteng. The previous Gauteng Household Travel Survey was done in 2014 and the subsequent value of the results has prompted to do a reoccurring survey because of the fast-changing travel demand and trends in Gauteng. This is a multi-year project and the Gauteng Household Travel Survey will commence in 2018/19 and continue in the 2019/20 financial year.

#### **Route Determinations**

- The Department developed the 25-Year Integrated Transport Master Plan (ITMP 25) which sets out a strategic framework that will better the lives of Gauteng residents and position the province as a great destination for investment and tourism. This was approved by the Provincial Executive Council in November 2013 and stipulates that the Gauteng road network remains one of the most important infrastructure assets of the province that underpins and support local economic growth and the resultant growth in job opportunities within the identified corridors (inclusive of freight corridors supporting freight hubs) and nodes. It is critical that Gauteng develops and maintains an integrated road network.
- The project focuses on refining and amending routes for the province to ensure that they remain aligned to the Gauteng Spatial Development Framework. The Department will identify 29 routes over the Medium-Term Expenditure Framework (MTEF) which will be amended to include support for road freight hubs. Some of these routes will provide future support to land use development especially the establishment of megasettlements, the Aerotropolis and freight hubs. These are multi-year projects and the route determinations will continue in the 2018/19 and MTEF financial years

#### **BRT Integration Plan**

- The Gauteng Household Travel Survey (GHTS) of 2014 revealed significant inter- and intra-municipal travel patterns and the need to profile the nature of travel between municipalities in the province. The current initiative has the objective of identifying possible BRT linkages between municipalities in the province in support of the Gauteng City Region vision. The outcomes will serve as a demonstration of how inter-municipal services will be implemented. The service provider is in the process of consolidating the inputs from municipalities on the draft BRT integration plan and these will be available soon. The BRT plan of municipalities revealed the need for a feasibility study on the integrated BRT line (route) between Ekurhuleni Rondebult and Johannesburg (Tembisa-Ivory Park- Vosloorus - JHB), which will be conducted in 2018/19.

#### **Integrated Public Transport Network (IPTN) and Public Transport Norms and Standards**

- The Department is in the process of producing the Integrated Public Transport Network (IPTN) for the province and the integrated public transport norms and standards as guideline documents. A revised document on the Transport Integration, Monitoring and Evaluation Programme was completed in December 2017 and the project was completed as a concept document.

#### **Gauteng Transport Modelling Centre**

- The Department identified a tool that is utilised to meet the growing set of functional requirements needed for transportation system modelling. This tool will provide the transport evidence-based decision-making capabilities which are required to improve the mobility of goods and people in the province. The Transport Modelling Centre provides transport decision-making capabilities which are required to improve the mobility of goods and people in the province. The Transport Model requires updating annually to include new transport links, traffic information, land use information, demographics and economic data.
- Effective transport planning is about collecting data-centred transport and transport-related information through Gauteng Household Travel Surveys, Integrated Public Transport Network-specific studies undertaken, Integrated Transport Plan (ITP) information received and the Gauteng Freight Databank. This valuable information provides the best near-complete picture of the current transportation system in Gauteng and the ultimate value is in the ability to model this information to predict future scenarios as well as to prioritise effective planning of infrastructure. Thus, the model needs to be maintained from a data and software perspective on an annual basis.

#### **Integrated Transport Plan (ITP) Support/Evaluation**

- The Integrated Transport Plan (ITP) is a statutory plan required by the National Land Transport Act (NLTA) and the Gauteng Transport Framework Revision Act (GTFRA) for transport operations in the cities. It also forms an integral component of the Integrated Development Plan (IDP). The plan outlines the transport projects that are required to accomplish the mandate of a municipality. It is therefore imperative that its execution be a focused, integrated multi-sectoral, comprehensive, data-centred and evidence-based process.
- The objective of implementing an Integrated Transport Plan is to create balance between spatial land-use decisions and transportation planning. The planning and investment decisions made will benefit society through economic, social, cultural and physical integration of the transport system. All the transport-related development plans for the district municipality should be integrated in the ITPs. Three metros (City of Tshwane, Ekurhuleni and Johannesburg) have been

compiling their ITPs and are at various stages in the approval process. The Gauteng Department of Roads and Transport (GDRT) will be assisting the West Rand and Sedibeng District Municipalities with the compilation of their ITPs. The project will be completed in the financial year 2018/19.

#### **Provincial Land Transport Framework (PLTF)**

- The Provincial Land Transport Framework (PLTF) document is a five-year strategic document that captures all transport-planning projects and is laid out in the National Land Transport Act [Act 5 of 2009 and the Gauteng Transport Framework Revision Act (GTFRA)]. The intention of the PLTF is to address both the information requirements of the minister, transport authorities and the provincial departments to coordinate transport and planning within the respective provinces.
- The framework will be derived from the 25-year Integrated Transport Master Plan (ITMP25) 2013, more specifically from the Five-Year Gauteng Transport Implementation Plan (GTIP5) 2012 and the transport demands in the province. Departmental studies and Nat map elaborate on the strategic perspective and broad action priorities of a transport system for a globally competitive city region. It also aims to elaborate on all issues that are required to address the developmental challenges within the context of integration of transport. The Department will commence with the development of the new PLTF in 2018/19 and it will be completed in the 2019/20 financial year.

#### **Gauteng Freight Databank**

- The South African economy is heavily reliant on the trading of goods and services. Furthermore, higher transportation costs reduce the competitiveness to improve the efficiencies in the freight and logistics industry. The Department has created and will continuously update the Freight Databank of South African businesses to develop and capture of new markets.
- The databank provides a clear understanding on the current and future movement of freight flows in and around Gauteng to enable better planning. It also serves to gather current modal distribution of inter- and intra-provincial freight movement and industry trends. The databank collates, stores and enables users to retrieve freight information pertinent to their needs and is updated annually basis. The tri-annual improved data intelligence provides effective freight transport planning, policy-making and decision-making so creating a better match between freight haulage supply and demand, improved cost and time efficiencies, lower cost of logistics, increased competitiveness as well as local and regional economic development.
- For the Freight Databank to operate effectively it needs to be updated again in 2019/20 and 2020/21 financial years.

#### **Feasibility Study on Trucks Stops and their location in Gauteng completed**

- The Department is in process to develop a Terms of Reference (ToR) for the feasibility of truck stops in Gauteng. This will include key tasks to understand the status of truck stops in Gauteng, to understand current and future needs as well as the roles and responsibilities of the Department with regards to truck stops. However, it needs to be noted that the outcome will determine which direction the project will be further undertaken in 2018/19.

#### **Review of Policy on Bus and Minibus taxi facilities on major provincial routes in Gauteng**

- The last review on bus and minibus taxi facilities on major provincial routes in Gauteng (BB7) was completed in July 2003. This guideline document is predominantly focused on stops and ranks as these two types of facilities most often influence the road reserve and/or operations on the road. With the completion of the project on Mapping of Minibus Taxi Routes in Gauteng Province in March 2018, it makes sense for the Department to review the mentioned policy. The review of the policy as per legislative amendments includes the inception document and the drafting of the final document. It will incorporate all the research and developments within its scope and alignment with all the recent developed policy and regulatory documents related to it. This project will be completed in 2018/19.

#### **Master Plan for Transport Services Centres in Gauteng Province**

- Transport Service Centres (TSCs) are the largest revenue generators for the province. In the absence of scientifically informed designs, the development and operation of these facilities may be unsustainable. The proposed master plan aims to guide the development of TSCs utilising scientific methods of forecasting demand, architectural design, allocation of future centres and their location. It will evaluate the current transport services locations and operational efficiencies to make recommendations for future improvements and infrastructure developments.
- The functional classification and characterisation of the Transport Services Centres (TSCs) was completed including a review and assessment of available accessibility norms and standards. The Department and the CSIR are developing the Transport Services Centre Master Plan which will guide the development of TSCs in the province. The functional classification and characterisation of the TSC was completed and a review and assessment of available accessibility norms and standards was conducted considering future locations, land availability, land-use planning as well as future demand.
- A feasibility study (secondary phase) will be conducted in 2018/19 for four new locations identified to assess if the land is suitable for building after geological studies have been completed.

**BRT Feasibility Study**

- The GHTS of 2014 revealed significant inter and intra-municipal travel patterns and the need to profile the nature of travel between municipalities in the province. The current initiative has the objective of identifying possible BRT linkages between municipalities in the province in support of the Gauteng City Region vision. The outcomes should serve as a demonstration of how such inter-municipal services should be implemented. The BRT plan of municipalities revealed the need for a feasibility study on the integrated BRT line (route) between Ekurhuleni and Johannesburg (Tembisa-Ivory Park-COJ) which will occur in 2018/19.

**Review of Non-Motorised Transport (NMT) Policy**

- Review of NMT Policy is required to make provision for universal access and incorporation of the finding and recommendations as per the outcome of the NMT feasibility study. In 2018/19 the alignment will commence with the draft policy with the NMT masterplan recommendations and findings.

**Feasibility study on Non-Motorised Transport (NMT)**

- The ITMP 25 (2013) focus was said to be on the role and place of NMT in the existing and future road network. It ties in with the 'Complete Streets' approach that redefines what a street is intended to do. This implies that less attention should be given to the needs of car drivers, i.e. space currently used for on-street parking should be considered for reassignment as wider pedestrian spaces and designated cycle lanes with feasibility to be considered in a "complete streets" context (eliminating parking manoeuvres may have further advantages in safety and increased capacity because of less conflict.) Equally important is the concept of 'universal design' which recognises "that people's mobility and accessibility are largely determined by the built environment, i.e. the design of buildings, sidewalks, paths, roads and vehicles. The 'Last Mile' concept covers the vital NMT link between home and public transport stops. Emphasis is now on identifying the feasibility of provincial roads to accommodate NMT especially where NMT needs to cross provincial roads. A study in this regard will be undertaken in 2018/19.

**Prioritised freight hubs**

- One of the key aspects in the modernisation of freight transport in Gauteng is the movement of freight from road to rail, which includes the development of major rail-based freight logistics hubs located on the periphery of the Gauteng City Region (GCR) urban core. Key interventions identified in the road to rail strategy include the establishment of the following priority freight logistics hubs as part of the broader Durban-Free State-Gauteng (DFSG) Logistics and Freight Corridor Development which is part of the Strategic Infrastructure Projects 2 (SIP2) process. The freight infrastructure enhances the efficient movement of freight, improves economic potential, global competitiveness and creates job opportunities. The Department will focus on detailed planning of transport infrastructure required for the prioritised freight hubs, such as Tambo Springs and City Deep.

**Tambo Springs**

- In support of the Tambo Springs Logistics Gateway, the Department conducted a study on the surrounding road network. The outcome of the study indicated the existing and future roads which require re-alignment, design, Environmental Impact Assessments (EIA), Water Use Licence Application (WULA), widening and construction at different phases of the logistics gateway development.
- The primary link to the proposed Tambo Springs Logistics Gateway from the N3 includes the planned K148/N3 Interchange. The proposed K148/N3 and Barry Marais Interchange will require widening with additional lanes. Construction of the road will commence in the financial year 2018/19.

**City Deep Freight Hub**

- City Deep is the largest inland trade port in South Africa encompassing approximately 2 000 ha. The project entails upgrades and the construction of various roads forming a network near City Deep to enable efficient accessibility and mobility of road freight heavy goods vehicles in and around City Deep.
- The Department together with City of Johannesburg has developed the freight and traffic management report for the City Deep Freight Hub. The hub will provide capacity for future freight and public transport traffic volumes. The projects to be undertaken are:
  - **Project E:** The construction of the Cleveland Road Bridge (JRA);
  - **Project F:** Extension of Houer Road to Vickers Road (JRA); and
  - **Project G:** Construction of ramps on the N17 (SANRAL).

**Infrastructure design**

- The unit will be designing roads and proclaiming several major road projects within the MTEF period. Hereunder follows the major projects that will be embarked on:

**Eastern Corridor**

- PWV 15 Phase 1: Review preliminary design construction of a new road between R21 and N3 as well as detail design and acquisition between R21 and N12 (K97).

This road is the most significant and strategically important project for the Department for the next ten years. It is a 35.5 km long, dual carriageway north-south freeway for which preliminary designs were completed from 1981 to 1996. The planned road is situated a short distance east of OR Tambo International Airport and will provide a much-needed eastern bypass to the airport precinct. As such it will generate major road user benefits. National and international freight transport will benefit greatly from the road in view of it providing an alternative to the congested Gilloolys Farm area, while the road will act as a North-South mobility axis for developments envisaged by the Ekurhuleni Metropolitan Municipality.

Key economic development projects to benefit from the road are the proposed Aerotropolis which is situated on the north side of PWV15 and the Tambo Springs freight logistic hub situated on the south side of PWV15. Expected job targets are 300 to 400 Job opportunities per phase and the design are planned for completion in September 2018. The construction phase will commence shortly after the finalisation of the designs due to the long distance of the road and the anticipated high costs related to this project, the project will be split into three phases over a 10-year period.

#### **Northern Corridor**

- K16 between Watloo and Mamelodi (Tshwane)

This project is an East - West route between Watloo and Mamelodi in the east of Pretoria. The road links Eersterus and Watloo (Industrial area) with the Pretoria CBD. It will be designed as a dual carriageway with provision for walkways, cycle lanes and public transport. Expected job targets are 70 to 80 job opportunities and the designs are planned for completion in September 2018.

- K97 (P1-3) R101: Phase 2: Upgrading of K97 from N4 southwards to Wonderboom (K14) (Pyramid Freight Hub)

The road is in the North - South corridor and forms part of the Pyramid Freight Hub. It links Hammanskraal, Pyramid and Pretoria and is utilised by motorists as an alternative route to bypass the N1 Toll road. It is a 62m road reserve single carriageway. The road is congested during peak times as most commuters travelling from Hammanskraal utilise public transport (buses and taxis). The upgrade of the road to a dual carriageway will improve the mobility of people, goods and services. Expected job targets are 70 to 80 opportunities and the designs are planned for completion in June 2018.

#### **Central Corridor**

- K60 Access Road to Ivory Park and Tembisa: Between K58 (D51) and Chapman Rd. (K117) and K105 (single carriageway)

This road forms an important link between Kempton Park, Tembisa and Fourways. The upgrade of the road includes a single carriageway which will contribute towards economic development in the Ekurhuleni Metropolitan Municipality. Expected job targets are 60 to 70 opportunities and the designs will be completed in September 2018.

- K105 upgrading of dual carriageway from K60 Tembisa to Kempton Park

This road is also known as P38-1 and will be upgraded to a dual carriageway. It is situated in the Ekurhuleni Metropolitan Municipality. The road forms a link between Tembisa and Kempton Park. The design will make provision for the municipality's Rapid Bus System and will contribute towards the economic development in the area. The total number of job opportunities will be between 60 and 70. The designs will be completed in September 2018

#### **Southern Corridor**

- K122 (Eldorado Park) from Klip Valley Road (Walter Sisulu Square) to P1-1 (R82)

The K122 is located between the Golden Highway (P73-1) and P219-1 (Kliptown). It will improve the accessibility to Soweto, Eldorado Park and Kliprivier. The total number of job opportunities will be between 60 and 70. The designs will be completed in September 2018.

- K170: Interchange and N1 and Golden Highway: Access to Evaton and Sebokeng

This links Carletonville, Evaton and Sebokeng. The upgrade of the road will improve accessibility in the surrounding areas. The expected job targets are 30 to 40 job opportunities and the designs are planned for completion in June 2018.

- P1-1 (R82) from De Deur to Vereeniging: Upgrading of road to a dual carriageway

This is a North-South corridor located between Johannesburg and Vereeniging. The upgrade of the road to a dual carriageway will enhance the movement of people, goods and services. Expected job targets are 60 to 70 job opportunities and the design are planned for completion in June 2018.

#### **Western Corridor**

- K11: Construction of Randfontein bypass Mogale City to Western Area from K198 to Mohlakeng

The road is in Randfontein, between Mogale City and Westonaria. It will provide access to the Westrand Freight Hub and the design will make provision for Non-Motorised and Public Transport facilities. The total number of job opportunities will be between 60 and 70 the designs will be completed in September 2018.



### Traffic engineering

Most of the projects within this unit are executed annually and with the collaboration of the municipalities within the province and as such cut across the various corridors. Other than the annual projects of maintaining the weighbridges, Traffic Signals Maintenance, road capacity and road safety improvements, the other focus areas for the 2018 MTEF will be the conclusion of Automated WIMS at strategic freight corridors across the province.

The programme is intended to provide engineering support to:

- Provincial Road Freight Strategy;
- Road Safety;
- Congestion Management; and
- Protection of Provincial road infrastructure.

The data collected through this engineering programme will be used to monitor real-time road operations and provide for further refinement of road infrastructure management strategies. The broad outcomes of this programme are:

- Efficient management of road use demand and supply;
- Reduction of economic losses owing to congestion and safety; and
- Efficient road freight management system.

### Construction

- The Construction Directorate will be implementing upgrading and rehabilitation of the following roads in 2018/19 and over the MTEF:

#### Eastern Corridor

- Upgrading of road K148: Intersection with N3

K148 forms part of the Eastern Corridor and links the terminal's access roads with the K148/N3 Interchange. The proposed K148/N3 and Barry Marais Interchange will require widening with additional lanes. The road is a link to the proposed Tambo Springs Logistics Gateway from the N3 and is the planned K148/N3 Interchange which will be required for the freight hub to function efficiently.

The construction of the Interchange will provide mobility and accessibility to the developments in the surrounding areas Zonkiziwe, Magagula Heights, Katlehong and Vosloorus. The upgrade of the Interchange K148/N3 will accommodate an increased traffic flow and support the SIP2 Development Corridor between KwaZulu-Natal (KZN) and Gauteng. The K148 intersects the N3, Heidelberg and forms part of the strategic road network supporting the Tambo Springs Freight Hub in an East/West direction. The road will be completed in the 2020/21 financial year.

#### Northern Corridor

- P249/1 Phase 2: Rehabilitation of P249/1 (R511) in the Pretoria Region to Gauteng/North West Border

P249/1 is a single carriageway located within the residential, industrial and agricultural areas of Pretoria. The road forms part of the Northern Corridor. It is also a link between Midrand and the North West and serves as a distributor for the rural areas. The road is utilised by trucks travelling to the Hartbeespoort area. The project entails the rehabilitation of 8.69km of P249/1. The road will be completed in the 2018/19 financial year.

- K175: Rehabilitation of the Road K175 from N4/2 to D670 (8.1km)

K175 is classified as a rural major arterial road. It provides mobility over long distances on a provincial level. The road is in the North-Eastern section of Gauteng next to Bronkhorstspuit. It will serve as a collector/distributor for the residential and farm areas surrounding the route. The existing intersection will be widened and surfaced on the shoulders. The road will be completed in the 2019/20 financial year.

- Rehabilitation of P122/1 from P36/1 (R10) (Solomon Mahlangu Drive Olifantsfontein)

The road is in the Tshwane area and is a major route from P36/1(R10) (Solomon Mahlangu Drive) to Olifantsfontein. P122/1 forms part of the Northern Corridor. The project involves the rehabilitation of 9.4km of road P122/1. The initial subgrade will be removed and re-compacted. The road will be completed in the 2019/20 financial year.

- K54: Mamelodi (Tsamaya Road) to R104 Pretoria Bronkhorstspuit Road

K54 is in Mamelodi, Tshwane Metropolitan Municipality and forms part of the Northern Corridor. The project involves the dualisation of 9km of Greenfield from K22 to K69. This road will be an important link between Mamelodi, Moloto and the N4. The road entails the construction of several structures, bridge over rail and will serve as a major collector. The project will also include upgrading of access roads located along the road K54. The road will be completed in the 2019/20 financial year.

- Upgrade of K101 from D795 Olifantsfontein to N1 Brakfontein

The project involves the construction of 5.4km of existing road and the Interchange between K27 and K101. The road is parallel to N1 toll road between Johannesburg and Pretoria and forms part of the Northern Corridor. It also serves as an

alternative route to the N1 toll road. K101 will be between Rooihuiskraal (Brakfontein Road) and D795. The construction of the road will alleviate traffic congestion during peak hours in the Midrand area around the Waterfall developments. The road will be completed in the 2020/21 financial year.

- K69 (Upgrading and doubling of Hans Strijdom (Solomon Mahlangu) from the N4 to Mamelodi to K54)

The K69 connects Pretoria East and Mamelodi, Northern Corridor. The project involves the doubling of 9km of an existing single carriageway. K69 will increase capacity, safety and accessibility for existing and future developments. The road will be completed in the 2020/21 financial year.

### Central Corridor

- K60 Waterfall City involves the construction of new link between R55 Woodmead Drive and Allandale Road

K60 (Waterfall City) forms part of the Central and Eastern Corridors. It involves the construction of a new strategic transport corridor link between R55 and Allandale Road. The road is a link between Tembisa and the Fourways area. The upgrade of the road will be a future contributor towards the economic development in the Central Corridor and Ekurhuleni Metropolitan Municipality. It will also serve as an alternative route from Tembisa to Paulshof while alleviating traffic off the N1 North and K58/N1 Interchange. The construction will also include a new signature bridge (N1 freeway) at Waterfall City. A total of 7km of road will be constructed and completed in the 2021/22 financial year.

- P158/2 (N14) Phase 2: Rehabilitation of P158/2 (N14) from Brakfontein to Diepsloot

The project entails the rehabilitation of 20.7km of P158/2 (N14). P158/2 serves as a transport corridor between the City of Tshwane, the Northern suburbs of Johannesburg and Krugersdorp. The road commences in Brakfontein Interchange to Diepsloot which forms part of the Central Corridor. The implementation of the project will improve the road's life cycle by a further 15 years and create job opportunities; provide skills training and development for the community; and uplift the small emerging contractors. The road will be completed in the 2018/19 financial year.

- P39/1 Heavy Rehabilitation from Diepsloot to Muldersdrift

The road forms part of the Central and Western Corridors. The project involves rehabilitation of 14.45km of road P39/1 between Diepsloot and Muldersdrift in the West Rand. The rehabilitation of road P39/1 will increase structural capacity and safety on the road through the reconstruction of the gravel shoulders. The road will be completed in the 2019/20 financial year.

- K31 access to Green Gate Development: Reconstruction and upgrade of the M5 Beyers Naude Road

K31 forms part of the Central Corridor and will be upgraded from a single to a 2.3km dual carriageway to accommodate the increase in traffic. The road will provide access to the new Green Gate Development. The road will be completed in the 2020/21 financial year.

- Upgrading of K73 between Woodmead Drive and Allandale Road (D58) Mushroom farm

K73 forms part of the Central and Eastern Corridors. It involves the upgrading and construction of the link between Allandale Road and the R55/Allandale road. This will provide access to Mushroom Farm and alleviate congestion on the R55/Allandale intersection. The upgrade will also assist the industry of the north of Johannesburg to access the Lanseria Airport. A total of 5.1km of road will be upgraded to accommodate the increase in traffic. The road will be completed in the 2020/21 financial year.

### Southern Corridor

- Rehabilitation of D1884 between D478 and P243/1

D1884 is an undivided two-lane secondary road which links road D478 (North) and P243/1 (South). The project involves the rehabilitation of 6.68km of the road between road D478 and P243/1. The road serves as the only access road to the grain silos (situated at 1.7km) for storage of farm produce from the Heidelberg West agricultural area. The rehabilitation will improve access to markets and decrease transportation costs. The road also encourages tourism development. The road will be completed in the 2018/19 financial year.

- Light rehabilitation of Road P243 Section 2 From Vereeniging (Km 9.0) To Balfour (Km 18.13) Approximately 9.13km

P243/1 is in Midvaal Municipality in the Southern Corridor. The project is a single lane carriageway rural road and is classified as a strategic category C road according to the employer. The existing road cross-section consists of two surfaced lanes of about 3.6m wide and 2.5m wide gravel shoulders on either side of the road. The road traverses an entirely rural terrain, a single major crossing with the R549 and several formal and informal accesses occur onto the P243. The road will be completed in the 2018/19 financial year.

- P175/1: Rehabilitation from Vanderbijlpark to Potchefstroom - Phase 2

The road is in Johannesburg (South), Southern Corridor. The road provides a major route from Vereeniging Region towards the North West and serves as a distributor for the rural towns. The road involves the rehabilitation of 11.8km of road P175/1



from Vanderbijlpark to Potchefstroom. The rehabilitation of P175/1 will commence in the road P156/3 to Gauteng/North West Boundary (Vanderbijlpark to Potchefstroom). The road will be completed in the 2019/20 financial year.

- P156/3(R42) from P155/1 to D2563 Vanderbijlpark

P156/3 is in Vanderbijlpark, Emfuleni Local Municipality and the Southern Corridor. The project involves the rehabilitation of 5.8km of road P156/3. The road rehabilitation will enhance, maintain economic activities around Vereeniging and Vanderbijlpark. The rehabilitation of P156/3 will also include construction of sidewalks. The road will be completed in the 2019/20 financial year.

- Vaal River City Interchange

The Vaal River City Interchange forms part of the Southern Corridor and will serve as a route to the Free State (South), (inter-provincial connection) and Sebokeng (North). The project involves the upgrading of 2km in the Vaal River Interchange, Ascot Ave (future K55) and the Barrage road (K174). The implementation of the project will create job opportunities for the community, provide skills training and development as well as uplift the small emerging contractors within the areas. The road will be completed in the 2020/21 financial year.

- R82 phase 3 (between D1073 (Walkerville) and K164 (De Deur))

The road forms part of the Southern Corridor and the Maize Belt. The project involves the dualisation of R82 Phase 3 (11.3km) between road D1073 and K164. The objective of this project is to provide an alternative link between Johannesburg and Vereeniging including access to existing and future developments around Walkerville, Eikenhoff and De Deur. The implementation of the project will create job opportunities for the community, provide skills training and development as well as uplift small emerging contractors within the areas. The road will be completed in the 2020/21 financial year.

### Western Corridor

- Rehabilitation of P88/1 between P73/1 and P3/6

The road is in the south west of Johannesburg between Sebokeng and Westonaria. It forms part of the Western Corridor. The project entails the rehabilitation of single carriageway road P88/1 for a total length of 29.3kms. It is an alternative road to the tolled N1 connecting Evaton, Sebokeng, Westonaria, Randfontein and Pretoria. P88/1 is an arterial road providing an alternative to Johannesburg for the traffic travelling from the South to North West. The road is utilised by heavy vehicles for the mining and industrial activities in the Randfontein and Krugersdorp areas. The road has deteriorated and requires structural strengthening. The road will be completed in the 2018/19 financial year.

### Maintenance

- The maintenance activities are performed throughout the province and are not necessarily split per corridor. The overall targets for each of the activities, that the Department plans to deliver during the 2018/19 financial year, are as follows:

Performance indicator	Planned target
Reseal	126 000 m <sup>2</sup>
Re-gravelling	120 02 km
Blacktop patching	110 000 km
Blading of gravel roads	1 230 km
Job creation	3 330

A further breakdown of the maintenance activities is as follows:

- Pavement layers repairs;
- Crack sealing and patching of asphalt pavements;
- Repair of slope failures and wash-always;
- Stabilisation of slopes;
- Construction of drainage works to combat erosion;
- Cleaning of all drainage structures, removal of grass and debris from grids, as well as clearing bridge drainage ports and scuppers;
- Repairing damaged fencing;
- Clearing refuse from the road reserve, lay-byes and Interchanges;
- Repairing damaged road signs;
- Installation and replacement of road studs;
- Repairing damaged guardrails;
- Regular mowing of grass in the road reserve including the median and the removal of grass cuttings;
- Application of herbicide on road edges and around road signs;
- Eradication of weeds and undesirable plant growth;
- Burning or cutting of firebreaks and assistance with veld fires;
- Maintenance of trees and shrubs;

- Supply and spreading of topsoil;
- Emergency assistance; and
- Removal of spillage, wrecks, debris and abandoned vehicles.
- To promote road safety, the Department will replace the guard rails and roads signs; will repaint road markings; replace manholes and concrete-related structures. In total, the Department plans to create up to 3 330 EPWP jobs, which will assist the Department immensely in the increase of the EPWP Incentive Grant.

#### **Bus subsidy contracts**

- The plan for this financial year is to appoint the new bus operators for the five contracts in Mamelodi and Sedibeng as well as to complete the comprehensive route surveys analysis at the beginning of the first quarter of 2018/19 in preparation for the tendering process and negotiations which are anticipated to be conducted shortly thereafter but before the end of the first half of the year. The contracts for the Ekurhuleni Region (3) will also be advertised as soon as the Intergovernmental Agreement (IGA) is signed.
- Plans to devolve the function of administration of the Moloto Road Contracts IC52/97 by the National Department of Transport (NDoT) are already underway with part of the PTOG being specifically allocated for this contract. The NDoT has requested several contractual documents for IC52 to conduct due diligence on the contracts and engagements between the Department and NDoT are ongoing in that regard.

#### **Shovakalula Bicycle Program**

- The Shovakalula Bicycle Programme is a National Department of Transport (NDOT) initiative specifically aimed at donating bicycles to learners in areas that are not covered by scholar transport. The distribution of bicycles is part of NDOT's commitment to the Millennium Development Goals (MDG) on the provision of ease of mobility which is also in line with the broader Non-Motorised Transport programme mainstreaming as captured in the 25-Year Integrated Transport Master Plan (ITMP25) and Gauteng Non-Motorised Transport Master Plan. The master plan is the reference document for priorities and socio-economic issues solicited through various formal and informal platforms.
- As part of the NMT strategy, the Shovakalula Programme will distribute an annual total of 9 000 bicycles to be shared between learners and other NMT initiatives in urban and semi-urban areas.

## **4. REPRIORITISATION**

The Department will continue to develop and implement procurement plans for the 2018/19 financial year to ensure that the needs of the organisation are in line with the pillars sustaining the Department's strategy as well as with its allocated budget. The Department performed the reprioritisation exercise to identify savings that will be utilised to fund spending plan over the MTEF. This exercise was implemented by identifying savings from non-essential items and through the implementation of cost-containment measures. In terms of compensation of employees, operational budget was reprioritised within the programmes after sub-programmes over the MTEF. The reprioritisation also focused on infrastructure allocation. The detail information is on the Estimates of Capital Expenditure (ECE).

Over the last two financial years, several projects were identified as part of the Ten Pillar Programme, the TMR and the Ntirhisano programmes that the Department has incorporated in the infrastructure programme. These projects are identified as the year progresses, i.e. not necessarily in line with the budget process timelines, however with the support of the Provincial Treasury, these projects have received attention with some already completed in the 2017/18 financial year. The list is provided in the annual performance plan (APP) and the ECE documents.

The fiscal strain alluded to above has resulted in extensive reprioritisation within many infrastructure projects that are strategically aligned to the TMR and Ntirhisano programmes. The Department is then forced to implement these projects in phased-in approaches to spread their spending over several financial years as opposed to shorter project lives.

The fiscal strain impacts the ability of the Department to implement the IDMS programme fully. There are rightfully other issues that are impacting this implementation, however, should those be finalised the anticipated budget is too high for the programme to be implemented fully.

## **5. PROCUREMENT**

The supply chain management unit within the Department continues to drive the procurement processes actively that will ensure the successful implementation of all major projects as outlined below. These projects form part of the Department's overall procurement plan for the 2018/19 financial year. Over the 2017/18 financial year, the Department will be embarking on the role of the infrastructure Delivery Management System (IDMS). Supply chain management is one of the key components within the IDMS Model. The successful implementation of this IDMS Model will allow for a fully capacitated and competent supply chain management unit which will drive the effective, efficient and timely utilisation of state resources within the Department.

**The below list depicts the major procurement for the 2018/19 financial year**

- Conduct route determination studies;
- Modelling Centre for Road and Transport Planning;
- Freight Databank Update;
- Gauteng Transport Commission: Business Case & Policy Drafting;
- K102 from Main St to Dobsonville Road (New road) Public Transport Corridor;
- K63 ( upgrading existing road) from K216 to K8 (R566) Rosslyn Hub;
- R558 (K15) Moroka Bypass (K142) Upgrade Narrow Diamond;
- R55 (K71) and Allandale Road (K58) Quarter link;
- Old Pretoria Main Rd (K101) Olifantsfontein Road Upgrade Narrow Diamond;
- P140/1 (R550): Nigel to Eikenhof 28.56km Rehabilitation Public Transport Corridor;
- R42 (17.15 km) from 17.98 to 35.17 km Rehabilitation Public Transport Corridor;
- R82 phase 3 (between road D1073-Walkerville and K164-De Deur);
- K69 - Upgrading & doubling of Hans Strijdom (Solomon Mahlangu) from the N4 to Mamelodi to K54;
- Upgrading of K101 from D795 Olifantsfontein to N1 Brakfontein;
- Upgrading of road K148: Intersection with N3;
- K54: Mamelodi (Tsamaya Rd) to R104 Pretoria Bronkhorstspuit Rd;
- K174 Vaal River City Interchange;
- Construction phase: K175 (R568): Rehabilitation of Road K175 (R568) (Tshwane) (12 months);
- Construction Phase: P39/1 Heavy Rehabilitation from km30 Diepsloot to km43 Muldersdrift (24 months);
- Construction Phase: Upgrading of road K73 between Woodmead Drive and Allandale Road (D58) (24 months);
- Construction Phase: Rehabilitation of D1884 between road D478 and P243/1(6 months);
- Construction Phase: K60 Waterfall City: Construction of new link between R55 Woodmead Drive and Allandale 9 (24 months);
- Construction Phase: K31 Greengate Development: Reconstruction and upgrade of the M5 Beyers Naude road from Zandspruit (Peter Road) to the N14 (24 Months);
- Periodic Road Maintenance - resealing, crack sealing, fog sprays, rehabilitation of paved roads, re-gravelling of roads and the reconstruction of drainage structures;
- Consulting engineering services for rehabilitation of Road P175/1 from Vanderbijlpark to Potchefstroom Phase 2 Site Supervision (24 months);
- Construction phase: P175/1: Rehabilitation of Road P175/1 from Vanderbijlpark to Potchefstroom Phase 2 (24 months);
- Consulting Engineering Services for rehabilitation of Road P156/3 from P155/1 to D2568 (Sedibeng) Site Supervision (10 months);
- Construction Phase: P156/3: Rehabilitation of Road P156/3 from P155/1 to D2568 (Sedibeng) (10 months);
- Upgrading and rehabilitating alternate routes to the e-toll: K57 (P122/1);
- Bridge rails;
- Emergency works such as sinkholes and bridge repairs;
- Public Transport Operations Grant - 34 bus subsidy contracts and;
- Shovakalula Bicycle Programme.

**The below list are non-infrastructure projects that form part of major procurement for the 2018/19 financial year.**

- Re-branding strategy;
- Media buying;
- Promotional/marketing merchandise;
- Media monitoring analysis and;
- Transport for public events.

## 6. RECEIPTS AND FINANCING

### 6.1 Summary of receipts

TABLE 9.1.: SUMMARY OF RECEIPTS: DEPARTMENT OF ROADS AND TRANSPORT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Equitable share	3 814 962	4 287 564	5 341 881	4 014 541	4 149 888	4 139 926	4 850 785	5 237 024	4 754 688
Conditional grants	2 337 897	2 318 388	2 567 566	2 817 750	2 817 750	2 817 750	2 863 033	3 032 642	3 199 437
Public Transport Operations Grant	1 819 854	1 860 048	2 063 333	2 155 063	2 155 063	2 155 063	1 486 774	1 570 034	1 675 226
Provincial Roads Maintenance Grant	514 903	455 821	501 784	656 183	656 183	656 183	742 522	636 028	670 914
Expanded Public Works Programme Infrastructure Grant	3 140	2 519	2 449	6 504	6 504	6 504	6 490		
<b>Total receipts</b>	<b>6 152 859</b>	<b>6 605 952</b>	<b>7 909 447</b>	<b>6 832 291</b>	<b>6 967 638</b>	<b>6 957 676</b>	<b>7 713 818</b>	<b>8 269 666</b>	<b>7 954 125</b>

The equitable share and conditional grants are the main sources of funding for the Gauteng Department of Roads and Transport (GDRT). The grants allocated to the Department are the public transport operations grant (PTOG) which is utilised for the payment of bus subsidies and the provincial roads maintenance grant (PRMG) that is allocated for the maintenance of the provincial road network as well as the EPWP Incentive Grant, an incentive grant for the number of EPWP jobs that are created within the infrastructure projects that the Department implements in the preceding financial year.

The equitable share includes all the other items that are not funded by the grants, i.e. the construction and design infrastructure projects, operational expenditure (including salaries) and Gautrain. The expenditure from 2014/15 to 2016/17 grew from R3.8 billion to R5.4 billion and ensured that the Department was able to deliver on the allocated mandates during that period. During the 2017/18 financial year the allocation is adjusted upwards mainly because of the additional budget allocated for the court order payments that fell due during the year. The MTEF figures fluctuate with an increase from R4.9 billion in 2018/19 to R5.2 billion 2019/20 and then decrease from R5.2 billion in 2019/20 to R4.8 billion in 2020/21. These fluctuations are caused by the fluctuating amounts allocated to infrastructure projects that will be experiencing high spending pressures in the 2019/20 financial year.

Over the seven-year period, conditional grants increase from R2.3 billion in 2014/15 to R3.2 billion in the 2020/21 financial year. The expenditure of the grants from 2014/15 to 2016/17 was in line with the grant framework in the Division of Revenue Act (DoRA) and have allowed the Department to deliver on its mandates of bus subsidisation and routine road maintenance. In the 2017/18 financial year, the grants did not change and the Department is anticipating to spend the entire grant by the end of the financial year. The major issues in relation to the grants over the MTEF is that part of the allocation for the PTOG has been specifically allocated for the Moloto Road Contracts. The discussions are underway between the Department and National Department of transport (NDoT) as explained above to ensure that these are managed effectively. The other grants are continuing as per normal.

### 6.2 Departmental receipts

TABLE 9.2.: SUMMARY OF DEPARTMENTAL RECEIPTS: ROADS AND TRANSPORT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Tax receipts	2 949 662	3 217 032	3 404 962	3 396 424	3 606 173	3 606 173	3 811 724	4 025 181	4 246 566
Motor vehicle licences	2 949 662	3 217 032	3 404 962	3 396 424	3 606 173	3 606 173	3 811 724	4 025 181	4 246 566
Sales of goods and services other than capital assets	53 937	54 970	58 918	75 176	75 176	75 176	79 537	83 991	88 611
Transfers received									
Fines, penalties and forfeits									
Interest, dividends and rent on land	28	61	15	60	60	60	63	67	71
Sales of capital assets		4 491	12 705			7 415			
Transactions in financial assets and liabilities	2 236	1 673	537	1 500	1 500	1 500	1 587	1 676	1 768
<b>Total departmental receipts</b>	<b>3 005 863</b>	<b>3 278 227</b>	<b>3 477 137</b>	<b>3 473 160</b>	<b>3 682 909</b>	<b>3 690 324</b>	<b>3 892 911</b>	<b>4 110 915</b>	<b>4 337 016</b>

The Department is the main contributor towards own revenue generated in the province, making up a contribution of more than 60 per cent of the entire provincial collection. This revenue is largely generated through tax receipts arising from motor vehicle registration and licensing fees. In generating this revenue, the Department is also liable for direct charges, which includes amounts that are deducted from collected revenue to reimburse the primary collectors/agents of that revenue on behalf of the Department. The other Departmental revenue items are minor in comparison. The motor vehicle licensing is by far the most productive source of revenue for the Department.

The increases in the revenue collections from the past were R3 billion in 2014/15, R3.3 billion in 2015/16 and R3.5 billion in 2016/17. The revenue is expected to increase further over the MTEF from R3.9 billion in 2018/19 to R4.3 billion in 2020/21 because of expected increases in vehicles on the road, annual increases in tariffs combined with efficient revenue collection. In concluding the estimates, the following factors were considered, namely:

- Consumer Price Inflation Index (CPIX);
- Vehicles on the road;
- Direct cost expected to be paid from the revenue account;
- Interest and penalties expected to be received;
- Previous revenues collected and;
- Trends in the motor industry in the country.

The second contributor to revenue generation is sales of goods and services other than capital assets which consist of sale of tender documents. Revenue from this source grew from R54 million in 2014/15 to R59 million in the 2016/17 financial year. The trend continues, growing to R75 million in 2017/18 due to the high sales of documents to the prospective tenderers. The Department had several infrastructure projects out on tender during that period. The increase from R80 million in 2018/19 to R87 million in the outer financial year of the MTEF can be attributed to inflationary increments.

The interest, dividends and rent on land mainly consists of items such as interest on staff debts, a minor contributor to the total revenue collection. The fluctuating trend can be attributed to the difficulty in accurately projecting for these items owing to their uncertain nature with receipts ranging from R28 000 in 2014/15 to R13 000 in 2016/17 financial years. Over the MTEF the allocation increases from R63 000 in 2018/19, R67 000 in 2019/20 and R71 000 in 2020/21 respectively.

The Department also collects revenue from transactions in financial assets and liabilities, which consists of fees for the recovery of debts. The fluctuations over the seven years under review can be attributed to the difficulty in budgeting for this item owing to its uncertain nature. The revenue fluctuates between 2014/15 and 2016/17 from R2.2 million to R535 000. Over the MTEF the allocation increases from R1.5 million in 2018/19, R1.6 million in 2019/20 and R1.7 million in 2020/21

## 7. PAYMENT SUMMARY

### 7.1 Key assumptions

**When compiling the 2017 MTEF budget, the department considered the following factors:**

- Improving alignment with the province's TMR vision for the next three years;
- Improving alignment with government's policy priorities as stated in the NDP, the 2014-2019 MTSF, provincial government plans of the sector and institutions;
- Basic salary costs including annual improvement in conditions of services adjustments;
- Items linked to rates of increases in basic salary costs, pension fund contributions, thirteenth cheque and overtime;
- Medical aid contributions, which normally increase more rapidly than inflation;
- Homeowners' allowance, which changes in line with interest rates;
- Skills development levies;
- Implementation of cost-containment;
- Reprioritisation within programmes and items; and
- Additional funding to the baseline

In relation to the infrastructure projects, the budget assumptions made are based on the availability of funds, state of readiness to implement the projects, capacity to manage the projects, as well as the magnitude of the project.



## 7.2 Programme summary

TABLE 9.3.: SUMMARY OF PAYMENTS AND ESTIMATES: ROADS AND TRANSPORT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Administration	271 476	239 213	262 914	321 364	318 664	320 591	359 104	386 043	401 459
2. Transport Infrastructure	2 096 198	2 177 112	1 961 151	1 976 157	2 112 304	2 112 977	2 519 682	2 806 328	2 154 932
3. Transport Operations	1 986 669	2 019 168	2 416 513	2 386 247	2 390 247	2 373 726	2 589 117	2 695 438	2 881 542
4. Transport Regulation	205 993	262 357	319 322	314 829	312 729	316 688	300 647	323 763	344 903
5. Gautrain	1 311 748	1 561 451	2 812 089	1 833 694	1 833 694	1 833 694	1 945 268	2 058 094	2 171 289
<b>Total payments and estimates</b>	<b>5 872 084</b>	<b>6 259 301</b>	<b>7 771 989</b>	<b>6 832 291</b>	<b>6 967 638</b>	<b>6 957 676</b>	<b>7 713 818</b>	<b>8 269 666</b>	<b>7 954 125</b>

The table above indicates the services of the Department are categorised under the programmes, which are fully aligned to the uniform budget and programme structure for the transport sector. The table indicates audited expenditure outcomes and budget allocations for the 2018 MTEF. The audited outcomes increased from R5.9 billion in 2014/15 to R7.8 billion in 2016/17 mainly because of the increased allocations for both the Gautrain and the public transport operations grants (PTOG) during that period. The 2017/18 financial year allocation was lower than 2016/17 owing to the once-off increase in the Gautrain which was for the payments of court orders and the allocation for the Department then stabilised in 2017/18. Over the MTEF, the allocation increases from R7.7 billion in 2018/19 to R7.8 billion in 2020/21. This is mainly owing to the fluctuations in the project life cycles of the different infrastructure projects as well as inflationary increases on some of the other items.

**Programme 1: Administration** – There is a slight decrease in expenditure from R271 million in 2014/15 to R263 million in the 2016/17 financial year owing to the cost-containment measures that the Department put in place during that period. In 2017/18 the budget increased to over R300 million and will be managed down through the cost-containment measures. Over the MTEF the allocation for this programme continues to grow from R359 million in 2018/19, R386 million in 2019/20 and R401 million in 2020/21 respectively. The Department will continue to manage the expenditure down within this programme to align to the national and provincial cost-containment measures while delivering on the required mandates of supporting the core programmes.

**Programme 2: Transport infrastructure** - Increases in the allocation within this programme is because of the Department's growing investment in the provincial road network through the maintenance programme, upgrades and rehabilitation projects that are being implemented. The core functions of this programme are funded through the Public Toll maintenance Grant (PRMG) and to provincial earmarked infrastructure allocations for upgrading and additions, new maintenance, as well as rehabilitation of roads. These allocations also form the core of the entire Department. The expenditure amounted to R2.1 billion, R2.2 billion and R2 billion in the financial years 2014/15, 2015/16 and 2016/17 respectively. The budget in the 2017/18 financial year increases to R2.1 billion because of the high number of rehabilitation projects that are underway. The budget further increases in 2018/19 to R2.5 billion in line with the project life cycle of the projects and the high number of tenders that are being appointed for the rehabilitation projects. There is then an upward trend of the allocations in the 2019/20 to R2.8 billion owing to the project life cycles of the confirmed projects that the Department will be implementing over that period and the slight decrease of R2.2 billion in 2020/21.

**Programme 3: Transport operations** – The programme shows a significant increase of expenditure from of R2 billion in 2014/15 to R2.2 billion in 2015/16 owing to the agreed amounts for the public transport services with the operators and the North-West Star demarcation allocation that is also growing at a marginal rate. The amounts are both reflected against transfers and subsidies, the item public corporations and private enterprises. The allocation further increases into the 2017/18 financial year by R2.4 billion and all the payments will be made accordingly before the close of the financial year. This increase is maintained into the 2018/19 financial year by R2.6 billion to R2.7 billion in 2019/20 and to R2.9 billion in the last year of the MTEF. The PTOG has earmarked an allocation to the Department for the Moloto Corridor and bus subsidy contracts.

**Programme 4: Transport regulation** - The programme reflects expenditure increase from R206 million in 2014/15 to R319 million in 2016/17 because of the investment made in the construction of the Mabopane, Kagiso and Sebokeng DLTCs. Furthermore, there were non-infrastructure activities done within the DLTCs such as branding of all the operational DLTCs and purchasing of new furniture for the DLTCs as soon as the construction was completed. The Sebokeng DLTC is nearing completion in the 2017/18 financial year hence the increase in budget for the year. The budget over the MTEF does not include any DLTCs as they will be completed however the other non-infrastructure projects - which happen to be enablers of the infrastructure - are therefore responsible for the increase in the revenue collected such as the gazetting of operating licences and the agency fee review projects will be conducted over the MTEF.

**Programme 5:** The expenditure of this programme increased between 2014/15 and 2016/17 from R1.3 billion to R2.8 billion because - over and above the amounts agreed to in line with the concession agreement - the GMA had to settle legal claims

that became due in 2016/17. The budget is expected to grow over the MTEF from R1.9 billion in 2018/19 to R2.2 billion two financial years later, which is mainly for the maintenance and capacitation of the current system. The Gautrain II project is still being assessed in terms of the financial resource requirements.

### 7.3 Summary of economic classification

TABLE 9.4: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ROADS AND TRANSPORT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>1 339 452</b>	<b>1 336 094</b>	<b>1 750 232</b>	<b>1 460 248</b>	<b>1 926 437</b>	<b>1 912 492</b>	<b>2 274 844</b>	<b>2 150 211</b>	<b>2 162 841</b>
Compensation of employees	488 559	549 027	595 813	647 972	647 972	650 822	702 514	750 285	799 053
Goods and services	850 666	786 608	1 154 417	811 956	1 245 645	1 228 905	1 572 070	1 399 666	1 363 514
Interest and rent on land	227	459	2	320	32 820	32 765	260	260	274
<b>Transfers and subsidies to:</b>	<b>3 470 779</b>	<b>3 527 500</b>	<b>5 163 865</b>	<b>4 158 224</b>	<b>4 248 274</b>	<b>4 251 826</b>	<b>4 431 965</b>	<b>4 684 484</b>	<b>4 967 829</b>
Provinces and municipalities	1 256	1 079	2 031	2 000	2 000	2 000	2 500	2 700	2 900
Departmental agencies and accounts	1 311 748	1 561 451	2 812 089	1 833 694	1 833 694	1 833 694	1 945 268	2 058 094	2 171 289
Public corporations and private enterprises	1 900 024	1 959 610	2 340 673	2 315 535	2 315 535	2 316 753	2 476 667	2 615 700	2 788 796
Households	257 751	5 360	9 072	6 995	97 045	99 379	7 530	7 990	4 844
<b>Payments for capital assets</b>	<b>1 001 973</b>	<b>1 378 676</b>	<b>857 806</b>	<b>1 213 819</b>	<b>792 927</b>	<b>793 208</b>	<b>1 007 010</b>	<b>1 434 971</b>	<b>823 455</b>
Buildings and other fixed structures	938 410	1 179 703	759 292	1 193 479	770 671	770 970	972 350	1 403 851	790 656
Machinery and equipment	63 299	198 836	98 296	18 040	21 256	21 235	28 860	28 760	30 309
Software and other intangible assets	264	137	218	2 300	1 000	1 003	5 800	2 360	2 490
<b>Payments for financial assets</b>	<b>59 880</b>	<b>17 031</b>	<b>86</b>			<b>150</b>			
<b>Total economic classification</b>	<b>5 872 084</b>	<b>6 259 301</b>	<b>7 771 989</b>	<b>6 832 291</b>	<b>6 967 638</b>	<b>6 957 676</b>	<b>7 713 818</b>	<b>8 269 666</b>	<b>7 954 125</b>

The total compensation of employees has increased from R489 million in 2014/15 to R596 million in 2016/17 because of the annual improvements of conditions of service (ICS). In 2017/18, the increased allocation of R647 million was spent by the end of the year. Over the MTEF, the allocation for compensation of employees increases from R703 million in 2018/19 to R799 million in 2020/21 to cater for annual salary adjustments and pay progression to allow the Department to capacitate the core programmes in line with the approved structure.

The goods and services item caters for all the operational costs of the Department, including the maintenance of infrastructure projects as they are current in nature. The expenditure increased from R851 million in 2014/15 to R1.2 billion in 2016/17 because of the increased spending on maintaining the provincial road network. The 2017/18 financial year's allocation was low at the start of the year because most of the projects were not ready at the beginning of the year, however it was increased during the adjustments to R1.2 billion because of the high number of commitments in the maintenance programme. Over the MTEF the budget increases steadily from R1.6 billion in 2018/19 to R1.4 billion in the two years of the MTEF.

Transfers and subsidy item consists mainly of the allocation for the Gautrain project as well as the PTOG. The amount against the Departmental agencies and accounts relates to payments made in respect of the Gautrain. This is mainly for maintenance and capacitation of the current system. Expenditure continues to grow over the seven-year period from R1.8 billion in 2017/18 to R2 billion in the last two financial years of the MTEF owing to slight increases on the maintenance and capacitation costs of the current system. The amounts against public corporations and private enterprises relate to transfers to the public transport operators for the PTOG and included the North-West Star contracts. The allocation grows steadily into the 2018/19 financial from R2.5 billion to R2.6 billion in 2019/20 year and then grows over the MTEF in line with the contracts with the public transport operators.

The payment for capital assets item is mainly for infrastructure projects. The Department's capital assets expenditure increased from R1 billion in 2014/15 to R1.4 billion in 2015/16 and decreased to R858 million in 2016/17 because of the increased investment in the maintenance of the road infrastructure assets over the rehabilitation and upgrading projects. Over the MTEF, the allocation declines from R1 billion in 2018/19 to R823 million in the last financial year of the MTEF because the project life cycles of the allocated projects will be ending in that year.

### 7.4 Infrastructure payments

#### 7.4.1 Departmental infrastructure payments

Please refer to the 2018 Estimates of Capital Expenditure (ECE).



## 7.4.2 Departmental Public-Private-Partnership (PPP) projects

N/A

## 7.5 Transfers

### 7.5.1 Transfers to Public Entities

TABLE 9.5: SUMMARY OF DEPARTMENTAL TRANSFERS TO OTHER ENTITIES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Gauteng Management Agency	1 311 748	1 561 451	2 232 089	1 833 694	1 833 694	1 833 694	1 945 268	2 058 094	2 171 289
<b>Total departmental transfers</b>	<b>1 311 748</b>	<b>1 561 451</b>	<b>2 232 089</b>	<b>1 833 694</b>	<b>1 833 694</b>	<b>1 833 694</b>	<b>1 945 268</b>	<b>2 058 094</b>	<b>2 171 289</b>

The expenditure of this programme increased between 2014/15 and 2016/17 from R1.3 billion to R2.8 billion because over and above the amounts agreed to in line with the concession agreement, the GMA had to settle legal claims that became due in 2016/17. The budget is expected to grow over the MTEF from R1.9 billion in 2018/19, to R2.2 billion two financial years later, which is mainly for the maintenance and capacitation of the current system. The Gautrain II project is still being assessed in terms of the financial resource requirements

## 8. PROGRAMME DESCRIPTION

### PROGRAMME 1: ADMINISTRATION

#### Programme description

To provide the department with overall management and administrative, strategic, financial and corporate support services in order to ensure that it delivers on its mandate in an integrated, efficient, effective and sustainable manner.

#### Programme objectives

- To render advisory, Parliamentary, secretarial, administrative and office support service to the MEC;
- To provide overall management of and support to the Department; and
- To manage personnel, procurement, finance, administration and related support services.

TABLE 9.6: SUMMARY OF PAYMENTS AND ESTIMATES BY SUB-PROGRAMME: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Office Of The Mec	7 905	6 626	7 778	8 760	8 760	7 517	9 490	9 780	10 327
2. Management Of The Department	11 857	15 918	15 078	19 050	19 050	14 987	18 140	18 750	19 709
3. Corporate Support	250 447	216 150	238 041	288 281	287 581	295 228	328 139	354 065	367 786
4. Departmental Strategy	1 267	519	2 017	5 273	3 273	2 859	3 335	3 448	3 637
<b>Total payments and estimates</b>	<b>271 476</b>	<b>239 213</b>	<b>262 914</b>	<b>321 364</b>	<b>318 664</b>	<b>320 591</b>	<b>359 104</b>	<b>386 043</b>	<b>401 459</b>

TABLE 9.7: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>203 629</b>	<b>232 137</b>	<b>258 195</b>	<b>309 484</b>	<b>304 934</b>	<b>305 893</b>	<b>342 744</b>	<b>372 323</b>	<b>386 750</b>
Compensation of employees	124 169	145 121	158 479	171 590	169 590	171 471	188 460	202 514	213 654
Goods and services	79 451	86 558	99 716	137 814	135 264	134 396	154 224	169 749	173 033
Interest and rent on land	9	458		80	80	26	60	60	63
<b>Transfers and subsidies to:</b>	<b>345</b>	<b>169</b>	<b>948</b>	<b>500</b>	<b>550</b>	<b>666</b>	<b>550</b>	<b>550</b>	<b>580</b>
Provinces and municipalities	4								
Households	341	169	948	500	550	666	550	550	580
<b>Payments for capital assets</b>	<b>7 909</b>	<b>6 870</b>	<b>3 768</b>	<b>11 380</b>	<b>13 180</b>	<b>13 996</b>	<b>15 810</b>	<b>13 170</b>	<b>14 129</b>
Buildings and other fixed structures	27								
Machinery and equipment	7 618	6 870	3 568	10 880	12 180	12 993	11 810	12 610	13 538
Software and other intangible assets	264		200	500	1 000	1 003	4 000	560	591

Payments for financial assets	59 593	37	3			36			
Total economic classification	271 476	239 213	262 914	321 364	318 664	320 591	359 104	386 043	401 459

The sub-programmes within this programme are administrative in nature. Therefore, the allocations are funded from the equitable share portion of the Departmental allocation. The spending within the MEC's office varies slightly from 2014/15 to the 2016/17 financial year from R8 million to R7 million because there were no major activities that could have affected the spending during those years. This trend continues to increase to R8 million into 2017/18 and by R9 million in 2018/19 to R10 million in 2020/21 because of the same reasons. The Management Sub-Programme is made up of the HOD's office, Risk Management, Anti-Fraud and Corruption and the War Room Unit. The expenditure was constant over 2014/15 from R12 million to R15 million in the 2016/17 financial years with changes of organisational structure within this unit and marginal increases in 2018/19 of R18 million to R20 million until the end of the MTEF period. The expenditure within the Corporate Services Unit decreased slightly in 2014/15 from R250 million to R238 million in 2016/17 because the Department is continuously implementing the cost-containment measures. This will continue over the MTEF and the Department will continuously reduce the spending on operational items. Departmental strategy's expenditure and allocation are very low because the unit is very small and mainly needs budget for salaries and basic operational requirements only.

Compensation of employees' expenditure increased from R124 million in 2014/15 to R158 million in 2016/17 and the budget then increases from R172 million in 2017/18 to R214 million in the last year of the MTEF. The increases are because of improvements in the conditions of service (ICS). The goods and services expenditure increased from R79 million in 2014/15 to R100 million in 2016/17 and then to a further R173 in the last year of the MTEF. This was for the operational requirements of the units, which are constantly being managed downwards through the cost-containment measures.

The pension benefits, leave gratuities and injury on-duty claims all make up the households' item in transfers and subsidies. All these items are very difficult to budget for, however over the years the expenditure has been steady. The budget going forward is estimated at around R550 000 over the 2018 MTEF.

The software and intangible assets item is for the software licences that the Department pays annually. The expenditure was not realised in 2015/16 because the licences were not paid in that year. Over the MTEF period the allocation is increased to R4 million in the 2018/19 financial year because of the once-off payments of the licences for the document management system that the Department has procured and a further decrease to R561 000 and R591 000 during 2019/20 and 2020/21 respectively.

## PROGRAMME 2: TRANSPORT INFRASTRUCTURE

### Programme description

To promote accessibility and the safe, affordable movement of people, goods and services through the delivery and maintenance of transport infrastructure that is sustainable, integrated and environmentally sensitive, and which supports and facilitates social empowerment and economic growth.

### Programme objectives

- Provide for planning and co-ordination towards the formulation of provincial transport policies and statutory plans;
- Plan integrated modal transport facilities and systems for all modes of transport including non-motorised transport;
- Promote and improve safety on transport infrastructure;
- Facilitate the provision of road safety audits on all roads and transport infrastructure to ensure safe traffic and people movement;
- Provide data collection services and research to provide management information systems for the provincial road network;
- Provide design of road and transport infrastructure including all necessary support functions such as environmental impact assessments, traffic impact assessments, surveys, expropriations, material investigations and testing;
- Develop new roads and re-construct, upgrade and rehabilitate road and transport infrastructure; and
- Effectively maintain road and transport infrastructure

TABLE 9.8: SUMMARY OF PAYMENTS AND ESTIMATES: TRANSPORT INFRASTRUCTURE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Infrastructure Planning	33 156	38 079	42 404	54 579	58 279	58 938	60 299	43 439	40 758
2. Infrastructure Design	98 038	142 111	153 122	113 017	115 486	112 743	110 105	47 440	45 157
3. Construction	902 122	1 042 527	637 333	1 152 542	716 398	732 726	947 365	1 452 951	850 824
4. Maintenance	782 757	912 344	1 088 130	626 736	1 070 358	1 053 798	1 367 519	1 225 828	1 182 698
5. Programme Support Infrastructure	280 125	42 051	40 162	29 283	151 783	154 772	34 395	36 670	35 495
<b>Total payments and estimates</b>	<b>2 096 198</b>	<b>2 177 112</b>	<b>1 961 151</b>	<b>1 976 157</b>	<b>2 112 304</b>	<b>2 112 977</b>	<b>2 519 682</b>	<b>2 806 328</b>	<b>2 154 932</b>

TABLE 9.9 : SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: TRANSPORT INFRASTRUCTURE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>933 081</b>	<b>870 171</b>	<b>1 169 343</b>	<b>831 107</b>	<b>1 287 846</b>	<b>1 275 031</b>	<b>1 528 073</b>	<b>1 383 077</b>	<b>1 343 384</b>
Compensation of employees	226 994	242 315	261 529	305 864	293 864	287 686	279 404	329 607	347 735
Goods and services	705 872	627 855	907 812	525 183	961 422	954 786	1 248 619	1 053 420	995 596
Interest and rent on land	215	1	2	60	32 560	32 559	50	50	53
<b>Transfers and subsidies to:</b>	<b>258 134</b>	<b>5 625</b>	<b>10 027</b>	<b>7 730</b>	<b>97 730</b>	<b>99 965</b>	<b>8 670</b>	<b>9 310</b>	<b>6 288</b>
Provinces and municipalities	1 252	1 079	1 581	2 000	2 000	2 000	2 500	2 700	2 900
Households	256 882	4 546	8 446	5 730	95 730	97 965	6 170	6 610	3 388
<b>Payments for capital assets</b>	<b>904 705</b>	<b>1 284 326</b>	<b>781 705</b>	<b>1 137 320</b>	<b>726 728</b>	<b>737 889</b>	<b>982 940</b>	<b>1 413 941</b>	<b>805 260</b>
Buildings and other fixed structures	851 823	1 096 261	692 676	1 133 840	721 332	730 881	968 050	1 399 851	790 656
Machinery and equipment	52 882	187 928	89 029	3 480	5 396	7 008	14 890	14 090	14 604
Software and other intangible assets		137							
<b>Payments for financial assets</b>	<b>278</b>	<b>16 990</b>	<b>76</b>			<b>92</b>			
<b>Total economic classification</b>	<b>2 096 198</b>	<b>2 177 112</b>	<b>1 961 151</b>	<b>1 976 157</b>	<b>2 112 304</b>	<b>2 112 977</b>	<b>2 519 682</b>	<b>2 806 328</b>	<b>2 154 932</b>

The allocation for this programme includes the PRMG and provincial earmarked infrastructure allocations. These two allocations form the core of this programme and of the Department.

### Infrastructure planning

The unit is responsible for the infrastructure planning, which includes the route determinations, modelling centre and the freight databank. The unit's infrastructure related projects and CoE were fully funded during the 2014/15 to 2016/17 financial years. During the 2017/18 financial year the budget was adjusted to R5 million because of an increase in the number of planning projects within the Department in line with the Integrated Transport Master Plan 25 (ITMP25), which is in a bid to plan the long-term infrastructure projects better within the province. The growth will continue in the 2018/19 by R60 million and a slight decrease is evident over the MTEF and the projects reported above will be implemented. The MTEF numbers indicate that there are more projects funded in 2018/19 as opposed to the other two years of the MTEF from R43 million in 2019/20 and then decreasing to R41 million in 2020/21.

### Infrastructure design

The unit is responsible for the design projects for the road infrastructure projects including managing the processes related to the proclamation of the land that the projects are implemented on. Owing to the provincial mandate of improving the provincial roads network in a bid to create alternative routes to the tolled routes, the Department has increased the number of road rehabilitation projects throughout the province. This has meant that the design unit has had to produce quality designs to be implemented by both the construction and maintenance units, in other words designs that incorporate the non-motorised transport (NMT) mandates. The allocation for the design unit increased from R98 million in 2014/15 to R153 million in 2016/17. The allocation then reduces in 2017/18 to R113 million because most of the projects within the unit did not proceed as planned and warranted the reduction in the budget. Over the MTEF, the allocation reduces from R110 million in 2018/19 to R47 million in 2019/20 and to R45 million in 2020/21 because most of the on-going projects will be completed and the strategic planning period will assist in prioritising the other projects as outlined in the ITMP25.

### Construction

The unit is responsible for the construction of roads within the province, i.e. upgrades, rehabilitation and new roads. The expenditure increases from 2014/15 by R902 million to R1 billion in 2015/16 to allow the unit to finalise all the upgrading projects that were being implemented and then decreases to R637 million in 2016/17 because the Department reallocated the rehabilitation projects from this unit to the maintenance unit, a decision that was reversed in 2017/18, hence the increase in the allocation in 2017/18. During the 2017/18 financial year, the unit had several projects in the pipeline that were plagued with delays, which resulted in the budget being reduced during the adjustments, from R1.2 billion to R732 million. These projects are then planned for implementation in 2018/19 onwards, hence the increases in allocation of R947 million in 2018/19 to R1.5 billion in 2019/20 financial years.

### Maintenance

The unit is responsible for the maintenance of roads within the provincial network and is funded by both the PRMG and the infrastructure equitable share allocation. The expenditure increases from R783 million in 2014/15 to R1.1 billion in 2016/17 financial years because of the province's continuing focus on maintenance of the provincial network rather than the construction of new roads. The allocation is then reduced in 2017/18 at the beginning of the financial year because several the contracts were ending and the new tenders were being issued. There were however several delays in the construction

projects and the maintenance contracts were issued, causing a shift of budget from construction to maintenance in 2017/18. The budget is maintained over the MTEF to service the maintenance routine maintenance contracts.

The programme's compensation of employees increased steadily from R227 million in 2014/15 to R348 million in 2020/21 mainly because of the improvements in the conditions of service (ICS) and minor allocations for engineer posts in line with the organisational structure. The goods and services budget increased from R706 million in 2014/15 to R908 million in the 2016/17 financial year because of the increased investment in the maintenance of the provincial road network. The increases in the 2017/18 adjusted allocation of R955 million is because of the reasons provided above of the delays in appointing the construction tenders and the resultant shift to maintenance projects. Over the MTEF the allocation decreases from R1.2 billion in 2018/19 to R996 million in 2020/21 in line with the ending project life cycles of several projects.

The items used for transfers and subsidies are for the payments of licensing fees for the construction fleet as well as households, which is for pension benefits, leave gratuities and all injury on duty claims. The expenditure in 2014/15 within this item is R257 million which was for the payment of court orders in relation to the previous routine maintenance programme of the Department. This also occurred in the 2017/18 financial year when the budget was adjusted upwards from R60 000 to R100 million. Over the MTEF, the licensing fees are funded from infrastructure and are budgeted fully each financial year. The household items reduce from R6 million in 2018/19 to R3.3 million in 2020/21.

The capital items are mainly for the infrastructure allocations and the full list thereof is available in the ECE. The increases in expenditure and budget within this item is in line with the explanations provided above for the construction unit. The allocations are based on the state of readiness, capacity to manage the projects, the project life cycles as well as the needs analysis of infrastructure within the province in line with the ITMP25, TMR and Ntirhisano initiatives. The allocation fluctuations over the MTEF are in line with the project life cycles on the capital infrastructure projects within design and construction units.

## SERVICE DELIVERY MEASURES

### PROGRAMME 2: TRANSPORT INFRASTRUCTURE

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of designs completed	7	7	8	6
Number of km of surfaced roads visually assessed as per the applicable TMH manual	4, 408km	4, 408km	4, 408km	
Number of km of gravelled roads visually assessed as per the applicable TMH manual	1,368km	1,368km	1,368km	
Number of m2 of surfaced roads upgraded	39 960.00m2	39 960.00m2	168, 000.00m2	500, 400.00m2
Number of km of gravel roads upgraded to surfaced roads			11.35km	13km
Number of m2 NMT infrastructure completed	8, 000.00m2	8, 000.00m2	35, 000.00m2	49, 750.00m2
Number of construction and NMT jobs created through the implementation of EPWP principles	180	180	100	170
Number of m2 of surfaced roads rehabilitated	235, 676.00m2	235, 676.00m2	1, 123, 482.00m2	647, 056.00m2
Number of m2 of surfaced roads re-sealed	154, 000m2	154, 000m2	126, 000m2	96, 000m2
Number of km of gravel roads re-graveled	158.15km	158.15km	120.05km	84km
Number of m2 of blacktop patchiong	84, 000m2	84, 000m2	66, 000m2	40, 000m2
Number of km of gravel roads bladed	1, 203.85km	1, 203.85km	1, 230km	1, 248km
Number of maintenance jobs created through the implementation of EPWP	3, 430	3, 430	3, 700	3, 850
Number of weigh bridges calibrated to SABS standard	4	4	4	5
Number of abnormal load permits issued	20, 000	20, 000	22, 000	22, 000

### PROGRAMME 3: TRANSPORT OPERATIONS

#### Programme description

To plan, regulate and facilitate the provision of integrated land transport services through co-ordination and co-operation with national planning authorities, CBOs, NGOs and the private sector in order to enhance the mobility of all communities particularly those currently without, or with limited, access

#### Programme objectives

- Management of integrated land transport contracts to provide mobility to commuters; and
- Manage, co-ordinate and facilitate transport safety and compliance in all modes with related legislation, regulations and policies through pro-active and reactive tactics and strategies

TABLE 9.10: SUMMARY OF PAYMENTS AND ESTIMATES BY SUB-PROGRAMME: TRANSPORT OPERATIONS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Public Transport Services	1 974 799	2 012 968	2 410 921	2 379 507	2 383 807	2 369 037	2 580 547	2 686 183	2 871 781
2. Programme Support Operations	11 870	6 200	5 592	6 740	6 440	4 689	8 570	9 255	9 761
<b>Total payments and estimates</b>	<b>1 986 669</b>	<b>2 019 168</b>	<b>2 416 513</b>	<b>2 386 247</b>	<b>2 390 247</b>	<b>2 373 726</b>	<b>2 589 117</b>	<b>2 695 438</b>	<b>2 881 542</b>

TABLE 9.11: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: TRANSPORT OPERATIONS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>46 589</b>	<b>41 039</b>	<b>58 763</b>	<b>62 932</b>	<b>62 932</b>	<b>55 109</b>	<b>111 650</b>	<b>78 928</b>	<b>91 892</b>
Compensation of employees	22 103	23 783	22 934	26 282	26 282	27 695	62 950	29 668	31 300
Goods and services	24 486	17 256	35 829	36 650	36 650	27 414	48 700	49 260	60 592
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>1 900 024</b>	<b>1 959 692</b>	<b>2 340 695</b>	<b>2 315 635</b>	<b>2 315 635</b>	<b>2 316 836</b>	<b>2 476 787</b>	<b>2 615 830</b>	<b>2 788 933</b>
Public corporations and private enterprises	1 900 024	1 959 610	2 340 673	2 315 535	2 315 535	2 316 753	2 476 667	2 615 700	2 788 796
Non-profit institutions									
Households		82	22	100	100	83	120	130	137
<b>Payments for capital assets</b>	<b>40 056</b>	<b>18 437</b>	<b>17 055</b>	<b>7 680</b>	<b>11 680</b>	<b>1 781</b>	<b>680</b>	<b>680</b>	<b>717</b>
Buildings and other fixed structures	39 012	17 826	16 599	7 000	11 000	1 750			
Machinery and equipment	1 044	611	456	680	680	31	680	680	717
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>1 986 669</b>	<b>2 019 168</b>	<b>2 416 513</b>	<b>2 386 247</b>	<b>2 390 247</b>	<b>2 373 726</b>	<b>2 589 117</b>	<b>2 695 438</b>	<b>2 881 542</b>

The public transport operations grant (PTOG) and the North-West Star demarcation contracts are funded within this programme, which explains the high budget and expenditure in the tables above. These are both captured in the transfers and subsidies item and within the Public Transport Services (PTS) sub-programme, which is another core function and programme of the Department. The programme support operations (PSO) sub-programme is for the operational items of the unit. The increase in expenditure from R1.9 billion in 2014/15 to R2.4 billion in 2016/17 for PTS is in line with the increases in the PTOG, while the decrease in the PSO sub-programme is in line with the cost-containment measures and the realignment of the activities within the programme. From the 2017/18 financial year until the end of the MTEF period the budget allocations grow steadily from R2.4 billion to R2.9 billion mainly because of inflationary adjustments within the programme.

Expenditure within compensation of employees increases slightly from R22 million in 2014/15 to R23 million in 2016/17 financial years because of the improvements in conditions of Service (ICS). The increase in the 2017/18 financial year to R26 million was in line with the requirements of the unit as per the revised organisational structure. The increase to R63 million in 2018/19 and R30 million in 2019/20 and R31 million in the last year of the MTEF is in relation to the ICS.

The programme's goods and services expenditure increased to R24 million in 2014/15 and then fluctuates between 2015/16 and 2016/17 respectively because of the operational requirements of the unit. From 2014/15 expenditure within goods and services therefore only relates to operational expenditure, which includes the monitoring of the public transport operators aligned to the PTOG. The allocation increases from R49 million in 2018/19 to R61 million in 2020/21 because of the increased allocations for the Integrated Fare Management System (IFMS), an ITMP25-linked project that the Department is implementing with the support of Gautrain.

The Department's PTOG and the North-West Star are both allocated within the transfers and subsidies item within this programme and the regular operational items of the Department, i.e. the households' item. Expenditure increased slightly in 2014/15 and 2015/16 from R1.9 billion to R2 billion and then increased again in 2016/17 to R2.3 billion. Over the MTEF, estimated expenditure continued to grow from R2.4 billion in 2018/19, R2.6 billion in 2019/20 and R2.7 in 2020/21 financial years. These increases are inflationary in nature.

The infrastructure expenditure decreased from R39 million in 2014/15 to R17 million in 2016/17 and is within the buildings and other fixed structures item because it relates to the intermodal facilities. The budget in 2017/18 reduces to R7 million as it is only for the Shovakalula NMT Programme because the only Intermodal Facility that the Department is implementing is plagued with countless delays. Over the MTEF the Shovakalula Project is shifted to goods and services as it is considered inventory by the Standard Chart of Accounts (SCOA).

## SERVICE DELIVERY MEASURES

**PROGRAMME 3: TRANSPORT OPERATIONS**

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of intermodal facilities completed	Vereeniging practical completion	Vereeniging practical completion		
Number of routes subsidised	3, 477 (Non cumulative)	3, 477 (Non cumulative)	3, 477 (Non cumulative)	3, 477 (Non cumulative)
Number of km subsidised	101, 992, 087	101, 992, 087	101, 992, 087	101, 992, 087
Number of trips subsidised	1, 938, 991	1, 938, 991	1, 938, 991	1, 938, 991
Number of Provincial Regulating Entity hearings conducted in terms of section 59 & 79 of the NLTA 2009	24	24	24	24
Number of bicycles distributed through the Shovakalula project	6, 000	6, 000	9, 000	12, 000

**PROGRAMME 4: TRANSPORT REGULATION****Programme description**

To ensure the provision of a safe environment through the regulation of traffic on public infrastructure, law enforcement, implementation of road safety education and awareness programmes and registration and licensing of vehicles and drivers.

**Programme objectives**

- To monitor and control registration and licensing of all motor vehicles and to render services regarding the administration of applications in terms of the National Road Traffic Act (Act 93 of 1996);
- To implement laws and regulations relating to vehicle registration and licensing, vehicle fitness testing and driver fitness testing; and
- To manage, approve and control registration of transport operators and issue all licenses and permits required in terms of legislation.

**TABLE 9.12: SUMMARY OF PAYMENTS AND ESTIMATES BY SUB-PROGRAMME: TRANSPORT REGULATION**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
1. Transport Administration And Licencing	161 897	196 377	191 962	192 524	184 424	184 679	164 912	181 450	194 703
2. Operator Licence And Permits	44 096	65 980	127 360	122 305	128 305	132 009	135 735	142 313	150 200
<b>Total payments and estimates</b>	<b>205 993</b>	<b>262 357</b>	<b>319 322</b>	<b>314 829</b>	<b>312 729</b>	<b>316 688</b>	<b>300 647</b>	<b>323 763</b>	<b>344 903</b>

**TABLE 9.13: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: TRANSPORT REGULATION**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
<b>Current payments</b>	<b>156 153</b>	<b>192 747</b>	<b>263 931</b>	<b>256 725</b>	<b>270 725</b>	<b>276 459</b>	<b>292 377</b>	<b>315 883</b>	<b>340 815</b>
Compensation of employees	115 293	137 808	152 871	144 236	158 236	163 970	171 700	188 496	206 364
Goods and services	40 857	54 939	111 060	112 309	112 309	112 309	120 527	127 237	134 293
Interest and rent on land	3			180	180	180	150	150	158
<b>Transfers and subsidies to:</b>	<b>528</b>	<b>563</b>	<b>106</b>	<b>665</b>	<b>665</b>	<b>665</b>	<b>690</b>	<b>700</b>	<b>739</b>
Households	528	563	106	665	665	665	690	700	739
<b>Payments for capital assets</b>	<b>49 303</b>	<b>69 043</b>	<b>55 278</b>	<b>57 439</b>	<b>41 339</b>	<b>39 542</b>	<b>7 580</b>	<b>7 180</b>	<b>3 349</b>
Buildings and other fixed structures	47 548	65 616	50 017	52 639	38 339	38 339	4 300	4 000	
Machinery and equipment	1 755	3 427	5 243	3 000	3 000	1 203	1 480	1 380	1 450
Software and other intangible assets			18	1 800			1 800	1 800	1 899
<b>Payments for financial assets</b>	<b>9</b>	<b>4</b>	<b>7</b>			<b>22</b>			
<b>Total economic classification</b>	<b>205 993</b>	<b>262 357</b>	<b>319 322</b>	<b>314 829</b>	<b>312 729</b>	<b>316 688</b>	<b>300 647</b>	<b>323 763</b>	<b>344 903</b>

Infrastructure projects are located within the budget for the transport operation and licensing board (TOLAB) and drivers licensing and testing centres (DLTC) together with the allocations for licensing and registration functions. The audited outcome within this programme increases from R206 million in the 2014/15 to R319 million in the 2016/17 financial year. Other than the infrastructure projects and revenue-generation activities, the expenditure is mainly for the daily registration and licensing, which are operational in nature and are affected by inflationary increases. In 2017/18, the budget reduces from



R319 million to R317 million because the TOLAB projects were not allocated with a budget as the supply chain processes within Department of Infrastructure Development (DID) were progressing slowly and there is only one DLTC project in the pipeline. Over the MTEF the allocation increases from R301 million in 2018/19, R324 million in 2019/20 and R345 in 2020/21 financial year.

The compensation of employees increases from R115 million in 2014/15 to R153 million in the 2016/17 financial year because the units within this programme implemented a recruitment drive to fill the posts in line with the revised organisational structure. The budget then increases from R164 million in 2017/18 to R172 million in 2018/19 and to R206 million until the end of the MTEF period in relation to the ICS.

The programme's goods and services expenditure increases from R41 million in 2014/15 to R111 million in 2016/17. This sharp increase is because of the exorbitant increase in the tariffs for gazetting the public transport licences by the Government Printing Works as well as the high costs of maintaining the DLTCs that have been constructed over the years. For the rest of the years, the increases in the budget are inflationary in nature.

The capital payments expenditure was for the DLTCs and TOLAB infrastructure projects that the Department implemented during that period. The allocation of R50 million in 2017/18, which was reduced to R38 million during the adjustments, was for the last remaining DLTC project in Sebokeng that will be finalised by the end of 2017/18. The MTEF allocations are for the operational capital items only within the programme. The Department will not be implementing any infrastructure projects until the Infrastructure Planning Unit completes the Master Plan for Transport Services Centres that will guide where these centres must be situated and what form they should take for effective service delivery.

## SERVICE DELIVERY MEASURES

### PROGRAMME 4: TRANSPORT REGULATION

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Establishment of DLTCs	1 Sebokeng completed	1 Sebokeng completed		1
Number of TOLABs constructed by 2019	Sebokeng commenced	Sebokeng commenced	Sebokeng Practical completion	
Number of TOLABs refurbished			Tshwane	
Number of DLTCs rolled out with Computerised Learner License Test system	6 completed	6 completed		7 centre completed
Number of compliance inspections conducted	195	195	250	255
Number of permits/ operating licenses issued by 2019	9 000	9 000	9 200	10 000
Number of permits converted to operating licenses by 2019	2, 500	2, 500	2, 000	1, 500
Impact Evaluation Study of project	1	1		1
Number of fully registered minibus taxi associations in the Gauteng Province	5	5	4	3
Number of audited monitored routes completed by 2019	750	750	700	650
Number of Non Mini bus Taxi modes registered by 2019	1, 200	1, 200	1, 100	1, 000

### PROGRAMME 5: GAUTRAIN

#### Programme description

To plan, design and construct the Rapid Rail Link and ensure efficient management and implementation of the Gautrain.

Management of the concession agreement will remain one of the most important functions of the GMA. The agreement was concluded between the province, through the Department of Roads and Transport, on the one hand and the concessionaire on the other for the design, construction and operation of the railway line for the Gautrain Rapid Rail Project.

The agreement was concluded in terms of Treasury Regulation 16 as a public-private partnership (PPP) on the basis that the concessionaire will perform the institutional function of the province for the design, construction and operation of the railway line, acquiring the use of the land on which the railway line is established and the use of the railway line itself when constructed.

#### Programme objectives

- Manage the concession agreement;
- Manage the project's finances, financial securities, insurance, socio-economic development objectives, assets and the maintenance thereof;



- Liaise and exchange information with the three spheres of government, interested and affected parties, institutions and professional bodies in South Africa and other countries;
- Enhance integration with the province's public transport system;
- Monitor government policies and legislation;
- Perform duties assigned by the Railway Safety Regulator;
- Protect the rail reserve and provincial transport infrastructure involved in the project in terms of the Gauteng Transport Infrastructure Act; and
- Establish and operate information and management systems

TABLE 9.14: SUMMARY OF PAYMENTS AND ESTIMATES BY SUB-PROGRAMME: GAUTRAIN

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Gautrain Rapid Link	1 311 748	1 561 451	2 812 089	1 833 694	1 833 694	1 833 694	1 945 268	2 058 094	2 171 289
<b>Total payments and estimates</b>	<b>1 311 748</b>	<b>1 561 451</b>	<b>2 812 089</b>	<b>1 833 694</b>	<b>1 833 694</b>	<b>1 833 694</b>	<b>1 945 268</b>	<b>2 058 094</b>	<b>2 171 289</b>

TABLE 9.15: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: GAUTRAIN

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>									
Transfers and subsidies to:	1 311 748	1 561 451	2 812 089	1 833 694	1 833 694	1 833 694	1 945 268	2 058 094	2 171 289
Departmental agencies and accounts	1 311 748	1 561 451	2 812 089	1 833 694	1 833 694	1 833 694	1 945 268	2 058 094	2 171 289
Payments for capital assets									
Payments for financial assets									
<b>Total economic classification</b>	<b>1 311 748</b>	<b>1 561 451</b>	<b>2 812 089</b>	<b>1 833 694</b>	<b>1 833 694</b>	<b>1 833 694</b>	<b>1 945 268</b>	<b>2 058 094</b>	<b>2 171 289</b>

The budget and expenditure within this programme are related to the maintenance and capacitation of the current systems as well as the daily operational activities. The payments for the programme increased from R1.3 billion in 2014/15, R1.6 billion in 2015/16 and R3 billion in 2016/17 financial years. The increase in 2016/17 was for the legal claims that were due during that year that Gautrain had to pay a settlement. The increases from 2017/18 until the end of the MTEF from R1.8 billion to R2.2 billion are inflationary in nature and will continue to be for the operational phase of the project

## 9. OTHER PROGRAMME INFORMATION

### 9.1 Personnel numbers and costs

TABLE 9.16: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS BY COMPONENT: ROADS AND TRANSPORT

Actual				Revised estimate				Medium-term expenditure estimate				Average annual growth over MTEF							
2014/15		2015/16		2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21					
R thousands	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Filled posts	Additional posts	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel growth rate	Costs growth rate	% Costs Total		
Salary level																			
1 – 6	1 055	185 471	1 148	205 276	1 202	244 898	1 154	50	1 204	235 887	1 166	247 930	1 135	258 229	1 195	272 432	(0.2)%	4.9%	35.0%
7 – 10	590	66 032	588	238 583	548	226 696	475	76	551	256 603	580	244 995	596	259 650	630	273 932	4.6%	2.2%	36.1%
11 – 12	90	56 329	95	109 708	101	101 726	35	75	110	117 400	121	137 488	140	152 507	147	160 896	10.1%	11.1%	19.7%
13 – 16	53	180 726	51	(4 599)	47	58 000	43		43	37 332	44	72 101	55	79 899	57	84 292	9.9%	31.2%	9.2%
Other																			
Total	1 788	488 558	1 882	548 968	1 898	631 320	1 707	201	1 908	647 222	1 911	702 514	1 926	750 285	2 029	791 552	2.1%	6.9%	100.0%
Programme																			
1. Administration	308	124 169	352	145 121	392	158 479	398		398	133 770	408	143 285	424	157 555	448	166 221	4.0%	7.5%	20.9%
2. Transport Infrastructure	1 025	226 994	1 023	242 315	997	261 529	833	147	980	159 299	930	353 223	909	387 211	958	408 508	(0.8)%	36.9%	43.6%
3. Transport Operations	59	22 103	59	23 783	59	22 934	45	4	49	209 280	57	27 351	68	28 184	70	29 734	12.6%	(47.8)%	12.2%
4. Transport Regulation	396	115 293	448	137 808	450	152 871	431	50	481	144 873	516	178 655	525	177 335	553	187 089	4.8%	8.9%	23.3%
5. Gautrain																			
Direct charges																			
Total	1 788	488 559	1 882	549 027	1 898	595 813	1 707	201	1 908	647 222	1 911	702 514	1 926	750 285	2 029	791 552	2.1%	6.9%	100.0%
Employee dispensation classification																			
Public Service Act appointees not covered by OSDs				405 445	1 674	1 778	1 674		1 674	489 714	1 674	512 029	1 674	540 703	1 674	570 442		5.2%	88.9%
Legal Professionals				3 158	6	6	6		6	3 449	6	3 604	6	3 806	6	4 015		5.2%	0.6%
Engineering Professions and related occupations				52 290	107	107	107		107	57 405	107	60 147	107	63 515	107	67 008		5.3%	10.4%
Total				460 893	1 787	1 891	1 787		1 787	550 568	1 787	575 780	1 787	608 024	1 787	641 465		5.2%	100.0%

The table above reflects the organisational structure of the Department that was approved in 2012, which meant that the recalculations and staff establishment realignments within the entire organisation is underway. This resulted in the total number of posts reducing drastically. This approved structure has been revised within most of the units since the approval and this will result in the annual changes as per the table. The increase in the compensation of employee's budget over the 2018 MTEF period is to cover inflationary increases on the current number of employees appointed on the staff establishment.

The allocated budget for compensation of employees will not be adequate for all the posts in the structure, therefore the Department will continue to fill the structure piecemeal until it is fully implemented. It should however be noted that the Department may maintain a vacancy rate of about 10 per cent of the total posts in the organisational structure throughout all the units.

## 9.2 Training

TABLE 9.17: INFORMATION ON TRAINING: ROADS AND TRANSPORT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Number of staff	1 788	1 882	1 898	1 908	1 908	1 908	1 911	1 926	2 029
Number of personnel trained	1 800	700	750	800	800	800	850	900	950
of which									
Male	900	450	400	400	400	400	400	450	475
Female	900	250	350	400	400	400	450	450	475
Number of training opportunities	60	80	90	95	95	95	101	106	112
of which									
Tertiary	60	80	90	95	95	95	101	106	112
Number of bursaries offered	60	80	120	120	120	120	120	120	127
Number of interns appointed	10	30	45	50	50	50	55	60	63
Number of learnerships appointed	10	30	25	30	30	30	35	40	42
<b>Payments on training by programme</b>									
1. Administration	3 210	2 573	2 802	2 823	2 823	2 823	2 986	3 154	3 327
2. Transport Infrastructure	2 420	5 535	5 862	5 890	5 890	5 890	6 232	6 581	6 943
3. Transport Operations	720	805	862	869	869	869	919	970	1 023
4. Transport Regulation	1 250	2 622	2 770	2 782	2 782	2 782	2 943	3 108	3 279
5. Gautrain									
<b>Total payments on training</b>	<b>7 600</b>	<b>11 535</b>	<b>12 295</b>	<b>12 363</b>	<b>12 363</b>	<b>12 363</b>	<b>13 080</b>	<b>13 813</b>	<b>14 572</b>

The number of bursaries has increased and is adjusted annually based on the number of graduates and drop-out rates. The Department conducted bursary audits which informed the increase as well as the costing attached to study fees. In addition, the Department grants internal Departmental bursaries based on the number of applications received per annum and the costs attached to them.

The Department continued to provide internship programmes to youth graduates country-wide in line with government's drive to achieve the aspirations of a development state. The budget for training is centralised in programme one under corporate services for better coordination and management. The increase in external bursaries over the MTEF is based on potential students' graduates.

The Department ensures the supply of technical graduates through a bursary scheme on an annual basis to cater for the demand within the Department and the sector. Employing these graduates will have an impact on the compensation of employee's budget and on acquiring their tools of trade and infrastructure

## 9.3 Reconciliation of structural changes

No changes

# **Annexure to the Estimates of Provincial Revenue and Expenditure**

TABLE 9.19: SPECIFICATION OF RECEIPTS: ROADS AND TRANSPORT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Tax receipts</b>	<b>2 949 662</b>	<b>3 217 032</b>	<b>3 404 962</b>	<b>3 396 424</b>	<b>3 606 173</b>	<b>3 606 173</b>	<b>3 811 724</b>	<b>4 025 181</b>	<b>4 246 566</b>
Motor vehicle licences	2 949 662	3 217 032	3 404 962	3 396 424	3 606 173	3 606 173	3 811 724	4 025 181	4 246 566
<b>Sales of goods and services other than capital assets</b>	<b>53 937</b>	<b>54 970</b>	<b>58 918</b>	<b>75 176</b>	<b>75 176</b>	<b>75 176</b>	<b>79 537</b>	<b>83 991</b>	<b>88 611</b>
Sale of goods and services produced by department (excluding capital assets)	53 937	54 970	58 918	75 176	75 176	75 176	79 537	83 991	88 611
Sales by market establishments	53 937	54 970	58 918	75 176	75 176	75 176	79 537	83 991	88 611
<b>Transfers received from:</b>									
<b>Fines, penalties and forfeits</b>									
<b>Interest, dividends and rent on land</b>	<b>28</b>	<b>61</b>	<b>15</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>63</b>	<b>67</b>	<b>71</b>
Interest	28	61	15	60	60	60	63	67	71
<b>Sales of capital assets</b>		<b>4 491</b>	<b>12 705</b>			<b>7 415</b>			
Other capital assets		4 491	12 705			7 415			
<b>Transactions in financial assets and liabilities</b>	<b>2 236</b>	<b>1 673</b>	<b>537</b>	<b>1 500</b>	<b>1 500</b>	<b>1 500</b>	<b>1 587</b>	<b>1 676</b>	<b>1 768</b>
<b>Total departmental receipts</b>	<b>3 005 863</b>	<b>3 278 227</b>	<b>3 477 137</b>	<b>3 473 160</b>	<b>3 682 909</b>	<b>3 690 324</b>	<b>3 892 911</b>	<b>4 110 915</b>	<b>4 337 016</b>

TABLE 9.20: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ROADS AND TRANSPORT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>1 339 452</b>	<b>1 336 094</b>	<b>1 750 232</b>	<b>1 460 248</b>	<b>1 926 437</b>	<b>1 912 492</b>	<b>2 274 844</b>	<b>2 150 211</b>	<b>2 162 841</b>
Compensation of employees	488 559	549 027	595 813	647 972	647 972	650 822	702 514	750 285	799 053
Salaries and wages	423 026	471 723	510 048	540 740	540 740	557 294	553 294	624 959	666 836
Social contributions	65 533	77 304	85 765	107 232	107 232	93 528	149 220	125 326	132 217
Goods and services	850 666	786 608	1 154 417	811 956	1 245 645	1 228 905	1 572 070	1 399 666	1 363 514
Administrative fees	831	1 090	840	1 210	1 190	1 251	1 275	1 490	1 715
Advertising	8 353	10 927	8 183	11 000	8 362	9 109	10 040	11 060	12 168
Minor assets	1 842	1 900	1 698	200	2 550	3 269	200	200	220
Audit cost: External	5 432	6 273	4 897	6 000	6 000	6 499	6 200	6 500	7 000
Bursaries: Employees	562	1 418	943	2 000	2 000	1 770	2 100	2 200	2 500
Catering: Departmental activities	894	1 625	2 712	2 260	2 120	2 138	2 640	3 190	3 489
Communication (G&S)	14 020	11 611	21 388	21 500	21 507	19 243	10 160	11 180	12 196
Computer services	6 879	4 517	19 475	17 200	24 700	30 888	22 000	16 000	16 660
Consultants and professional services: Business and advisory services	19 092	22 977	32 023	45 300	44 625	32 978	43 100	42 700	54 145
Infrastructure and planning	9 685	13 270	15 082	16 862	20 562	20 562	30 100	11 600	7 110
Laboratory services	66	314	421		350	250			
Legal services	17 299	11 862	17 407	8 200	8 200	13 690	11 282	14 860	15 685
Contractors	669 260	576 047	836 496	461 829	874 054	883 851	1 169 279	989 630	933 660
Agency and support / outsourced services	231		622	2 140					
Fleet services (including government motor transport)	10 839	8 524	4 513	15 274	10 449	7 370	16 869	16 869	17 797
Inventory: Clothing material and accessories	45	1 549	3 708		2 641	4 850	3 500	3 600	3 700
Inventory: Farming supplies	76								
Inventory: Fuel, oil and gas	253		1 082			368	5 000	5 100	5 200
Inventory: Materials and supplies	1 085	16 933	12 885	20 372	33 177	11 427	15 000	16 000	16 500
Inventory: Medical supplies	426								
Inventory: Other supplies	831	2 708	3 414	16 654	10 154	9 079	21 552	31 484	22 078

Consumable supplies	1 986	2 663	6 253		2 521	1 661	420	525	580
Consumable: Stationery, printing and office supplies	17 580	21 858	82 563	81 037	81 042	81 329	87 525	93 303	98 438
Operating leases	8 567	12 753	19 693	15 295	17 095	16 175	17 548	19 010	20 052
Property payments	35 659	36 173	32 355	37 293	41 293	43 800	60 920	66 120	73 563
Transport provided: Departmental activity	705	413	641	100	100	126	110	120	127
Travel and subsistence	10 610	10 905	11 663	14 270	14 720	13 884	14 980	15 630	16 487
Training and development	4 429	5 771	8 601	13 000	13 000	10 215	18 000	19 000	20 000
Operating payments	103	295	148						
Venues and facilities	3 021	2 232	2 444	2 960	2 710	2 732	2 270	2 295	2 444
Rental and hiring	5		2 267		523	391			
Interest and rent on land	227	459	2	320	32 820	32 765	260	260	274
Interest	225	459	2	320	32 820	32 765	260	260	274
Rent on land	2								
<b>Transfers and subsidies</b>	<b>3 470 779</b>	<b>3 527 500</b>	<b>5 163 865</b>	<b>4 158 224</b>	<b>4 248 274</b>	<b>4 251 826</b>	<b>4 431 965</b>	<b>4 684 484</b>	<b>4 967 829</b>
Provinces and municipalities	1 256	1 079	1 581	2 000	2 000	2 000	2 500	2 700	2 900
Municipalities	1 252	1 079	1 581	2 000	2 000	2 000	2 500	2 700	2 900
Municipalities	1 252	1 079	1 581	2 000	2 000	2 000	2 500	2 700	2 900
Departmental agencies and accounts	1 311 748	1 561 451	2 812 089	1 833 694	1 833 694	1 833 694	1 945 268	2 058 094	2 171 289
Provide list of entities receiving transfers	1 311 748	1 561 451	2 812 089	1 833 694	1 833 694	1 833 694	1 945 268	2 058 094	2 171 289
Public corporations and private enterprises	1 900 024	1 959 610	2 340 673	2 315 535	2 315 535	2 316 753	2 476 667	2 615 700	2 788 796
Private enterprises	1 900 024	1 959 610	2 340 673	2 315 535	2 315 535	2 316 753	2 476 667	2 615 700	2 788 796
Other transfers	1 900 024	1 959 610	2 340 673	2 315 535	2 315 535	2 316 753	2 476 667	2 615 700	2 788 796
Households	257 751	5 360	9 522	6 995	97 045	99 379	7 530	7 990	4 844
Social benefits	407	3 035	1 604	3 365	3 415	3 524	3 680	3 930	4 147
Other transfers to households	257 344	2 325	7 918	3 630	93 630	95 855	3 850	4 060	697
<b>Payments for capital assets</b>	<b>1 001 973</b>	<b>1 378 676</b>	<b>857 806</b>	<b>1 213 819</b>	<b>792 927</b>	<b>793 208</b>	<b>1 007 010</b>	<b>1 434 971</b>	<b>823 455</b>
Buildings and other fixed structures	938 410	1 179 703	759 292	1 193 479	770 671	770 970	972 350	1 403 851	790 656
Other fixed structures	938 410	1 179 703	759 292	1 193 479	766 971	745 664	968 050	1 399 851	790 656
Machinery and equipment	63 299	198 836	98 296	18 040	21 256	21 235	28 860	28 760	30 309
Transport equipment	2 552	185 133	81 187	8 580	7 256	6 451	19 610	18 610	19 138
Other machinery and equipment	60 747	13 703	17 109	9 460	14 000	14 784	9 250	10 150	11 171
Software and other intangible assets	264	137	218	2 300	1 000	1 003	5 800	2 360	2 490
<b>Payments for financial assets</b>	<b>59 880</b>	<b>17 031</b>	<b>86</b>			<b>150</b>			
<b>Total economic classification</b>	<b>5 872 084</b>	<b>6 259 301</b>	<b>7 771 989</b>	<b>6 832 291</b>	<b>6 967 638</b>	<b>6 957 676</b>	<b>7 713 818</b>	<b>8 269 666</b>	<b>7 954 125</b>

TABLE 9.21: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>203 629</b>	<b>232 137</b>	<b>258 195</b>	<b>309 484</b>	<b>304 934</b>	<b>305 893</b>	<b>342 744</b>	<b>372 323</b>	<b>386 750</b>
Compensation of employees	124 169	145 121	158 479	171 590	169 590	171 471	188 460	202 514	213 654
Salaries and wages	110 204	127 451	138 042	147 057	145 057	149 748	160 585	172 424	181 908
Social contributions	13 965	17 670	20 437	24 533	24 533	21 723	27 875	30 090	31 746
Goods and services	79 451	86 558	99 716	137 814	135 264	134 396	154 224	169 749	173 033
Administrative fees	555	634	518	700	750	832	1 030	1 235	1 440
Advertising	3 881	5 416	3 900	6 300	4 347	5 159	4 820	5 520	6 322
Minor assets	1 123	778	194	200	1 700	2 439	200	200	220
Audit cost: External	5 432	6 273	4 897	6 000	6 000	6 499	6 200	6 500	7 000
Bursaries: Employees	562	1 418	943	2 000	2 000	1 770	2 100	2 200	2 500
Catering: Departmental activities	797	956	2 418	1 450	1 460	1 440	2 370	2 900	3 159
Communication (G&S)	13 957	11 542	18 439	21 400	21 400	19 047	10 060	11 080	12 090
Computer services	6 335	4 160	17 589	15 200	22 700	28 888	22 000	16 000	16 660

Consultants and professional services: Business and advisory services	1 809	1 665	964	4 300	4 175	1 442	4 100	3 700	4 100
Legal services	3 751	4 362	6 562	4 000	4 000	5 391	5 032	7 000	7 385
Contractors	4 006	6 660	272	8 700	700	737	3 000	3 100	3 300
Fleet services (including government motor transport)	3 555	3 896	2 116	5 180	4 520	3 725	5 740	5 740	6 056
Inventory: Clothing material and accessories	22								
Inventory: Farming supplies	76								
Inventory: Fuel, oil and gas	206								
Inventory: Materials and supplies	254								
Inventory: Medical supplies	426								
Inventory: Other supplies	831			10 654	4 654	3 579	8 852	18 684	8 793
Consumable supplies	1 614	1 599	421		1 390	814	420	525	580
Consumable: Stationery, printing and office supplies	3 484	2 565	3 715	7 730	6 745	6 108	7 660	8 370	8 832
Operating leases	648	637	2 041	500	700	1 705	400	430	450
Property payments	17 851	23 641	21 168	24 000	28 500	28 394	45 500	50 700	56 900
Transport provided: Departmental activity	705	413	641	100	100	126	110	120	127
Travel and subsistence	1 198	2 353	2 646	4 300	3 800	3 578	4 580	4 690	4 948
Training and development	4 261	5 771	8 601	13 000	13 000	10 215	18 000	19 000	20 000
Operating payments	39	239	27						
Venues and facilities	2 068	1 580	1 644	2 100	2 100	2 117	2 050	2 055	2 171
Rental and hiring	5				523	391			
Interest and rent on land	9	458		80	80	26	60	60	63
Interest	9	458		80	80	26	60	60	63
<b>Transfers and subsidies</b>	<b>345</b>	<b>169</b>	<b>948</b>	<b>500</b>	<b>550</b>	<b>666</b>	<b>550</b>	<b>550</b>	<b>580</b>
Households	341	169	948	500	550	666	550	550	580
Social benefits	312	169	9	500	550	666	550	550	580
Other transfers to households	29		939						
<b>Payments for capital assets</b>	<b>7 909</b>	<b>6 870</b>	<b>3 768</b>	<b>11 380</b>	<b>13 180</b>	<b>13 996</b>	<b>15 810</b>	<b>13 170</b>	<b>14 129</b>
Buildings and other fixed structures	27								
Other fixed structures	27								
Machinery and equipment	7 618	6 870	3 568	10 880	12 180	12 993	11 810	12 610	13 538
Transport equipment	703	679	617	3 420	2 920	240	3 760	3 760	3 967
Other machinery and equipment	6 915	6 191	2 951	7 460	9 260	12 753	8 050	8 850	9 571
Software and other intangible assets	264		200	500	1 000	1 003	4 000	560	591
<b>Payments for financial assets</b>	<b>59 593</b>	<b>37</b>	<b>3</b>			<b>36</b>			
<b>Total economic classification</b>	<b>271 476</b>	<b>239 213</b>	<b>262 914</b>	<b>321 364</b>	<b>318 664</b>	<b>320 591</b>	<b>359 104</b>	<b>386 043</b>	<b>401 459</b>

TABLE 9.22: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: TRANSPORT INFRASTRUCTURE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>933 081</b>	<b>870 171</b>	<b>1 169 343</b>	<b>831 107</b>	<b>1 287 846</b>	<b>1 275 031</b>	<b>1 528 073</b>	<b>1 383 077</b>	<b>1 343 384</b>
Compensation of employees	226 994	242 315	261 529	305 864	293 864	287 686	279 404	329 607	347 735
Salaries and wages	194 190	205 189	221 447	250 297	238 297	243 577	223 209	269 339	284 153
Social contributions	32 804	37 126	40 082	55 567	55 567	44 109	56 195	60 268	63 582
Goods and services	705 872	627 855	907 812	525 183	961 422	954 786	1 248 619	1 053 420	995 596
Administrative fees	260	439	303	480	380	359	180	190	210
Advertising	3 245	4 980	4 124	4 000	3 315	3 357	4 450	4 750	5 012
Minor assets	197	178	610		100	80			
Catering: Departmental activities	87	77	164	210	210	214	120	140	170



Communication (G&S)	39	9	1 521	7	11				
Computer services	78	6							
Consultants and professional services: Business and advisory services				8 000	7 450	6 190			
Infrastructure and planning	9 685	13 270	15 082	16 862	20 562	20 562	30 100	11 600	7 110
Laboratory services	66	314	421		350	250			
Legal services	5 157	5 278	7 768	2 200	2 200	7 109	3 050	4 060	4 290
Contractors	664 270	568 473	833 933	450 309	868 394	878 154	1 161 319	981 570	925 127
Agency and support / outsourced services	7								
Fleet services (including government motor transport)	1 304	858	769	5 220	2 885	889	5 835	5 835	6 156
Inventory: Clothing material and accessories		1 549	3 708		2 641	4 850	3 500	3 600	3 700
Inventory: Fuel, oil and gas	47		1 082			368	5 000	5 100	5 200
Inventory: Materials and supplies	795	16 933	12 885	20 372	33 177	11 427	15 000	16 000	16 500
Consumable supplies	26	923	5 723		1 131	847			
Consumable: Stationery,printing and office supplies	993	1 183	1 845	707	1 197	1 138	915	915	966
Operating leases			1 157		450	587			
Property payments	11 764	6 258	6 376	8 873	8 373	10 358	11 000	11 000	12 000
Travel and subsistence	7 681	6 710	7 460	7 700	8 350	7 881	8 100	8 600	9 075
Training and development	168								
Operating payments	3		80						
Venues and facilities		417	534	250	250	155	50	60	80
Rental and hiring			2 267						
Interest and rent on land	215	1	2	60	32 560	32 559	50	50	53
Interest	215	1	2	60	32 560	32 559	50	50	53
Transfers and subsidies	258 134	5 625	10 027	7 730	97 730	99 965	8 670	9 310	6 288
Provinces and municipalities	1 252	1 079	1 581	2 000	2 000	2 000	2 500	2 700	2 900
Municipalities	1 252	1 079	1 581	2 000	2 000	2 000	2 500	2 700	2 900
Municipalities	1 252	1 079	1 581	2 000	2 000	2 000	2 500	2 700	2 900
Households	256 882	4 546	8 446	5 730	95 730	97 965	6 170	6 610	3 388
Social benefits		2 235	1 467	2 700	2 700	2 567	2 940	3 180	3 356
Other transfers to households	256 882	2 311	6 979	3 030	93 030	95 398	3 230	3 430	32
Payments for capital assets	904 705	1 284 326	781 705	1 137 320	726 728	737 889	982 940	1 413 941	805 260
Buildings and other fixed structures	851 823	1 096 261	692 676	1 133 840	721 332	730 881	968 050	1 399 851	790 656
Other fixed structures	851 823	1 096 261	692 676	1 133 840	721 332	730 881	968 050	1 399 851	790 656
Machinery and equipment	52 882	187 928	89 029	3 480	5 396	7 008	14 890	14 090	14 604
Transport equipment	348	182 153	79 355	3 480	2 656	5 715	13 890	12 890	13 104
Other machinery and equipment	52 534	5 775	9 674		2 740	1 293	1 000	1 200	1 500
Software and other intangible assets		137							
Payments for financial assets	278	16 990	76			92			
Total economic classification	2 096 198	2 177 112	1 961 151	1 976 157	2 112 304	2 112 977	2 519 682	2 806 328	2 154 932

TABLE 9.23: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: TRANSPORT OPERATIONS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>46 589</b>	<b>41 039</b>	<b>58 763</b>	<b>62 932</b>	<b>62 932</b>	<b>55 109</b>	<b>111 650</b>	<b>78 928</b>	<b>91 892</b>
Compensation of employees	22 103	23 783	22 934	26 282	26 282	27 695	62 950	29 668	31 300
Salaries and wages	19 224	20 416	19 485	22 250	22 250	23 777	24 800	25 500	26 903
Social contributions	2 879	3 367	3 449	4 032	4 032	3 918	38 150	4 168	4 397
Goods and services	24 486	17 256	35 829	36 650	36 650	27 414	48 700	49 260	60 592
Advertising	718	241		300	300	193	320	340	359
Minor assets	8	13	4						

Catering: Departmental activities	352	46	100	100	134	50	50	50	
Communication (G&S)		749			85				
Consultants and professional services: Business and advisory services	15 624	13 880	31 059	33 000	33 000	25 346	39 000	39 000	50 045
Legal services	6 930	1 507	2 229	1 000	1 000	190	2 000	2 500	2 638
Agency and support / outsourced services			290						
Fleet services (including government motor transport)	248	349	427	1 020	720	432	1 020	1 020	1 076
Consumable supplies	2	5	2						
Consumable: Stationery,printing and office supplies	69	209	18	400	400	228	450	450	475
Operating leases			271		300	21			
Travel and subsistence	887	669	681	770	770	625	800	840	886
Venues and facilities		31	53	60	60	160	60	60	63
Transfers and subsidies	1 900 024	1 959 692	2 340 695	2 315 635	2 315 635	2 316 836	2 476 787	2 615 830	2 788 933
Public corporations and private enterprises	1 900 024	1 959 610	2 340 673	2 315 535	2 315 535	2 316 753	2 476 667	2 615 700	2 788 796
Private enterprises	1 900 024	1 959 610	2 340 673	2 315 535	2 315 535	2 316 753	2 476 667	2 615 700	2 788 796
Other transfers	1 900 024	1 959 610	2 340 673	2 315 535	2 315 535	2 316 753	2 476 667	2 615 700	2 788 796
Households		82	22	100	100	83	120	130	137
Social benefits		82	22	100	100	45	120	130	137
Payments for capital assets	40 056	18 437	17 055	7 680	11 680	1 781	680	680	717
Buildings and other fixed structures	39 012	17 826	16 599	7 000	11 000	1 750			
Buildings									
Other fixed structures	39 012	17 826	16 599	7 000	11 000	1 750			
Machinery and equipment	1 044	611	456	680	680	31	680	680	717
Transport equipment	464	433	315	680	680	31	680	680	717
Other machinery and equipment	580	178	141						
Payments for financial assets									
Total economic classification	1 986 669	2 019 168	2 416 513	2 386 247	2 390 247	2 373 726	2 589 117	2 695 438	2 881 542

TABLE 9.24: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: TRANSPORT REGULATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>156 153</b>	<b>192 747</b>	<b>263 931</b>	<b>256 725</b>	<b>270 725</b>	<b>276 459</b>	<b>292 377</b>	<b>315 883</b>	<b>340 815</b>
Compensation of employees	115 293	137 808	152 871	144 236	158 236	163 970	171 700	188 496	206 364
Salaries and wages	99 408	118 667	131 074	121 136	135 136	140 192	144 700	157 696	173 872
Social contributions	15 885	19 141	21 797	23 100	23 100	23 778	27 000	30 800	32 492
Goods and services	40 857	54 939	111 060	112 309	112 309	112 309	120 527	127 237	134 293
Administrative fees	16	17	19	30	60	60	65	65	65
Advertising	509	290	159	400	400	400	450	450	475
Minor assets	514	931	890		750	750			
Catering: Departmental activities	10	240	84	500	350	350	100	100	110
Communication (G&S)	24	60	679	100	100	100	100	100	106
Computer services	466	351	1 886	2 000	2 000	2 000			
Consultants and professional services: Business and advisory services	1 659	7 432							
Legal services	1 461	715	848	1 000	1 000	1 000	1 200	1 300	1 372
Contractors	984	914	2 291	2 820	4 960	4 960	4 960	4 960	5 233
Agency and support / outsourced services	224		332	2 140					
Fleet services (including government motor transport)	5 732	3 421	1 201	3 854	2 324	2 324	4 274	4 274	4 509

Inventory: Clothing material and accessories	23								
Inventory: Materials and supplies	36								
Inventory: Other supplies		2 708	3 414	6 000	5 500	5 500	7 700	7 800	8 285
Consumable supplies	344	136	107						
Consumable: Stationery, printing and office supplies	13 034	17 901	76 985	72 200	72 700	73 855	78 500	83 568	88 165
Operating leases	7 919	12 116	16 224	14 795	15 645	13 862	17 148	18 580	19 602
Property payments	6 044	6 274	4 811	4 420	4 420	5 048	4 420	4 420	4 663
Transport provided: Departmental activity									
Travel and subsistence	844	1 173	876	1 500	1 800	1 800	1 500	1 500	1 578
Operating payments	61	56	41						
Venues and facilities	953	204	213	550	300	300	110	120	130
Interest and rent on land	3			180	180	180	150	150	158
Interest	1			180	180	180	150	150	158
Rent on land	2								
<b>Transfers and subsidies</b>	<b>528</b>	<b>563</b>	<b>106</b>	<b>665</b>	<b>665</b>	<b>665</b>	<b>690</b>	<b>700</b>	<b>739</b>
Households	528	563	106	665	665	665	690	700	739
Social benefits	95	549	106	65	65	246	70	70	74
Other transfers to households	433	14		600	600	419	620	630	665
<b>Payments for capital assets</b>	<b>49 303</b>	<b>69 043</b>	<b>55 278</b>	<b>57 439</b>	<b>41 339</b>	<b>39 542</b>	<b>7 580</b>	<b>7 180</b>	<b>3 349</b>
Buildings and other fixed structures	47 548	65 616	50 017	52 639	38 339	38 339	4 300	4 000	
Other fixed structures	47 548	65 616	50 017	52 639	34 639	13 033			
Machinery and equipment	1 755	3 427	5 243	3 000	3 000	1 203	1 480	1 380	1 450
Transport equipment	1 037	1 868	900	1 000	1 000	465	1 280	1 280	1 350
Other machinery and equipment	718	1 559	4 343	2 000	2 000	738	200	100	100
Software and other intangible assets			18	1 800			1 800	1 800	1 899
<b>Payments for financial assets</b>	<b>9</b>	<b>4</b>	<b>7</b>			<b>22</b>			
<b>Total economic classification</b>	<b>205 993</b>	<b>262 357</b>	<b>319 322</b>	<b>314 829</b>	<b>312 729</b>	<b>316 688</b>	<b>300 647</b>	<b>323 763</b>	<b>344 903</b>

TABLE 9.25: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: GAUTRAIN

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>									
<b>Transfers and subsidies</b>	<b>1 311 748</b>	<b>1 561 451</b>	<b>2 812 089</b>	<b>1 833 694</b>	<b>1 833 694</b>	<b>1 833 694</b>	<b>1 945 268</b>	<b>2 058 094</b>	<b>2 171 289</b>
Departmental agencies and accounts	1 311 748	1 561 451	2 812 089	1 833 694	1 833 694	1 833 694	1 945 268	2 058 094	2 171 289
Provide list of entities receiving transfers	1 311 748	1 561 451	2 812 089	1 833 694	1 833 694	1 833 694	1 945 268	2 058 094	2 171 289
<b>Payments for capital assets</b>									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>1 311 748</b>	<b>1 561 451</b>	<b>2 812 089</b>	<b>1 833 694</b>	<b>1 833 694</b>	<b>1 833 694</b>	<b>1 945 268</b>	<b>2 058 094</b>	<b>2 171 289</b>

TABLE 9.26: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PUBLIC TRANSPORT OPERATIONS GRANT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>									
<b>Transfers and subsidies</b>	<b>1 786 647</b>	<b>1 849 789</b>	<b>2 035 389</b>	<b>2 315 535</b>	<b>2 315 535</b>	<b>2 315 535</b>	<b>2 306 888</b>	<b>2 436 074</b>	<b>2 599 291</b>
Public corporations and private enterprises	1 786 647	1 849 789	2 035 389	2 315 535	2 315 535	2 315 535	2 306 888	2 436 074	2 599 291
Public corporations	1 786 647	1 849 789	2 035 389	2 315 535	2 315 535	2 315 535	2 306 888	2 436 074	2 599 291
Other transfers	1 786 647	1 849 789	2 035 389	2 315 535	2 315 535	2 315 535	2 306 888	2 436 074	2 599 291
<b>Payments for capital assets</b>									
<b>Payments for financial assets</b>									

Total economic classification	1 786 647	1 849 789	2 035 389	2 315 535	2 315 535	2 315 535	2 306 888	2 436 074	2 599 291
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TABLE 9.27: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PROVINCIAL ROADS MAINTENANCE GRANT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments	514 893	455 091	501 197	656 183	656 183	656 183	742 522	636 028	670 914
Goods and services	514 893	455 091	501 197	656 183	656 183	656 183	742 522	636 028	670 914
Contractors	514 893	455 091	501 197	656 183	656 183	656 183	742 522	636 028	670 914
Transfers and subsidies									
Payments for capital assets									
Payments for financial assets									
Total economic classification	514 893	455 091	501 197	656 183	656 183	656 183	742 522	636 028	670 914

TABLE 9.28: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: EPWP INTEGRATED GRANT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments	2 925	2 516	2 449	6 504	6 504	6 504	6 490		
Goods and services	2 925	2 516	2 449	6 504	6 504	6 504	6 490		
Contractors	2 925	2 516	2 449	6 504	6 504	6 504	6 490		
Transfers and subsidies									
Payments for capital assets									
Payments for financial assets									
Total economic classification	2 925	2 516	2 449	6 504	6 504	6 504	6 490		

# VOTE 10

## DEPARTMENT OF COMMUNITY SAFETY

To be appropriated by vote in 2018/19	R719 495 000
Responsible MEC	MEC for Community Safety
Administering Department	Department of Community Safety
Accounting Officer	Head of Department

### 1. OVERVIEW

#### Vision

To realise Gauteng as a province where people feel, and are, safe.

#### Mission

To be an innovative, effective and proactive department that ensures the safety of communities through:

- Improving the quality of policing;
- Deepening meaningful community participation;
- Enhancing social crime prevention;
- Fostering integrity;
- Initiating and sustaining sound and supportive institutional arrangements;
- Promoting pedestrian safety;
- Intensifying traffic law enforcement; and
- Creating a safer road environment.

#### Strategic goals

The department exercises its powers and performs its duties and functions to pursue the following strategic goals:

Effective, efficient and community-orientated policing; Reduction in levels of social crime; and Reduction in Road Fatalities.

#### Core functions and responsibilities

The core functions and responsibilities of the department are:

- To enhance police performance through continuous oversight and meaningful community participation;
- To enhance social crime prevention by addressing violence against women and children, mobilising youth and combatting the scourge of substance abuse and gangsterism; and
- To reduce road fatalities by improving pedestrian safety, traffic law enforcement and road safety education.

#### Main services

The core functions and responsibilities of the department are:

- To monitor police conduct;
- To oversee the effectiveness and efficiency of the province's law enforcement agencies;
- To promote good relations between the police and communities;
- To assess the effectiveness of visible policing;
- To record and investigate public complaints alleging police inefficiency;
- To mobilise all communities in the fight against crime;
- To promote social crime prevention through partnerships and other appropriate interventions; and
- To provide traffic services.

#### National Development Plan (NDP)

The National Development Plan (NDP) offers a long-term strategic perspective for creating a developmental state committed to fighting the triple scourge of poverty, unemployment and inequality. It presents a three-pronged strategy that focuses on

social transformation, economic transformation and human-centred development. It sees safety as being the central bedrock on which these are founded.

The NDP characterises crime as a scourge that undermines the social fabric of the country and which slows down the democratic drive to create a better life for all. It also views crime as being destabilising as well as a threat to safety and security. It recognises that crime negatively affects economic growth because it leads to poor perceptions of staff safety. This threatens investment and deters job creation.

The department highlights the need to professionalise the police services, increase officers' crime-prevention skills and improve recruitment practices and training. Social crime prevention initiatives and community mobilisation efforts must be stepped up.

### **Ten Pillar Programme of Transformation, Modernisation and Re-industrialisation**

The budget reflects support for the Transformation, Modernisation and Re-industrialisation agenda of the new administration. It is aligned to the following pillars of the Ten Pillar Programme of Transformation, Modernisation and Re-industrialisation:

- Accelerated Social Transformation;
- Transformation of the State and Governance;
- Modernisation of the Public Service; and
- Radical Economic Transformation.

#### **Accelerated social transformation**

The department's contribution to social transformation will be carried out in several ways. It will identify new initiatives to strengthen police oversight and intensify existing social crime-prevention initiatives such as violence against women and children (VAWAC). It will continue to mobilise communities against crime by conducting targeted crime perception management. It will enhance the oversight model on law enforcement agencies other than the South African Police Service (SAPS) such as the three Metropolitan Police Departments operating within the province. It will assist the police to reduce violent crimes also known as TRIO crimes which are robbery with aggravating circumstances, which include carjacking, house and business robbery.

The department will endeavour to reduce corruption within the law enforcement agencies (LEAs). It will refocus the Community Policing Forums (CPFs) as oversight agents by re-training and capacitating them. It will strengthen the involvement of ward councillors in policing by supporting and monitoring the Community Safety Forums (CSFs) and street committees.

The department will focus on traffic law enforcement and road safety education. It will continue to facilitate the reduction in the province's road accident fatalities. In addition, it will also manage taxi violence more effectively by establishing provincial taxi violence task team as and when the need arises.

#### **Transformation of the state and governance**

The department's contribution to state transformation and governance is to:

- Intensify BATHO PELE programmes in the department through various interventions and awareness programmes;
- Facilitate the submission of financial e-Disclosures for senior management, deputy directors and officials in the Office of Chief Financial Officer;
- Facilitate awareness sessions for all employees on the promotion of an ethical environment;
- Improve impact assessments as well as performance monitoring and reporting on department programmes;
- Implement full-scale enterprise risk management models, budget-monitoring sessions and accurate reporting to relevant authorities;
- Monitor action plans for the fraud-prevention plan, strategic and operational risks and audit findings; and
- Establish an internal integrity office to fight fraud and corruption more effectively.

#### **Modernisation of the public service**

The department will contribute to modernise the public service by:

- Establishing a proper electronic record management system and introducing an electronic performance management and evaluation system;
- Establishing an electronic Supply Chain Management process for completing RSLO1 to reduce turnaround times; and
- Improving the existing complaints-management system to enhance its capabilities and to support a fully integrated command centre as well as an onboard E-NATIS system in all the traffic management vehicles.

#### **Radical economic transformation**

The department will contribute to radical economic transformation by:

- Intensifying its affirmative procurement processes and procuring from co-operatives and other types of township enterprises;
- Continuous efforts to meet the 60-day turnaround time on the tenders above R500 000;
- Maintaining a 14-day turnaround time on the tenders below R500 000;
- Adhering to the 30-day payment rule which will assist businesses to flourish and grow; and
- Finding innovative ways to contribute to job creation in partnership with other programmes such as the Expanded Public Works Programme (EPWP).

#### **External activities and events relevant to budget decisions**

The main external activities and events relevant to budget decisions are:

- Implementing the Civilian Secretariat for Police Service Act, 2011 (Act No. 2 of 2011) and the Independent Police Investigative Directorate Act, 2011 (Act No. 1 of 2011);
- Intensifying conviction rates through support in the provision of forensic capacity;
- Increasing of oversight capability to ensure more effective policing; and
- Improving social crime-prevention initiatives.

#### **Acts, rules and regulations**

The department derives its mandate chiefly from the following pieces of legislation and policies:

- The Civilian Secretariat for Police Service Act, 2011;
- The Independent Police Investigative Directorate Act, 2011;
- Intergovernmental Relations Framework Act, 2005;
- The Gauteng Transport Framework Revision Act, 2002;
- The Gauteng Public Passenger Road Transport Act, 2001;
- The National Land Transport Transition Act, 2000;
- The South African Police Service Amendment Act, 1998;
- The White Paper on Safety and Security, 1998;
- The Gauteng White Paper on Transport Policy, 1997;
- The National Crime Prevention Strategy, 1996;
- The White Paper on National Transport Policy, 1996;
- The National Road Traffic Act, 1996 (Act No. 93 of 1996), and
- The South African Police Service Act, 1995 (Act No. 68 of 1995).

## **2. REVIEW OF THE CURRENT FINANCIAL YEAR (2017/18)**

### **OUTCOME: All people are and feel safe**

The department conducted a survey on domestic violence in the 40 police stations where high levels of crime was reported in order to assist in reducing violence against vulnerable groups. Increasing the human resource capacity on family justice support services also added value in the prosecution and conviction of perpetrators. To enable the province to meet its priorities regarding the Transformation, Modernisation and Re-Industrialization (TMR) agenda, the department implemented the Deliverology Project which proposes three critical strategies:

- Increasing the visibility of police services to the public in high-crime areas (40 precincts);
- Managing crime generating hot-spots like taverns and shebeens; and
- Increasing pedestrian road safety.

The Deliverology Project ensures that police visibility serves as a deterrent to organised crime. Therefore, the department continued to improve the visibility of law enforcement officials in public spaces. The department, through the Provincial Secretariat, convened 95 Gauteng Integrated Police Performance System (GIPPS) sessions with the South African Police Services (SAPS) focusing on the 40 police stations where high levels of crime was reported in the province.

### **Complaints mechanisms**

The key deliverables with regard to monitoring and evaluation of police services, included the investigation of service delivery complaints against LEAs, follow-ups on high-profile cases, the monitoring of Independent Police Investigative Directorate (IPID) recommendations and domestic violence audits in police stations as well as clusters.

The department received 254 complaints of which 138 complaints were investigated. Twelve were related to poor service delivery, 12 to poor investigation, 30 to unprofessional conduct and 16 to poor communication. In total 54 complaints, which were registered during the reporting period, were finalised and 16 complaints remain outstanding. These complaints will be finalised during quarter 4.



**Dockets audited**

The department embarked on a docket audit exercise of closed cases, which are filed after they have been withdrawn from court. The exercise was aimed at reducing the withdrawal of gender-based violence cases (GBV). During the process, common trends were identified and evaluated and recommendations were made to the SAPS. This process is aimed at assisting the SAPS with investigations and ensuring that withdrawal of cases, especially by the reporting victims is minimised. There were 656 GBV cases tracked for the reporting period and a total of 1 000 cases were extracted. A total of 318 sexual offence dockets and 293 domestic violence dockets were perused. The department focused on the 40 priority police stations that presented general poor performance. The Domestic Violence Act (DVA) were adhered to by the investigating officers who ensured that dockets are opened and provided education to the reporting complainant about the options available, i.e. protection order, restraining orders, mediation and court appearances.

In relation to the dockets audited, the diary notes were comprehensive and investigative processes were followed. The investigating officers followed instructions from the court or the prosecutor. Victims were engaged before all cases were closed. It appears that proper procedural standards were followed.

**Forensic social work**

The department has developed a referral system that assists clients who need further intervention. Support group and family support services are some of the services rendered at the regional victim offices (RVO). Professional social workers are on site and provide victim empowerment services to GBV clients including both children and adults. A total of 700 clients have access to the victim empowerment services.

**Policy and research**

The department embarked on the review of Gauteng Policing Needs and Priorities (PNP) in the current financial year to establish the extent to which the LEAs were able to address policing issues and concerns raised by communities across the province. Other research projects included were:

- Police Leadership Project;
- Measuring police integrity in Gauteng;
- Evaluating the effectiveness of substance abuse interventions in the City of Tshwane;
- Assessing the effect of closed circuit television (CCTV) cameras in crime prevention;
- Evaluating the Youth Crime Prevention Desks in Gauteng;
- Citizen's perception of safety survey project;
- Deliverology; and
- Demilitarisation of the visible policing division of the SAPS project.

**Output 2: Reduction in crimes against women and children**

Heightened awareness of GBV through sessions and campaigns were conducted to address the increasing number of violent incidents relating to sexual assaults and domestic violence acts perpetrated on women and children in the province. The focus for the department was on ensuring the successful implementation of the Violence against Women and Children project. Child safety information sessions aimed at addressing the safety of children in communities throughout Gauteng were conducted. The sessions were held because of the increasing number of child killings and to highlight the importance of keeping children safe during the festive season period. Safety tips were given to educators, caregivers and parents on how to care for children during school holidays.

**Output 3: Social crime prevention**

The social crime prevention unit continued to provide psychosocial support to the 87 primary school learners who were sexually assaulted by the school security guard. The department participated in a multi-disciplinary team which led to a Rapid Response Task Team being established. Support was provided to youth crime-prevention desks, in the 40 police stations where high levels of crime were reported to address the reduction of crime and violent incidents among the youth.

**Community Police Relations**

The department continued to support patrollers, Community Police Forums (CPFs) and Community Safety Forums (CSF) programmes in the period under review. A total of 447 CPFs and patrollers were trained. Twenty-six patroller groups were assessed and 23 were found to be dysfunctional. The department has put measures in place to assist the dysfunctional patroller groups. Resources have been committed to help improve patroller groups and engagements are ongoing to enhance the functionality of patroller groups. A total of 106 CPFs have been assessed and monitored to improve its functionality. The department continued to engage these structures to improve the quality of work conditions and provide adequate skills and expertise.

**Output 4: Crime perception management**

During the period under review the department focused on outreach programmes such as the Taxi Safety Awareness Campaign, the Crime Awareness Campaign, Blitz, the Ntirhisano Report Back Meeting, the Drug Must Fall Campaign, public exhibitions and the 16 Days of Activism for No Violence Against Women and Children Campaign. In addition to the exhibitions, the unit continues to produce items to market the department, 100 000 safety tips were produced, and approximately 29

930 people were reached through these programmes. The MEC's Social Cohesion Campaign gave the sector a platform to interact with prison inmates who are about to be released in order to educate and encourage them to "GET OUT AND STAY OUT".

#### **Output 5: Effectiveness and integration of the criminal justice system (CJS)**

The department held seven meetings as part of Gauteng Law Enforcement Agency Fraternity. The meetings focused on the illegal occupation of dilapidated/ empty/ abandoned vacant buildings, illegal vendors, vetting of Gauteng Law Enforcement Agencies Forum (G-LEAF) members, taxi ranks' operating licences, selling of counterfeit goods and citizens' conduct during festive season. Additional awareness campaigns need to be conducted to educate the community on the impact of withdrawing cases as it paralyses the criminal justice system.

#### **Output 6: Reduction in corruption**

There were five Anti-Fraud and Corruption and Ethics Awareness Sessions conducted during the quarter under review. These sessions reached 98 people. The department conducted 40 inspections at Driver Licence Testing Centres (DLTCs) and Vehicle Testing Services (VTSs) to combat fraud and corruption. These inspections were done through covert operations to detect fraud and corruption at these operations.

#### **Output 7: Reduction in road fatalities**

The department conducted heightened law enforcement operations and road safety education programmes across the province during the festive season in an attempt to reduce the high rate of road fatalities during this busy period. Ivory Park, Elias Motsoaledi Road, Golden Highway and R550/R557 (Willows Farm) reported high road fatalities. As a result, the department conducted operations which yielded positive results and led to reduced fatalities in these areas. The department focused on the freight transport vehicles as this mode of transport has the potential to cause huge structural damage on the road infrastructure including mass fatalities during a single road traffic accident. Pedestrian's fatalities account for approximately 50 per cent of the total road fatality rate in the province. The operations resulted in 1 485 pedestrians being arrested.

### **3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2018/19)**

#### **OUTCOME: All people are and feel safe**

##### **Output 1: Reduction in priority crimes**

The department developed a new policing plan which will enable the department to monitor all 142 police stations. The Gauteng Integrated Plan or the Battle Plan is a strategy aimed at realising the objectives of the Deliverology Project. The Battle Plan is premised on a comprehensive approach to achieve a 50 per cent reduction in crime within Gauteng. The department will proceed to verify whether SAPS is adhering to the Domestic Violence Act (DVA) and implementing other suggestions made by the department.

The department will continue to monitor police conduct and oversee the effectiveness and efficiency of the police services through auditing dockets and holding stakeholder engagements. In addition, the department will investigate public complaints alleging police inefficiency in line with the provisions of Section 206 (5) (a) of the Constitution of South Africa. The Gauteng Information on Police Performance Sessions (GIPPS), which are conducted through the Provincial Secretariat, will continue with all law enforcement agencies to hold them accountable for improving policing in the province.

##### **Output 2: Reduction in crimes against women and children**

The department will monitor the deployment of forensic social workers within the CJS and legal experts to heighten the systems and services at Ikhaya Lethemba. The department is also planning to monitor the family justice support services rendered to gender-based violence (GBV) victims and to expand RVOs. The department will ensure that victim-empowerment services in the form of victim-friendly rooms (VFRs) are rendered at the various police stations across the province especially to the most vulnerable groups such as women, children, the elderly as well as persons living with disabilities. The services rendered by the victim empowerment services will be monitored to ensure that these are operating according to the prescribed minimum norms and standards.

##### **Output 3: Social crime prevention**

The department will reinforce the adolescent well-being programme by building up, and enrolling, more youth to work in the area structures throughout the region. The department will continue to support the substance abuse programme and encourage more youngsters to access and take advantage of mediation programs for youth involved in altercations with the law. In addition, the department will continue to tutor to youngsters in - and give sessions on - moral recovery, mindfulness and inspiration. The department has forged links with German International Funding Agency (GIZ) and Mondi Paper Company for the placement of unemployed youngsters for possible job opportunities.

The department has an obligation to improve relations between the police and the communities. In achieving this, the department will reinforce social improvement in communities by helping and assessing CPFs. The department will establish community structures and deploy patrollers in at least 100 identified crime hotspots in the province.

**Output 4: Crime perception management**

The department will strengthen its battle against wrongdoing through teaching groups about street security issues, street committees, administrations rendered by the department and partner administration sessions. The key activities will include supporting different awareness campaigns, for example, 16 days of Activism for No Violence Against Women and Children, Women's Month, Safety Month and Women's Day. The department will designate a specialist co-op to investigate crime in the 40 high crime areas. Suggestions coming from the investigation will be actioned in the resulting financial year.

The department will also proceed with public engagements through community outreach programmes and promotional activities. The focus of these programmes and activities will be to market and create awareness of the departmental programmes and services offered. The media framework has remained a focus area as the department tries to institute gatherings and internal specialists to enable a viable security ambassadorship.

**Output 5: Effectiveness and integration of the CJS**

The department recently embarked on rolling out kiosks at police stations, which will be extended in the 2018/19 financial year. The department will also deploy candidate attorneys/ unemployed law graduates at various police stations who will assist victims with capturing statements to ensure improved conviction rates. The department will roll out a queuing process or system at the police stations that will allow victims or people who want to open up a case to be attended to faster.

Since the foundation of the Criminal Justice Co-ordinating Committee in 2012 with the National Prosecuting Authority, SAPS, IPID and State Security Agency (SSA) three sub-committees were built up to manage TRIO wrongdoings, domestic violence, violence against women and children and substance abuse. The department has refocused on this by emphasising it in the 2018/19 annual performance plan (APP).

The Provincial Joint Operational Intelligence Structure (PROVJOINTS) will now be an operational part of the Criminal Justice Co-ordinating Committee. The case flow administration gatherings at cluster level will be checked to decide the level of co-activity and joint effort between offices of the criminal justice system.

**Output 6: Reduction in corruption**

The department will continue to ensure a spotlight on the usage of the anti-corruption techniques embraced by the Gauteng Provincial Government (GPG) as part of its arsenal in the battle against fraud and corruption relating to the province's law enforcement agencies. This will be accomplished through the institution of the Integrity Strategy, the Fraud Prevention Plan and the Fraud and Anti-Corruption Unit Plan. The Fraud and Anti-Corruption Unit will be conducting training on the ethical behaviour of officials in the department. The spotlight will remain on the LEAs including DLTCs and VTSs in the province as well as on all staff members within the department.

**Output 7: Reduction in road fatalities**

The department will roll out more robust road safety education programmes and conduct law enforcement operations to combat pedestrian fatalities. The road safety programme is expected to decrease road fatalities by 12 per cent in the 2018/19 financial year.

Realising that pedestrians are by far the most vulnerable category of road users that are affected by road traffic accidents, departmental road safety officers will prioritise communities in and around potential and statistically identified hazardous locations. The department will also conduct additional operations on freight and public passenger transport focusing on overloading of heavy motor vehicles on the provincial roads.

**4. REPRIORITISATION**

The department reprioritised a total of R117 million in 2018/19 to increase the budget allocated for reducing TRIO crimes and road fatalities.

**Programme 1: Administration**

The programme budget increases by R28.2 million of which R23.9 million is because of the shift of the Sub-Sub Programme: Public Awareness and Information from Programme 2: Civilian Oversight to Programme 1. This is aimed at centralising the communication function in the department and to provide support to both Civilian Oversight and Traffic Management.

**Programme 2: Provincial Secretariat for Police Service**

The programme budget decreases by R23.7 mainly owing to the shift of the Sub-sub Programme: Public Awareness and Education to Programme 1: Administration. The shift is aimed at centralising the communication function within the department and to allow for adequate support to both core programmes.

**Programme 3: Traffic Management**

The Boekenhoutkloof Traffic Training College was transferred from the department to the Road Traffic Management Corporation (RTMC) as from 1 April 2017. In terms of the agreement with the RTMC the transfer of resources included the staff and facility but excluded the budget. An amount of R37.7 million is reprioritised within the programme and shifts from

the Boekenhoutkloof Traffic Training College to traffic law enforcement. This move is aimed at reducing road fatalities in the province.

## 5. PROCUREMENT

The department will continue to enhance supply chain management practices within the department mainly focussing on fleet management within the department in order to realise savings. The major procurement to be undertaken by the department during the 2018/19 financial year relates to the provision of catering services at Ikhaya Lethemba, uniform for traffic law enforcement officers, patrollers and community police forums. The department will also procure new lifts at Ikhaya Lethemba.

## 6. RECEIPTS AND FINANCING

### 6.1 Summary of receipts

TABLE 10.1: SUMMARY OF RECEIPTS: DEPARTMENT OF COMMUNITY SAFETY

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Equitable share	649 510	734 735	681 780	677 002	737 724	737 724	718 047	759 694	805 786
Conditional grants		1 345	1 800	1 463	1 463	1 463	1 448		
<b>Total receipts</b>	<b>649 510</b>	<b>736 080</b>	<b>683 580</b>	<b>678 465</b>	<b>739 187</b>	<b>739 187</b>	<b>719 495</b>	<b>759 694</b>	<b>805 786</b>

The department is funded largely by equitable share. The conditional grants contribute significantly less to the total receipts of the department. In terms of audited outcome, the receipts increased by R86.6 million from R649.5 million in the 2014/15 financial period to R736.1 million in the 2016/17 financial year. This translates into a growth rate of 12 per cent.

The main budget increases by R39.6 million from R678.5 million in 2017/18 to R719.5 million in the 2018/19 financial year. This is a growth of 6 per cent mainly to cover inflation.

Over the 2018 MTEF the appropriated equitable share increases by R87.7 million from R719.5 million in the 2018/19 financial period to R805.8 million in the 2020/21 financial period. This is an inflation-related adjustment to sustain services rendered by the department and ensure that it achieves its objectives of effective, efficient and community-orientated policing, reduced levels of social crime and road fatalities.

An amount of R1.4 million, which is allocated as conditional grants, is the EPWP incentive grant which is aimed at improving safety by identifying crime hotspot areas.

### 6.2 Departmental receipts collection

TABLE 10.2: SUMMARY OF RECEIPTS: DEPARTMENT OF COMMUNITY SAFETY

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Sales of goods and services other than capital assets	7 951	8 753	8 998	6 991	6 991	3 586	1 337	1 433	1 421
Transfers received			30						
Fines, penalties and forfeits	18 101	27 993	24 002	21 399	21 399	32 241	24 101	24 897	25 707
Interest, dividends and rent on land	3	17	13			44			
Transactions in financial assets and liabilities	16 700	7 447	7 706	1 067	1 067	1 051	8 807	9 450	10 489
<b>Total departmental receipts</b>	<b>42 755</b>	<b>44 210</b>	<b>40 749</b>	<b>29 457</b>	<b>29 457</b>	<b>36 922</b>	<b>34 245</b>	<b>35 780</b>	<b>37 617</b>

After the transfer of the Boekenhoutkloof Traffic Training College to the Road Traffic Management Corporation the department generates revenue from mainly from traffic fines.

In terms of fines, penalties and forfeits, there has been a gradual increase in the revenue collection on these items from R18.1 million in 2014/15 to R24 million in the 2016/17 financial period.

The audited outcome in the 2014/15 financial period has decreased by R9.1 million compared to the 2016/17 financial period. This is mainly because of financial assets and liabilities transactions. Other revenue, which was received under transactions in financial assets and liabilities, represents debt recovery from previous financial years.

Over the 2018 MTEF, the departmental budget continues to grow annually according to inflation taking into consideration the annual price escalations (CPI) index and transfer of Training Traffic College.

The department is working on implementing the following revenue streams:

- Traffic escort of abnormal loads;
- Traffic escort of sporting events;
- Road closure during film shoots on the highways;
- Accreditation of the college to issue Professional Driving Permits (PRDPs);
- Storage fee for impounded vehicles;
- Using weighbridge at the college; and
- Fingerprint services.

## 7. PAYMENT SUMMARY

### 7.1 Key assumptions

The following key assumptions were taken into account in formulating the 2018 MTEF estimates:

- The annual updating of policing needs and priorities for the province;
- The monitoring of the police service strategy to reduce crime and improve detective services;
- The continuation of the patroller programme and community police forums;
- The implementation of the Gauteng Rural Safety plan;
- The establishment of the Civilian Secretariat Act;
- The implementation of the Domestic Violence Act;
- The implementation of the Provincial Social Crime Prevention Strategy, School Safety Programme and Sectoral, Integrity and the GPG Anti-Corruption Strategies;
- The Tshepo 1 million project youth employment accelerator programme; and
- The Deliverology project.

### 7.2 Programme summary

TABLE 10.3: SUMMARY OF PAYMENTS AND ESTIMATES: DEPARTMENT OF COMMUNITY SAFETY

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Administration	100 876	112 413	122 963	101 048	105 290	106 020	130 615	141 224	149 574
2. Provincial Secretariat For Police Service	132 596	147 239	139 885	195 080	187 718	169 374	185 464	191 312	202 742
3. Traffic Management	396 134	433 900	369 799	382 337	446 179	463 450	403 416	427 158	453 470
<b>Total payments and estimates</b>	<b>629 606</b>	<b>693 552</b>	<b>632 647</b>	<b>678 465</b>	<b>739 187</b>	<b>738 844</b>	<b>719 495</b>	<b>759 694</b>	<b>805 786</b>

### 7.3 Summary by economic classification

TABLE 10.4: SUMMARY OF ECONOMIC CLASSIFICATION: DEPARTMENT OF COMMUNITY SAFETY

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>549 292</b>	<b>559 975</b>	<b>597 257</b>	<b>657 578</b>	<b>662 437</b>	<b>643 279</b>	<b>692 580</b>	<b>729 631</b>	<b>774 067</b>
Compensation of employees	356 292	396 290	418 120	494 596	480 494	459 946	526 204	559 565	595 434
Goods and services	192 911	163 484	179 135	162 982	181 938	183 326	166 376	170 066	178 633
Interest and rent on land	89	201	2		5	7			
<b>Transfers and subsidies to:</b>	<b>7 225</b>	<b>54 440</b>	<b>3 624</b>	<b>4 924</b>	<b>6 944</b>	<b>5 726</b>	<b>3 628</b>	<b>3 882</b>	<b>4 096</b>
Provinces and municipalities	383	1 819	1 389	1 823	1 627	1 153	965	1 180	1 245
Public corporations and private enterprises				1 312					
Non-profit institutions	6 001	50 000							
Households	841	2 621	2 235	1 789	5 317	4 573	2 663	2 702	2 851
<b>Payments for capital assets</b>	<b>73 081</b>	<b>79 062</b>	<b>31 629</b>	<b>15 963</b>	<b>69 806</b>	<b>89 612</b>	<b>23 287</b>	<b>26 181</b>	<b>27 623</b>
Buildings and other fixed structures	88	440							
Machinery and equipment	72 983	78 622	31 554	15 963	69 789	89 595	23 287	26 181	27 623

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Software and other intangible assets	10		75		17	17			
Payments for financial assets	8	75	137			227			
<b>Total economic classification</b>	<b>629 606</b>	<b>693 552</b>	<b>632 647</b>	<b>678 465</b>	<b>739 187</b>	<b>738 844</b>	<b>719 495</b>	<b>759 694</b>	<b>805 786</b>

The department is funded from equitable share and the EPWP conditional grant. Departmental total expenditure increases from R629.6 million in 2014/15 to R693.6 million in 2015/16. It decreases to R632.6 million in the 2016/17 financial year mainly because of a reduction in transfers to non-profit organisations.

The actual expenditure on employees' compensation has increased by R61.8 million from R356.3 million in 2014/15 to R418.1 million in the 2016/17 financial year. Expenditure on goods and services in 2014/15 was R192.9 million and decreased in the 2016/17 financial period to R179.1 million owing to decreases in the accruals on fleet services. In relation to transfers and subsidies, the actual transfer increases from R7.2 million in 2014/15 to R54.4 million in the 2016/17 financial period. This is mainly because of a once-off allocation of R50 million in 2015/16 for the national road safety awareness campaign conducted through non-profit institutions.

Machinery and equipment expenditure has decreased from R73.1 million in 2014/15 to R31.6 million in 2016/17 financial period because of the payments for accruals on fleet services.

The department's main budget increases from R678.5 million in the 2017/18 financial year to R719.5 million in the 2018/19 financial year. This is mainly because the Civilian Secretariat for Police Service Act and the new departmental organisational structure were implemented.

The budget for employee compensation continues to grow by R24.2 million in 2018 MTEF period from R494.6 million in the 2017/18 to R523.8 million and R595.5 million in the 2020/21 financial year in line with the proposed new departmental staff establishment and inflation related adjustments.

The goods and services' budget increases over the 2018 MTEF by 10 per cent from R163 million in 2017/18 to R166.7 million in the 2018/19 to make provision for the departments' programmes. The budget on transfer and subsidies declined in 2017/18 from R4.9 million to R3.6 million in 2018/19 financial year.

The payment for capital assets budget has increased in 2017/18 from R16 million to R23.3 million in 2018/19 financial year due to the classification of the capital portion of leased vehicles which is classified as a finance lease.

## 7.4 Infrastructure payments

N/A

### 7.4.1 Departmental Infrastructure payments

N/A

### 7.4.2 Departmental Public-Private Partnership (PPP) projects

N/A

## 7.5 Transfers

N/A

### 7.5.1 Transfers to other entities

N/A

### 7.5.2 Transfers to local government

N/A



## 8. PROGRAMME DESCRIPTION

### PROGRAMME 1: ADMINISTRATION

The aim of the administration programme is to provide strategic direction to the department and support through corporate support, which includes human capital resources, financial management, supply chain management, risk management, legal services, strategic planning and monitoring and evaluation.

This programme is responsible for providing strategic administrative support to the entire department and supports both the office of the HOD and the MEC to enable them to exercise their powers better as well as to perform their duties and functions in keeping with the constitutional and legislative mandate of the department.

#### Programme objectives

- To provide effective and efficient intergovernmental relations and executive support;
- To provide integrated planning and institutional performance management support;
- To provide integrated anti-fraud and corruption and risk management co-ordination;
- To provide effective and efficient financial and supply chain management support, and
- To provide effective and efficient corporate services support.

#### Key policies, priorities and outputs

A range of policies, strategies and plans create the context for the development of the Gauteng Safety Strategy. Key amongst these are the NDP and all related labour policies:

- Provincial output: Improved governance and efficiency;
- GPG Pillar: Transformation of the state and governance, and
- Modernisation of the public service.

TABLE 10.5: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Office Of The Mec	6 483	8 267	7 981	8 882	8 882	9 477	9 397	9 683	10 321
2. Office Of The Hod	11 446	18 721	17 823	17 818	17 153	16 260	18 853	19 946	21 045
3. Financial Management	18 626	22 237	21 048	20 082	20 082	21 369	21 247	23 495	24 788
4. Corporate Services	60 560	57 939	69 445	54 267	59 173	58 914	74 806	81 374	86 355
<b>Total payments and estimates</b>	<b>100 876</b>	<b>112 413</b>	<b>122 963</b>	<b>101 048</b>	<b>105 290</b>	<b>106 020</b>	<b>130 615</b>	<b>141 224</b>	<b>149 574</b>

TABLE 10.6: SUMMARY OF ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>98 053</b>	<b>107 683</b>	<b>119 962</b>	<b>98 934</b>	<b>101 414</b>	<b>102 154</b>	<b>127 632</b>	<b>137 942</b>	<b>146 111</b>
Compensation of employees	62 929	70 960	69 507	69 863	70 723	69 327	87 220	93 973	99 671
Goods and services	35 104	36 665	50 455	29 071	30 686	32 820	40 412	43 969	46 440
Interest and rent on land	20	58			5	7			
<b>Transfers and subsidies to:</b>	<b>265</b>	<b>2 392</b>	<b>178</b>		<b>612</b>	<b>572</b>			
Provinces and municipalities	222	1 599	157		115	133			
Households	43	793	21		497	439			
<b>Payments for capital assets</b>	<b>2 557</b>	<b>2 338</b>	<b>2 815</b>	<b>2 114</b>	<b>3 264</b>	<b>3 286</b>	<b>2 983</b>	<b>3 282</b>	<b>3 463</b>
Machinery and equipment	2 547	2 338	2 740	2 114	3 264	3 286	2 983	3 282	3 463
Software and other intangible assets	10		75						
<b>Payments for financial assets</b>			<b>8</b>			<b>8</b>			
<b>Total economic classification</b>	<b>100 876</b>	<b>112 413</b>	<b>122 963</b>	<b>101 048</b>	<b>105 290</b>	<b>106 020</b>	<b>130 615</b>	<b>141 224</b>	<b>149 574</b>

Total programme expenditure for the period increased by R22.3 million from R100.9 million in 2014/15 to R123 million in the 2016/17 financial year. The expenditure on compensation of employees increased by R7 million from R62.9 million in 2014/15 to R69.5 million in 2016/17 financial period which translates to a growth rate of 9 per cent.

Goods and services expenditure increased from R35.1 million in 2014/15 to R50.5 million in 2016/17. The increase is mainly as a result of inflationary adjustments, maintenance of office building, audit costs and payment of software licences due to the increased number of SAP users.



The total programme budget increases from R101 million in 2017/18 to R130.6 million in the 2018/19 financial year due to the planned implementation of the new organisational structure and provision for inflationary related adjustments to ensure sustained support to the entire department.

The compensation of employees' budget continues to grow at an average of 7.5 per cent over the 2018 MTEF period from R87.2 million in 2018/19 to R99.7 million in the 2020/21 financial year as result of the cost of living adjustments.

The goods and services budget over the 2018 MTEF increases from R40.4 million in 2018/19 to R46.4 million in the 2020/21 financial year to ensure that the department is able to improve administrative support within the department.

The budget for payments on capital assets amounts to R3 million in the 2018/19 financial year which is allocated for the purposes of procuring computer assets to ensure that staff members are equipped to carry out their functions.

## PROGRAMME 2: PROVINCIAL SECRETARIAT for POLICE SERVICE

### Programme description

The programme aims to give effect to the constitutional mandate of the department on the promotion of good relations between the police and the community. Communities are also mobilised through this programme, especially against the abuse of drugs and other dependence-producing substances by young people. The programme further provides for the promotion of social crime prevention of all communities in the province through the provision of education and awareness programmes relevant to crime prevention and focusing on prevention of violence against women and children in the province. In addition, the programme aims to enhance the empowerment of victims across the province, through the provision of a package of services such as counselling and medico-legal services at *Ikhaya Lethemba*, the province's flagship project in the battle against domestic violence and crimes against the most vulnerable members of our society.

### Programme objectives

- Provide evidence-based knowledge of safety and security matters;
- Monitor and evaluate police conduct and performance;
- Strengthen the coordination of Gauteng Law Enforcement Agency Forum;
- Increase support interventions for victims and vulnerable groups, and
- Strengthen the social movement against crime.

### Key policies, priorities and outputs

A range of policies, strategies and plans have provided the context for the development of the Gauteng Safety Strategy. Key amongst these are:

- National Development Plan;
- National Crime Prevention Strategy (NCPS), 1996;
- Vision 2055 (Global City Region Perspective);
- Gauteng Growth and Development Strategy;
- Strategic Agenda for Transport in Gauteng;
- Global Plan for the Decade for Road Safety (2011-2020);
- GPG Pillars: Accelerated social transformation; Modernisation of the public service;
- National and provincial SAPS targets;
- Provincial Outputs 1, 2, 3 and 5;
- Civilian Secretariat Act, 2011, and
- National Youth Commission Act, 1996.

TABLE 10.7: SUMMARY OF PAYMENTS AND ESTIMATES: PROVINCIAL SECRETARIAT for POLICE SERVICE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Programme Support	4 028	4 742	4 882	9 332	5 528	3 696	8 758	9 336	9 850
2. Policy And Research	21 531	8 388	4 795	8 943	8 943	8 011	9 462	9 994	10 602
3. Monitoring And Evaluation	26 545	38 091	21 849	30 847	32 321	23 999	34 452	36 450	38 759
4. Safety Promotion	47 805	53 280	66 382	100 513	92 771	90 846	83 754	85 182	90 279
5. Community Police Relations	32 687	42 738	41 977	45 445	48 155	42 822	49 038	50 350	53 252
<b>Total payments and estimates</b>	<b>132 596</b>	<b>147 239</b>	<b>139 885</b>	<b>195 080</b>	<b>187 718</b>	<b>169 374</b>	<b>185 464</b>	<b>191 312</b>	<b>202 742</b>

TABLE 10.8: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PROVINCIAL SECRETARIAT for POLICE SERVICE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments	116 251	102 535	121 955	184 176	173 110	157 388	178 468	182 951	193 920

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Compensation of employees	57 034	59 052	59 468	93 072	78 110	68 133	95 625	100 209	106 630
Goods and services	59 217	43 341	62 487	91 104	95 000	89 255	82 843	82 742	87 290
Interest and rent on land		142							
<b>Transfers and subsidies to:</b>	<b>12</b>	<b>93</b>	<b>1 083</b>	<b>912</b>	<b>1 765</b>	<b>724</b>	<b>1 630</b>	<b>1 721</b>	<b>1 816</b>
Provinces and municipalities	1		931	912	912	479	965	1 019	1 075
Non-profit institutions	1								
Households	10	93	152		853	245	665	702	741
<b>Payments for capital assets</b>	<b>16 333</b>	<b>44 569</b>	<b>16 789</b>	<b>9 992</b>	<b>12 843</b>	<b>11 106</b>	<b>5 366</b>	<b>6 640</b>	<b>7 006</b>
Buildings and other fixed structures		440							
Machinery and equipment	16 333	44 129	16 789	9 992	12 826	11 089	5 366	6 640	7 006
<b>Payments for financial assets</b>		<b>42</b>	<b>58</b>			<b>156</b>			
<b>Total economic classification</b>	<b>132 596</b>	<b>147 239</b>	<b>139 885</b>	<b>195 080</b>	<b>187 718</b>	<b>169 374</b>	<b>185 464</b>	<b>191 312</b>	<b>202 742</b>

For the period 2014/15 to 2016/17, the total expenditure of the programme fluctuated from R132.6 million in 2014/15 to R147.2 million in 2015/16 and R139.8 million in the 2016/17 financial year. This was because of the expenditure incurred on fleet services (accrual) in the 2015/16 financial year.

The amount spent on staff increased from R57 million in 2014/15 to R59.5 million in the 2016/17 financial year. The expenditure on goods and services fluctuated from R59.2 million in 2014/15 to R43.3 million in 2015/16 and R62.5 million in the 2016/17 financial year which is also due to the payment of a once of accrual on fleet services in the 2015/16 financial year. Similarly, the expenditure on machinery and equipment expenditure fluctuated from R16.3 million in 2014/15 to R44.1 million in 2015/16 owing to the payment of accruals for fleet services.

The budget for compensation of employees increases by R10.4 million from R95.6 million in 2018/19 to R106.6 million in the 2020/21 financial year. Goods and services increases by R5.9 million from R82.8 million in 2018/19 to R88.8 million in the 2020/21 financial period. This growth in the compensation of employees and goods and services budget is informed by the inflation projections, anticipated implementation of Civilian Secretariat Act for provision made for the procurement of essential tools of trade.

The budget under payments for capital assets gradually increases from R5.4 million in 2018/19 to R7 million in 2020/21 financial period for the acquisition of additional capital assets which will be acquired in a phased-in approach.

## SERVICE DELIVERY MEASURES

### PROGRAMME 2: PROVINCIAL SECRETARIAT for POLICE SERVICE

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of research projects conducted	5	5	5	6
Number of research reports on policing per year		1		
Number of research seminars conducted	2	3	3	3
Number of publications produced	2	2	3	3
Number of research reports on special projects compiled		1	1	1
Implementation of the Province's Policing Plan, monitored	4	4	4	4
Criminal Justice System coordinated - Number of priority cases analysed	1 200	1 200	1 300	1 300
Number of monitoring reports compiled on implementation of IPID recommendations by SAPS per year	4	4	4	4
Number of Domestic Violence Act (DVA) compliance reports compiled per year	4	4	4	4
Number of reports compiled on the management of service delivery complaints received against SAPS per year	4	4	4	4
Number of reports compiled on police stations monitored based on the NMT tool per year	4	4	4	4
Number of customer satisfaction survey reports per year (NEW Sector Indicator)	1	1	1	1
Number of GBV cases analysed	1 300	1 500	1 500	1 500
Family Justice Support services rendered to GBV victim rendered	12	12	12	12
Number of Community Police Forums assessed in line with existing standards (Number of Community safety forums (CSFs) assessed on functionality per year)	142	142	142	142

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of Community Safety Forums assessed (Number of Community Police Forums (CPFs) assessed on functionality per year)	11	11	11	11
Number of Community Patroller Programmes assessed in line with the existing standards	100	100	100	100
Number of CPF's and Community Patrollers, resourced	1 000	1 000	1 500	2 000

### PROGRAMME 3: Traffic Management

#### Programme description

The main aim of the programme is to integrate and coordinate traffic law enforcement, reduce road fatalities and support the SAPS crime prevention initiatives in the province. The programme also takes responsibility for the enhancement and management of road-user knowledge, skills and attitudes (in particular pedestrian safety), public transport and freight law enforcement, taxi violence interventions, traffic management, overloaded freight vehicles and crime prevention. In addition, the programme provides traffic officer, examiner of motor vehicles and drivers licence training courses. The implementation of the Administrative Adjudication of Road Traffic Offences (AARTO) Act, Road Traffic Infringement Agency (RTIA) Act as well as the Road Traffic Management Corporation (RTMC) Act is also through this programme.

#### Programme objectives

- To enforce compliance with the legislation by all road users and traffic officers;
- To intensify road safety educational programmes targeting all road users, and
- To contribute towards a safer road environment.

#### Key policies, priorities and outputs

A range of policies, strategies and plans provide the context for the development of the Gauteng Safety Strategy. Key among these are:

- National Development Plan;
- National Crime Prevention Strategy;
- Vision 2055 (Global City Region Perspective);
- Gauteng Growth and Development Strategy;
- Strategic Agenda for Transport in Gauteng;
- Global Plan for the Decade for Road Safety (2011-2020);
- GPG Pillar: Accelerated social transformation, and
- Provincial Outputs 5 and 7.

TABLE 10.9: SUMMARY OF PAYMENTS AND ESTIMATES: TRAFFIC MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Traffic Law Enforcement	295 425	329 909	252 075	253 852	314 075	300 547	267 840	281 819	298 766
2. Special Services	14 298	18 805	25 921	31 995	28 466	24 579	33 909	36 865	39 202
3. Public Transport Inspectorate	39 491	36 258	42 128	41 372	39 807	73 366	42 771	45 649	48 617
4. Road Safety Promotion	46 920	48 928	49 675	55 118	63 831	64 958	58 896	62 825	66 885
<b>Total payments and estimates</b>	<b>396 134</b>	<b>433 900</b>	<b>369 799</b>	<b>382 337</b>	<b>446 179</b>	<b>463 450</b>	<b>403 416</b>	<b>427 158</b>	<b>453 470</b>

TABLE 10.10: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: TRAFFIC MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>334 988</b>	<b>349 757</b>	<b>355 340</b>	<b>374 468</b>	<b>387 913</b>	<b>383 737</b>	<b>386 480</b>	<b>408 738</b>	<b>434 036</b>
Compensation of employees	236 329	266 278	289 145	331 661	331 661	322 486	343 359	365 383	389 133
Goods and services	98 590	83 478	66 193	42 807	56 252	61 251	43 121	43 355	44 903
Interest and rent on land	69	1	2						
<b>Transfers and subsidies to:</b>	<b>6 947</b>	<b>51 955</b>	<b>2 363</b>	<b>4 012</b>	<b>4 567</b>	<b>4 430</b>	<b>1 998</b>	<b>2 161</b>	<b>2 280</b>
Provinces and municipalities	160	220	301	911	600	541		161	170
Public corporations and private enterprises				1 312					
Non-profit institutions	6 000	50 000							
Households	787	1 735	2 062	1 789	3 967	3 889	1 998	2 000	2 110
<b>Payments for capital assets</b>	<b>54 191</b>	<b>32 155</b>	<b>12 025</b>	<b>3 857</b>	<b>53 699</b>	<b>75 220</b>	<b>14 938</b>	<b>16 259</b>	<b>17 154</b>

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Buildings and other fixed structures	88								
Machinery and equipment	54 103	32 155	12 025	3 857	53 699	75 220	14 938	16 259	17 154
Payments for financial assets	8	33	71			63			
<b>Total economic classification</b>	<b>396 134</b>	<b>433 900</b>	<b>369 799</b>	<b>382 337</b>	<b>446 179</b>	<b>463 450</b>	<b>403 416</b>	<b>427 158</b>	<b>453 470</b>

The total programme expenditure from the 2014/15 to the 2016/17 financial period increased from R396.1 million to R433.9 million. It decreased by R65 million to R369.7 million in the 2016/17 financial year. This is mainly because of the once-off allocation of R50 million received in the 2015/16 financial year from the RTMC for road safety awareness campaigns which were conducted through non-profit organisations.

For the 2014/15 financial period, the actual expenditure on compensation of employees increase by R52.8 million from R236.3 million in 2014/15 to R289.1 million in the 2016/17 financial year. This is primarily because vacant positions were filled and cost of living adjustments. During this period, additional traffic officers and interns were absorbed to the department to increase the number of traffic law officers in the province. The goods and services expenditure has gradually decreased from R98.6 million in 2014/15 to R66.2 million in the 2016/17 financial period because of the reduction in payments for accruals on fleet services.

The actual transfer and subsidies fluctuated for the period 2014/15 to 2016/17 ranging from R6.9 million in 2014/16 to R52 million in 2015/16 and R2.4 million in the 2016/17 financial year. This is because of funding received in 2015/16 financial year from the RTMC for the roll out of road safety awareness campaigns.

Over 2018 MTEF the budget previously allocated to the Boekenhoutkloof Traffic Training College shifts from the Sub-Programme: Training Traffic College to the sub-programme: Traffic Law Enforcement after the transfer of the college to the RTMC.

The programme budget increases by R21.1 million from R382.3 million in 2017/18 to R403.4 million in the 2018/19 financial year. The budget for employee compensation has increased by R11.7 million from R331.6 million in 2017/18 to R343.4 million in 2018/19 and R389.1 million in 2020/21 financial period to make provision for the absorption of traffic officers as interns after they have successfully completed their training programmes. Goods and services increase from R43 million in 2018/19 to R44.9 million in the 2020/21 financial period. Payments for capital assets increases from R3.8 million in 2017/18 to R14.9 million in 2018/19 to make provision for fleet services.

## SERVICE DELIVERY MEASURES

### PROGRAMME 3: TRAFFIC MANAGEMENT

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
The number of inspections conducted at Drivers Licence Testing Centres (DLTCs) and Vehicle Testing Stations (VTSs).	160	170	170	170
Coordinate the implementation of the Gauteng Safety Strategy through GLEAF.		4	4	4
Number of vehicles weighed	140 000	200 000	220 000	240 000
Number of roadside check point operations conducted	8 000	28 863	29 469	30 200
Number of vehicles stopped and checked	831 600	914 760	1 006 236	1 106 859
Crime prevention measures/intervention/operations supporting other LEA's	1 000	3 000	3 500	4 000
Number of Taxi law enforcement operations conducted driver and vehicle fitness, operating licence, & routes compliance		3 000	4 000	4 200
Number of Law enforcement operations targeting learner transport.	105	350	360	370
Number of learners reached through road safety programmes	21 700	21 700	21 900	30 000
Road Safety awareness programmes conducted	1 150	1 300	1 400	1 500
Number of Scholar Patrol Crossings supported	400	450	500	550
Number of public schools participating in road safety programmes	2 150	2 190	2 550	2 280

## 9. OTHER PROGRAMME INFORMATION

### 9.1 Personnel numbers and costs

The table below depicts the breakdown of the total staff head count against the corresponding amount spent on employees and estimated staff costs over the 2018 medium-term period. The total head count will increase from 1 916 in 2017/18 to 2 156 in the 2020/21 financial year because of the anticipated approval of departmental structures in relation to the Civilian Secretariat Act. Staff numbers include filled and vacant posts as well as independent contractors.

The department will make appointments (e.g. they will terminate or absorb contract workers into the department) to establish the Civilian Secretariat Function fully which involves a great deal of monitoring and evaluation. However, after the establishment of the Civilian Secretariat, the staff head count is expected to change over the medium term.

TABLE 10.11: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS

R thousands	2014/15			Actual		Revised estimate			Medium-term expenditure estimate				Average annual growth over MTEF						
	Personnel numbers <sup>1</sup>	Costs	2015/16		2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21				
			Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Filled posts	Additional posts	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel growth rate	Costs growth rate	% Costs of Total		
Salary level																			
1 – 6	621	130 430	741	149 696	747	157 335	746	1	747	211 347	716	208 774	716	221 213	716	235 952	(1.4)%	3.7%	41.4%
7 – 10	477	167 055	441	175 789	398	155 101	398		398	152 999	533	194 121	533	206 152	533	220 370	10.2%	12.9%	35.9%
11 – 12	58	29 337	60	36 352	54	45 591	53	1	54	44 623	78	46 444	78	50 516	78	55 646	13.0%	7.6%	9.3%
13 – 16	28	27 179	28	23 129	28	30 150	28		28	33 346	30	30 619	30	32 671	30	34 835	2.3%	1.5%	6.2%
Other	310	2 291	269	11 324	555	29 943	555		555	17 631	799	46 246	799	49 013	799	48 633	12.9%	40.2%	7.1%
Total	1 494	356 292	1 539	396 290	1 782	418 120	1 780	2	1 782	459 946	2 156	526 204	2 156	559 565	2 156	595 436	6.6%	9.0%	100.0%
Programme																			
1. Administration	236	62 929	227	70 960	224	69 507	224		224	69 327	310	87 220	310	93 973	310	99 671	11.4%	12.9%	16.3%
2. Provincial Secretariat For Police Service	299	57 034	301	59 052	355	59 468	353	2	355	68 133	287	95 625	287	100 209	287	106 630	(6.8)%	16.1%	17.0%
3. Traffic Management	959	236 329	1 011	266 278	1 203	289 145	1 203		1 203	322 486	1 559	343 359	1 559	365 383	1 559	389 135	9.0%	6.5%	66.7%
Total	1 494	356 292	1 539	396 290	1 782	418 120	1 780	2	1 782	459 946	2 156	526 204	2 156	559 565	2 156	595 436	6.6%	9.0%	100.0%
Employee dispensation classification																			
Professional Nurses, Staff Nurses and Nursing Assistants			319		10	341	10		10	366	10	387	10	409	10	431		5.6%	4.7%
Legal Professionals			282		4	288	4		4	308	4	326	4	344	4	363		5.6%	3.9%
Social Services Professions			321		3	322	3		3	344	3	364	3	384	3	405		5.6%	4.4%
Medical and related professionals			74		1	75	1		1	80	1	84	1	86	1	91		4.4%	1.0%
Others such as interns, EPWP, learnerships, etc			4 285		245	5 237	245		245	6 280	245	7 371	245	7 784	245	8 212		9.4%	86.1%
Total			5 281		263	6 263	263		263	7 378	263	8 532	263	9 007	263	9 502		8.8%	100.0%

## 9.2 Training

TABLE 10.12: INFORMATION ON TRAINING: DEPARTMENT OF COMMUNITY SAFETY

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Number of staff	* 1 494	* 1 539	* 1 782	* 1 782	* 1 782	* 1 782	* 2 156	* 2 156	* 2 156
Number of personnel trained	* 626	* 700	* 800	* 800	* 800	* 800	* 800	* 845	* 891
of which									
Male	* 283	* 320	* 350	* 350	* 350	* 350	* 350	* 370	* 390
Female	* 343	* 380	* 450	* 450	* 450	* 450	* 450	* 475	* 501
Number of training opportunities	* 24	* 20	* 20	* 30	* 30	* 30	* 32	* 33	* 34
of which									
Tertiary	* 5	* 5	* 5	* 5	* 5	* 5	* 7	* 7	* 7
Workshops	* 14	* 15	* 15	* 20	* 20	* 20	* 20	* 21	* 22
Other	* 5			* 5	* 5	* 5	* 5	* 5	* 5
Number of bursaries offered	* 89	* 89		* 80	* 80	* 80	* 80	* 80	* 84
Number of interns appointed	* 45	* 45	* 54	* 54	* 54	* 54	* 54	* 57	* 60
Number of learnerships appointed									
Number of days spent on training	* 690	* 350	* 900	* 900	* 900	* 900	* 900	* 950	* 1 002
<b>Payments on training by programme</b>									
1. Administration	* 2 219	* 246	* 1 885	* 1 550	* 1 550	* 1 550	* 1 607	* 1 640	* 1 730
2. Provincial Secretariat For Police Service	* 2 321	* 604	* 8 944	* 8 901	* 8 901	* 8 901	* 11 450	* 12 114	* 12 780
3. Traffic Management	* 1 051	* 531	* 749	* 878	* 878	* 878	* 929	* 983	* 1 037
<b>Total payments on training</b>	<b>* 5 591</b>	<b>* 1 381</b>	<b>* 11 578</b>	<b>* 11 329</b>	<b>* 11 329</b>	<b>* 11 329</b>	<b>* 13 986</b>	<b>* 14 737</b>	<b>* 15 547</b>

The department develops a Workplace Skills Plan (WSP) annually which is informed by the performance development plans of the staff members. The WSP ensures a constant supply of skilled employees and further to ensure that there is continuity in the development of employees on the latest trends in their particular functions.

The training offered in the department varies from Skills Programmes, Short Courses and Bursaries, which addresses the skills needs. Furthermore, the training is extended to unemployed graduates in a form of Internship Programme.

## 9.3 Reconciliation of structural changes

Budget programme structure is aligned to the approved national structure

2017/18		2018/19	
Programmes	R'000	Programmes	R'000
		<b>1. Administration</b>	<b>* 130 615</b>
		1. Office Of The Mec	* 9 397
		2. Office Of The Hod	* 18 853
		3. Financial Management	* 21 247
		4. Corporate Services	* 74 806
		<b>2. Provincial Secretariat For Police Service</b>	<b>* 185 464</b>
		1. Programme Support	* 8 758
		2. Policy And Research	* 9 462
		3. Monitoring And Evaluation	* 34 452
		4. Safety Promotion	* 83 754
		5. Community Police Relations	* 49 038
		<b>3. Traffic Management</b>	<b>* 403 416</b>
		1. Traffic Law Enforcement	* 267 840
		2. Special Services	* 33 909
		3. Public Transport Inspectorate	* 42 771
		4. Road Safety Promotion	* 58 896
<b>Total</b>			<b>* 719 495</b>



## **Annexure to the Estimates of Provincial Revenue and Expenditure**

TABLE 10.14: SPECIFICATION OF RECEIPTS: COMMUNITY SAFETY

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Tax receipts</b>									
<b>Sales of goods and services other than capital assets</b>	<b>7 951</b>	<b>8 753</b>	<b>8 998</b>	<b>6 991</b>	<b>6 991</b>	<b>3 586</b>	<b>1 337</b>	<b>1 433</b>	<b>1 421</b>
Sale of goods and services produced by department (excluding capital assets)	7 951	8 753	8 998	6 991	6 991	3 586	1 337	1 433	1 421
Sales by market establishments	1 405	5 174	1 327	2 015	2 015	3 250	1 061	1 157	1 145
Other sales	6 546	3 579	7 671	4 976	4 976	336	276	276	276
Of which									
Health patient fees	1 409	194	390	319	319				
Other (Specify)	220	204	206	336	336	336	276	276	276
Other (Specify)	3 319	2 002	4 528	3 294	3 294				
Other (Specify)	1 591	625	2 547	1 028	1 028				
<b>Transfers received from:</b>			<b>30</b>						
Public corporations and private enterprises			30						
<b>Fines, penalties and forfeits</b>	<b>18 101</b>	<b>27 993</b>	<b>24 002</b>	<b>21 399</b>	<b>21 399</b>	<b>32 241</b>	<b>24 101</b>	<b>24 897</b>	<b>25 707</b>
<b>Interest, dividends and rent on land</b>	<b>3</b>	<b>17</b>	<b>13</b>			<b>44</b>			
Interest	3	17	13			44			
<b>Sales of capital assets</b>									
<b>Transactions in financial assets and liabilities</b>	<b>16 700</b>	<b>7 447</b>	<b>7 706</b>	<b>1 067</b>	<b>1 067</b>	<b>1 051</b>	<b>8 807</b>	<b>9 450</b>	<b>10 489</b>
<b>Total departmental receipts</b>	<b>42 755</b>	<b>44 210</b>	<b>40 749</b>	<b>29 457</b>	<b>29 457</b>	<b>36 922</b>	<b>34 245</b>	<b>35 780</b>	<b>37 617</b>

TABLE 10.15: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: COMMUNITY SAFETY

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>549 292</b>	<b>559 975</b>	<b>597 257</b>	<b>657 578</b>	<b>662 437</b>	<b>643 279</b>	<b>692 580</b>	<b>729 631</b>	<b>774 067</b>
Compensation of employees	356 292	396 290	418 120	494 596	480 494	459 946	526 204	559 565	595 434
Salaries and wages	356 292	344 594	361 637	419 898	408 424	399 956	451 898	479 993	510 757
Social contributions		51 696	56 483	74 698	72 070	59 990	74 306	79 572	84 677
Goods and services	192 911	163 484	179 135	162 982	181 938	183 326	166 376	170 066	178 633
Administrative fees	212	334	358	819	482	742	385	408	430
Advertising	10 977	10 517	14 196	7 199	21 896	20 142	8 841	8 383	8 844
Minor assets	937	772	762	635	1 821	1 051	1 222	1 292	1 363
Audit cost: External	3 181	3 995	3 840	4 061	4 127	4 012	4 629	4 775	5 038
Bursaries: Employees	944	745	1 114	1 000	1 000	973	1 000	1 066	1 125
Catering: Departmental activities	10 521	5 768	9 328	7 893	12 844	12 982	5 367	5 563	5 870
Communication (G&S)	6 426	5 685	6 140	6 071	5 601	5 170	6 310	7 624	6 556
Computer services	2 526	2 047	6 807	6 982	5 196	4 334	7 377	7 805	8 235
Consultants and professional services: Business and advisory services	2 075	497	1 634	2 895	3 951	3 469	3 740	3 921	4 137
Legal services	727	1 802	1 851	633	1 631	1 971	1 067	1 898	2 284
Contractors	31 429	9 174	6 155	9 006	19 590	26 270	13 572	14 778	15 574
Agency and support / outsourced services	16 271	7 124	11 800	9 226	6 416	5 062	10 269	10 824	11 419
Fleet services (including government motor transport)	22 910	46 856	27 742	18 360	20 318	26 999	26 612	25 204	26 590
Inventory: Clothing material and accessories	2 015	1 675	18 913	11 818	18 074	10 803	13 275	14 023	14 794
Inventory: Farming supplies	45								

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Inventory: Food and food supplies	879	1 794	268	1 270	145	149			
Inventory: Fuel, oil and gas	9	36	3	1 992		38			
Inventory: Learner and teacher support material		356	459	843	212	210	190	344	363
Inventory: Materials and supplies	781	336	448	873		185	2 000	2 113	2 230
Inventory: Medical supplies	310	180	597	418	1 281	162	403	426	449
Inventory: Medicine	40			169	65	65	42	44	46
Inventory: Other supplies	30		102	1 432	31	600	671	710	749
Consumable supplies	7 835	3 590	4 800	3 363	3 694	3 930	3 936	3 923	4 545
Consumable: Stationery, printing and office supplies	5 696	3 551	3 949	5 816	5 377	3 943	3 817	4 339	4 577
Operating leases	37 976	29 515	21 359	8 930	8 402	9 174	11 045	10 656	11 242
Property payments	4 228	11 338	12 016	9 399	11 941	12 805	11 507	11 075	11 685
Transport provided: Departmental activity					3 551	4 677	5 380	5 850	6 171
Travel and subsistence	8 365	7 007	5 264	12 694	4 499	3 639	3 759	4 664	4 921
Training and development	3 114	1 381	4 976	11 329	9 124	7 971	9 287	6 707	7 076
Operating payments	371	437	270	433	745	478	57	545	575
Venues and facilities	5 229	2 227	6 682	11 102	6 860	7 438	5 599	6 098	6 462
Rental and hiring	6 853	4 745	7 302	6 322	3 064	3 882	5 017	5 008	5 283
Interest and rent on land	89	201	2		5	7			
Interest	69	201			5	7			
Rent on land	20		2						
<b>Transfers and subsidies</b>	<b>7 225</b>	<b>54 440</b>	<b>3 624</b>	<b>4 924</b>	<b>6 944</b>	<b>5 726</b>	<b>3 628</b>	<b>3 882</b>	<b>4 096</b>
Provinces and municipalities	383	1 819	1 389	1 823	1 627	1 153	965	1 180	1 245
Provinces	383		157	144	10	114			
Provincial agencies and funds	383		157	144	10	114			
Municipalities		1 819	1 232	1 679	1 617	1 039	965	1 180	1 245
Municipal agencies and funds		1 819	1 232	1 679	1 617	1 039	965	1 180	1 245
Public corporations and private enterprises				1 312					
Private enterprises				1 312					
Other transfers				1 312					
Non-profit institutions	6 001	50 000							
Households	841	2 621	2 235	1 789	5 317	4 573	2 663	2 702	2 851
Social benefits	841	2 371	2 235	1 789	5 302	4 553	2 663	2 702	2 851
Other transfers to households		250			15	20			
<b>Payments for capital assets</b>	<b>73 081</b>	<b>79 062</b>	<b>31 629</b>	<b>15 963</b>	<b>69 806</b>	<b>89 612</b>	<b>23 287</b>	<b>26 181</b>	<b>27 623</b>
Buildings and other fixed structures	88	440							
Buildings	88	440							
Machinery and equipment	72 983	78 622	31 554	15 963	69 789	89 595	23 287	26 181	27 623
Transport equipment	72 983	75 766	28 210	12 794	52 501	70 684	20 069	21 242	22 413
Other machinery and equipment		2 857	3 344	3 169	17 288	18 911	3 218	4 939	5 210
Software and other intangible assets	10		75		17	17			
<b>Payments for financial assets</b>	<b>8</b>	<b>75</b>	<b>137</b>			<b>227</b>			
<b>Total economic classification</b>	<b>629 606</b>	<b>693 552</b>	<b>632 647</b>	<b>678 465</b>	<b>739 187</b>	<b>738 844</b>	<b>719 495</b>	<b>759 694</b>	<b>805 786</b>

TABLE 10.16: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>98 053</b>	<b>107 683</b>	<b>119 962</b>	<b>98 934</b>	<b>101 414</b>	<b>102 154</b>	<b>127 632</b>	<b>137 942</b>	<b>146 111</b>
Compensation of employees	62 929	70 960	69 507	69 863	70 723	69 327	87 220	93 973	99 671
Salaries and wages	62 929	63 523	61 856	59 961	63 139	62 015	76 509	82 640	87 658
Social contributions		7 437	7 651	9 902	7 584	7 312	10 711	11 333	12 013
Goods and services	35 104	36 665	50 455	29 071	30 686	32 820	40 412	43 969	46 440
Administrative fees	119	192	178	256	177	155	225	239	252
Advertising	9 683	9 164	12 349	478	272	427	7 100	6 498	6 855
Minor assets	129	10	184		79	357	350	370	390
Audit cost: External	3 181	3 995	3 840	4 061	4 127	4 012	4 629	4 775	5 038
Bursaries: Employees	923	745	1 114	1 000	1 000	973	1 000	1 066	1 125
Catering: Departmental activities	3 694	1 555	2 752	185	1 477	2 125	515	399	422
Communication (G&S)	2 758	2 329	3 071	1 817	1 778	2 750	2 331	3 071	2 591
Computer services	1 817	2 047	6 806	6 162	4 376	4 319	6 519	6 898	7 278
Consultants and professional services: Business and advisory services	1 224	423	21	506		18			
Legal services	727	1 802	1 851	633	1 631	1 971	1 067	1 898	2 284
Contractors	1 100	1 145	2 094	1 563	1 890	2 236	1 922	1 995	2 088
Agency and support / outsourced services	294	614	817	1 456	1 070	1 225	85	90	95
Fleet services (including government motor transport)	861	1 339	356	790	557	455	1 023	1 062	1 120
Inventory: Clothing material and accessories	5				10	10			
Inventory: Food and food supplies	1	54	99			4			
Inventory: Fuel, oil and gas	1	3		60		38			
Inventory: Learner and teacher support material			441						
Inventory: Materials and supplies	133	39				1			
Inventory: Medical supplies	60								
Inventory: Other supplies				3		3			
Consumable supplies	644	1 279	1 385	54	509	809	2 364	2 111	2 634
Consumable: Stationery, printing and office supplies	1 809	1 511	1 044	1 318	891	873	1 327	1 761	1 857
Operating leases	772	442	659	1 860	1 032	397	1 749	1 847	1 949
Property payments	348	5 495	6 107	3 030	5 572	5 182	4 241	4 870	5 138
Transport provided: Departmental activity					96	80		169	178
Travel and subsistence	1 446	752	768	1 153	1 025	956	1 356	1 529	1 613
Training and development	818	246	1 859	1 550	1 550	1 674	1 395	1 785	1 883
Operating payments	22	82	88	433	625	250	57	545	575
Venues and facilities	1 692	212	1 800	704	702	1 068	545	645	710
Rental and hiring	844	1 190	772		240	452	612	346	365
Interest and rent on land	20	58			5	7			
Interest		58			5	7			
Rent on land	20								
<b>Transfers and subsidies</b>	<b>265</b>	<b>2 392</b>	<b>178</b>		<b>612</b>	<b>572</b>			
Provinces and municipalities	222	1 599	157		115	133			
Provinces	222		157			18			
Provincial agencies and funds	222		157			18			
Households	43	793	21		497	439			
Social benefits	43	543	21		497	439			
<b>Payments for capital assets</b>	<b>2 557</b>	<b>2 338</b>	<b>2 815</b>	<b>2 114</b>	<b>3 264</b>	<b>3 286</b>	<b>2 983</b>	<b>3 282</b>	<b>3 463</b>
Machinery and equipment	2 547	2 338	2 740	2 114	3 264	3 286	2 983	3 282	3 463
Transport equipment	2 547	1 470	360	48	548	748	429	585	618

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Other machinery and equipment		869	2 380	2 066	2 716	2 538	2 554	2 697	2 845
Software and other intangible assets	10		75						
<b>Payments for financial assets</b>			<b>8</b>			<b>8</b>			
<b>Total economic classification</b>	<b>100 876</b>	<b>112 413</b>	<b>122 963</b>	<b>101 048</b>	<b>105 290</b>	<b>106 020</b>	<b>130 615</b>	<b>141 224</b>	<b>149 574</b>

TABLE 10.17: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PROVINCIAL SECRETARIAT FOR POLICE SERVICE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>116 251</b>	<b>102 535</b>	<b>121 955</b>	<b>184 176</b>	<b>173 110</b>	<b>157 388</b>	<b>178 468</b>	<b>182 951</b>	<b>193 920</b>
Compensation of employees	57 034	59 052	59 468	93 072	78 110	68 133	95 625	100 209	106 630
Salaries and wages	57 034	53 930	54 120	83 291	68 639	61 834	86 041	89 975	95 741
Social contributions		5 122	5 348	9 781	9 471	6 299	9 584	10 234	10 889
Goods and services	59 217	43 341	62 487	91 104	95 000	89 255	82 843	82 742	87 290
Administrative fees	15	130	158	230	305	472	160	169	178
Advertising	455	1 330	1 530	6 721	10 324	13 432	936	1 035	1 092
Minor assets	65	62	498	635	642	520	872	922	973
Bursaries: Employees	21								
Catering: Departmental activities	6 561	4 076	6 358	7 072	9 707	9 879	4 852	5 164	5 448
Communication (G&S)	1 651	1 307	1 252	2 734	2 441	1 250	2 012	2 129	2 245
Computer services			1	820	820	15	858	907	957
Consultants and professional services: Business and advisory services	851	74	1 613	2 389	3 951	3 451	3 740	3 921	4 137
Contractors	18 280	5 454	2 912	4 845	17 220	16 928	11 150	11 782	12 430
Agency and support / outsourced services	7 923	4 110	4 338	7 148	4 724	3 837	9 526	9 738	10 273
Fleet services (including government motor transport)	5 314	16 044	8 247	6 112	5 001	3 578	6 075	6 314	6 661
Inventory: Clothing material and accessories	798		16 009	7 693	8 100	7 265	8 521	9 002	9 497
Inventory: Farming supplies	45								
Inventory: Food and food supplies	259	187	123	1 270	145	145			
Inventory: Fuel, oil and gas		30		1 932					
Inventory: Learner and teacher support material			18	250				143	151
Inventory: Materials and supplies	188	119	172	529		184	2 000	2 113	2 230
Inventory: Medical supplies	82	11	76	381	381	162	403	426	449
Inventory: Medicine	40			169	65	65	42	44	46
Inventory: Other supplies	2			635	31	31	671	710	749
Consumable supplies	497	1 482	2 577	2 030	2 069	2 081	1 498	1 734	1 829
Consumable: Stationery, printing and office supplies	1 570	689	528	3 405	1 636	927	890	944	996
Operating leases				254	254	108			
Property payments	2 869	2 078	3 477	5 696	5 696	5 990	5 155	4 032	4 254
Transport provided: Departmental activity					3 455	4 546	5 380	5 681	5 993
Travel and subsistence	502	453	669	2 744	1 357	805	751	795	839
Training and development	1 728	604	2 367	8 901	7 574	4 597	7 892	4 922	5 193
Operating payments	330	355			120	178			
Venues and facilities	3 500	2 015	4 197	10 398	6 158	5 518	5 054	5 453	5 752
Rental and hiring	5 671	2 731	5 367	6 111	2 824	3 291	4 405	4 662	4 918
Interest and rent on land		142							
Interest		142							

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Transfers and subsidies</b>	<b>12</b>	<b>93</b>	<b>1 083</b>	<b>912</b>	<b>1 765</b>	<b>724</b>	<b>1 630</b>	<b>1 721</b>	<b>1 816</b>
Provinces and municipalities	1		931	912	912	479	965	1 019	1 075
Municipalities			931	912	912	373	965	1 019	1 075
Municipal agencies and funds			931	912	912	373	965	1 019	1 075
Households	10	93	152		853	245	665	702	741
Social benefits	10	93	152		853	240	665	702	741
<b>Payments for capital assets</b>	<b>16 333</b>	<b>44 569</b>	<b>16 789</b>	<b>9 992</b>	<b>12 843</b>	<b>11 106</b>	<b>5 366</b>	<b>6 640</b>	<b>7 006</b>
Buildings and other fixed structures		440							
Buildings		440							
Machinery and equipment	16 333	44 129	16 789	9 992	12 826	11 089	5 366	6 640	7 006
Transport equipment	16 333	44 119	16 369	8 889	11 723	9 594	4 702	4 398	4 641
Other machinery and equipment		10	420	1 103	1 103	1 495	664	2 242	2 365
<b>Payments for financial assets</b>		<b>42</b>	<b>58</b>			<b>156</b>			
<b>Total economic classification</b>	<b>132 596</b>	<b>147 239</b>	<b>139 885</b>	<b>195 080</b>	<b>187 718</b>	<b>169 374</b>	<b>185 464</b>	<b>191 312</b>	<b>202 742</b>

TABLE 10.18: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: TRAFFIC MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>334 988</b>	<b>349 757</b>	<b>355 340</b>	<b>374 468</b>	<b>387 913</b>	<b>383 737</b>	<b>386 480</b>	<b>408 738</b>	<b>434 036</b>
Compensation of employees	236 329	266 278	289 145	331 661	331 661	322 486	343 359	365 383	389 133
Salaries and wages	236 329	227 141	245 661	276 646	276 646	276 107	289 348	307 378	327 358
Social contributions		39 137	43 484	55 015	55 015	46 379	54 011	58 005	61 775
Goods and services	98 590	83 478	66 193	42 807	56 252	61 251	43 121	43 355	44 903
Administrative fees	78	12	22	333		115			
Advertising	839	23	317		11 300	6 283	805	850	897
Minor assets	743	700	80		1 100	174			
Catering: Departmental activities	266	137	218	636	1 660	978			
Communication (G&S)	2 017	2 049	1 817	1 520	1 382	1 170	1 967	2 424	1 720
Contractors	12 049	2 575	1 149	2 598	480	7 106	500	1 001	1 056
Agency and support / outsourced services	8 054	2 400	6 645	622	622		658	996	1 051
Fleet services (including government motor transport)	16 735	29 473	19 139	11 458	14 760	22 966	19 514	17 828	18 809
Inventory: Clothing material and accessories	1 212	1 675	2 904	4 125	9 964	3 528	4 754	5 021	5 297
Inventory: Food and food supplies	619	1 553	46						
Inventory: Fuel, oil and gas	8	3	3						
Inventory: Learner and teacher support material		356		593	212	210	190	201	212
Inventory: Materials and supplies	460	178	276	344					
Inventory: Medical supplies	168	169	521	37	900				
Inventory: Medicine									
Inventory: Other supplies	28		102	794		566			
Consumable supplies	6 694	829	838	1 279	1 116	1 040	74	78	82
Consumable: Stationery, printing and office supplies	2 317	1 351	2 377	1 093	2 850	2 143	1 600	1 634	1 724
Operating leases	37 204	29 073	20 700	6 816	7 116	8 669	9 296	8 809	9 293
Property payments	1 011	3 765	2 432	673	673	1 633	2 111	2 173	2 293
Travel and subsistence	6 417	5 802	3 827	8 797	2 117	1 878	1 652	2 340	2 469
Training and development	568	531	750	878		1 700			
Operating payments	19		182			50			
Venues and facilities	37		685			852			

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Rental and hiring	338	824	1 163	211		139			
Interest and rent on land	69	1	2						
Interest	69	1							
Rent on land			2						
<b>Transfers and subsidies</b>	<b>6 947</b>	<b>51 955</b>	<b>2 363</b>	<b>4 012</b>	<b>4 567</b>	<b>4 430</b>	<b>1 998</b>	<b>2 161</b>	<b>2 280</b>
Provinces and municipalities	160	220	301	911	600	541		161	170
Provinces	160			144	10	(10)			
Provincial agencies and funds	160			144	10	(10)			
Municipalities		220	301	767	590	551		161	170
Municipal agencies and funds		220	301	767	590	551		161	170
Public corporations and private enterprises				1 312					
Private enterprises				1 312					
Other transfers				1 312					
Non-profit institutions	6 000	50 000							
Households	787	1 735	2 062	1 789	3 967	3 889	1 998	2 000	2 110
Social benefits	787	1 735	2 062	1 789	3 952	3 874	1 998	2 000	2 110
Other transfers to households					15	15			
<b>Payments for capital assets</b>	<b>54 191</b>	<b>32 155</b>	<b>12 025</b>	<b>3 857</b>	<b>53 699</b>	<b>75 220</b>	<b>14 938</b>	<b>16 259</b>	<b>17 154</b>
Buildings and other fixed structures	88								
Buildings	88								
Machinery and equipment	54 103	32 155	12 025	3 857	53 699	75 220	14 938	16 259	17 154
Transport equipment	54 103	30 177	11 481	3 857	40 230	60 342	14 938	16 259	17 154
Other machinery and equipment		1 978	544		13 469	14 878			
<b>Payments for financial assets</b>	<b>8</b>	<b>33</b>	<b>71</b>			<b>63</b>			
<b>Total economic classification</b>	<b>396 134</b>	<b>433 900</b>	<b>369 799</b>	<b>382 337</b>	<b>446 179</b>	<b>463 450</b>	<b>403 416</b>	<b>427 158</b>	<b>453 470</b>

TABLE 10.19: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: SOCIAL SECTOR EPWP INCENTIVE GRANT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments		1 345	1 789	1 463		974	1 448		
Transfers and subsidies									
Payments for capital assets									
Payments for financial assets									
<b>Total economic classification</b>		<b>1 345</b>	<b>1 789</b>	<b>1 463</b>		<b>974</b>	<b>1 448</b>		



# VOTE 11

## DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

To be appropriated by vote in 2018/19	R 957 000 000
Responsible MEC	MEC for Agriculture and Rural Development
Administering Department	Department of Agriculture and Rural Development
Accounting Officer	Head of Department

### 1. OVERVIEW

#### Vision

An economically transformed agricultural sector and sustainable environmental management for healthy, food secure, developed rural and urban communities in Gauteng.

#### Mission

To radically modernize and transform agriculture, environment and rural development by:

- Promoting environmental protection and management;
- Expanding access to agricultural opportunities;
- Maximising food security;
- Up-scaling rural development;
- Promoting the One Health System; and
- Supporting sustainable livelihoods and communities.

#### Values

Developing synergy and working towards a common goal. The values of the GDARD include:

- Integrity;
- Commitment;
- Accountability;
- Respect;
- Empowerment;
- Team orientation;
- Trend setting; and
- Responsiveness.

#### Strategic Goals

- A modernised and transformed agriculture sector increasing food security, economic inclusion and equality;
- Sustainable natural resource management; and
- Enhanced capacity within the GDARD to implement projects effectively

#### Core functions and responsibilities

The mandate of the department is derived from the Constitution of the Republic of South Africa. The department is required to:

- Ensure an environment that supports human well-being;
- Conserve the environment;
- Ensure provision of sufficient food and water; and
- Ensure provision of veterinary services in the province.

#### Main services

The department's focus is on harnessing and maximising the economic potential of the province's agricultural sector and ensuring food security for all. Agriculture has been identified as one of the province's eleven key economic sectors. Nationally,

the sector is set to create one million jobs by 2030. The department will ensure that the sector is involved with all interventions to radically transform, modernise and reindustrialize Gauteng.

Specific activities include:

- Driving the transformation agenda that seeks to reindustrialise and modernise agricultural value chains;
- Establishing incubation farms and programmes for agro-processing and primary agriculture;
- Developing structured capacity building and mentorship programme for farmers to deal with current realities;
- Forming strategic partnerships and alliances to reindustrialise the province's agricultural sector through escalation of investment in the agro-processing sector;
- Encouraging the establishment of individual homestead or backyard gardens to serve mainly the province's resource-poor communities. The target groups include the elderly, the unemployed, women, youth and people with disabilities and HIV & AIDS affected infected households;
- Creating an interactive electronic platform for exchange of market information and interaction between role players across various value chains;
- Ensuring veterinary services that offer a regulatory service trade facilitation, veterinary public health, biosecurity and animal disease control and a primary animal health care service in townships, informal settlements and emerging livestock producers with the aim of realising the National Development Plan 2030 vision as well as the GPG Ten Pillar Programme of Transformation, Modernisation and Re-industrialisation of the Gauteng economy and society;
- Ecological management of six provincial nature reserves and communities living near the reserves and parks through programmes: Community-based Natural Resource Management, Environmental Education and promoting Eco-tourism;
- Issuing nature conservation permits for live game, hunting and fishing licenses to the general public, traders and hunters;
- Conducting ecological research in order to provide decision-support to all internal and external stakeholders in the province;
- Developing provincial spatial planning tools such as the Provincial Conservation Plan and bioregional plans;
- Issuing environmental authorisations in terms of the National Environmental Management Act (NEMA) (No. 107 of 1998);
- Issuing certificates for the export of animals and animal products;
- Providing environmental management that is responsible for air quality management, waste management, environmental impact management, conservation and sustainable use of biodiversity. The department's strategic approach and its location within the economic sub-committee has helped to enlarge the interpretation of its environmental management and protection mandate to include a focus on supporting and facilitating;
- Sustainable development of green and environmentally friendly and sustainable technologies and processes for energy security;
- Enabling increased participation by historically disadvantaged individuals and communities in environmental management and protection;
- Coordination with other GPG departments and municipalities to contribute to rural development in the province;
- Contributing to the implementation of the Gauteng Rural Social Compact Plan by assisting signatories on the plan to implement their projects; and
- Conducting awareness sessions on BBBEE and AgriBEE to ensure that stakeholders understand the implications of changes brought about by the BBBEE Amendment Act of 20f3, Act No 46 of 20f3 and the current draft AgriBEE Sector Charter that is expected to be finalised and gazetted.

### **Ten Pillar Programme of Transformation, Modernisation and Reindustrialisation**

GDARD continues to align its initiatives and interventions with the province's TMR. The department responds to five of the programme's nine Pillars:

- Pillar 1: Radical Economic Transformation;
- Pillar 2: Decisive Spatial Transformation;
- Pillar 3: Accelerated Social Transformation;
- Pillar 6: Modernisation of the Economy; and
- Pillar 7: Modernisation of Human Settlements and Urban Development.

### **A modernised and transformed agricultural sector increasing food security, economic inclusion and equality**

- Maximise and harness the growth and job creating potential of the agricultural sector;
- Increase food security for all and ensure the sustainability thereof;
- Facilitate broad based participation in the agriculture sector by rigorously including women, youth and persons with disabilities, SMMEs, co-operatives and township entrepreneurs;
- Support and co-ordinate comprehensive rural development; and
- Ensure viable and sustainable economic agricultural enterprises.

### Sustainable Natural Resource Management

- Protect and manage Gauteng's natural resources and environment;
- Advance eco-tourism in Gauteng province;
- Promote good waste management including diversion of waste from landfill through maximising recycling diversion of waste and contribute to sustainable employment;
- Support the development and utilisation of green technologies and processes;
- Boost energy security inclusion through the development of suitable energy mix solutions; and
- Lead the Gauteng Land Care Programme.

### Major programmes and projects aligned with the TMR are:

- Development of Agri-parks which speak to re-industrialisation of the Gauteng City Region (GCR) and to the inclusion of youth and other previously excluded and historically disadvantaged groups in farming and transforming the agriculture value chain;
- Agro-processing: Gauteng is not a substantially agricultural province; the central role in the value chain is through agro-processing. The department's initiatives are to provide quality infrastructure to harness agro-processing to support agro-prenuers through training and access to markets;
- Bio technology projects: in an effort to modernise the province, the department supports business incubation in biotechnology parks; and
- Urban Agriculture: with increased poverty and continuous migration to the Gauteng province the department seeks to look into urban agriculture as an impetus to food security, particularly because there is not sufficient land for traditional agricultural activities.

### National Development Plan

Apart from the alignment of its programmes and policies to the GPG TMR, the department also ensures alignment to the National development Plan (NDP).

- Economy and Employment: Rolling out of skills development for farmers linked to the farming infrastructure investments of the department such as hydroponics and pack houses;
- Economic infrastructure: Revamping the Vereeniging fresh produce market, investments in vegetable tunnels in the Agri-parks, Randfontein Milling plant and De Deur Greenhouse;
- Inclusive Rural Economy: Facilitation of Bantu Bonke pack house in Heidelberg with hydroponics structures; creation of a BBE deal for farm workers in the tropical mushroom farm in Magaliesburg area; and
- Environmental Sustainability: Implementing clean-up campaigns such as Bontle ke Botho (BKB).

### External activities and events relevant to budget decisions

Climate change presents a significant future challenge to maintaining agricultural production in South Africa. In response to this challenge, the department will be implementing climate smart agricultural practices. The agricultural value-chain in Gauteng largely reflects historic ownership and participation patterns with the dominance of a limited number of large commercial industry players. At the periphery of the mainstream economy are smallholder enterprises, mainly involved in primary agricultural activities, with many of these enterprises struggling to operate sustainable and viable businesses. These enterprises suffer from a lack of resources, knowledge and skills that are preventing them from entering the mainstream markets and reaping real socio-economic benefits.

The zoo sanitary status of the province and country adversely affected the qualitatively of poultry with the identification and isolation of Highly Pathogenic Avian Influenza H5N8 strain in both Mpumalanga and Gauteng provinces in July, in both commercial poultry and wild birds. The net effect was a suspension of imports by a number of trading partners before they could satisfy themselves of the extent of the outbreak. The rabies outbreak which manifested mostly in jackals has been contained and attests the rabies vaccination and community awareness efforts which ensued in response to the outbreak of this zoonosis. There were no cases of spread of the rabies virus to people who came into contact with infected animals. The trade in other livestock products continues to increase year on year which places immense pressure on the export certification service since the number of officials performing this function has not increased. The President signed into law the amendments to the Performing Animals Protection Act which resulted in the transfer of mandate of certification of premises engaged in performing animals and guarding to the veterinary authorities. This service was originally mandated to the Department of Justice and results in an increase of scope of work for Gauteng Veterinary Services.

The Gauteng Environmental Management Framework identified activities to be excluded from the regulatory requirements of an environmental authorisation. GDARD will implement the National Environmental Management Act (NEMA) exclusions and standards for excluded activities in Zone 1 (Urban Development Zone) and Zone 5 (Industrial Development Zone) of the Gauteng Provincial Environmental Management Framework (EMF) to streamline legislation. The development of the Gauteng Environment Outlook Report 2018 will enable Gauteng to determine environmental sustainability indicators that need to be prioritised in the GCR and formulate the necessary policies. This will enhance sustainable development in the Gauteng City Region. GDARD will support the spatial development of the province by ensuring that spatial practices maintain a balance

between the socio-spatial and ecological systems in order to maximize the use and functioning of eco-system services in the built environment.

In 2013, 2014 and 2015 the general waste and non-hazardous waste quantities, as reported in the Gauteng Waste Information System (GWIS), was more than doubled to 14.38 million tons, 15.60 million tons, and 14.23 million tons respectively from the levels reported in 2010. In the same period 32 percent, 35 percent and 22 percent of general waste, respectively, were diverted from landfill or recycled. GDARD will therefore be mandating separation of waste at source to reduce waste to landfill. The department will, with the support of waste management cooperatives, buyback centres and waste pickers facilitate increased participation in formal waste sector.

### **Acts, rules and regulations**

- NEMA EIA Regulations, 2014 (Government Notice R982 of December 2014) and Listing Notice 1, 2 and 3;
- NEMA EIA Regulations (Government Notice R546 of June 2010) and Listing Notice 1, 2 and 3;
- National Environmental Management: Waste Act, 2008 (Act 59 of 2008);
- National Environmental Management: Air Quality Act, 2004 (Act 39 of 2004);
- Gauteng Waste Information Regulations, 2004;
- Gauteng Health Care Waste Management Regulations, 2004;
- National Environment Management: Biodiversity Act, 2003 (Act 10 of 2004);
- National Environmental Management: Protected Areas Act, 2003 (Act 57 of 2003);
- Disaster Management Act (Act 57 of 2002);
- Animal Identification Act (Act 6 of 2002);
- Meat Safety Act, 2000 (Act 40 of 2000);
- National Heritage Resources Act, 1999 (Act 25 of 1999);
- World Heritage Convention Act, 1999 (Act 49 of 1999);
- Gauteng Noise Control Regulations, 1999;
- National Environment Management Act, 1998 (Act 107 of 1998);
- National Water Act, 1998 (Act 36 of 1998);
- Agriculture Products Standards Act, 1990 (Act 1990);
- Environment Conservation Act, 1989 (Act 73 of 1989);
- Animal Diseases Act, 1984 (Act 35 of 1984);
- Endangered and Rare Species of Fauna and Flora, (1984);
- Conservation of Agricultural Resources Act, 1983 (Act 43 of 1983);
- Perishable Products Export Control Act, 1983 (Act 9 of 1983);
- Nature Conservation Ordinance, 1983 (Ordinance 12 of 1983);
- Gauteng Nature Conservation Regulations, (1983);
- Veterinary and Para-Veterinary Professions Act, 1982 (Act 19 of 1982);
- Plant Breeders' Rights Act, 1976 (Act 15 of 1976);
- Plant Improvement Act, 1976 (Act 53 of 1976);
- Hazardous Substances Act, 1973 (Act 15 of 1973);
- Subdivision of Agricultural Land Act, 1970 (Act 10 of 1970);
- Medicines and Related Substances Control Act, (Act 101 of 1965);
- Animal Protection Act, (Act 71 of 1962);
- Stock Theft Act, (Act 57 of 1959);
- Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act, 1947 (Act 36 of 1947);
- Performing Animals Protection Act, (Act 24 of 1935);
- Aquaculture Bill;
- Policy directives;
- Land and Agrarian Reform Programme (LARP);
- National Comprehensive Rural Development Programme (CRDP) (2009);
- Gauteng Air Quality Management Plan (2008);
- National Biodiversity Strategy and Action Plan;
- National Waste Management Strategy;
- Land Care guidelines;
- Expanded Public Works Programme (EPWP) guidelines;
- Industrial Policy Action Plan (IPAP);
- National Development Plan (NDP);
- Agricultural Policy Action Plan (APAP);
- Comprehensive Agricultural Support Program (CASP);
- National Veterinary Strategy.

## 2. REVIEW OF THE CURRENT FINANCIAL YEAR (2017/18)

### Pillar 1: Radical Economic Transformation

#### GDARD's Sustainable Resource Management (SRM)

Over 960ha of land was rehabilitated and protected to improve agricultural production. The target was achieved due to favourable weather conditions that facilitated the removal of bankrupt bush (*Seriphium plumosum*). Follow-up clearing also ensured that more areas remained clear.

In total, 214 green jobs were created at the Nooitgedacht, Conservation Agriculture and Junior Land Care Schools. The over performance can be attributed to early commencement of invasive species and bankrupt bush control projects.

#### GDARD'S Farmer Support and Development (FSD)

Favourable weather condition with good rains and availability of tractors assisted in cultivating 858.5ha of land. The soil preparation before planting resumed was supportive of food production activities in communal areas and land reform projects.

The following agricultural activities benefited directly from GDARD's Farmer Support and Development programmes: 23 smallholder producers received agricultural support through piggery production inputs, 1 631 households benefitted from agricultural food security initiatives, 36 school food gardens received agricultural advice. The GDARD supported a further 33 new community food garden projects in the Germiston, Randfontein and Pretoria regions.

The availability of agricultural advisory services and resources helped 309 women to benefit from support in community food gardens in the Randfontein, Pretoria and Germiston areas. Rainwater harvesting systems were supplied and installed at 40 public schools in the above regions.

#### Agricultural Economics Services

A total of 226 smallholder farmers received agricultural economic advice, such as food safety and quality assurance to enable them to make informed decisions. Some 33 agri-businesses received agricultural economic services to access markets.

Farmers received 161 agricultural economic information responses during plenary meetings of major market days planned in collaboration with the West Rand District Municipality. Two economic reports were produced.

#### Veterinary services

The annual Rust de Winter Livestock Vaccination Campaign went through as planned. During the farm-to-farm campaign, over 5 000 livestock were vaccinated for a wide range of diseases including lumpy skin disease, anthrax, black quarter, botulism and pulpy kidney. Awareness and advocacy campaigns ensured that the target of 57 608 animals receiving veterinary care was achieved.

The World Rabies Month Programme was a success. In total 67 353 animals were vaccinated during the campaign, bringing the total number of vaccinations to 117 137.

### Pillar 2: Decisive Spatial Transformation

#### Biodiversity Management

A total of 3 348 biodiversity permits were issued within legislated timeframes.

#### Compliance and enforcement

The department issued a total of 39 administrative notices to the regulated community who are not complying with environment legislation or conditions of their Environmental Authorisations. This is fewer than the number of notices issued in the previous year and shows that the regulated community is improving compliance with environmental legislation. A total of 20 S24G applications were received and finalised from applicants who were seeking to rectify illegally commenced activities. Furthermore 18 criminal investigations for environmental offenders were finalised and handed to the National Prosecution Authority (NPA) for prosecution. A total of 75 planned inspections were carried out to monitor compliance with Environmental Authorisations issued by the department.

#### Environmental Quality Management

Air quality is improved by managing air quality through legislation, policies and systems at provincial level. National and international air quality management efforts are supported by air quality management tools. These include the declaration of air-quality priority areas, ambient air-quality monitoring systems, and atmospheric emission licensing and emission source inventories. No atmospheric emission licence (AEL) applications were issued during the reporting period. The indicator is demand driven but systems are in place to deal with AEL applications effectively.

The department received 1 AEL application with incomplete information, which was rejected. However, the applicant was assisted to resubmit and complete the AEL application. The department processed and finalised 175 environmental impact assessment (EIA) applications during the 2017/18 financial year.

**Environmental Policy Planning and Co-ordination**

The purpose of the Environmental Policy, Planning and Coordination Programme is to develop policies and programmes that help reduce negative environmental effects. The programme also ensures the integration of environmental objectives in national, provincial and local government planning and promotes provincial growth and development strategies, local economic development plans and integrated development plans. This sub-programme includes cross-cutting functions, such as research, departmental strategy and information management.

Environmental Implementation Plan 2015-2020 and 2nd Annual Compliance Report 2016-2017 were approved by the head of department and adopted by the Sub-committee on Environmental Implementation Plans and Environmental Management Plans.

**Pillar 3: Accelerated Social Transformation****Environmental Empowerment Services**

The department managed to create 788 environmental work opportunities, in which 447 opportunities benefited women (223), men (224); youth (266) and people with disabilities (10).

The total number of 96 environmental awareness activities were conducted and categorised as Land Care Awareness; Ukhamba Cooperative; River clean-up/Wetland awareness; Tree Planting; Events; Youth Camps; School Camps and School based awareness. Furthermore, 31 capacity building activities were conducted in Permaculture; Brush Cutter; First Aid; Health and Safety; Project Management; Chain Saw Operations; Plant Propagation; and Business Management.

**Pillar 6: Modernization of the Economy****GDARD's agriculture-related research and technology outcomes and targets**

36 agriculture research projects were presented while the department participated in 2 Agri-expos namely the GrainSA NAMPO Harvest Day and AVI AFRICA SAPA Congress. Furthermore, the department supported 267 smallholder farmers in maize and poultry industry to participate in the GrainSA NAMPO Harvest Day and AVI AFRICA SAPA Congress. "

The department also organised and hosted 1 000 smallholder farmers at the Agri Food Fest at the Tshwane Show Grounds.

**Pillar 7: Modernisation of human settlements and urban development****Rural development**

A total of 3 Council of Stakeholders in Bantu Bonke, Hekpoort and Devon were supported through training on Financial Management. No projects were implemented with signatories of the Gauteng Rural Social Compact Plan due to delay in submission of requested documents by Food and Allied Workers Union (FAWU) and National African Farmers Union (NAFU). However, the documents have been submitted and projects were implemented in quarter 3.

**Waste management**

The total number of 489 registrations in the Gauteng Waste Information System (GWIS) were issued. A total of 36 Waste Management Facilities and Coops trained on Financial Management, Project Management, First Aid and Health and Safety.

A total number of 44 waste management licenses were issued within legislated timeframes and 37 Health Care Waste authorisation approvals were issued, which included the review of health care waste management plans and the health waste transport authorisations.

**3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2018/19)**

In the 2018/19 financial year, the department will continue, through its planned projects, to ensure high performance and enhanced service delivery; to position agriculture as a key sector in Gauteng's economic development; and to intensify efforts towards ensuring more sustainable and utilisation of natural resources.

**Research and Technology Development Services**

As part of reindustrialisation, the department intends to increase the number of sites for introducing vertical hydroponics farming technology. This is currently spearheaded through the agri-parks. One agri-park with this technology has already been established near the Bekkersdal and Donaldson Dam in the Rand West City Local Municipality. This technology is well adapted to mitigate the effects of climate change. The vertical hydroponics chamber is an intensive growth chamber for producing high yields of vegetables within a short period. The additional benefit is that the technology addresses and solves many problems associated with access to land and therefore lends itself to farming in an urban environment and areas with smaller land parcels. In 2018/19, the department plans to establish another vertical hydroponic project in the agrotropolis designated area as part of the development of Obert Mthombeni Agripark in the Lesedi Municipality.



The department will furthermore continue its partnership for horticulture development to ensure that the agri-park infrastructure is used optimally. To this end, the department will continue to collaborate with the local Agricultural Research Council (ARC) and horticulture institutions in the Netherlands.

The effects of the drought will slowly diminish as the rains experienced in January 2017 have brought much relief to the agricultural sector, particularly the livestock and grain sectors. In continuing its support to farmers, the department will conduct farmers' awareness campaigns throughout the province to ensure they understand how to mitigate the effects of agricultural disasters.

### **Farmer Support and Development**

Farmers are only sustainable if they produce volumes more than are necessary to break even. Through the Comprehensive Agricultural Support Programme (CASP), the department will assist farmers with primary production infrastructure, such as piggery housing, poultry housing, boreholes, irrigation infrastructure and cattle-handling facilities. The department will also provide support through the mechanisation programme to ensure that farmers have access to machinery so they can increase productivity and production.

The Food Security Sub-Programme will continue to render extension and advisory services to subsistence producers in the province. Beneficiaries will receive production inputs, such as vegetable seed, tools, compost, watering cans and hoses/pipes.

### **Veterinary Services**

To meet the growing demand for export certification, Veterinary Services will reprioritise the budget to appoint export certification veterinarians for one year to ease the growing pressure on the Veterinary Services programme. There is a growing demand for these services and the personnel gap is likely to manifest in implementation of the mandate emanating from Performing Animals Protection Act (PAPA) in the coming year.

The presence of highly pathogenic avian influenza (HPAI) among wild birds is likely to present major uncertainty for poultry production in the province in future. Awareness campaigns have been intensified to alert farmers of their responsibility in separating their domestic birds from suspected infected wild birds. In Gauteng, the epidemic in wild birds will have to run its natural course before the disease status in the country could revert to being HPAI free. The Compulsory Community Service programme continues to provide invaluable veterinary skills capacity that enables the province to extend veterinary services to previously marginalised communities. As a result, the health and productivity of the animal value chain is becoming increasingly apparent.

The development of Nguni (beef) genetics will continue to expand its reach to other farmers. Some early beneficiaries to this project are now ready to return the 30 pregnant heifers and a bull, which government had loaned them as starting livestock capital. In terms of aquaculture, an official has been sent to pursue post-graduate studies in aquacultural health to build capacity, as this promising industry is gaining importance. In addition, Gauteng will have to implement residues and antibiotic-resistance monitoring programmes that will guide policy making to safeguard livestock products earmarked for human consumption.

## **Pillar 2: Decisive Spatial Transformation**

### **Gauteng's natural resources and environment protected**

Compliance and enforcement will continue monitoring environmental authorisations (EAs) by conducting routine, proactive and reactive inspections. There will be continued focus on the use of criminal enforcement mechanisms to deter perpetual offenders. Better coordination between the provincial Environmental Management Inspectorate (EMIs) and municipal EMIs will ensure synergy between the two spheres of government in terms of compliance and enforcement. Training will continue for municipal Environmental Health Practitioners in partnership with Tshwane University of Technology.

### **Impact management**

To ensure economic growth and attract investors to Gauteng, most environmental impact assessment (EIA) applications are finalised within 90 days. In addition, plans to shorten finalisation of applications to 30 days are under way. The Gauteng Provincial Environmental Management Framework requires the development of norms and standards to exclude certain listed activities in the EIA regulations from obtaining environmental authorisation. The Gauteng environmental standards have been developed and are awaiting approval by the minister of environmental affairs.

### **Biodiversity permits**

Biodiversity permits for keeping, importing and exporting and game products and plants, and hunting game will continue to be issued to ensure the sustainable use of wildlife resources in Gauteng. This should stimulate the economy via pet shops, zoos and hunting farms, nurseries and similar entities that trade in wildlife based on the biodiversity permits issued.

### **Biodiversity research**

To aid appropriate and responsible land use planning and development, biodiversity monitoring and research will continue on terrestrial and aquatic systems to lend support to ecological decision-making in terms of spatial development in Gauteng.



Appropriate and responsible development in the natural system allows for the continuation of life-sustaining ecosystem services, such as fresh water and healthy soil that can support farming and promote crop pollination by insects.

### **People and Parks**

Environmental education will continue via the People and Parks programme in and around the departmental nature reserves to increase the public's knowledge of environmental management and protection.

### **Biodiversity management contribution Smart government**

Conservation programme motivated for and initiated the development of a Computerized Biodiversity Permit System (CBPS) in 2013. In 2017/18 financial year, the department was able to cater for the finalization of Computerized Biodiversity Permit System due to adequate funding and the implementation of the CBPS system is envisaged to commence on 1 April 2018.

### **Transformation of the Biodiversity Economy**

The GDARD will continue to invest in the management and protection of the existing provincial protected and the implementation of the Gauteng Protected Areas Expansion Strategy by forming formal conservation areas with private land owners via the Gauteng Biodiversity Stewardship Programme. This will enable the department to manage the environment appropriately and facilitate the continued existence of vital ecosystem services such as pollination services; nutrient cycling and natural water sources that support food security initiatives and a healthy human population; and carbon capture that supports improved air quality.

### **Air Quality management.**

The 2009 Air Quality Management Programme (AQMP) is under review and will be implemented in the 2018/19 financial year and for the next five years. The new AQMP will consider the current air quality, provincial pillars and GCR for future development. The intention is also to maximise and support monitoring of air quality through ambient monitoring stations. To this effect, a two-year contract enables three municipalities to generate credible data.

## **Pillar 3: Accelerated Social Transformation**

### **Food Security for All and ensuring the sustainability thereof**

A healthy agricultural sector is important for food security and a growing population and increasing demand for food requires that agricultural production increase significantly. Agricultural production will increasingly have to compete with other urban uses for land and resources, but balance the need to protect the environment and resources on which agricultural production depends. In 2018/19, the department will develop 54 community gardens, 54 school food gardens as well as establishing at least 3 000 backyard gardens.

### **Environmental awareness interventions**

Environmental awareness activities will continue with communities, youth groups and school groups. The continued implementation of the BKB programme to different communities in the province is vital to promote recovery of waste at source through recycling projects by the department.

## **Pillar 6: Modernisation of the economy**

### **Agricultural Economic Services**

The department is responsible for maintaining agriparks in the West Rand and Sedibeng District Municipalities. One additional high-tech agripark will be developed in partnership with the City of Ekurhuleni. The department will work with the Sedibeng District Municipality and Western District Municipality towards establishing an agrotropolis. A range of agroprocessing infrastructure projects will be initiated to support small, micro, medium enterprises (SMMEs) with infrastructure and training agropreneurs. In total, five major agroprocessing value chain projects will be supported in the western and southern corridors, focusing on priority value chains such as grains, vegetables, red meat and poultry.

In a highly competitive global market place, production is increasingly shifting towards greater integration of agricultural production, processing and distribution along with well-organised commodity value chains to improve efficiencies, enhance value addition and increase economic benefits. The agricultural value-chain is dependent on a strong and productive primary agricultural production sector. This is generally labour intensive, creates significant employment opportunities and contributes to the livelihoods and income-generating abilities of many households.

The department will invest in training to ensure that farmers are adequately skilled to produce quality products for markets. In this regard, GDARD will collaborate with institutions such as the Agriculture Research Council, Buhle Farmers Academy, and QuTom Farms to deliver comprehensive training in the horticulture sector. The department will work with the poultry, piggery and grain sector, as well as the AgriSETA to ensure that farmers receive adequate training.

## **Pillar 7: Modernisation of human settlements and urban development**

### Rural development targets and outcomes

GDARD will continue to focus on the four rural nodes and will continue to explore ways of expand its reach to other areas in the province. The focus is on ensuring that councils of stakeholders can perform their monitoring role of service delivery in rural areas. Coordination with other GPG departments will continue to ensure that they render services in rural areas. The Provincial Outcome 7 Implementation Forum has been established to replace the Rural Development/Outcome 7 Steering Committee, to help develop and implement the Provincial Outcome 7 Programme of Action.

Implementation of the Gauteng Rural Social Compact Plan will continue with signatories such as Women in Agriculture and Rural Development, Youth in Agriculture and Rural Development, Agri Gauteng, Rural SA, the National African Farmers Union, the African Farmers Association of South Africa, and the Food and Allied Workers Union. Owing to changes in the BBBEE Amendment Act 46 of 2013, the GDARD will continue with awareness initiatives on BBBEE and AgriBEE. The Department of Agriculture, Forestry and Fisheries (DAFF) has lifted the suspension of the AgriBEE Fund. This will allow the GDARD to receive funding applications.

### Management of Gauteng provincial nature reserves and People and Parks Programme

The department will continue to create green jobs in nature reserves. Here, workers will gain experience in fire management projects, removal of alien plants and daily maintenance activities. Families will benefit from community-based natural resource management through the Thatch Grass Harvesting Programme

## 4. REPRIORITISATION

In support of the roll-out of the national Compulsory Community Services (CCS) program, an amount of R500 000 was reprioritised from travel and subsistence to capital assets for the incremental establishment of veterinary clinics in the Western, Southern and Eastern Corridors of the province. An amount of R3 million was reprioritised towards Corporate Service (Support services) to supplement compensation of employees.

An amount of R16 million was reprioritised within the Land Care programme from cost containment items such as travel and subsistence. This will ensure that job creation and skills development for youth, people living with disability and women within the natural resource sector through EPWP and Community Based Natural Resources Management (CBNRM) programmes is achieved as per national targets.

In the Environmental Quality Management programme, R18.1 million was reprioritised from Advertising, farming supplies, venues and facilities and protecting clothing for Bontle ke Botho programme to be implemented by SRM. The projects under Rural Development Coordination for training the Council of Stakeholders, and projects implemented with signatories of the Gauteng Rural Social Compact Plan, contribute to social transformation; the Industry AgriBEE Indaba contributes to radical transformation

The R113 million allocated for Biodiversity Management will be spent on managing the Provincial Nature Reserves, issuing Biodiversity permits, expanding the conservation estate, conducting research, undertaking people and parks initiatives and exploring transformation of the Biodiversity Economy in support of: Decisive spatial transformation, Radical economic transformation and Modernisation of the economy.

## 5. PROCUREMENT

The department will invest in support for the province's farmers by erecting agriculture infrastructure such as piggery and poultry structures, agro-processing, Agri-parks, establishment of Isigayo milling plant, mainstream urban agriculture through construction of hydroponic tunnels and drilling of boreholes. These interventions assist in stimulating growth and development of the province's farmers thus ensuring greater and wider food security.

The department will roll out the training of middle and senior managers on supply chain management with specific emphasis on bid committees. This is geared at ensuring optimum compliance and improving efficiencies through proper planning and execution of procurement projects.

## 6. RECEIPTS AND FINANCING

### 11.1: SUMMARY OF RECEIPTS: DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Equitable share	535 858	698 208	712 807	794 984	850 280	850 280	826 369	878 543	896 285
Conditional grants	88 144	113 732	118 778	121 616	121 616	121 616	130 631	132 297	140 709

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Comprehensive Agricultural Support Programme Grant	60 693	82 454	85 079	87 136	87 136	87 136	92 333	94 648	100 989
Ilima/Letsema Project Grant	19 641	24 234	26 061	27 673	27 673	27 673	30 278	31 974	33 733
Land Care Programme Grant:Poverty Relief and Infrastructure Development	4 748	4 601	4 802	4 123	4 123	4 123	5 399	5 675	5 987
Expanded Public Works Programme Incentive Grant for Provinces	2 454	2 443	2 836	2 684	2 684	2 684	2 621		
<b>Total receipts</b>	<b>624 002</b>	<b>811 940</b>	<b>831 585</b>	<b>916 600</b>	<b>971 896</b>	<b>971 896</b>	<b>957 000</b>	<b>1 010 840</b>	<b>1 036 994</b>

Equitable share and conditional grants are the main source of funding for the Department of Agriculture and Rural Development. In 2014/15, the budget amounted to R624 million and by 2017/18 this increased to R971 million to fund various projects, such as the agriparks agrotropolis, agroprocessing in the food and beverage sector, mainstreaming urban agriculture and community services and capacity building in primary animal health care.

Over the 2018 MTEF period, the budget for conditional grants will grow from R131 million in 2018/19 to R141 million in 2020/21, due to the increase in Land Care Programme grants to alleviate poverty and fund infrastructure development projects for sustainable natural resources and job creation. The growth in Ilima/Letsema Project Grant is to support primary production, such as supply and delivery of broiler and layer production inputs and the Poultry Commodity Improvement Programme. The Comprehensive Agricultural Support Programme grant will continue with the Fetsa Tlala Programme by giving agricultural support in the form of grain and vegetable production inputs as well as on-farm infrastructure.

## 6.1 Departmental receipts collection

TABLE 11.2: SUMMARY OF RECEIPTS: DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Tax receipts									
Sales of goods and services other than capital assets	1 768	7 218	9 402	8 554	8 554	8 554	8 989	9 618	10 147
Fines, penalties and forfeits			4 323	6 791	6 791	6 791	7 131	7 419	7 827
Interest, dividends and rent on land		7		6	6	10	6	7	7
Transactions in financial assets and liabilities	330	819	2 853	240	240	563	260	260	274
<b>Total departmental receipts</b>	<b>2 098</b>	<b>8 044</b>	<b>16 578</b>	<b>15 591</b>	<b>15 591</b>	<b>15 918</b>	<b>16 386</b>	<b>17 304</b>	<b>18 255</b>

The table above shows the departmental revenue generated mainly from veterinary commodity export certification, export facility/compartments registration, export consignment inspections, import consignment inspections, abattoir registrations and meat inspector authorisation. In terms of revenue generated by the resource protection unit, application fees received in terms of the Nature Conservation Ordinance are charged for permits. Applications are also received in terms of protected species regulations, 2007 (TOPS) and the Convention on International Trade in Endangered Species Regulations, 2010 (CITES). These fees are legislated in the regulations by the National Department of Environmental Affairs (DEA).

Revenue collected on EIA is a fee that will be charged per authorisation applied for and not prelisted activity triggered. Payment is needed any time between submission of an application form and the assessment or scoping report. Regulations were drafted and gazetted on 18 May 2012, GN 35337. The purpose is to prescribe a fee for consideration and processing of EIA in terms of S24 and 24L of the act. This also includes an application for environmental authorisation (EA) amendment in terms of the afore-mentioned act. It covers administration costs of working on such applications and to ensure commitment by applicants. Revenue for fines are collected in respect of S24 and section 24G of NEMA. That means fines are collected when activities began with a listed or specified activity without an environmental authorisation in contravention of section 24F (1) or a waste management activity is done without a waste management licence in terms of section 20(b) of the National Environmental Management Act and Waste Act, 2008 (Act No. 59 of 2008).

The revenue collected by the departmental nature reserves are for entrance fees, overnight accommodation and game sales. Other revenue collected by the GDARD includes rental of official accommodation, parking, sale of cartridges, and commission on insurance and employee and ex-employee debt.

Over the 2018 MTRF revenue estimates for the departments have grown substantially, from R16 million in 2018/19 to R18 million in the outer year owing to a cost recovery account being incorporated into the department's revenue collection sources.

## 7. PAYMENT SUMMARY

### 7.1 Key assumptions

When compiling the 2018 MTEF budget, the department considered the following factors:

- Assessment of baselines to identify activities that are no longer policy priorities and from which funds could be shifted to more urgent priorities of government;
- Improving alignment with government's policy priorities as stated in the NDP, the 2014-2019 Medium Term Strategic Framework (MTSF), provincial government plans and the plans of the sector and institutions;
- Allocating expenditure to realise the objectives of government's policy more effectively; and
- Shifting funds from non-essential items to priority items to improve value-for-money in government performance.

### 7.2 Programme summary

TABLE 11.3: SUMMARY OF PAYMENTS AND ESTIMATES BY PROGRAMME: AGRICULTURE AND RURAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Administration	158 456	173 026	201 658	189 016	199 468	199 468	225 076	238 623	251 616
2. Agriculture And Rural Development	302 991	434 443	333 119	487 848	526 586	523 178	489 427	495 039	527 243
3. Environmental Affairs	153 575	203 969	236 646	239 736	245 842	249 250	242 497	277 178	258 135
<b>Total payments and estimates</b>	<b>615 022</b>	<b>811 438</b>	<b>771 423</b>	<b>916 600</b>	<b>971 896</b>	<b>971 896</b>	<b>957 000</b>	<b>1 010 840</b>	<b>1 036 994</b>

### 7.3 Summary of Economic Classification

TABLE 11.4: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: AGRICULTURE AND RURAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>539 036</b>	<b>732 762</b>	<b>708 970</b>	<b>892 069</b>	<b>916 301</b>	<b>916 029</b>	<b>898 026</b>	<b>920 921</b>	<b>976 199</b>
Compensation of employees	330 853	382 200	399 165	436 286	442 714	442 714	479 214	514 554	547 388
Goods and services	208 179	350 562	309 805	455 783	473 587	473 315	418 812	406 367	428 811
Interest and rent on land	4								
<b>Transfers and subsidies to:</b>	<b>58 652</b>	<b>26 848</b>	<b>10 622</b>	<b>10 452</b>	<b>14 404</b>	<b>14 404</b>	<b>11 691</b>	<b>7 694</b>	<b>8 116</b>
Provinces and municipalities	12 234	8 231			5 000	5 000	4 000		
Departmental agencies and accounts	11 365	12 354	4 497	4 792	784	784	837	1 120	1 181
Higher education institutions	2 570	3 786	3 347	5 001	5 001	5 001	5 291	5 587	5 894
Public corporations and private enterprises	31 734	1 000	1 500		600	600			
Households	749	1 477	1 278	659	3 019	3 019	1 563	987	1 041
<b>Payments for capital assets</b>	<b>17 326</b>	<b>51 798</b>	<b>51 766</b>	<b>14 079</b>	<b>41 191</b>	<b>41 463</b>	<b>47 283</b>	<b>82 225</b>	<b>52 679</b>
Buildings and other fixed structures	6 231	18 648	29 171	3 909	21 367	21 367	34 536	70 166	39 957
Machinery and equipment	10 893	33 069	22 595	10 170	19 824	20 096	12 747	12 059	12 722
Software and other intangible assets	202	81							
<b>Payments for financial assets</b>	<b>8</b>	<b>30</b>	<b>65</b>						
<b>Total economic classification</b>	<b>615 022</b>	<b>811 438</b>	<b>771 423</b>	<b>916 600</b>	<b>971 896</b>	<b>971 896</b>	<b>957 000</b>	<b>1 010 840</b>	<b>1 036 994</b>

The department's expenditure increased from R615 million in 2014/15 to R971 million in 2017/18 adjustment budget. The significant increase is mainly due to funds made available to support the food and beverage sector in barley production and the construction of the Isigayo milling plant for converting dry mealies to meal-meal and pack-house for distribution, packaging and marketing of production and to mainstream urban agriculture by constructing hydroponic and poultry structures.

Over the 2018 MTEF period, the allocation will grow from R957 million in 2018/19 to R1 billion in the 2020/21 financial year, as resources are made available for the agro processing and agriculture project; primary animal health care; compulsory community service in townships; the DPSA determination on interns and for the ICT fully managed data centre upgrade.

Programme 1: Administration shows a significant increase from R158 million in 2014/15 to R189 million in 2017/18 for Audit fees, tenant and relocation services. Over the 2018 MTEF, the budget grows from R225 million in 2018/19 to R252 million in 2020/21 to ensure smooth running of the operations.

Programme 2: Agriculture and Rural Development expenditure increased from R303 million in 2014/15 to R489 million in 2017/18 for the development of an agro processing hub to facilitate market access for township enterprises, construction of poultry (layers and broilers) structures on farms and establishing poultry distribution centres and the Isigayo milling plant. Over the MTEF, the budget increases from R489 million in 2018/19 to R527 million in 2020/21 to mitigate food insecurity through projects such as school and backyards gardens in townships and informal settlements, provision of agricultural production and the implementation of agro processing and agripark.

Programme 3: Environmental Affairs had a significant increase in its budget from R154 million in 2014/15 to R240 million in 2017/18. The resources are meant for projects, such as clean development projects under the province's Cleaner Production and Remediation Programme financed by the Development Bank of South Africa (DBSA) and Bontle ke Botho greening campaigns. The budget for the programme is R242 million in 2018/19 and R258 million in the outer year, mainly to implement nature reserves' management plans, review and approve environmental impact assessments (EIAs) and implement waste management activities that promote the sustainable use of the environment.

Compensation of employees increases from R331 million in 2014/15 to R436 million in 2017/18 mainly because of community primary animal health care and IDMS capacity building. Over the MTEF, the allocation for compensation of employees increases from R479 million in 2018/19 to R547 million in 2020/21, primarily for the annual improvements on conditions of service and the development of infrastructure unit within the department.

Expenditure on goods and services increased considerably, from R208 million in 2014/15 to R455 million in 2017/18 financial year, to enhance the food and beverage sector in all corridors, construction of hydroponic and poultry structures to mainstream urban agriculture and township mobile clinical veterinary services, targeting township and small-scale farmers. Over the 2018 MTEF, the budget for goods and services grows from R419 million in 2018/19 to R429 million in 2020/21 to fund departmental priorities, such as food security support for community and school food gardens, the Primary Animal Health Care Project, agrotropolis and agro processing infrastructure to enhance food production.

Transfers and subsidies decreases from R59 million in 2014/15 to R11 million in 2017/18 due to the fact that projects that were previously managed by municipalities on behalf of the department are now implemented through departmental tender processes. Over the 2018 MTEF the budget for transfers falls from R12 million in 2018/19 to R8 million in the outer year. This budget is mainly for research projects and skills development.

The expenditure for capital assets grew significantly from R17 million to R51 million between 2014/15 and 2016/17 due to an allocation to eradicate maintenance backlogs in the departmental nature reserves to boost eco-tourism. Over the 2018 MTEF, the budget increased from R47 million in 2018/19 to R53 million in 2020/21 financial year to continue implementation of infrastructure projects through the IDMS process.

## 7.4 Infrastructure payments

### 7.4.1 Departmental infrastructure payments.

Please refer to the 2018 Estimates of Capital Expenditure (ECE)

### 7.4.2 Departmental Public-Private Partnership (PPP) projects.

N/A

## 7.5 Transfers

### 7.5.1 Transfers to other entities

N/A

### 7.5.2 Transfers to local government

TABLE 11.5: SUMMARY OF DEPARTMENTAL TRANSFERS TO LOCAL GOVERNMENT BY CATEGORY

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Category A	4 051	2 743							
Category B	6 215								
Category C	1 968	5 488			5 000	5 000	4 000		
Unallocated									
<b>Total departmental transfers</b>	<b>12 234</b>	<b>8 231</b>			<b>5 000</b>	<b>5 000</b>	<b>4 000</b>		

Transfers to municipalities amounted to R12 million in 2014/15 and R8 million in 2015/16 mainly for river clean-up and removal of waste, reeds and grass from the river. Budget allocation is R5 million in 2017/18 for the establishment and operationalisation of the Isigayo milling plant in the Randfontein area. In 2018/19 financial year, the department will transfer R4 million to West Rand District Municipality for the development of agro-processing milling plant.

## 8. PROGRAMME DESCRIPTION

### PROGRAMME 1: ADMINISTRATION

#### Programme description

This programme provides the corporate support services required by the department's core programmes. It responds directly to a modernised and transformed agricultural sector increasing food security, economic inclusion and equality; and Sustainable Natural Resource Management.

The purpose of the programme is to provide leadership, management, efficient and effective monitoring and evaluation, policy and research co-ordination and security and risk management, financial management, HR management and development, facilities management services, professional legal services and enforcement services, communication and awareness as well as knowledge and project management services to the department in response to Pillar 5. The programme's aim is an efficient, effective and development-oriented public service and empowered, fair and inclusive citizenship through the following strategic objectives which are in line with the department's five-year Strategic Plan.

#### Programme objectives

- Ensuring effective and efficient governance;
- Provision of effective planning, monitoring & evaluation, policy and research co-ordination and security and risk management;
- Provision of sound and compliant financial management;
- Provision of effective Human Resources management;
- Transformation within GDARD through mainstreaming women, youth and persons with disabilities;
- Provision of sound and reliable legal advice and support;
- Promotion and facilitation of effective communications between GDARD and the people of Gauteng; and
- Provision of ICT support and services.

#### Key policies, priorities and outputs

- Institutionalise long term planning;
- Forge a disciplined, people-centred and professional public service;
- Empower citizens to play a role in developing and building an ethical public service;
- Implement a less hierarchical approach;
- Improve the skills of public servants;
- Strengthen procurement processes;
- Pay suppliers promptly;
- Customise and adapt the IT system to specific areas of service delivery; and
- Revitalize the Batho Pele programme and implement the Public Service Charter.

TABLE 11.6: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Gra:Office Of The Mec	5 744	5 736	4 276	4 855	6 155	6 155	6 165	6 651	7 015
2. Gra:Senior Management	34 576	41 317	23 056	26 521	25 821	26 539	27 459	29 029	30 625
3. Gra:Corporate Services	92 418	68 313	82 499	78 324	77 488	77 488	87 080	92 849	97 753
4. Gra:Financial Management	25 718	57 660	91 827	79 316	90 004	89 286	104 372	110 094	116 223
<b>Total payments and estimates</b>	<b>158 456</b>	<b>173 026</b>	<b>201 658</b>	<b>189 016</b>	<b>199 468</b>	<b>199 468</b>	<b>225 076</b>	<b>238 623</b>	<b>251 616</b>



TABLE 11.7: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>151 855</b>	<b>166 872</b>	<b>187 486</b>	<b>184 124</b>	<b>192 075</b>	<b>192 200</b>	<b>219 161</b>	<b>233 076</b>	<b>245 764</b>
Compensation of employees	96 350	107 774	110 006	116 783	123 211	123 211	139 653	147 567	155 590
Goods and services	55 501	59 098	77 480	67 341	68 864	68 989	79 508	85 509	90 174
Interest and rent on land	4								
<b>Transfers and subsidies to:</b>	<b>1 718</b>	<b>960</b>	<b>1 228</b>	<b>1 222</b>	<b>1 854</b>	<b>1 719</b>	<b>1 687</b>	<b>1 366</b>	<b>1 441</b>
Departmental agencies and accounts	969	734	877	1 002	784	784	837	1 120	1 181
Households	749	226	351	220	1 070	935	850	246	260
<b>Payments for capital assets</b>	<b>4 875</b>	<b>5 164</b>	<b>12 879</b>	<b>3 670</b>	<b>5 539</b>	<b>5 549</b>	<b>4 228</b>	<b>4 181</b>	<b>4 411</b>
Buildings and other fixed structures	226	179							
Machinery and equipment	4 447	4 904	12 879	3 670	5 539	5 549	4 228	4 181	4 411
Software and other intangible assets	202	81							
<b>Payments for financial assets</b>	<b>8</b>	<b>30</b>	<b>65</b>						
<b>Total economic classification</b>	<b>158 456</b>	<b>173 026</b>	<b>201 658</b>	<b>189 016</b>	<b>199 468</b>	<b>199 468</b>	<b>225 076</b>	<b>238 623</b>	<b>251 616</b>

The expenditure increased from R158 million during 2014/15 to R189 million in 2017/18 for the recruitment of infrastructure professionals to improve on the planning and delivery of infrastructure projects. Over the MTEF period, the budget increases from R225 million in 2018/19 to R252 million in 2020/21. This is to accommodate cost of living adjustments and to ensure smooth running of departmental operations.

The compensation of employees' allocation increases from R140 million in 2018/19 to R156 million in 2020/21. An amount of R14 million is availed for Infrastructure development unit within GDARD and R1 million is availed for the DPSA determination on interns.

The budget for Goods and Services grows from R56 millions in 2014/15 to R67 million in 2017/18 due to the allocation for tenant installation services in the new office building and top-up in security services allocation. The budget is R80 million in 2018/19 and increases to R90 million in 2020/21, for ICT fully managed data centre upgrade, audit cost services and property payments to ensure smooth running of office.

The programme makes transfers to departmental agencies and accounts for a skills development levy for employee capacity and external talent management initiatives. An amount of R837 000 will be transferred to sector education and training authorities (SETAs) in 2018/19 and increases R1.1 million in the 2020/21 financial year. Transfers to households relate to compensation for injury on duty. The allocation fluctuates since leave gratuity pay-outs are demand driven. Over the 2018 MTEF, the allocation decreases from R850 000 in 2018/19 to R260 000 for 2020/21 to accommodate household benefits within this programme.

Expenditure on capital assets amounted to R4 million in 2014/15 and R4 million in 2017/18 for planned equipment replacements for the new building. The allocation is R4 million over the MTEF mainly for replacement of old furniture and labour-saving devices.

## PROGRAMME 2: AGRICULTURE AND RURAL DEVELOPMENT

### Programme description

This programme is responsible for two of the major mandates of the GDARD: development of agriculture and development of rural areas. Based on the strategic direction for the fifth term of governance, greater emphasis is placed on the economic growth and development elements of both mandates. The programme and its three strategic objectives described below respond directly to the GDARD's Strategic Outcome Oriented Goal 1: a modernised and transformed agricultural sector, increasing food security, economic inclusion and equality. It contributes to Goal 2 (sustainable natural resource management) and indirectly to Goal 3 (enhanced capacity of the GDARD to implement effectively).

The programme aims to optimise the contribution of sustainable agriculture to the equitable development of all communities in the province by enhancing food security, income, employment and the quality of life; and to control and manage health risks of animal origin by ensuring healthy livestock production and the availability and affordability of healthy, high quality food and animal products. These activities stimulate economic growth and contribute towards poverty alleviation and international trade.



### Programme objectives

- Enable and support transformation of the agriculture sector to actively contribute to economic growth, inclusion, equality and the creation of decent work;
- Sustainable agriculture reform with a thriving small and large farming sector;
- Boost food security for all and ensure the sustainability thereof;
- Improved access to affordable and diverse food;
- Improved rural services to support livelihoods;
- Ensure comprehensive socio-economic development in Gauteng's rural areas;
- Improved employment opportunities and economic livelihoods; and
- Institutional arrangements that support rural development.

### Key policies, priorities and outputs

- Support sustainable development and management of community environmental and some agricultural resources and provide agricultural support services to farmers;
- Provide extension and advisory services, sustainable agricultural development support to smallholder and commercial farmers; provide agricultural infrastructure support coordination; and support households for the purpose of food security ;
- Provide increased agri-business support through entrepreneurial development, marketing services, value adding, production and resource economics;
- Ensure healthy animals and a supply of safe, healthy and wholesome food of animal origin by reducing levels of animal disease and negligible occurrence of zoonotic diseases;
- Provide a veterinary export certification service to the livestock and food processing industries as well as the adoption of SABS-approved animal welfare practices on Gauteng's farms, abattoirs and places of performing animals;
- Provide expert, needs-based research and technology transfer services; and
- Support and coordinate development programmes in rural areas by all stakeholders.

TABLE 11.8: SUMMARY OF PAYMENTS AND ESTIMATES: AGRICULTURE AND RURAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Gra:Sustainable Resource Management	36 190	31 298	37 663	39 932	39 768	39 768	62 302	61 004	58 195
2. Gra:Farmer Support & Development	140 860	176 117	157 211	193 213	221 523	218 115	205 579	200 388	212 866
3. Gra:Veterinary Services	60 612	84 638	74 705	89 721	84 721	84 721	99 060	104 470	119 901
4. Gra:Research & Technology Development Service	33 172	91 295	32 209	80 865	78 869	78 869	75 093	79 298	83 660
5. Gra:Agricultural Economics Services	24 539	44 831	22 588	73 984	88 572	88 572	33 560	35 439	37 388
6. Gra:Rural Development Coordination	7 618	6 264	8 743	10 133	13 133	13 133	13 833	14 440	15 233
<b>Total payments and estimates</b>	<b>302 991</b>	<b>434 443</b>	<b>333 119</b>	<b>487 848</b>	<b>526 586</b>	<b>523 178</b>	<b>489 427</b>	<b>495 039</b>	<b>527 243</b>

TABLE 11.9: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: AGRICULTURE AND RURAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>243 656</b>	<b>384 332</b>	<b>318 674</b>	<b>471 742</b>	<b>506 001</b>	<b>502 593</b>	<b>466 771</b>	<b>476 591</b>	<b>509 331</b>
Compensation of employees	122 763	141 153	146 651	169 105	166 105	166 105	181 907	200 520	216 175
Goods and services	120 893	243 179	172 023	302 637	339 896	336 488	284 864	276 071	293 156
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>18 778</b>	<b>10 809</b>	<b>2 015</b>	<b>1 625</b>	<b>1 125</b>	<b>1 125</b>	<b>132</b>	<b>140</b>	<b>147</b>
Provinces and municipalities									
Departmental agencies and accounts	6 627	10 500	1 500	1 500					
Higher education institutions									
Public corporations and private enterprises	12 151								
Households		309	515	125	1 125	1 125	132	140	147
<b>Payments for capital assets</b>	<b>4 811</b>	<b>24 835</b>	<b>6 857</b>	<b>7 070</b>	<b>8 739</b>	<b>8 739</b>	<b>13 107</b>	<b>12 587</b>	<b>11 729</b>
Buildings and other fixed structures				600			10 059	10 180	9 190
Machinery and equipment	4 811	24 835	6 857	6 470	8 739	8 739	3 048	2 407	2 539
<b>Payments for financial assets</b>									

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Total economic classification	267 245	419 976	327 546	480 437	515 865	512 457	480 010	489 318	521 207

The programme's expenditure amounted to R303 million in 2014/15 and increased to R488 million in 2017/18. This is for the development of agro-processing hubs to facilitate market access for township enterprises; the establishment of poultry distribution centre and Isigayo milling plant in the Randfontein region; and mainstream urban agriculture to support SMMEs with infrastructure.

Over the 2018 MTEF, the allocation increases from R489 million in 2018/19 to R527 million in 2020/21 financial year. This is due to budget for food security initiative through supporting the school and community food gardens in townships; Agricultural marketing and business development; agro-processing programme; and implementation of Primary Animal Health care-compulsory community services in townships in order to extend veterinary skills to previously marginalised communities.

The Sustainable Resource Management programme is allocated R62 million in 2018/19, which decreases to R58 million in 2020/21. This is for the removal of alien vegetation, wetlands rehabilitation and Bontle ke Botho cleaning and greening projects.

The Farmer Support and Development programme allocation grows from R206 million in 2018/19 to R213 million in 2020/21, to support the Fetsa Tlala food production initiative programme; provision of on-farm infrastructure; and provide support through mechanisation programme to ensure that farmers have access to machinery to increase production.

The Veterinary Services allocation grows from R99 million in 2018/19 to R120 million in 2020/21, to sustain GDARD's Primary animal health care interventions in townships and informal settlements and to also issue export certification to meet growing demand of export services; and abattoir inspections of livestock.

The Research and Technology Development services allocation grows from R75 million in 2018/19 to R84 million in 2020/21, to support the development of Orbert Mthombeni Agripark in Lesedi municipality; implementation of horticulture development project to ensure that agripark infrastructure are optimally utilized; and Agri-food research programme to improve quality of products produced for the market.

The Agriculture Economic Services allocation is R34 million in 2018/19 and increased to R37 million in 2020/21 mainly for the development of Agro-tropolis in Sedibeng and Western District Municipalities to support SMME's with infrastructure and training agro-preneurs in order to enhance food production.

Rural development allocation grows from R14 million in 2018/19 to R15 million in 2020/21 mainly to ensure proper coordination with GPG departments with regard to services rendered to the rural nodes.

Compensation of employees for the programme increased from R182 million in 2018/19 to R216 million in 2020/21 financial year, to take into account of annual cost of living increases and to make provision for additional extension officers.

Goods and Services budget grows from R285 million in 2018/19 to R293 million in 2020/21 for Agro-tropolis project which provide access to production infrastructure and agro-processing to enhance food production and mainstream urban agriculture projects to mitigate food insecurity at all levels.

Capital assets allocation is R13 million in 2018/19 and decreases to R12 million in 2020/21 for upgrading of Themba animal clinic, the decrease in allocation is due to fluctuation in the acquisition of labour saving devices.

## SERVICE DELIVERY MEASURES

### PROGRAMME 2: AGRICULTURE AND RURAL DEVELOPMENT

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of smallholder farmers trained	2 200	2 260	2 300	2 340
Number of commercial farmers trained	40	50	50	60
Number of households supported with agricultural food production initiatives	3 580	3 620	3 640	3 660
Number of school food gardens supported	50	51	56	60
Number of community food gardens supported	50	51	56	60
Number of food gardens supported with water tanks for rainwater harvesting	36	60	40	40
Number of women benefitting from community food gardens	580	620	640	660
Number of epidemiological units visited for veterinary interventions	4 500	8 100	8 500	8 500

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of mobile veterinary services in townships	47 500	70 000	70 000	70 000
Number of animal health regulatory veterinary interventions with emerging and commercial farmers	209 000	209 000	210 000	210 000
Number of new Nguni breeders applications approved	3	3	3	3
Number of export control certificates issued	7 000	16 000	16 000	16 000
percentage level of abattoir compliance with meat safety legislation	80%	80%	80%	80%
Number of laboratory tests performed according to the prescribed standards	80 000	50 000	50 000	50 000
Number of agri business supported with marketing services	60	70	80	90
Number of SMME and biotech companies supported with business incubation (incl. BioFundi Awards)	6	7	7	7
Number of Agri-Expos organised	3	3	3	3
Number of smallholder farmers attending Agri-Expos	500	300	300	300
Number of farmers trained in water saving technologies	80	80	80	80
Number of research infrastructure managed	1	1	1	1
Number of Farm Management Plans developed	80	80	80	80
Number of hectares worked by GDARD tractors	3 500	3 500	3 500	3 500
Number of Agri-parks established	1	1	1	1
Number of women benefiting from Agri-parks	6	7	7	7
Number of Agro-tropolis initiatives supported	2	2	2	2
Number of Councils of Stakeholders provided with training	4	4	4	4
Number of projects implemented with signatories of the Gauteng Rural Social Compact Plan	6	6	6	7
Number of industry AgriBEE Indabas/State of AgriBEE	1	1	1	1

### PROGRAMME 3: ENVIRONMENTAL AFFAIRS

#### Programme description

This programme is responsible for the sustainable development mandate of the department, which entails protection and management of Gauteng's natural and environmental resources and ecosystems. Based on the strategic direction for the fifth term of governance, greater emphasis is placed on economic growth and development elements such as eco-tourism, development of alternate energy sources/supplies to provide long-term energy security, waste management and the development of green technologies and processes.

The programme promotes equitable and sustainable use of ecosystems, goods and services and contributes to economic development by managing biodiversity and its components, processes, habitats and functions. The programme also ensures that the province implements the principles of integrated waste management; promotes sustainable development and quality of life by ensuring acceptable ambient air quality and sustainable mining practices; and manages hazardous chemicals and industrial related activities.

#### Programme objectives

- Protect and manage Gauteng's natural resources and environment;
- Support sustainable development including waste management, recycling and the development and utilisation of green technologies and processes; and
- Boost energy security through the development of suitable energy mix solutions.

#### Key policies, priorities and outputs

- To develop policies and programmes that will help to reduce the negative environmental effects of developments;
- To minimise and mitigate environmental impacts through inspections, criminal and administrative enforcement actions, raising awareness to foster environmental compliance;
- To contribute to South Africa's pledge to reduce carbon intensity by reducing emissions by 35 per cent in 2020 and 43 per cent in 2025; and build an environment that is low carbon, energy efficient and minimizes waste;
- To ensure that ecosystems are sustained through an increase in the conservation estate, protection of biomes and endangered species, restoration of degraded land and sustainable exploitation of natural resources; and
- To enable effective environmental institutional and governance mechanisms to create an enabling environment for stakeholders to contribute to sustainable development of environment and sector work opportunities.

TABLE 11.10: SUMMARY OF PAYMENTS AND ESTIMATES: ENVIRONMENTAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Gra:Environmental Policy,Planning And Coordination	13 350	17 875	38 419	20 630	23 049	32 357	22 627	23 849	25 161
2. Gra:Compliance And Enforcement	34 804	40 349	37 627	45 696	39 996	40 361	43 880	46 534	49 094
3. Gra:Environmental Quality Management	34 982	53 229	55 857	60 153	70 326	64 061	46 120	49 553	52 279
4. Gra: Biodiversity Management	70 439	92 516	104 743	113 257	112 471	112 471	129 870	157 242	131 601
<b>Total payments and estimates</b>	<b>153 575</b>	<b>203 969</b>	<b>236 646</b>	<b>239 736</b>	<b>245 842</b>	<b>249 250</b>	<b>242 497</b>	<b>277 178</b>	<b>258 135</b>

TABLE 11.11: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ENVIRONMENTAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>143 525</b>	<b>181 558</b>	<b>202 810</b>	<b>236 203</b>	<b>218 225</b>	<b>221 236</b>	<b>212 094</b>	<b>211 254</b>	<b>221 104</b>
Compensation of employees	111 740	133 273	142 508	150 398	153 398	153 398	157 654	166 467	175 623
Goods and services	31 785	48 285	60 302	85 805	64 827	67 838	54 440	44 787	45 481
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>2 410</b>	<b>612</b>	<b>1 806</b>	<b>194</b>	<b>704</b>	<b>839</b>	<b>455</b>	<b>467</b>	<b>492</b>
Provinces and municipalities	2 410								
Public corporations and private enterprises			1 500						
Households		612	306	194	704	839	455	467	492
<b>Payments for capital assets</b>	<b>7 640</b>	<b>21 799</b>	<b>32 030</b>	<b>3 339</b>	<b>26 913</b>	<b>27 175</b>	<b>29 948</b>	<b>65 457</b>	<b>36 539</b>
Buildings and other fixed structures	6 005	18 469	29 171	3 309	21 367	21 367	24 477	59 986	30 767
Machinery and equipment	1 635	3 330	2 859	30	5 546	5 808	5 471	5 471	5 772
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>153 575</b>	<b>203 969</b>	<b>236 646</b>	<b>239 736</b>	<b>245 842</b>	<b>249 250</b>	<b>242 497</b>	<b>277 178</b>	<b>258 135</b>

The programme expenditure increased from R153 million in 2014/15 to R239 million in 2017/18 due to allocations availed to fund various clean development projects under the Gauteng Cleaner Production and remediation programme financed by the Development Bank of South Africa (DBSA).

Over the 2018 MTEF, the budget grows from R242 million in 2018/19 to R258 million in 2020/21 and will promote recovery of waste at source through the establishment of waste recycling centres; to maximise and support ambient monitoring of air quality; issuing of environmental impact assessment authorisations; and creating green jobs such as firefighting in the departmental nature reserves.

Environmental policy, planning and coordination allocation increased from R22 million in 2018/19 to R25 million in 2020/21 financial year and will be used to conduct reviews and approvals of environmental impact assessments (EIAs) in order to ensure economic growth and attract investors to Gauteng Province.

Compliance and Enforcement allocation increased from R44 million in 2018/19 to R49 million in 2020/21 financial year and will be used for monitoring environmental authorisations (EAs) by conducting routine, proactive and reactive inspections.

Environmental quality management budget increased from R46 million in 2018/19 to R52 million in 2020/21 financial year, mainly to maximise and support monitoring of air quality through ambient monitoring stations.

Biodiversity Management allocation is R129 million in 2018/19 and will be R131 million in 2020/21 financial year, to invest in the management and protection of the provincial protected biodiversity areas and continue upgrading and rehabilitation of departmental nature reserves.

Goods and services expenditure increased from R32 millions in 2014/15 to R86 million in 2017/18 owing to the implementation of nature reserves management plans and environmentally clean development projects. The budget amounts to R55 million in 2018/19 and decreases to R45 million in 2020/21. The reduction in budget is due to once-off allocation for provincial infrastructure projects availed for 2019/20 financial year, to continue issuing of biodiversity permits and therefore improving the sustainable use of the wildlife in the province, and continuing with infrastructure maintenance such as roads and bulk infrastructure within the departmental nature reserves to boost eco-tourism.

The expenditure for capital assets grew significantly from R8 million in 2014/15 to R32 million in 2016/17 due to maintenance projects on rehabilitation and upgrading of departmental nature reserves. Over the 2018 MTEF, the budget is R30 million in 2018/19 and grows to R37 million in 2020/21 and will be used to continue with projects of revitalisation of the departmental nature reserves such as erecting fence at Abe bailey for safe keeping of animals. Furthermore the budget includes allocation for infrastructure capacity building Programme amounting to R14 million appropriated under Administration programme.

## SERVICE DELIVERY MEASURES

### PROGRAMME 3: ENVIRONMENTAL AFFAIRS

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of inter-governmental sector tools reviewed	4	4	4	4
Number of climate change interventions implemented	1	1	1	1
Number of administrative enforcement notices issued for non-compliance with environmental management legislation	80	80	80	80
Number of completed criminal investigations handed to the NPA for prosecution	30	30	30	30
Number of compliance inspections conducted	250	250	250	250
Percentage of EIA Applications finalised within legislated timeframes	100%	100%	100%	100%
Percentage of waste licence applications finalised within legislated timeframes	85%	100%	100%	100%
Number of Waste Certificates issued	600	300	350	350
Number of Permits issued within legislated timeframes	8 200	8 200	8 200	8 200
Number of work opportunities created through environmental programmes	636	800	800	800
Number of environmental awareness activities conducted	28	40	40	40
Number of EPWP FTE jobs created	160	180	180	180
Number of legislation tools developed	1	1	1	1
Number of functional environmental information management systems	3	5	5	5
Number of received S24G applications finalised	15	10	10	10
Number of designated environmental management inspections(EMIs) in provincial departments and local government	8	8	8	8
Percentage of atmospheric emission licences with complete applications issued within legislated timeframes	100%	100%	100%	100%
Percentage of facilities with atmospheric licences reporting to the national Atmospheric Emissions inventory systems.	100%	100%	100%	100%
Number of Healthcare waste approvals issued	20	25	30	30
Number of Hectares in the conservation estate	73 756	82 756	82 756	82 756
Percentage of area of state managed protected areas with a METT score above 67%	50%	50%	50%	50%
Number of environmental capacity building activities conducted	28	40	40	40
Number of quality environmental education resources materials developed	1	2	2	2

## 9. OTHER PROGRAMME INFORMATION

### 9.1 Personnel numbers and costs

TABLE 11.12 PERSONNEL NUMBERS AND COSTS: AGRICULTURE AND RURAL DEVELOPMENT

Actual				Revised estimate			Medium-term expenditure estimate				Average annual growth over MTEF				
2014/15		2015/16		2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21	
R thousands	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Filled posts	Additional posts	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	% Costs of Total
Salary level															
1 – 6	176	27 818	171	29 466	171	38 567	108	65	173	36 246	173	38 867	173	41 157	2%
7 – 10	581	201 568	574	229 519	574	250 593	511	27	538	273 674	538	288 995	538	303 105	7%
11 – 12	105	69 920	113	74 083	113	82 995	109		109	85 777	109	93 160	109	103 154	8%
13 – 16	42	41 034	43	40 641	43	44 506	35	1	36	52 607	36	58 929	36	63 679	13%
Other		12 357	68	25 456	68	26 054	57		63	30 910	63	34 603	63	36 293	12%
Total	904	352 697	969	399 165	969	442 714	820	93	913	479 214	919	514 554	919	547 388	7%
Programme															100%
1. Administration	261	96 350	282	110 006	282	123 211	201	65	272	139 653	272	147 567	272	155 590	1%
2. Agriculture And Rural Development	333	122 763	343	146 651	343	166 105	279	28	307	181 907	307	200 520	307	216 175	9%
3. Environmental Affairs	310	111 740	344	142 508	344	153 398	340		340	157 654	340	166 467	340	175 623	5%
Direct charges															0%
Total	904	330 853	969	382 200	969	442 714	820	93	913	479 214	919	514 554	919	547 388	7%
Employee dispensation classification															
Public Service Act appointees not covered by OSDs															
Public Service Act appointees still to be covered by OSDs															
Professional Nurses, Staff Nurses and Nursing Assistants															
Legal Professionals															
Social Services Professions															
Engineering Professions and related occupations															
Medical and related professionals															

Actual				Revised estimate		Medium-term expenditure estimate				Average annual growth over MTEF							
2014/15		2015/16		2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21			
R thousands	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Filled posts	Additional posts	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	% Costs of Total		
Therapeutic, Diagnostic and other related Allied Health Professionals															0%		
Educators and related professionals															0%		
Others such as interns, EPWP, learnerships, etc															0%		
Total		379 178	969	388 977	1 048	1 048			1 075	443 897	1 091	468 756	1 103	494 537	2%	5%	100%



The personnel expenditure increased from R331 million in 2014/15 to R443 million in the 2017/18 financial year while head count increased from 904 in 2014/15 to 913 in 2017/18. The growth in compensation of employees and head count is mainly due to capacity building for Community Primary Animal Health care and recruitment of infrastructure professionals to improve on the planning and delivery of infrastructure projects. The budget for personnel cost increased from R479 in 2018/19 to R547 in 2020/21 mainly due to the development of infrastructure unit within the department and to cater for increase in condition of service.

## 9.2 Training

TABLE 11.13: INFORMATION ON TRAINING: AGRICULTURE AND RURAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Number of staff	904	969	969	913	913	913	919	919	919
Number of personnel trained	711	675	675	665	665	665	665	665	702
of which									
Male	327	310	310	306	306	306	306	306	323
Female	384	365	365	359	359	359	359	359	379
Number of training opportunities	194	176	176	176	176	176	186	196	207
of which									
Tertiary	169	146	146	146	146	146	154	163	172
Workshops	20	20	20	20	20	20	21	22	23
Seminars	5	10	10	10	10	10	11	11	12
Other									
Number of bursaries offered	38	38	40	60	60	60	60	60	63
Number of interns appointed	40	40	45	45	45	45	45	48	51
Number of learnerships appointed									
Number of days spent on training	5	5	4	4	4	4	4	4	4
<b>Payments on training by programme</b>									
1. Administration	5 579	3 805	3 594	4 901	4 901	4 901	5 212	5 536	5 840
2. Agriculture And Rural Development									
3. Environmental Affairs									
<b>Total payments on training</b>	<b>5 579</b>	<b>3 805</b>	<b>3 594</b>	<b>4 901</b>	<b>4 901</b>	<b>4 901</b>	<b>5 212</b>	<b>5 536</b>	<b>5 840</b>

In 2017/18, the budget is R4.9 million and increases to R5.8 million in 2020/21 for implementation of the workplace skills plans included in the DPSA's Human Resources Development Implementation Plan which provides the action plan about how these activities will unfold. In 2017/18 the Department implemented the Talent Management and Pipelining Strategy and has implemented career awareness sessions in conjunction with municipalities, the Office of the Premier and various stakeholders. Financial assistance in the form of 9 bursaries were granted to deserving applicants, and 101 workplace exposure/internships have been provided in collaboration with Ekurhuleni municipality, DAFF, DID and the FoodBev SETA respectively. These projects will continue over the MTEF which will allow the department to increase its reach to unemployed youth and provide the necessary exposure to increase the employability of graduates in alignment with the Tshepo 1 million project.

## 9.3 Reconciliation of structural changes

N/A

# **Annexures to the Estimates of Provincial Revenue and Expenditure**

TABLE 11.14: SPECIFICATION OF RECEIPTS: AGRICULTURE AND RURAL DEVELOPMENT

Outcome				Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2014/15	2015/16	2016/17		2017/18		2018/19	2019/20	2020/21
Tax receipts									
Sales of goods and services other than capital assets	1 768	7 218	9 402	8 554	8 554	8 554	8 989	9 618	10 147
Sale of goods and services produced by department (excluding capital assets)	1 768	7 218	9 402	8 554	8 554	8 554	8 989	9 618	10 147
Other sales	1 768	7 218	9 402	8 554	8 554	8 554	8 989	9 618	10 147
Of which									
Health patient fees	787	4 399	1 103	1 158	1 158	1 158	1 216	1 284	1 342
Other (Specify)	978	893	850	900	900	900	952	1 006	1 062
Other (Specify)		521	2 012	2 112	2 112	2 112	2 218	2 342	2 384
Other (Specify)		1 405	5 437	4 384	4 384	4 384	4 603	4 986	5 210
Transfers received from:									
Fines, penalties and forfeits			4 323	6 791	6 791	6 791	7 131	7 419	7 827
Interest, dividends and rent on land		7		6	6	10	6	7	7
Interest		7		6	6	10	6	7	7
Sales of capital assets									
Transactions in financial assets and liabilities	330	819	2 853	240	240	563	260	260	274
Total departmental receipts	2 098	8 044	16 578	15 591	15 591	15 918	16 386	17 304	18 255

TABLE 11.15: SUMMARY OF PAYMENTS BY ECONOMIC CLASSIFICATION: DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>539 036</b>	<b>732 762</b>	<b>708 970</b>	<b>892 069</b>	<b>916 301</b>	<b>916 029</b>	<b>898 026</b>	<b>920 921</b>	<b>976 199</b>
Compensation of employees	330 853	382 200	399 165	436 286	442 714	442 714	479 214	514 554	547 388
Salaries and wages	289 323	334 039	347 756	375 630	378 714	378 714	411 356	440 827	468 048
Social contributions	41 530	48 161	51 409	60 656	64 000	64 000	67 858	73 727	79 340
Goods and services	208 179	350 562	309 805	455 783	473 587	473 315	418 812	406 367	428 811
Administrative fees	1 335	797	2 220	595	599	757	1 966	2 172	2 293
Advertising	3 110	12 550	11 027	8 469	8 783	8 927	8 197	8 293	8 750
Minor assets	921	1 411	93	1 957	2 813	3 018	2 383	2 277	2 402
Audit cost: External	4 215	4 161	3 880	4 242	4 282	4 285	4 604	4 737	4 997
Bursaries: Employees	750	807	316	1 540	690	690	600	1 260	1 329
Catering: Departmental activities	2 492	1 434	2 266	2 187	2 980	2 945	3 605	3 942	4 159
Communication (G&S)	7 699	10 287	11 664	7 727	7 926	7 071	9 380	9 105	9 973
Computer services	5 503	6 902	12 881	8 234	7 462	6 775	8 564	10 386	10 847
Consultants and professional services: Business and advisory services	3 424	3 398	5 339	2 861	7 400	7 263	11 475	10 215	10 779
Infrastructure and planning	14 931	6 619	6 212	15 929	6 034	5 485	3 215	10 641	11 226
Laboratory services	46	127		113	3 193	3 194	754	796	980
Scientific and technological services				20 000	1 000	1 000			
Legal services	1 097	1 403	1 757	2 083	1 574	1 574	1 836	2 327	2 455
Contractors	4 084	18 865	15 832	28 438	12 783	12 490	36 999	26 947	26 759
Agency and support / outsourced services	102	482	408	295	22	22	315	329	347
Entertainment	298			33	33	33		3	3
Fleet services (including government motor transport)	2 693	1 551	2 505	3 426	2 819	2 632	3 371	3 367	3 552
Inventory: Clothing material and accessories	2 100	2 934	1 807	5 727	6 315	5 355	3 511	3 522	4 007
Inventory: Farming supplies	64 671	187 145	127 349	225 650	272 452	273 179	191 851	177 824	182 897

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Inventory: Food and food supplies	84	17	183	89	61	63	30	47	49
Inventory: Fuel, oil and gas	5 242	5 014	5 963	6 414	6 010	6 596	5 062	5 058	5 337
Inventory: Learner and teacher support material		30	147	40	6	6	150	241	254
Inventory: Materials and supplies	2 446	3 209	2 282	3 523	1 807	1 979	3 061	2 537	2 678
Inventory: Medical supplies	1 696	2 637	951	3 286	3 288	3 330	4 521	1 510	2 594
Inventory: Medicine	1 647	1 601	7 520	8 240	7 262	7 202	9 338	5 598	8 006
Inventory: Other supplies		300					370		
Consumable supplies	5 922	3 148	2 357	4 391	4 094	4 145	3 676	4 829	5 795
Consumable: Stationery, printing and office supplies	4 463	5 018	4 047	3 604	3 963	4 231	5 395	3 450	3 641
Operating leases	7 250	3 495	11 647	10 665	9 101	9 263	6 627	8 924	9 915
Property payments	21 588	23 483	28 679	28 685	36 889	36 889	42 664	45 668	48 177
Transport provided: Departmental activity							131		
Travel and subsistence	24 038	26 239	23 353	25 184	26 317	27 390	25 416	29 028	31 602
Training and development	2 796	3 208	5 059	8 550	7 980	8 085	9 554	9 804	10 345
Operating payments	4 308	4 014	4 809	7 271	8 174	8 089	5 734	7 060	7 948
Venues and facilities	7 171	7 963	6 492	6 335	7 329	7 112	4 367	4 450	4 694
Rental and hiring	57	313	760		2 146	2 240	90	20	21
Interest and rent on land	4								
Interest	4								
<b>Transfers and subsidies</b>	<b>58 652</b>	<b>26 848</b>	<b>10 622</b>	<b>10 452</b>	<b>14 404</b>	<b>14 404</b>	<b>11 691</b>	<b>7 694</b>	<b>8 116</b>
Provinces and municipalities	12 234	8 231			5 000	5 000	4 000		
Municipalities	12 234	8 231			5 000	5 000	4 000		
Municipalities	12 234	8 231			5 000	5 000	4 000		
Departmental agencies and accounts	11 365	12 354	4 497	4 792	784	784	837	1 120	1 181
Provide list of entities receiving transfers	11 365	12 354	4 497	4 792	784	784	837	1 120	1 181
Higher education institutions	2 570	3 786	3 347	5 001	5 001	5 001	5 291	5 587	5 894
Public corporations and private enterprises	31 734	1 000	1 500		600	600			
Public corporations	25 171		1 500		600	600			
Other transfers	25 171		1 500		600	600			
Households	749	1 477	1 278	659	3 019	3 019	1 563	987	1 041
Social benefits	749	1 154	1 032	659	3 019	2 984	1 563	987	1 041
Other transfers to households		323	246			35			
<b>Payments for capital assets</b>	<b>17 326</b>	<b>51 798</b>	<b>51 766</b>	<b>14 079</b>	<b>41 191</b>	<b>41 463</b>	<b>47 283</b>	<b>82 225</b>	<b>52 679</b>
Buildings and other fixed structures	6 231	18 648	29 171	3 909	21 367	21 367	34 536	70 166	39 957
Buildings	6 231	18 648	29 171	3 309	21 367	21 367	9 477	44 986	14 942
Other fixed structures				600			25 059	25 180	25 015
Machinery and equipment	10 893	33 069	22 595	10 170	19 824	20 096	12 747	12 059	12 722
Transport equipment		23 012	5 779	1 821	1 821	1 991		2 034	2 146
Other machinery and equipment	10 893	10 057	16 816	8 349	18 003	18 105	12 747	10 025	10 576
Software and other intangible assets	202	81							
<b>Payments for financial assets</b>	<b>8</b>	<b>30</b>	<b>65</b>						
<b>Total economic classification</b>	<b>615 022</b>	<b>811 438</b>	<b>771 423</b>	<b>916 600</b>	<b>971 896</b>	<b>971 896</b>	<b>957 000</b>	<b>1 010 840</b>	<b>1 036 994</b>

TABLE 11.16: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>151 855</b>	<b>166 872</b>	<b>187 486</b>	<b>184 124</b>	<b>192 075</b>	<b>192 200</b>	<b>219 161</b>	<b>233 076</b>	<b>245 764</b>
Compensation of employees	96 350	107 774	110 006	116 783	123 211	123 211	139 653	147 567	155 590
Salaries and wages	84 510	94 315	96 065	99 480	103 364	103 364	118 681	125 443	132 249
Social contributions	11 840	13 459	13 941	17 303	19 847	19 847	20 972	22 124	23 341
Goods and services	55 501	59 098	77 480	67 341	68 864	68 989	79 508	85 509	90 174
Administrative fees	676	305	241	283	278	432	288	329	348
Advertising	1 417	567	1 047	1 918	1 791	1 791	2 081	1 802	1 901
Minor assets	711	852	40	18	491	696	769	483	509
Audit cost: External	4 215	4 161	3 880	4 174	4 174	4 177	4 524	4 663	4 919
Bursaries: Employees	708	807	299	1 500	650	650	600	1 260	1 329
Catering: Departmental activities	728	356	729	837	1 041	986	1 012	649	685
Communication (G&S)	3 088	2 861	5 898	2 597	2 896	1 927	3 880	3 275	3 423
Computer services	5 475	6 750	12 490	7 834	7 452	6 765	8 543	10 341	10 800
Consultants and professional services: Business and advisory services	1 425	794	1 919	1 141	2 171	2 151	2 495	2 980	3 145
Legal services	1 097	1 403	1 702	2 083	1 574	1 574	1 836	2 327	2 455
Contractors	665	1 393	1 352	1 431	637	839	1 046	1 699	1 793
Agency and support / outsourced services	91	21		295	22	22	315	329	347
Entertainment	115								
Fleet services (including government motor transport)	2 693	1 551	2 505	2 969	2 362	2 175	3 371	3 317	3 499
Inventory: Clothing material and accessories	74	71	30	38	5	65	96	132	64
Inventory: Farming supplies	3	1				1	25		
Inventory: Food and food supplies	39	17	30	84	56	58	30	41	43
Inventory: Fuel, oil and gas	4 857	4 618	5 549	3 178	4 030	4 616	3 600	3 551	3 747
Inventory: Learner and teacher support material		30	147	40	6	6		6	6
Inventory: Materials and supplies	427	708	284	153	470	474	350	313	331
Inventory: Medical supplies		5					2		
Inventory: Other supplies							250		
Consumable supplies	224	646	234	433	293	339	335	679	717
Consumable: Stationery, printing and office supplies	3 167	4 401	2 910	2 133	3 264	3 501	3 716	2 561	2 702
Operating leases	2 706	833	6 797	2 165	1 839	2 080	1 530	2 150	2 268
Property payments	13 998	17 873	22 532	22 438	22 538	22 538	28 881	32 673	34 470
Transport provided: Departmental activity							131		
Travel and subsistence	3 195	3 957	2 865	3 638	4 275	4 574	4 497	2 873	3 208
Training and development	938	2 209	915	3 226	2 952	2 952	2 473	3 604	3 802
Operating payments	1 171	1 051	2 111	2 125	2 795	2 746	1 761	2 329	2 457
Venues and facilities	1 598	844	915	610	802	854	1 071	1 143	1 206
Rental and hiring		13	59						
Interest and rent on land	4								
Interest	4								
<b>Transfers and subsidies</b>	<b>1 718</b>	<b>960</b>	<b>1 228</b>	<b>1 222</b>	<b>1 854</b>	<b>1 719</b>	<b>1 687</b>	<b>1 366</b>	<b>1 441</b>
Departmental agencies and accounts	969	734	877	1 002	784	784	837	1 120	1 181
Provide list of entities receiving transfers	969	734	877	1 002	784	784	837	1 120	1 181
Households	749	226	351	220	1 070	935	850	246	260
Social benefits	749	226	105	220	1 070	900	850	246	260
Other transfers to households			246			35			

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Payments for capital assets</b>	<b>4 875</b>	<b>5 164</b>	<b>12 879</b>	<b>3 670</b>	<b>5 539</b>	<b>5 549</b>	<b>4 228</b>	<b>4 181</b>	<b>4 411</b>
Buildings and other fixed structures	226	179							
Buildings	226	179							
Machinery and equipment	4 447	4 904	12 879	3 670	5 539	5 549	4 228	4 181	4 411
Transport equipment		748	1 045	1 821	1 821	1 821		2 034	2 146
Other machinery and equipment	4 447	4 156	11 834	1 849	3 718	3 728	4 228	2 147	2 265
Software and other intangible assets	202	81							
<b>Payments for financial assets</b>	<b>8</b>	<b>30</b>	<b>65</b>						
<b>Total economic classification</b>	<b>158 456</b>	<b>173 026</b>	<b>201 658</b>	<b>189 016</b>	<b>199 468</b>	<b>199 468</b>	<b>225 076</b>	<b>238 623</b>	<b>251 616</b>

TABLE 11.17: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: AGRICULTURE AND RURAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>243 656</b>	<b>384 332</b>	<b>318 674</b>	<b>471 742</b>	<b>506 001</b>	<b>502 593</b>	<b>466 771</b>	<b>476 591</b>	<b>509 331</b>
Compensation of employees	122 763	141 153	146 651	169 105	166 105	166 105	181 907	200 520	216 175
Salaries and wages	107 120	123 376	127 945	144 500	141 200	141 200	155 032	170 023	182 444
Social contributions	15 643	17 777	18 706	24 605	24 905	24 905	26 875	30 497	33 731
Goods and services	120 893	243 179	172 023	302 637	339 896	336 488	284 864	276 071	293 156
Administrative fees	558	424	1 821	294	294	297	1 600	1 764	1 861
Advertising	652	884	411	819	1 516	1 660	4 673	5 271	5 562
Minor assets	53	411	39	1 172	1 104	1 104	751	907	957
Audit cost: External				68	108	108	80	74	78
Bursaries: Employees	42		17	40	40	40			
Catering: Departmental activities	1 321	719	845	845	1 145	1 145	1 715	2 385	2 516
Communication (G&S)	2 836	5 067	3 631	3 074	3 074	3 190	3 526	3 755	4 361
Computer services		145	343	400	10	10		24	25
Consultants and professional services: Business and advisory services	361	275	1 368				7 705	5 810	6 130
Infrastructure and planning	14 931	6 168	6 212	15 929	6 034	5 485	2 715	10 641	11 226
Laboratory services	46	127		113	3 193	3 194	754	796	980
Legal services			55						
Contractors	492	8 978	8 458	4 361	7 746	7 802	21 206	20 838	22 084
Agency and support / outsourced services	6	461	408						
Entertainment	7							1	1
Fleet services (including government motor transport)				457	457	457		50	53
Inventory: Clothing material and accessories	1 173	592	327	536	691	758	1 644	2 425	2 925
Inventory: Farming supplies	62 457	185 044	107 882	215 908	261 724	256 496	187 237	172 748	177 541
Inventory: Food and food supplies	44		153	5	5	5		6	6
Inventory: Fuel, oil and gas	60	73	107	2 896	900	900	150	197	208
Inventory: Materials and supplies	631	1 530	1 599	2 370	337	457	812	965	1 018
Inventory: Medical supplies	1 696	2 632	928	3 286	3 288	3 292	4 119	1 110	2 171
Inventory: Medicine	1 646	1 598	7 433	8 105	6 935	6 875	8 613	4 865	7 233
Inventory: Other supplies							120		
Consumable supplies	1 620	2 103	1 327	3 470	3 170	3 170	1 885	2 629	3 474
Consumable: Stationery, printing and office supplies	1 280	524	1 133	1 470	580	581	1 629	832	879
Operating leases	3 474	2 513	4 437	5 773	5 193	5 194	4 702	5 054	5 832
Property payments	1 500	949	582	3 725	4 115	4 115	4 462	3 535	3 730

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Travel and subsistence	14 910	16 135	14 120	16 005	14 251	14 533	13 397	18 292	20 098
Training and development	1 858	987	3 886	5 155	4 890	4 890	6 709	5 820	6 141
Operating payments	2 637	2 269	2 103	4 358	4 473	4 451	3 076	3 789	4 497
Venues and facilities	4 602	2 530	2 369	2 003	3 603	5 186	1 494	1 468	1 548
Rental and hiring		41	29		1 020	1 093	90	20	21
<b>Transfers and subsidies</b>	<b>54 524</b>	<b>25 276</b>	<b>7 588</b>	<b>9 036</b>	<b>11 846</b>	<b>11 846</b>	<b>9 549</b>	<b>5 861</b>	<b>6 183</b>
Provinces and municipalities	9 824	8 231			5 000	5 000	4 000		
Municipalities	9 824	8 231			5 000	5 000	4 000		
Municipalities	9 824	8 231			5 000	5 000	4 000		
Departmental agencies and accounts	10 396	11 620	3 620	3 790					
Provide list of entities receiving transfers	10 396	11 620	3 620	3 790					
Higher education institutions	2 570	3 786	3 347	5 001	5 001	5 001	5 291	5 587	5 894
Public corporations and private enterprises	31 734	1 000			600	600			
Public corporations	25 171				600	600			
Other transfers	25 171				600	600			
Households		639	621	245	1 245	1 245	258	274	289
Social benefits		316	621	245	1 245	1 245	258	274	289
<b>Payments for capital assets</b>	<b>4 811</b>	<b>24 835</b>	<b>6 857</b>	<b>7 070</b>	<b>8 739</b>	<b>8 739</b>	<b>13 107</b>	<b>12 587</b>	<b>11 729</b>
Buildings and other fixed structures				600			10 059	10 180	9 190
Other fixed structures				600			10 059	10 180	9 190
Machinery and equipment	4 811	24 835	6 857	6 470	8 739	8 739	3 048	2 407	2 539
Transport equipment		20 284	3 532			170			
Other machinery and equipment	4 811	4 551	3 325	6 470	8 739	8 569	3 048	2 407	2 539
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>302 991</b>	<b>434 443</b>	<b>333 119</b>	<b>487 848</b>	<b>526 586</b>	<b>523 178</b>	<b>489 427</b>	<b>495 039</b>	<b>527 243</b>

TABLE 11.18: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ENVIRONMENTAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>143 525</b>	<b>181 558</b>	<b>202 810</b>	<b>236 203</b>	<b>218 225</b>	<b>221 236</b>	<b>212 094</b>	<b>211 254</b>	<b>221 104</b>
Compensation of employees	111 740	133 273	142 508	150 398	153 398	153 398	157 654	166 467	175 623
Salaries and wages	97 693	116 348	123 746	131 650	134 150	134 150	137 643	145 361	153 355
Social contributions	14 047	16 925	18 762	18 748	19 248	19 248	20 011	21 106	22 268
Goods and services	31 785	48 285	60 302	85 805	64 827	67 838	54 440	44 787	45 481
Administrative fees	101	68	158	18	27	28	78	79	84
Advertising	1 041	11 099	9 569	5 732	5 476	5 476	1 443	1 220	1 287
Minor assets	157	148	14	767	1 218	1 218	863	887	936
Catering: Departmental activities	443	359	692	505	794	814	878	908	958
Communication (G&S)	1 775	2 359	2 135	2 056	1 956	1 954	1 974	2 075	2 189
Computer services	28	7	48				21	21	22
Consultants and professional services: Business and advisory services	1 638	2 329	2 052	1 720	5 229	5 112	1 275	1 425	1 504
Infrastructure and planning		451					500		
Scientific and technological services				20 000	1 000	1 000			
Contractors	2 927	8 494	6 022	22 646	4 400	3 849	14 747	4 410	2 882
Agency and support / outsourced services	5								
Entertainment	176			33	33	33		2	2
Inventory: Clothing material and accessories	853	2 271	1 450	5 153	5 619	4 532	1 771	965	1 018
Inventory: Farming supplies	2 211	2 100	19 467	9 742	10 728	16 682	4 589	5 076	5 356



R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Inventory: Food and food supplies	1								
Inventory: Fuel, oil and gas	325	323	307	340	1 080	1 080	1 312	1 310	1 382
Inventory: Learner and teacher support material							150	235	248
Inventory: Materials and supplies	1 388	971	399	1 000	1 000	1 048	1 899	1 259	1 329
Inventory: Medical supplies			23			38	400	400	423
Inventory: Medicine	1	3	87	135	327	327	725	733	773
Inventory: Other supplies		300							
Consumable supplies	4 078	399	796	488	631	636	1 456	1 521	1 604
Consumable: Stationery, printing and office supplies	16	93	4	1	119	149	50	57	60
Operating leases	1 070	149	413	2 727	2 069	1 989	395	1 720	1 815
Property payments	6 090	4 661	5 565	2 522	10 236	10 236	9 321	9 460	9 977
Travel and subsistence	5 933	6 147	6 368	5 541	7 791	8 283	7 522	7 863	8 296
Training and development		12	258	169	138	243	372	380	402
Operating payments	500	694	595	788	906	892	897	942	994
Venues and facilities	971	4 589	3 208	3 722	2 924	1 072	1 802	1 839	1 940
Rental and hiring	57	259	672		1 126	1 147			
<b>Transfers and subsidies</b>	<b>2 410</b>	<b>612</b>	<b>1 806</b>	<b>194</b>	<b>704</b>	<b>839</b>	<b>455</b>	<b>467</b>	<b>492</b>
Provinces and municipalities	2 410								
Municipalities	2 410								
Municipalities	2 410								
Public corporations and private enterprises			1 500						
Public corporations			1 500						
Other transfers			1 500						
Households		612	306	194	704	839	455	467	492
Social benefits		612	306	194	704	839	455	467	492
<b>Payments for capital assets</b>	<b>7 640</b>	<b>21 799</b>	<b>32 030</b>	<b>3 339</b>	<b>26 913</b>	<b>27 175</b>	<b>29 948</b>	<b>65 457</b>	<b>36 539</b>
Buildings and other fixed structures	6 005	18 469	29 171	3 309	21 367	21 367	24 477	59 986	30 767
Buildings	6 005	18 469	29 171	3 309	21 367	21 367	9 477	44 986	14 942
Other fixed structures							15 000	15 000	15 825
Machinery and equipment	1 635	3 330	2 859	30	5 546	5 808	5 471	5 471	5 772
Transport equipment		1 980	1 202						
Other machinery and equipment	1 635	1 350	1 657	30	5 546	5 808	5 471	5 471	5 772
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>153 575</b>	<b>203 969</b>	<b>236 646</b>	<b>239 736</b>	<b>245 842</b>	<b>249 250</b>	<b>242 497</b>	<b>277 178</b>	<b>258 135</b>

TABLE 11.19: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ENVIRONMENTAL AFFAIRS: COMPREHENSIVE AGRICULTURAL SUPPORT PROGRAMME GRANT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>							<b>91 371</b>	<b>110 429</b>	
Compensation of employees							7 000	9 500	
Salaries and wages							6 200	8 300	
Social contributions							800	1 200	
Goods and services							84 371	100 929	
Administrative fees								942	
Consultants and professional services: Business and advisory services									
Infrastructure and planning							1 170	1 236	
Contractors							11 598	16 949	
Inventory: Farming supplies							64 478	67 333	

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Inventory: Materials and supplies								662	
Consumable supplies								1 300	
Consumable: Stationery, printing and office supplies								500	
Operating leases								2 817	
Travel and subsistence							1 786	2 861	
Training and development							5 339	4 140	
Operating payments								2 179	
Venues and facilities								10	
<b>Transfers and subsidies</b>									
<b>Payments for capital assets</b>							<b>962</b>	<b>922</b>	
Machinery and equipment							962	922	
Other machinery and equipment							962	922	
<b>Payments for financial assets</b>									
<b>Total economic classification</b>							<b>92 333</b>	<b>111 351</b>	

TABLE 11.20: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ENVIRONMENTAL AFFAIRS: LLIMA/LETSEMA PROJECT GRANT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>							<b>* 30 278</b>	<b>* 31 974</b>	<b>* 33 733</b>
Compensation of employees									
Salaries and wages									
Social contributions									
Goods and services							* 30 278	* 31 974	* 33 733
Inventory: Farming supplies							* 30 278	* 31 974	* 33 733
Interest and rent on land									
<b>Transfers and subsidies</b>									
Provinces and municipalities									
Provinces									
Municipalities									
Households									
Social benefits									
Other transfers to households									
<b>Payments for capital assets</b>									
Buildings and other fixed structures									
Other fixed structures									
Machinery and equipment									
Transport equipment									
Other machinery and equipment									
Land and sub-soil assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>							<b>* 30 278</b>	<b>* 31 974</b>	<b>* 33 733</b>

TABLE 11.21: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ENVIRONMENTAL AFFAIRS: LAND CARE PROGRAMME GRANT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>							<b>* 5 399</b>	<b>* 5 675</b>	<b>* 5 987</b>
Compensation of employees									

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Salaries and wages									
Social contributions									
Goods and services							* 5 399	* 5 675	* 5 987
Inventory: Farming supplies							* 5 399	* 5 675	* 5 987
<b>Transfers and subsidies</b>									
Provinces and municipalities									
Provinces									
Provincial Revenue Funds									
Provincial agencies and funds									
<b>Payments for capital assets</b>									
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment									
Transport equipment									
Other machinery and equipment									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>							<b>* 5 399</b>	<b>* 5 675</b>	<b>* 5 987</b>

TABLE 11.22: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ENVIRONMENTAL AFFAIRS: EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>* 2 454</b>	<b>* 2 443</b>	<b>* 2 836</b>	<b>* 2 684</b>	<b>* 2 684</b>	<b>* 2 684</b>	<b>* 2 621</b>		
Compensation of employees									
Salaries and wages									
Social contributions									
Goods and services	* 2 454	* 2 443	* 2 836	* 2 684	* 2 684	* 2 684	* 2 621		
<b>Transfers and subsidies</b>									
Provinces and municipalities									
Provinces									
Provincial Revenue Funds									
Provincial agencies and funds									
Households									
Social benefits									
Other transfers to households									
<b>Payments for capital assets</b>									
Machinery and equipment									
Transport equipment									
Other machinery and equipment									
Land and sub-soil assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>* 2 454</b>	<b>* 2 443</b>	<b>* 2 836</b>	<b>* 2 684</b>	<b>* 2 684</b>	<b>* 2 684</b>	<b>* 2 621</b>		

TABLE 11.23: TRANSFERS TO LOCAL GOVERNMENT BY CATEGORY AND MUNICIPALITY: DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Category A</b>	<b>4 051</b>	<b>2 743</b>							
Ekurhuleni		223							

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
City of Johannesburg	3 158	1 627							
City of Tshwane	893	893							
<b>Category B</b>	<b>6 215</b>								
Emfuleni									
Midvaal	490								
Lesedi	1 920								
Mogale City	480								
Merafong City	470								
Rand West City	2 855								
<b>Category C</b>	<b>1 968</b>	<b>5 488</b>			<b>5 000</b>	<b>5 000</b>	<b>4 000</b>		
Sedibeng District Municipality	818	2 818			2 000	2 000			
West Rand District Municipality	1 150	2 670			3 000	3 000	4 000		
Unallocated									
<b>Total transfers to municipalities</b>	<b>12 234</b>	<b>8 231</b>			<b>5 000</b>	<b>5 000</b>	<b>4 000</b>		

# VOTE 12

## DEPARTMENT OF SPORT, ARTS, CULTURE AND RECREATION

To be appropriated by vote in 2018/19	R 942 652 000
Responsible MEC	MEC for Sport, Arts, Culture and Recreation
Administering Department	Department of Sport, Arts, Culture and Recreation
Accounting Officer	Head of Department

### 1. OVERVIEW

#### Vision

An active, creative and modernised Gauteng City Region (GCR) contributing to sustainable economic growth and social cohesion.

#### Mission

In pursuit of the above vision, the Department of Sport, Arts, Culture and Recreation (DSACR) will work in an integrated manner to create an enabling environment for radical economic and accelerated social transformation for sporting, artistic and cultural excellence through:

- Facilitating talent identification and development in partnership with key stakeholders;
- Positioning the business of the sporting and creative industries as catalysts for sustainable economic growth;
- Modernising the economy through bidding for and hosting major sporting and cultural events;
- Providing universal access to sport, arts, cultural activities, library, archival services and facilities; and
- Identifying, promoting and preserving heritage.

#### The department's strategic goals are to:

- Transformed and modernised sport and a cultural landscape which contributes to social cohesion and nation building;
- Gauteng economically through the business of creative industries and sport;
- Develop, transform, promote and modernise sustainable library, information and archival services; and
- Develop a capable and activist administration which contributes to a modern developmental state to promote good governance.

#### Core functions and responsibilities

- The core mandate of the DSACR is to provide library and archival services and ensure access, increased participation and transformation of the sport, arts, culture and recreation sectors that benefit all citizens in the province.

#### Main services:

- Supporting the development of safe and secure communities through the implementation of integrated and sustainable recreational programmes at community level;
- Promoting sustainable livelihoods for artists, crafters and sport people;
- Developing young sporting and artistic talent so that they can take their rightful place in competitive sport and in the mainstream arts and culture sector;
- Implementing school sport mass participation programmes in schools across Gauteng in partnership with the Gauteng Department of Education;
- Rendering library, information and archival services;
- Creating opportunities for the sporting, artistic and cultural sectors to stage major events and tournaments in Gauteng; and Promoting nation-building and deepening the democracy through implementation of heritage programmes such as the commemoration and celebration of national days, heroes and heroines of the liberation struggle as well as developing heritage sites and monuments.

### **Ten Pillar Programme of the Transformation, Modernisation and Re-industrialisation Strategy**

As articulated by the mandate of the fifth administration, the department's programmes are anchored by the Ten Pillar Programme of the Transformation, Modernisation and Re-industrialisation Strategy aimed at radically transforming, modernising and re-industrialising Gauteng over the next five to 15 years.

To transform the structure of the economy and unlock the potential of different sectors, the department's programmes will contribute to:

- Revitalising and building township economies through creative industries and support for township businesses through procurement of sports equipment and attire;
- Supporting the development of key new projects and programmes that have the potential to address the twin policy imperatives of creating decent employment and greater economic inclusion. The support will be through the digitalisation of archives and libraries; tourism, heritage liberation routes and other heritage programmes; the creative industries; and the operationalisation of the Provincial Archives Centre, monuments and libraries;
- Expanding youth employment through the EPWP, school sport assistants, water safety instructors, cultural officers and library assistants in all the planned interventions.; and
- Significantly upscaling skills development for the Gauteng City Region economy in partnership with various industry players through people training to deliver school sport; training water safety instructors, athletes through club development and academy programme to participate in sport; providing bursaries for library science, archival and record management, and the visual and performing arts.

### **To accelerate social and economic transformation the following key priorities will be implemented:**

The NDP locates sport, recreation, arts and culture at the centre of well-being and social cohesion. In the National Sports Plan, sport is a cross-cutting factor that relates to proposals in the chapters on education, health and nation-building. To realise the NDP's transformative Vision 2030 of participation in sporting codes, the DSACR expands opportunities for participation in sport and recreation by providing a favourable environment for sport development in the province. It also uses arts and culture to foster values and facilitate dialogue and healing thus promoting social cohesion and common understanding. Cultural activities, art, sport and recreation play a major role in facilitating the sharing of common spaces. The use of sport and art foster identity formation, self-expression and value formation as well as contributing to the restoration of pride among diverse groups of South Africans. To achieve this, the department will:

- Build a united province and promote social cohesion, leveraging sport and creative talent to expand inclusive economic opportunities, transform social relations and address social ills such as xenophobia, racism and sexism through implementation of programmes such as Gauteng Social Cohesion Carnival, themed dialogues and social cohesion games (soccer and rugby) and the celebration and commemoration of liberation struggle icons as well as unsung heroes and heroines.
- Consolidate gains in education to further improve the quality of education through the construction and operationalisation of community and modular libraries. The department will implement reading programmes - such as the Born to Read initiative – as well as debates, public speaking, access to information and recreational reading programmes to inculcate a culture of reading and deepening knowledge.
- Promotion of healthy lifestyles through recreational sporting programmes such as indigenous games, sport for social change, aerobics, fun runs and walks, etc., in communities targeting children, youth, people with disabilities and the elderly. The Nelson Mandela Remembrance Walk will be expanded not only to promote heritage along the route but also to incorporate a fun run to attract fitness-conscious people. Learn to Swim - which is a water-safety educational programme - will also be implemented to ensure reduction of incidences of drowning among the people of Gauteng.
- Transform spatial development patterns, ensure decent living conditions and sustainable human settlements through the construction of community libraries and community multi-purpose sport and recreation facilities; operationalisation provincial archives and monuments (Kagiso Memorial, Women's Living Heritage and Boipatong Monuments).
- Expand community-based sport and cultural amenities across the Gauteng City Region. In addition to the libraries and sport multipurpose courts, the department will continue to plan and construct of new community libraries.
- Ensure effective measures to promote arts and culture which include the provision of financial support to artists so enabling the creation of work opportunities and expressing national creativity; developing sectoral determination legislation frameworks to protect arts-sector employees.
- Strengthen collaboration and cooperation between local and the provincial government to enhance integrated planning and service delivery through political and technical inter-governmental relations as well as cluster and hub programmes.

### **External activities and events relevant to budget decisions**

The rapid in-migration to Gauteng from other provinces and neighbouring countries presents challenges for programme implementation. The demand for services far outweighs the supply which creates a mismatch with the resources available. This migration to the province affects the work of the department and directly influences decisions as well as how limited resources should be used. The in-migration shapes the province's demographics. According to the Statistics South Africa mid-

year population estimates 2017, almost half (40%) of the population living in Gauteng were in-migrants and according to the 2015 Quality of Life Survey, provincial population growth is estimated at 3.5 per cent. This does not necessarily translate into related budgetary increases and has a huge impact on programme planning and levels of service delivery. Constraints on the fiscus owing to the larger economic context have had a substantive impact on conditional grants supporting mass participation and creation as well as community libraries.

### **Acts, rules and regulations**

- Gauteng Provincial Language Act (Act No. 3 of 2016);
- Gauteng Provincial Archives and Records Act (Act No.5. 2013).
- National Sport and Recreational Act (No. 110 of 1998, as amended in 2007);
- Gauteng Heritage Resources Regulations (Jan 2003, Notice 103 of 2003, Volume 9, No 4);
- National Council for Library and Information Services Act (Act No. 6 of 2001);
- National Heritage Resources Act, 1999 (Act No. 25 of 1999);
- National Heritage Council Act, 1999 (Act No. 11 of 1999);
- South African Geographical Names Council Act, 1998 (Act No. 118 of 1998);
- Culture Promotion Amendment Act, 1998 (Act No. 59 of 1998);
- Gauteng Arts and Culture Council Act (Act No. 11 of 1998);
- National Library for the Blind Act (Act No. 91 of 1998);
- National Arts Council Act, 1997 (Act No. 56 of 1997);
- Legal Deposit Act (Act No. 54 of 1997);
- National Archives and Record Services of South Africa Act (Act No. 43 of 1996);
- Pan South African Language Board Act, 1995 as amended (PANSALB) (Act No. 59 of 1995); and
- Heraldry Act, 1962 (Act No. 18 of 1962);

### **Generic national good governance legislation**

- Public Service Act, 1994 (as amended) and Public Service Regulations, 2016;
- Intergovernmental Relations Framework Act, 2005 (Act No. 13 of 2005);
- Broad Based Black Economic Empowerment Act, 2003;
- Promotion of Access to Information Act, 2000;
- Promotion of Administrative Justice Act, 2000;
- Preferential Procurement Policy Framework Act, 2000;
- Public Finance Management Act (PFMA), 1999 and Treasury Regulations Act, 1999;
- Employment Equity Act, 1998;
- Skills Development Act, 1998;
- Basic Conditions of Employment Act, 1997;
- South African Qualifications Authority Act, 1995;
- Labour Relations Act, 1995, as amended;
- Public Service Act, 1994, as amended; and
- Occupational Health and Safety Act, 1993.

## **2. REVIEW OF THE CURRENT FINANCIAL YEAR (2017/18)**

### **ACCELERATED SOCIAL TRANSFORMATION**

#### **Output 1: Improved quality basic education through school sport**

The department implemented the school sport programme in partnership with the Gauteng Department of Education (GDE) and National Department of Sport and Recreation. District and provincial school sport tournaments were hosted as part of school sport games benefitting 9 109 learners. These games also served as the selection for 886 Team Gauteng learners who participated at the National School Sport Competition. Furthermore, 35 school sport coordinators were appointed and 400 people were trained to deliver school sport programmes.

#### **Improved quality basic education through library reading programmes**

In an effort to inculcate the culture of reading and enhance knowledge to Gauteng citizens, the department implemented several library reading programmes during the year under review. These included recreational reading programmes such as storytelling, rhymes, sign languages and folktales which were conducted at various day care centres, libraries, old age homes and community centres throughout the five corridors. Debates, word ruffles, spelling bees and group public speaking activities were implemented at primary schools, secondary schools and correctional facilities.



**Output 2: Arts in Schools' Carnival**

The 2017 Arts School's Carnival was held on 24 September 2017 together with the Gauteng Social Cohesion Carnival. It benefited approximately 6 400 learners from 109 schools and provided 80 job opportunities to the choreographers who trained the learners for the parade.

**Output 3: Recreational Siyadlala Hub Programme**

The DSACR hosted various sporting recreational programmes which enhanced active participation by communities to promote healthy lifestyles and physical well-being. A total of 146 047 people actively participated in organised active recreation events. These included sport for social change, Arnold Classic Africa Games, move for health and training, indigenous games, Premier's social cohesion games, aerobics, fun walks/runs, the youth camp, holiday programmes during the festive season and the Minister's Outreach Programme.

**Output 4: Theatre, dance and music programmes**

In the period under review, the department financially supported the following eight arts and culture events. These were the Back to the City Hip Hop Festival, the South African Music Awards (SAMA) Nominee Launch, Van Toeka Af Music Festival, Moretele Tribute Concert, Moshito Music Conference and Exhibition, Brown Dash Tribute Concert, Ekurhuleni Spring Jump Off Festival and DJ Shimza One Man Show. The events assisted the province to achieve social cohesion by attracting approximately 45 000 people as audiences and creating about 7 000 jobs. Furthermore, Six Puisano live music showcases were hosted and three emerging theatre productions were supported financially.

**Output 5: Creative arts programme**

The department implemented dance, drama and music programmes in the five corridors. These programmes were implemented by 40 arts facilitators benefiting 9 286 participants. The Gauteng Social Cohesion Carnival was hosted on 24 September 2017. The event created temporary job opportunities for 3 292 people ranging from production, logistics such as transport, catering, etc., and an estimated 50 000 people attended the multi-cultural spectacle which was held in the City of Tshwane.

**Output 6: National/significant days commemorative events**

To celebrate national and significant days, six large-scale events were commemorated with various themes during the period under review. The department hosted the 2017 Freedom Day celebration at the Ga-Mothakga Resort in Atteridgeville on 27 April 2017; Youth Day was celebrated at the NASREC Expo Centre on 16 June 2017; International Mandela Day was held on 18 July 2017 at the Ikhayalomama centre in Swaneville in partnership with Mogale FM; National Women's Day was held on 9 August 2017 at the Lilian Ngoyi Square in Pretoria; Heritage Day was celebrated together with the 2017 Gauteng Social Cohesion Carnival on 24 September 2017 at Tshwane Events Centre. It is estimated that 90 000 people attended the six events.

**Output 7: Heritage resources**

The department identified and honoured 271 unsung heroes and heroines of the liberation struggle in partnership with stakeholders. The identified heroes and heroines will be registered on the memorial wall at Freedom Park following consultation with all the relevant stakeholders. Further, 23 promotional interventions on national symbols and orders were conducted to create and promote awareness on national symbols and national identity. A total of 5 100 identify booklets and 2 450 Women Living Heritage Monument booklets, 2 968 SA and AU flags and 260 constitution preamble posters were distributed to schools. The department promoted social cohesion by hosting seven themed community dialogues. Topics covered during the debates included the Africa Month Dialogue on migration and anti-xenophobia; Women's Empowerment Entrepreneurs; Gauteng Young Women in Sport; transforming society and uniting the nation dialogue; gangsterism and 16 days of Activism Against Women and Children abuse

**Output 8: Youth camp**

The youth camp was held from 1 – 7 October 2017 at Meulstroom benefiting 250 participants.

**Output 9: Sport development**

In effort to train people to deliver the club development programme, the department implemented first aid training and coaching courses benefiting 845 people in Gauteng. Six sport academies were supported by the department; and 1 477 athletes were supported through the academies programme.

**RADICAL ECONOMIC TRANSFORMATION****Output 1: Craft hub centres**

The product and enterprise development programmes were implemented in seven craft hubs. The department supported the 291 crafters to exhibit their products at thirteen market access initiatives platforms such as the Rand Show, Arnold Games Expo, an art exhibition at Ekurhuleni narrative centre, etc.

**Output 2: Filming**

Thirteen film productions were financially supported. A total of 707 people were trained in the film sector; 160 film permits for productions were supported; and 684 temporary jobs were directly created in the film sector. These jobs were created

through various productions such as *She is King*; *Zulu Wedding*; *Hip Hop Effect*; *Alone*; *Thesha*; *Comatose* and *Lost and Found*; *On the Way to Paradise*; *Child of a Revolution*; *Parole Camp*; *Family that Lost its Dignity*; *Womb Man* and *The Number*.

#### **Output 3: Financial aid**

The department provided funding to 10 municipalities for the operationalisation of community libraries in accordance with the directives of the National Department of Arts and Culture through the Community Library Conditional Grant. Seven organisations were financially supported to assist in inculcating the culture of reading. Furthermore, 30 organisations in the arts and culture sector - and 30 organisations from the sport sector - were supported.

#### **Output 4: Competitive sport**

The department hosted several major, community, signature and local sporting events which contributed to social and radical economic transformation. These included the Arnold Classic Africa Games 2017; the Premier's Social Cohesion International Rugby Match between South Africa "A" vs French Barbarians; and the double header between the Vodacom Blue Bulls vs the Xerox Golden Lions; the legacy projects which included the U14 Premier's Social Cohesion curtain raiser match between the Pirates Rugby Club and De La Salle College; Gauteng Women in Sport Dialogue 2nd Edition; Women in Boxing Gauteng 2017; Future Champions Gauteng U/17 football tournament; 2017 Old Mutual Soweto Marathon; Gauteng Champion of Champions 3rd Edition and 2018 Jo'burg Open.

### **MODERNISATION OF HUMAN SETTLEMENTS AND URBAN DEVELOPMENT DECISIVE SPATIAL TRANSFORMATION**

#### **Output 4: Library Infrastructure Projects**

Contractors for the construction of Atteridgeville, Kokosi and Akasia libraries were appointed during the third quarter of the year under review. Furthermore, contractors are on sites and construction is underway.

## **3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2018/2019)**

### **ACCELERATED SOCIAL TRANSFORMATION**

#### **Output 1: Improved quality basic education through school sport**

The department will implement the School Sport Mass Participation Programme in partnership with the GDE and Sport and Recreation South Africa (SRSA). This will be done in accordance with directives from SRSA and will focus on under-privileged schools as identified by the GDE. Events to be implemented include the winter, autumn and summer games which will provide opportunities to approximately 26 700 learners. Around 1 500 people - which includes learners - will benefit from the Learn to Swim Programme in the 2018/19 financial year and six focus schools will be supported to promote excellence in sports. Furthermore, 54 school sport coordinators will be appointed and training programmes for 500 people to deliver school sport programme will be conducted to improve the standard of school sport in the province. This will also ensure continuity of the programme at schools.

#### **Output 2: Creative Arts Programme: Arts in school**

The Arts in Schools Strategy will be implemented in partnership with the GDE and the National Department Arts and Culture, with an emphasis on art-focused schools. The department will coordinate and facilitate the implementation of Carnival Arts (performing and/or visual) and culture programmes in 110 schools. Arts and culture programmes (dance, drama and music) will be implemented in 40 schools. Approximately 6 400 learners from these schools will showcase their skills and talent through participation in the annual Gauteng Social Cohesion Carnival and provincial festivals.

#### **Output 3: Recreational Siyadlala Hub Programme**

The mass participation programme will be implemented in decentralised hubs within the communities of Gauteng to provide an opportunity for 170 000 community members to participate at 51 organised active recreation sport events to embrace a healthy and active lifestyle. These programmes will include Premier's Social Cohesion Programmes, aerobics, indigenous games, Move for Health, weekly fun runs/walks and sport for social change programmes. In partnership with the Gauteng Department of Social Development and the Gauteng Department of Health, the Active Ageing Programme will be introduced in more old age homes in the province in support of long and healthy lifestyles. Five community-based sport multipurpose combi-courts will be constructed. Community festive and Easter games (holiday programmes) will also be implemented to keep young people and learners engaged during school holidays to keep them busy and away from social ills.

#### **Output 4: Theatre and dance programmes**

The department will continue to support three emerging theatre productions and two performing arts (poetry and comedy) programmes. Five visual arts programmes will be implemented in public spaces and eight visual arts exhibitions will be conducted in the coming financial year. These will be organised to develop and promote arts and culture which will contribute to social as well as economic benefits for artists.

#### **Output 5: National/significant days commemorative events**

The department will work closely with strategic partners to continue to host and/or co-host six national day events to promote accelerated social transformation in the province. These days include Freedom Day on 27 April 2018, Youth Day on 16 June

2018, Mandela Day on 18 July 2018, Women’s Day on 9 August 2018, Heritage Day which will be celebrated with the Carnival on 24 September and Human Rights Day on 21 March 2019. The department will commemorate three icons of liberation struggle, including the centenary celebration of Nelson Mandela as well as 300 unsung liberation struggle heroes and heroines.

#### **Output 6: Heritage resources**

The department will operationalise Kagiso Memorial, the Women’s Living Heritage Monument and the Boipatong Monument. In an attempt preserve, promote and protect the heritage resources. The department will continue to research, grade and declare 25 heritage resources in partnership with strategic role-players including national and local government, the South African Heritage Resources Agency (SAHRA) and the Provincial Heritage Resource Agency of Gauteng (PHRA-G). Geographical names awareness campaigns will be implemented. Promotional intervention on national symbols and orders will be conducted through the distribution of AU and national flags, national identity booklets, constitution preamble posters to Gauteng schools.

#### **Output 7: Youth camp**

In partnership with other role players, one provincial youth camp will be hosted with 250 youth participants. This will provide youth at risk with valuable life skills. The primary objective is to develop the youth and empower them with the requisite values and knowledge that can assist them to become responsible, conscious citizens and strengthen their sense of patriotism, cultural diversity and national identity. This will contribute to creating safer and more secure communities.

#### **Output 8: Sport development**

The Sport Development Plan for Gauteng will be rolled out and will assist with the targeted approach to sports development. Capacity-building and training programmes for coaches, technical officials and administrators will be conducted. The department will continue to host the Gauteng Sport Awards, support 170 clubs, 27 hubs and 410 schools with equipment and attire. The department will continue to support six academies and 1 600 athletes through the sport academies programme. OR Tambo/Soncini Games as well as the Premier’s Social Cohesion Games will be hosted in the coming financial year. Furthermore, the department will participate in the Tri-colour Games which will be held in Italy. The Learn to Swim Programme - to promote water safety - will be implemented in all corridors to reduce instances of drowning in the province.

### **RADICAL ECONOMIC TRANSFORMATION**

#### **Output 1: Craft hub centres**

The department will explore all opportunities to implement the Craft Strategy so that crafters and other related industries gain maximum benefit from the programmes offered. The department will focus on implementing enterprise and product development in five craft hubs. Furthermore, it will facilitate access to various market platforms - such as the Soweto Expo - to display their talents and skills which will benefit them economically. The department is aiming to improve skills levels by training 30 fashion designers and 30 visual artists through a mentorship programme. It will also implement capacity-building programme which will benefit 170 practitioners.

#### **Output 2: Music**

The department will explore all opportunities to implement the Music Strategy focusing on eight Puisano live music showcases and the Gauteng Carnival so that musicians and other related industries gain maximum benefit from the programmes offered. This should enable them to create sustainable livelihoods for themselves and have access to various platforms to display their talents and skills for the benefit of the province.

#### **Output 3: Film**

The department will continue to create an enabling environment for all role players in the film sector to ensure that individuals, organisations and companies benefit from filming through the Gauteng Film Commission (GFC). It will actively position the province as a niche market for filming in the coming financial year. Support will be provided through the facilitation of 175 permits; 785 temporary jobs will be directly created in the sector through production support creation of film related jobs, and 500 young people will be trained in film-making. Approximately 31 000 individuals will be reached through exhibition of local content.

#### **Output 4: Financial Aid**

The department will provide funding to 10 municipalities for the operationalisation of community libraries in accordance with the directives of the National Department of Arts and Culture through the Community Library Conditional Grant. Seven organisations will be financially supported to assist in inculcating the culture of reading. It will also provide funding to 30 organisations in the arts and culture sectors - whose missions are aligned with radical economic transformation - and 30 organisations from the sport sector. The Department will also partner with sector rights holders to implement programmes in line with the provincial bidding and hosting strategy.

#### **Output 5: Sport, arts and culture events**

The province will continue to bid for, and host, national and international sport, arts and culture events through strategic partnerships as per approved agreements. Such opportunities will be leveraged by supporting and coordinating the attraction

of nine sporting events such as the Mandela Remembrance Walk and run, #Boxing is Back, the Soweto Marathon, International Rugby, Arnold Classic Games, Gauteng Future Champions U/17, Sunshine Tour Golf Partnership, Gauteng Top 8 Women's Football Tournament, etc. as well as seven arts and culture events including the Gauteng Social Cohesion Carnival. The programmes also contribute to the modernisation of the economy by supporting the development of township enterprises and SMMEs that produce goods and services (sport equipment and attire) that meet the needs of township residents as well as by creating jobs to Gauteng citizens.

## MODERNISATION OF HUMAN SETTLEMENTS AND URBAN DEVELOPMENT DECISIVE SPATIAL TRANSFORMATION

### Output 1: Library infrastructure projects

The department will continue with the construction of six libraries and planning for five new libraries. To modernise community libraries continuously, 21 libraries will be upgraded with ICT infrastructure. Workstations for visually impaired individuals will be installed.

### Output 2: Provincial archives services

The construction of the Provincial Archives Centre is complete and the department will focus on operationalising the centre in the next financial year. Furthermore, 24 registry inspections within governmental bodies will be conducted and four training sessions for records managers will be provided to improve library, information and archival services. The registries of governmental bodies are inspected to assist them to comply with legislative requirements regarding records management in Gauteng.

## 4. REPRIORITISATION

The department will continue to implement sound fiscal discipline and review its operations to identify cost-savings while implementing cost-cutting measures and redirecting resources towards essential services. The budget of the department is aligned to its strategic plan the mandate according to the national and provincial priorities.

For the 2018/19 financial year the department reprioritised funding and integrate community-based programmes to ensure that the Gauteng Social Cohesion Carnival, the commemorative day celebrations, focussed sport and recreation programmes and the integrated social cohesion holiday programmes on corridor level are resourced and well positioned. Funding of R 27 million was reprioritised to enhance the projects and programmes with a high-impact value.

## 5. PROCUREMENT

The department requires that all procurement plans are aligned with projects and budgets. This undertaking must be complied with for the effective and efficient running of the department. The procurement plans enable the department to comply with government guidelines, policies and regulations for effective and principled procurement reflecting the Five Pillars of Procurement.

The department will continue to ensure that the procurement of goods and services is done in a timely manner and will adhere to the provincial drive to support township economies and meet the targets set for preferential procurement. The major procurement to be undertaken will relate to the hosting of major events, celebration of commemorative days and finalisation of existing infrastructure projects as well as the provision of multipurpose sports facilities in communities. Strategic sourcing principles will be implemented and the department is currently considering open tenders for the provision of the following cost drivers to ensure seamless procurement:

- Library and office furniture;
- Removal and transport of archival records;
- Sport equipment and attire; and
- Events management services.

The roll-out of the corridor-based programmes will also enhance the support and empowerment of township-based enterprises.

## 6. RECEIPTS AND FINANCING

### 6.1 Summary of receipts

TABLE 12.1: SUMMARY OF RECEIPTS: DEPARTMENT OF SPORT, ARTS, CULTURE AND RECREATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Equitable share	438 305	539 458	580 009	614 697	651 963	651 963	685 177	720 465	794 694

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Conditional grants	225 103	255 466	268 992	260 639	260 981	260 981	257 475	269 241	284 981
Community Library Services Grant	125 608	162 602	181 152	172 428	172 770	172 770	168 530	177 784	187 681
Mass Participation and Sport Development Grant	94 915	89 864	83 616	84 509	84 509	84 509	85 482	91 457	97 300
Expanded Public Works Programme Integrated Grant for Provinces	2 000	2 000	2 024	2 206	2 206	2 206	2 000		
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	2 580	1 000	2 200	1 496	1 496	1 496	1 463		
<b>Total receipts</b>	<b>663 408</b>	<b>794 924</b>	<b>849 001</b>	<b>875 336</b>	<b>912 944</b>	<b>912 944</b>	<b>942 652</b>	<b>989 706</b>	<b>1 079 675</b>

Total receipts consist of provincial equitable share and national conditional grants. The provincial equitable share increased from R438.3 million in 2014/15 to R580 million in 2016/17, an increase of 32 per cent. The increase over the years was due to the allocation of funds for the construction of the Provincial Archives Centre, the operationalisation of monuments and the bidding and hosting of events namely, the under 17 Future Champions tournament, the Southern Sunshine golf tournament and the Arnold Games as well as annual inflationary growth.

The national conditional grants include the Community Library Services Grant, the Mass Participation and Sport Development Grant and the Expanded Public Works Programme (EPWP) Integrated and Social Sector grants. The expenditure for conditional grants increased by 19 per cent from R225.1 million in 2014/15 to R268.9 million in 2016/17 owing to an increase in allocation for the construction and operationalisation of community libraries, the creation of jobs and to strengthen support for social cohesion and increase mass participation in sport and recreation activities.

The 2018 MTEF allocation for equitable share increased by 16 per cent from R685.2 million in 2018/19 to R794.7 million in 2020/21. The conditional grants allocations increase by 11 per cent from R257.5 million in 2018/19 to R284.9 million in the 2020/21 financial year for the construction and operationalisation of the libraries and to strengthen transformation within communities and social cohesion through sport and recreation activities.

## 6.2 Departmental receipts

TABLE 12.2: SUMMARY OF DEPARTMENTAL RECEIPTS: DEPARTMENT OF SPORT, ARTS, CULTURE AND RECREATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Tax receipts									
Sales of goods and services other than capital assets	265	291	302	310	310	310	311	312	329
Interest, dividends and rent on land	4	162	228	14	14	16	14	15	16
Transactions in financial assets and liabilities	164	206	61	68	68	68	72	76	80
<b>Total departmental receipts</b>	<b>433</b>	<b>659</b>	<b>591</b>	<b>392</b>	<b>392</b>	<b>394</b>	<b>397</b>	<b>403</b>	<b>425</b>

The department's revenue-generating capacities are limited. As a result, revenue collected consists mainly of parking fees for officials, recoveries of expenditure or payments with regard to claims for the recovery of goods or services. Other revenue sources include miscellaneous interest from debt recoveries and commission received for collection of insurance premiums. The department increased its collection by 54 per cent from R433 000 in 2014/15 to R667 000 in 2016/17 owing to revenue collection of debt recovery and interest earned. The 2018 MTEF total departmental own receipts will increase by 7 per cent from R397 000 in 2018/19 to R425 000 in 2020/21.

## 7. PAYMENT SUMMARY

### 7.1 Key assumptions

The key assumption underpinning this budget is the reprioritisation process during the 2018 MTEF aligning the strategic plan of the department with the mandate of the provincial government and provincial outcomes.

The department has budgeted for a 14.4 per cent increase on compensation of employees for the 2018/19 financial year.



The following elements have been considered when budgeting for staff, goods and services:

- The number of staff and the implementation of the organisational structure;
- Basic salary costs including improvements of conditions of service adjustment from 1 April each year;
- Increase of benefits such as medical aid and home owners' allowance based on bargaining council agreements;
- Inflation on related items such as goods and services based on headlines CPI projections; and
- Upgrading of infrastructure facilities including libraries.

## 7.2 Programme summary

TABLE 12.3: SUMMARY OF PAYMENTS AND ESTIMATES: SPORT, ARTS, CULTURE, AND RECREATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Administration	118 856	130 629	143 873	117 119	145 279	145 279	128 192	141 891	149 531
2. Cultural Affairs	104 751	113 430	177 196	190 423	185 052	185 052	205 456	212 729	242 381
3. Library And Archives Services	230 052	278 178	255 512	280 609	285 565	285 564	300 538	318 339	330 514
4. Sport And Recreation	188 947	182 096	233 531	287 185	297 048	297 048	308 466	316 747	357 249
<b>Total payments and estimates</b>	<b>642 606</b>	<b>704 333</b>	<b>810 112</b>	<b>875 336</b>	<b>912 944</b>	<b>912 943</b>	<b>942 652</b>	<b>989 706</b>	<b>1 079 675</b>

## 7.3 Summary of economic classification

TABLE 12.4: SUMMARY OF ECONOMIC CLASSIFICATION: SPORT, ARTS, CULTURE AND RECREATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>361 838</b>	<b>386 916</b>	<b>482 153</b>	<b>513 196</b>	<b>491 028</b>	<b>490 116</b>	<b>593 107</b>	<b>614 926</b>	<b>689 341</b>
Compensation of employees	174 633	183 836	214 855	263 637	244 681	244 545	307 713	340 594	362 433
Goods and services	187 205	202 493	267 085	249 560	246 347	245 562	285 394	274 332	326 908
Interest and rent on land		587	213			9			
<b>Transfers and subsidies to:</b>	<b>106 291</b>	<b>155 391</b>	<b>176 525</b>	<b>190 983</b>	<b>247 877</b>	<b>248 789</b>	<b>264 369</b>	<b>275 199</b>	<b>289 212</b>
Provinces and municipalities	55 666	103 111	126 116	129 097	129 882	129 882	139 598	148 415	155 454
Departmental agencies and accounts	24 747	25 993	28 397	28 766	28 766	28 766	30 434	32 139	33 907
Non-profit institutions	24 832	25 249	19 974	32 170	88 621	89 396	94 237	94 011	99 182
Households	1 046	1 038	2 038	950	608	745	100	634	669
<b>Payments for capital assets</b>	<b>174 477</b>	<b>161 636</b>	<b>150 465</b>	<b>171 157</b>	<b>174 039</b>	<b>174 038</b>	<b>85 176</b>	<b>99 581</b>	<b>101 122</b>
Buildings and other fixed structures	167 696	152 774	137 055	153 125	162 107	162 107	61 636	82 510	81 713
Machinery and equipment	6 538	8 646	13 317	18 031	11 852	11 851	23 540	17 071	19 409
Software and other intangible assets	243	216	93						
<b>Payments for financial assets</b>		<b>390</b>	<b>969</b>						
<b>Total economic classification</b>	<b>642 606</b>	<b>704 333</b>	<b>810 112</b>	<b>875 336</b>	<b>912 944</b>	<b>912 943</b>	<b>942 652</b>	<b>989 706</b>	<b>1 079 675</b>

The department's expenditure increased from R642.6 million in 2014/15 to R810.1 million in 2016/17, an increase of 26 per cent owing to the construction of the Women's Living Heritage Monument, the Provincial Archive Centre and sport infrastructure project.

The expenditure on compensation of employees increased by 23 per cent from R174.6 million in 2014/15 to R214.8 million in 2016/17. Goods and services decreased by 234.4 per cent from R187.2 million in 2014/15 to R267.0 million in 2016/17 due to the bidding and hosting of events and the operationalisation of the monuments.

Expenditure on transfers and subsidies increased by 66 per cent from R106.4 million in 2014/15 to R176.5 million in 2015/16 due to an increase allocation for provincial municipal transfers and increase in financial assistance to non-profit institutions.

The departmental allocation increased by 8 per cent from R875.3 million in 2017/18 main budget to R942.7 million in 2018/19. The increase was because of additional funding for the bidding and hosting of three signature events: the Arnold Games, Under 17 Future Champions and the Southern Sunshine Tour. The aim was to strengthen support for competitive sport and to increase nation-building and social cohesion. Also contributing to the increase was additional funding for the construction of libraries and refurbishment of the HM Pitje stadium, the operationalisation of the monuments (Women's Living Monument, the Kagiso Monument and the Boipatong Memorial) and multipurpose sport facilities. The total departmental allocation increased from R942.7 million in 2018/19 main budget to R1 billion in 2020/21 owing to increases in earmarked

funding for infrastructure-related projects, sport and recreation projects such as Tri-Colour Games 2018 and the Premier's Social Cohesion Integrated Holiday programmes.

## 7.4 Infrastructure payments

### 7.4.1 Departmental infrastructure payments

Please refer to the 2018 Estimates of Capital Expenditure (ECE)

### 7.4.2 Departmental Public-Private-Partnership (PPP) projects

N/A

## 7.5 Transfers

### 7.5.1 Transfers to public entities

N/A

### 7.5.2 Transfers to other entities

TABLE 12.5: SUMMARY OF DEPARTMENTAL TRANSFERS TO ENTITIES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Gauteng Film Commission	24 747	25 993	27 397	28 767	28 767	28 767	30 435	32 140	33 908
<b>Total departmental transfers</b>	<b>24 747</b>	<b>25 993</b>	<b>27 397</b>	<b>28 767</b>	<b>28 767</b>	<b>28 767</b>	<b>30 435</b>	<b>32 140</b>	<b>33 908</b>

The expenditure of the Gauteng Film Commission (GFC) increased by 11 per cent from R24.7 million in 2014/15 to R27.4 million in 2016/17 owing to inflation adjustments. The 2018 MTEF allocation increase by 11 per cent from R30.4 million in 2018/19 to R33.9 million in 2020/21. The GFC seeks to strengthen development and support in the film and TV industry through employment opportunities as well as industry training and developmental programmes.

### 7.5.3 Transfers to local government

TABLE 12.6: SUMMARY OF DEPARTMENTAL TRANSFERS TO LOCAL GOVERNMENT BY CATEGORY

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Category A	19 173	42 030	43 120	40 483	41 837	41 837	45 000	47 000	49 500
Category B	35 993	58 578	79 696	85 814	85 245	85 245	89 420	95 100	100 500
Category C	500	2 503	3 300	2 800	2 800	2 800	5 178	5 315	5 454
Unallocated									
<b>Total departmental transfers</b>	<b>55 666</b>	<b>103 111</b>	<b>126 116</b>	<b>129 097</b>	<b>129 882</b>	<b>129 882</b>	<b>139 598</b>	<b>147 415</b>	<b>155 454</b>

The expenditure increased by 126.5 per cent from R55.7 million in 2014/15 to R126.1 million in 2016/17 owing to an increase in transfers to Category A and B municipalities for the construction and operationalisation of libraries.

The transfers under Category A municipalities increased by 124.9 per cent from R19.1 million in the 2014/15 to R43.1 million in 2016/17. The expenditure under Category B increased by 121.4 per cent from R36 million in 2014/15 to R79.7 million in 2016/17. These increases were owing to the ongoing operationalisation of the community libraries.

Over the 2018 MTEF, the allocation increases by 11 per cent from R137.2 million in 2018/19 to R152.8 million in 2020/21 to make provision for the operationalisation and digitalisation of the libraries.

## 8. Programme Description

### PROGRAMME 1: ADMINISTRATION

#### Programme description

The aim of the Administration Programme is to provide political and strategic direction and to support the department by providing corporate management services. It primarily contributes to SACR Strategic Goal: A capable and activist administration which contributes to a modern developmental state to promote good governance.

#### Programme objectives

Provide innovative and integrated strategic support services.



TABLE 12.7: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Office Of The Mec	6 956	9 308	6 554	6 718	9 801	9 801	7 660	8 090	8 536
2. Corporate Services	111 900	121 321	137 319	110 401	135 478	135 478	120 532	133 801	140 995
<b>Total payments and estimates</b>	<b>118 856</b>	<b>130 629</b>	<b>143 873</b>	<b>117 119</b>	<b>145 279</b>	<b>145 279</b>	<b>128 192</b>	<b>141 891</b>	<b>149 531</b>

TABLE 12.8: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>115 434</b>	<b>125 365</b>	<b>137 572</b>	<b>113 637</b>	<b>141 927</b>	<b>141 927</b>	<b>125 908</b>	<b>139 480</b>	<b>146 987</b>
Compensation of employees	80 898	82 185	95 764	77 202	105 362	105 362	88 397	99 802	105 125
Goods and services	34 536	42 603	41 595	36 435	36 565	36 556	37 511	39 678	41 862
Interest and rent on land		577	213			9			
<b>Transfers and subsidies to:</b>	<b>396</b>	<b>620</b>	<b>724</b>	<b>150</b>	<b>60</b>	<b>60</b>			
Provinces and municipalities									
Households	396	620	724	150	60	60			
<b>Payments for capital assets</b>	<b>3 026</b>	<b>4 559</b>	<b>4 688</b>	<b>3 332</b>	<b>3 292</b>	<b>3 292</b>	<b>2 284</b>	<b>2 411</b>	<b>2 544</b>
Buildings and other fixed structures	326	783	43						
Machinery and equipment	2 457	3 776	4 645	3 332	3 292	3 292	2 284	2 411	2 544
Software and other intangible assets	243								
<b>Payments for financial assets</b>		<b>85</b>	<b>889</b>						
<b>Total economic classification</b>	<b>118 856</b>	<b>130 629</b>	<b>143 873</b>	<b>117 119</b>	<b>145 279</b>	<b>145 279</b>	<b>128 192</b>	<b>141 891</b>	<b>149 531</b>

The expenditure in this programme increased by 21 per cent from R118.9 million in 2014/15 to R143.9 million in 2016/17 owing to cost-containment measures.

Expenditure on compensation of employees increased by 18 per cent from R80.9 million in 2014/15 to R95.8 million in 2016/17 owing to cost-of-living adjustments and other salary-related costs as well as the filling of vacancies in line with the recruitment plan. Goods and services expenditure increased by 20 per cent from R34.5 million in 2014/15 to R41.6 million in 2016/17.

Transfers and subsidies increased by 83 per cent from R396 000 in 2014/15 to R724 000 in 2016/17 owing to an increase in leave gratuity.

Payments for capital assets decreased by 55 per cent from R3 million in 2014/15 to R4.7 million in 2016/17 owing to decentralisation of the machinery and equipment budget to the core programmes. The 2018 MTEF allocation for capital assets increased by 11 per cent from R2.3 million in 2018/19 to R2.5 million in 2020/21 to make provision for the replacement and procurement of ICT equipment for staff members.

The 2018 MTEF allocation increased by 22 per cent from R128.1 million in 2018/19 to R150 million in 2020/21 to ensure that good governance is enhanced and service delivery is improved. The increase in the 2018 MTEF allocation for goods and services of 11 per cent from R37.5 million in 2018/19 to R41.8 million in 2020/21 is owing to inflationary adjustments.

## PROGRAMME 2: CULTURAL AFFAIRS

### Programme description

The aim of the Cultural Affairs Programme is to identify, develop, support, promote, preserve and protect arts and heritage resources in the Province. In so doing, the programme contributes to the following DSACR strategic goals by:

- Enhancing the implementation of integrated and sustainable arts, culture and recreation programmes; and
- Transforming Gauteng economically through creative and cultural industries.

### Programme objectives

- Repositioning and retaining Gauteng as the home of creative industries through intensified talent identification development and nurturing in arts and culture.
- Cultivating, facilitating and enhancing a conducive environment which will allow Gauteng to excel in the creative industry.
- Hosting and retaining major events cultural events.

- Accelerating the transformation of the provincial heritage landscape.
- Promoting and fostering constitutional values and multilingualism.

**TABLE 12.9: SUMMARY OF PAYMENTS AND ESTIMATES: CULTURAL AFFAIRS**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Management	4 600	6 290	6 968	7 279	7 279	7 953	7 766	8 200	8 653
2. Arts & Culture	64 805	71 010	102 008	97 256	89 918	89 231	111 550	115 678	127 935
3. Heritage Resource Services	34 691	34 414	66 400	82 186	85 829	85 829	82 183	84 673	101 384
4. Language Services	655	1 716	1 820	3 703	2 026	2 040	3 957	4 178	4 409
<b>Total payments and estimates</b>	<b>104 751</b>	<b>113 430</b>	<b>177 196</b>	<b>190 423</b>	<b>185 052</b>	<b>185 052</b>	<b>205 456</b>	<b>212 729</b>	<b>242 381</b>

**TABLE 12.10: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: CULTURAL AFFAIRS**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>69 963</b>	<b>74 313</b>	<b>106 869</b>	<b>112 507</b>	<b>105 008</b>	<b>104 880</b>	<b>162 190</b>	<b>166 644</b>	<b>193 760</b>
Compensation of employees	18 512	21 683	29 229	53 039	33 442	33 313	60 269	66 783	70 458
Goods and services	51 451	52 630	77 640	59 467	71 566	71 567	101 921	99 861	123 302
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>34 685</b>	<b>37 556</b>	<b>38 379</b>	<b>39 666</b>	<b>41 666</b>	<b>41 795</b>	<b>39 812</b>	<b>42 437</b>	<b>44 772</b>
Provinces and municipalities							2 378	2 515	2 654
Departmental agencies and accounts	24 747	25 993	28 397	28 766	28 766	28 766	30 434	32 139	33 907
Non-profit institutions	9 934	11 461	9 944	10 900	12 900	12 900	7 000	7 783	8 211
Households	4	102	38			129			
<b>Payments for capital assets</b>	<b>103</b>	<b>1 265</b>	<b>31 948</b>	<b>38 251</b>	<b>38 378</b>	<b>38 377</b>	<b>3 454</b>	<b>3 648</b>	<b>3 849</b>
Buildings and other fixed structures		1 145	30 000	34 985	35 032	35 032			
Machinery and equipment	103	120	1 948	3 266	3 266	3 266	3 454	3 648	3 849
Software and other intangible assets									
<b>Payments for financial assets</b>		<b>296</b>							
<b>Total economic classification</b>	<b>104 751</b>	<b>113 430</b>	<b>177 196</b>	<b>190 423</b>	<b>185 052</b>	<b>185 052</b>	<b>205 456</b>	<b>212 729</b>	<b>242 381</b>

The expenditure increased by 69 per cent from R104.8 million in 2014/15 to R177.2 million in 2016/17 owing to an increase in arts and cultural projects, operationalisation of the hubs and memorials and their contents and the increase in transfers to the Gauteng Film Commission.

The expenditure for compensation of employees increased by 58 per cent from R18.5 million in 2014/15 to R29.2 million in 2016/17 owing to the filling of posts in line with the recruitment plan. Goods and services expenditure increased by 51 per cent from R51.4 million in 2014/15 to R77.6 million in 2016/17 owing to the increased allocation for the operationalisation of monuments and hubs.

The overall budget allocation increased by 8 per cent from R190.4 million in 2017/18 main budget to R205.4 million in 2018/19 owing to funding for the operationalisation of monuments and the completion of the Women's Living Heritage Monument.

The increase in compensation of employees of 14 per cent from R53 million in 2017/18 main budget to R60.3 million in 2018/19 is because of the permanent appointment of contract workers and the realignment of staff in hubs from Programme 4: Sport and Recreation who provide services for cultural activities as per the new organisational structure. The transfers and subsidies allocation decreased by 6 per cent from R39.7 million in 2017/18 main budget to R37.4 million in 2018/19 because of enhanced implementation of various arts and culture mass participation programmes by the department across the province.

The 2018 MTEF allocation increases by 18 per cent from an amount of R205.4 in 2018/19 to R242.4 in 2020/21 owing to an increased allocation for operationalisation of monuments as well as increased support and coordination of language services and major arts and culture events, such as the Commemoration Days, the Gauteng Carnival, music festivals and indigenous games.

## SERVICE DELIVERY MEASURES

**PROGRAMME 2: CULTURAL AFFAIRS**

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of EPWP job opportunities created	70	70	70	70
Number of community structures supported	60	60	60	60
Number of community conversation/dialogues conducted	9	9	9	9
Number of practitioners benefitting from capacity building programmes	146	270	270	270
Annual Gauteng social cohesion Carnival hosted	Gauteng social cohesion Carnival hosted	Gauteng social cohesion Carnival hosted	Gauteng social cohesion Carnival hosted	Gauteng social cohesion Carnival hosted
Number of jobs created through the Carnival	2 550	3 544	3 544	3 550
Number of craft hubs implementing Product and Enterprise Development Programmes (non- cumulative)	5	5	5	5
Number of Puisano live music showcases hosted	7	6	7	8
Number of arts and culture events supported (signature, local and community)	6	6	6	8
Number of market access initiatives implemented	3	5	5	5
Number of national and historical days celebrated	6	6	6	6
Number of promotional interventions on National Symbols and Orders conducted	25	30	50	50
Number of oral history project undertaken	1	1	1	1
Number of language coordinating structures supported	1	1	1	1
Number of Gauteng heritage sites graded and provisionally declared	25	25	25	25
Number of prominent heroes and heroines of the liberation struggle commemorated	3	3	3	3
Number of heritage monuments supported	3	3	3	3
Number of temporary jobs directly created in the film sector	440	484	533	586
Number of productions funded by GFC	14	19	30	55
Number of individuals trained in the film industry	414	570	630	690

**PROGRAMME 3: LIBRARY AND ARCHIVES SERVICES****Programme description**

The purpose of the programme is to establish and maintain community libraries that provide access to knowledge, resources and services to meet the needs of individuals and groups for education, information and personal development. Libraries, as knowledge hubs, achieve the broad imperatives of socio-economic development and nation building.

The programme contributes to DSACR strategic goal: "Develop, transform, promote and modernise a sustainable library information and archives service."

**Programme objectives**

- Expand and recapitalise community-based facilities.
- Modernise libraries in terms of technological transformation.
- Inculcate the culture of reading to enhance knowledge.
- Transform and modernise the governance of library and information services.
- Collect, preserve the knowledge base and provide access to the province's archival records.

**TABLE 12.11: SUMMARY OF PAYMENTS AND ESTIMATES: LIBRARY AND ARCHIVES SERVICES**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Management	1 190	5 241	1 193	1 595	3 268	3 268	1 801	1 902	2 006
2. Library Services	138 417	143 652	179 308	223 404	225 447	225 447	251 761	266 830	276 172
3. Archives	90 445	129 285	75 011	55 610	56 850	56 850	46 976	49 607	52 336
<b>Total payments and estimates</b>	<b>230 052</b>	<b>278 178</b>	<b>255 512</b>	<b>280 609</b>	<b>285 565</b>	<b>285 564</b>	<b>300 538</b>	<b>318 339</b>	<b>330 514</b>

**TABLE 12.12: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: LIBRARY AND ARCHIVES SERVICES**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>7 767</b>	<b>21 562</b>	<b>16 264</b>	<b>47 825</b>	<b>35 826</b>	<b>35 825</b>	<b>83 297</b>	<b>79 231</b>	<b>83 592</b>
Compensation of employees	5 129	10 462	8 279	28 469	10 056	10 056	46 090	53 270	56 199
Goods and services	2 638	11 100	7 985	19 356	25 770	25 769	37 207	25 961	27 393
Interest and rent on land									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Transfers and subsidies to:</b>	<b>55 804</b>	<b>103 212</b>	<b>127 492</b>	<b>131 897</b>	<b>133 152</b>	<b>133 152</b>	<b>140 220</b>	<b>147 326</b>	<b>154 305</b>
Provinces and municipalities	55 666	103 111	126 116	129 097	129 882	129 882	137 220	145 900	152 800
Non-profit institutions			400	2 000	2 900	2 900	2 900	792	836
Households	138	101	976	800	370	370	100	634	669
<b>Payments for capital assets</b>	<b>166 481</b>	<b>153 395</b>	<b>111 676</b>	<b>100 887</b>	<b>116 588</b>	<b>116 587</b>	<b>77 021</b>	<b>91 782</b>	<b>92 617</b>
Buildings and other fixed structures	164 147	150 846	106 325	91 886	112 589	112 589	60 436	82 510	81 713
Machinery and equipment	2 334	2 333	5 258	9 001	3 998	3 998	16 585	9 272	10 904
Software and other intangible assets		216	93						
<b>Payments for financial assets</b>		<b>9</b>	<b>80</b>						
<b>Total economic classification</b>	<b>230 052</b>	<b>278 178</b>	<b>255 512</b>	<b>280 609</b>	<b>285 565</b>	<b>285 564</b>	<b>300 538</b>	<b>318 339</b>	<b>330 514</b>

Programme expenditure increased by 11 per cent from R230.1 million in 2014/15 to R255.5.6 million in 2016/17 owing to an increase in conditional grants and an allocation for the building of a provincial archive centre.

Compensation of employees' expenditure increased by 61.4 per cent from R5.1 million in 2014/15 to R11.8 million in 2016/17 due to the appointment of staff and cost of living adjustments.

Expenditure on transfers and subsidies increased by 128.5 per cent from R55.8 million in 2014/15 to R127.5 million in 2016/17 owing to the transfers to municipalities for operationalisation of libraries.

Payments for capital assets decreased by 33 per cent from R156.5 million in 2014/15 to R111.7 million in 2016/17 owing to the construction of the Provincial Archives Centre and the new libraries.

The total allocation increased from R280.6 million in 2017/18 main budget to R300.5 million in 2018/19 owing to the allocation for the construction of libraries. The 2018 MTEF allocation to compensation of employees increased by 16 per cent from R46.1 million in 2018/19 to R56.2 million in 2020/21 owing to the appointment of staff for the operationalisation of the Provincial Archives Centre. The allocation to transfers and subsidies increased by 14 per cent from R140.2 million in 2018/19 to R159.6 million in 2010/21 for the operationalisation and the digital modernisation of libraries. The allocation for payment of capital assets increased by 20 per cent from R77 million in 2018/19 to R92.6 million in 2020/21 owing to the completion of libraries in 2020/21 that will need to be furnished.

## SERVICE DELIVERY MEASURES

### PROGRAMME 3: LIBRARY AND ARCHIVES SERVICES

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of library materials procured	150	150	150	160
Number of new libraries built	3	6 under construction	Construction of 6 libraries continues	3
Number of libraries upgraded	1	1	2	2
Number of library community outreach programmes in libraries conducted	4	4	5	4
Number of library community outreach programmes in archives conducted	2	3	3	3
Number of municipalities financially supported to provide library services	10	10	10	10
Number of subscriptions for e-services and resources renewed	6	6	6	6
Archives centre established and operationalised	Construction of archives centre completed	Archives centre operational	Archival services rendered	Archival services rendered
Number of archives and records management trainings programmes conducted	4	6	6	6
Number of workstations for the virtually impaired individuals established in libraries	7	7	7	7

### PROGRAMME 4: SPORT AND RECREATION

### Programme description

The aim of the programme is to promote sport and recreation as well as school sport; facilitate talent identification; and promote sport development and high performance to make Gauteng the home of champions.

### Programme objectives

- Reposition and retain Gauteng as the Home of Champions through intensified talent identification, development and nurturing in sport.
- Transform and promote socially inclusive sport and recreational programmes.
- Expand community-based sport facilities.
- Create a competitive edge to enhance Gauteng as a cornerstone for business in sport.
- Create an enabling environment for growth in the sport and recreation sector by identifying and developing talents towards excellence.

### Key policies, priorities and outputs

- National sport plan

TABLE 12.13: SUMMARY OF PAYMENTS AND ESTIMATES: SPORT AND RECREATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Management	6 312	11 340	7 959	5 752	9 448	9 448	8 054	8 505	8 973
2. Sport	68 861	61 167	105 879	113 288	116 215	116 215	140 786	141 879	156 669
3. Recreation	72 351	70 028	80 413	129 218	133 640	132 675	119 877	123 798	141 603
4. School Sport	41 423	39 561	39 280	38 927	37 745	38 710	39 749	42 565	50 004
<b>Total payments and estimates</b>	<b>188 947</b>	<b>182 096</b>	<b>233 531</b>	<b>287 185</b>	<b>297 048</b>	<b>297 048</b>	<b>308 466</b>	<b>316 747</b>	<b>357 249</b>

TABLE 12.14: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: SPORT AND RECREATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>168 674</b>	<b>165 676</b>	<b>221 448</b>	<b>239 228</b>	<b>208 267</b>	<b>207 484</b>	<b>221 712</b>	<b>229 571</b>	<b>265 002</b>
Compensation of employees	70 094	69 506	81 583	104 926	95 821	95 814	112 957	120 739	130 651
Goods and services	98 580	96 160	139 865	134 301	112 446	111 670	108 755	108 832	134 351
Interest and rent on land		10							
<b>Transfers and subsidies to:</b>	<b>15 406</b>	<b>14 003</b>	<b>9 930</b>	<b>19 270</b>	<b>72 999</b>	<b>73 782</b>	<b>84 337</b>	<b>85 436</b>	<b>90 135</b>
Non-profit institutions	14 898	13 788	9 630	19 270	72 821	73 596	84 337	85 436	90 135
Households	508	215	300		178	186			
<b>Payments for capital assets</b>	<b>4 867</b>	<b>2 417</b>	<b>2 153</b>	<b>28 687</b>	<b>15 782</b>	<b>15 782</b>	<b>2 417</b>	<b>1 740</b>	<b>2 112</b>
Buildings and other fixed structures	3 223		687	26 254	14 486	14 486	1 200		
Machinery and equipment	1 644	2 417	1 466	2 433	1 296	1 296	1 217	1 740	2 112
<b>Total economic classification</b>	<b>188 947</b>	<b>182 096</b>	<b>233 531</b>	<b>287 185</b>	<b>297 048</b>	<b>297 048</b>	<b>308 466</b>	<b>316 747</b>	<b>357 249</b>

The increase in expenditure of 24 per cent from R188.9 million in 2014/15 to R233.5 million in 2016/17 is owing to expenditure incurred on provincial major events.

The compensation of employees' expenditure increased by 16 per cent from R70 million in 2014/15 to R81.6 million in 2016/17 because of the realignment of the staff budget in the department.

Expenditure on goods and services increased by 42 per cent from R98.5 million in 2014/15 to R139.8 million in 2016/17 owing to the implementation of new projects in the province in collaboration with the Office of the Premier.

Payments for capital assets decreased by 56 per cent from R4.9 million in 2014/15 to R2.1 million in 2016/17 owing to a decreased allocation for the upgrading of sporting facilities in communities.

The 2018 MTEF budget increases by 16 per cent from R308.5 million in 2018/19 to R357.2 million in 2021/21 owing to the allocation for the continuation of Premier's Social Cohesion Integrated Holidays Programme and additional allocation for the Tri-Colour Games. Provision is also made for bidding and hosting of three signature events: the Arnold Games, Under 17 Future Champions and the Southern Sunshine Tour to fund competitive sport. The allocation to compensation of employees increases from R112.9 million in 2018/19 to R130.6 million in 2020/21 owing to the permanent appointment of contract workers in the hubs and inflationary-related adjustments. The allocation to transfers and subsidies increased from R19.3 million in 2017/18 main budget to R84.3 million in 2018/19 mainly attributed to the construction of multipurpose sports

courts for implementation by the Sport Trust on behalf of the department and to support organisations for the coordination of major signature sporting events.

## SERVICE DELIVERY MEASURES

### PROGRAMME 4: SPORT AND RECREATION

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of schools, hubs and clubs provided with equipment and/or attire as per the established norms and standards	400	410 Schools	410 Schools	500 Schools
	27	27 Hubs	27 Hubs	27 Hubs
	180	160 Clubs	170 Clubs	170 Clubs
Number of sport academies supported	6	6	6	6
Number of athletes supported by the sport academies	1 500	1 600	1 600	1 600
Number of people trained to deliver the Club Development Programme	650	700	700	750
Number of people participating in the Water Safety Programme	1 050	1 500	1 600	1 600
Number of sport and active recreation projects implemented by the Provincial Sport Confederation	5	5	5	5
Annual Gauteng Sport Awards hosted	Gauteng Sport Awards hosted	Gauteng Sport Awards hosted	Gauteng Sport Awards hosted	Gauteng Sport Awards hosted
Number of local leagues supported	35	35	40	40
Number of sport events supported (major, community, local and signature events)	8	9	10	10
Number of people trained to deliver Siyadlala mass participation programme in communities	280	205	220	250
Number of people actively participating in organised sport and active recreation events	165 000	161 700	170 000	175 000
Minister's Outreach programme facilitated and coordinated	1	1	1	1
Number of EPWP jobs created in sport and recreation	108	61	61	61
Number of youth participating in the National Youth Camp	250	250	250	250
Number of active recreation events organised and implemented	47	47	51	51
Number of people trained to deliver school sports programmes	400	500	500	650
Number of learners participating in school sports tournaments at a district level	3 552	31 500	31 500	31 500
Number of learners supported to participate in the National School Sports competition	790	778	778	810
Number of school sports coordinators remunerated	35	54	54	64
Number of clubs participating in rural sport development programme		30	36	36
OR Tambo Soncini games hosted	1	1	1	1
Number of sport focused schools supported	6	6	6	6

## 9. OTHER PROGRAMME INFORMATION

### 9.1 Personnel numbers and cost

The department shows a steady increase in compensation of employees due to ongoing capacitation of the department to meet the continuing demands for services. This is guided by a new service delivery model which has focused service delivery on five corridor offices which will ensure that programmes, staff and resources are closer to the communities which are serviced by DSACR.

The staff headcount shows an increase of 6 per cent from 624 in 2014/15 to 665 in 2016/17 owing to the appointment of employees in line with the recruitment plan. The staff cost increased by 23 per cent from R174.6 million in 2014/15 to R214.8 million in 2016/17 owing to the annual increment and the appointment of employees.

The 2018 MTEF staff headcount will increase from 751 in 2018/19 to 769 in 2020/21 owing to the anticipated approval of the new organisational structure. The department is making a conscious effort to curb administration costs and as such, administration personnel numbers were reduced in 2016/17. Recruitment will be aimed at ensuring that the department continues to deliver on its core programmes. The department is in the process of implementing a new structure which will result in a decrease in employees in programme 1 and additional staff in the core programmes.

TABLE 12.15: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS: SPORT, ARTS, CULTURE AND RECREATION

2014/15			Actual		Revised estimate			Medium-term expenditure estimate				Average annual growth over MTEF							
R thousands	Personnel numbers <sup>1</sup>	Costs	2015/16		2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21				
			Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Filled posts	Additional posts	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel growth rate	Costs growth rate	% Costs of Total		
Salary level																			
1 – 6	95	16 146	95	17 309	380	31 293	391	2	393	37 840	322	60 392	330	64 742	330	69 107	(6)%	22%	18%
7 – 10	256	80 519	273	82 946	301	109 955	280	46	326	124 311	341	164 230	349	178 002	349	191 899	2%	16%	52%
11 – 12	48	34 643	51	37 137	57	31 034	43	10	53	30 391	58	41 077	59	46 986	60	49 739	4%	18%	13%
13 – 16	33	34 463	34	36 623	31	27 099	15	15	30	52 003	30	42 015	30	50 864	30	51 689	0%	(0)%	16%
Other	192	9 161	213	9 821	33	15 474											0%	0%	0%
Total	624	174 633	666	183 836	802	214 855	729	73	802	244 545	751	307 713	768	340 594	769	362 433	(1)%	14%	100%
Programme																			
1. Administration	224	80 898	256	82 185	186	95 764	154	32	186	105 362	186	88 397	186	104 997	186	114 407	0%	3%	34%
2. Cultural Affairs	105	18 512	109	21 683	175	29 229	163	12	175	33 313	180	60 269	185	63 132	186	67 084	2%	26%	17%
3. Library And Archives Services	16	5 129	17	10 462	32	8 279	30	2	32	10 056	83	46 090	86	36 396	86	39 269	39%	57%	9%
4. Sport And Recreation	279	70 094	284	69 506	409	81 583	382	27	409	95 814	302	112 957	311	136 069	311	141 673	(9)%	14%	39%
Direct charges																		0%	0%
Total	624	174 633	666	183 836	802	214 855	729	73	802	244 545	751	307 713	768	340 594	769	362 433	(1)%	14%	100%
Employee dispensation classification																			
Educators and related professionals																	0%	0%	0%
Others such as interns, EPWP, learnerships, etc																	0%	0%	0%
Total																	0%	0%	0%



## 9.2 Training

TABLE 12.16: INFORMATION ON TRAINING: SPORT, RECREATION, ARTS AND CULTURE

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Number of staff	624	666	802	802	802	802	751	768	769
Number of personnel trained	310	310	350	368	368	368	389	411	434
of which									
Male	130	130	150	158	158	158	167	176	186
Female	180	180	200	210	210	210	222	235	248
Number of training opportunities	82	82	78	82	82	82	87	92	97
of which									
Tertiary	45	45	40	42	42	42	44	47	50
Workshops	30	30	30	32	32	32	33	35	37
Seminars	2	2	5	5	5	5	6	6	6
Other	5	5	3	3	3	3	3	4	4
Number of bursaries offered	75	75	48	145	145	145	50	50	53
Number of interns appointed	50	50	60	60	60	60	38	38	38
Number of learnerships appointed	100	100	16	30	30	30	30	30	32
Number of days spent on training	100	100	100	105	105	105	111	117	123
<b>Payments on training by programme</b>									
1. Administration	1 101	1 200	2 899	2 786	2 786	2 786	3 010	3 316	3 498
2. Cultural Affairs	256	260	223	550	550	550	575	607	640
3. Library And Archives Services	50	60	455	221	221	221	290	307	324
4. Sport And Recreation	312	320	28	600	600	600	642	678	715
<b>Total payments on training</b>	<b>1 719</b>	<b>1 840</b>	<b>3 605</b>	<b>4 157</b>	<b>4 157</b>	<b>4 157</b>	<b>4 517</b>	<b>4 908</b>	<b>5 177</b>

The department continues to build capacity and improve the efficiency and effectiveness of staff members by encouraging participation in skills development programmes, management development programmes and bursary opportunities. In line with the government priority to build the capacity of the state and to operate as a developmental state, the department continues to provide internship, learnership and bursary opportunities to young people in the province. The allocation for the 2018 MTEF increased by 14 per cent from R4.5 million in 2018/19 to R5.1 million in 2020/21 which is intended for capacity-building and skills development as per the departmental work skills plan.

## 9.3 Reconciliation of structural changes

N/A

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

TABLE 12.17: SPECIFICATION OF RECEIPTS: SPORT, RECREATION, ARTS AND CULTURE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Tax receipts</b>									
<b>Sales of goods and services other than capital assets</b>	<b>265</b>	<b>291</b>	<b>302</b>	<b>310</b>	<b>310</b>	<b>310</b>	<b>311</b>	<b>312</b>	<b>329</b>
Sale of goods and services produced by department (excluding capital assets)	265	291	302	310	310	310	311	312	329
Sales by market establishments	221	234	233	225	225	225	225	225	237
Administrative fees	44	57	69	85	85	85	86	87	92
<b>Transfers received from:</b>									
<b>Fines, penalties and forfeits</b>									
<b>Interest, dividends and rent on land</b>	<b>4</b>	<b>162</b>	<b>228</b>	<b>14</b>	<b>14</b>	<b>16</b>	<b>14</b>	<b>15</b>	<b>16</b>
Interest	4	162	228	14	14	16	14	15	16
<b>Sales of capital assets</b>									
<b>Transactions in financial assets and liabilities</b>	<b>164</b>	<b>206</b>	<b>61</b>	<b>68</b>	<b>68</b>	<b>68</b>	<b>72</b>	<b>76</b>	<b>80</b>
<b>Total departmental receipts</b>	<b>433</b>	<b>659</b>	<b>591</b>	<b>392</b>	<b>392</b>	<b>394</b>	<b>397</b>	<b>403</b>	<b>425</b>

TABLE 12.18: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: SPORT, RECREATION, ARTS AND CULTURE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>361 838</b>	<b>386 916</b>	<b>482 153</b>	<b>513 196</b>	<b>491 028</b>	<b>490 116</b>	<b>593 107</b>	<b>614 926</b>	<b>689 341</b>
Compensation of employees	174 633	183 836	214 855	263 637	244 681	244 545	307 713	340 594	362 433
Salaries and wages	154 949	161 692	190 233	229 476	216 661	216 006	267 409	297 171	316 621
Social contributions	19 684	22 144	24 622	34 160	28 020	28 539	40 304	43 423	45 812
Goods and services	187 205	202 493	267 085	249 560	246 347	245 562	285 394	274 332	326 908
Administrative fees	194	118	306	149	1 186	1 210	500	379	400
Advertising	9 143	5 125	18 539	9 170	11 310	12 262	17 112	15 025	18 527
Minor assets	351	1 174	811	2 433	5 087	5 088	2 728	3 887	4 537
Audit cost: External	2 776	4 417	4 296	4 323	4 323	5 071	2 817	2 975	3 139
Bursaries: Employees	250	1 197	916	946	946	946	472	498	525
Catering: Departmental activities	9 225	8 235	16 382	6 570	18 340	19 929	21 712	19 368	25 661
Communication (G&S)	4 242	5 217	5 238	4 714	6 362	7 371	4 871	5 191	9 377
Computer services	305	2 529	4 890	6 169	6 230	6 547	3 586	3 310	3 492
Consultants and professional services: Business and advisory services	980	522	862		1 250	1 343	1 737	1 841	1 942
Legal services	513	3 903	6 447	2 571	2 531	1 629	1 963	2 482	2 385
Contractors	52 716	45 559	89 334	93 520	62 329	57 341	64 657	67 708	77 163
Agency and support / outsourced services	37 812	45 163	23 767	30 434	6 662	6 302	7 165	12 033	13 696
Entertainment				22	22	22			
Fleet services (including government motor transport)	3 056	1 466	3 031	1 794	3 796	3 811	3 460	3 654	3 855
Inventory: Clothing material and accessories	1								
Inventory: Food and food supplies	285								
Inventory: Learner and teacher support material	60			6 053				2 332	2 460
Inventory: Materials and supplies	17 767	16 343	9 487	14 839	23 623	23 623	18 431	20 221	20 385
Inventory: Medical supplies				18			900		
Inventory: Other supplies							11 000	528	731
Consumable supplies	600	979	2 672	871	4 887	4 997	10 302	8 883	10 948

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Consumable:									
Stationery, printing and office supplies	1 747	3 349	3 250	3 614	5 585	4 940	7 429	7 116	8 006
Operating leases	829	938	4 302	1 057	4 278	4 707	436	355	375
Property payments	3 743	12 175	15 987	11 388	16 222	15 401	15 681	19 010	20 358
Transport provided:									
Departmental activity	17 759	15 067	22 293	16 902	21 766	22 210	24 705	24 006	32 688
Travel and subsistence	5 102	7 327	12 162	10 268	11 847	13 267	19 185	14 830	18 146
Training and development	2 524	3 627	3 580	2 355	8 179	8 180	10 244	6 255	7 598
Operating payments	5 214	6 778	4 939	6 356	6 040	5 740	10 712	6 807	8 969
Venues and facilities	10 011	11 285	13 594	13 023	13 546	13 628	23 589	25 638	31 545
Rental and hiring									
Interest and rent on land		587	213			9			
Interest		587	213			9			
<b>Transfers and subsidies</b>	<b>106 291</b>	<b>155 391</b>	<b>176 525</b>	<b>190 983</b>	<b>247 877</b>	<b>248 789</b>	<b>264 369</b>	<b>275 199</b>	<b>289 212</b>
Provinces and municipalities	55 666	103 111	126 116	129 097	129 882	129 882	139 598	148 415	155 454
Municipalities	55 666	103 111	126 116	129 097	129 882	129 882	139 598	148 415	155 454
Municipalities	55 666	103 111	126 116	129 097	129 882	129 882	139 598	148 415	155 454
Departmental agencies and accounts	24 747	25 993	28 397	28 766	28 766	28 766	30 434	32 139	33 907
Provide list of entities receiving transfers	24 747	25 993	28 397	28 766	28 766	28 766	30 434	32 139	33 907
Non-profit institutions	24 832	25 249	19 974	32 170	88 621	89 396	94 237	94 011	99 182
Households	1 046	1 038	2 038	950	608	745	100	634	669
Social benefits	461	382	938		228	421			
Other transfers to households	585	656	1 100	950	380	324	100	634	669
<b>Payments for capital assets</b>	<b>174 477</b>	<b>161 636</b>	<b>150 465</b>	<b>171 157</b>	<b>174 039</b>	<b>174 038</b>	<b>85 176</b>	<b>99 581</b>	<b>101 122</b>
Buildings and other fixed structures	167 696	152 774	137 055	153 125	162 107	162 107	61 636	82 510	81 713
Buildings	3 549	1 145	30 687	96 393	95 985	95 985	60 436	82 510	81 713
Other fixed structures	164 147	151 629	106 368	56 732	66 122	66 122	1 200		
Machinery and equipment	6 538	8 646	13 317	18 031	11 852	11 851	23 540	17 071	19 409
Transport equipment		3 042	2 235	1 229	2 542	1 435	342	256	270
Other machinery and equipment	6 538	5 604	11 082	16 802	9 311	10 417	23 198	16 815	19 139
Software and other intangible assets	243	216	93						
<b>Payments for financial assets</b>		<b>390</b>	<b>969</b>						
<b>Total economic classification</b>	<b>642 606</b>	<b>704 333</b>	<b>810 112</b>	<b>875 336</b>	<b>912 944</b>	<b>912 943</b>	<b>942 652</b>	<b>989 706</b>	<b>1 079 675</b>

TABLE 12.19: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>115 434</b>	<b>125 365</b>	<b>137 572</b>	<b>113 637</b>	<b>141 927</b>	<b>141 927</b>	<b>125 908</b>	<b>139 480</b>	<b>146 987</b>
Compensation of employees	80 898	82 185	95 764	77 202	105 362	105 362	88 397	99 802	105 125
Salaries and wages	71 660	72 203	84 772	67 053	93 621	93 621	75 799	84 340	88 813
Social contributions	9 238	9 982	10 992	10 149	11 741	11 741	12 598	15 462	16 312
Goods and services	34 536	42 603	41 595	36 435	36 565	36 556	37 511	39 678	41 862
Administrative fees	44	65	42	73	773	773	81	85	90
Advertising	1 619	519	601	641	641	745	679	718	758
Minor assets	51	138	132	595	345	345	631	666	703
Audit cost: External	2 776	4 417	4 296	4 323	4 323	5 071	2 817	2 975	3 139
Bursaries: Employees	250	1 197	916	946	946	946	472	498	525
Catering: Departmental activities	402	321	259	462	612	612	647	684	722
Communication (G&S)	2 515	3 044	2 823	2 113	3 119	4 215	1 739	1 494	1 576
Computer services	247	1 315	4 810	4 169	5 657	5 657	3 236	3 209	3 385
Consultants and professional services:	252				546	546	1 677	1 771	1 868

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Business and advisory services									
Legal services	373	3 677	6 447	2 531	2 531	1 629	1 963	2 482	2 385
Contractors	3 014	178	1 169	2 490	990	633	984	1 039	1 096
Agency and support / outsourced services	5 761	5 274	3 080	2 660	1 359	920	3 039	3 209	3 385
Entertainment				22	22	22			
Fleet services (including government motor transport)	2 032	831	1 382	1 365	1 615	1 615	2 686	2 836	2 992
Inventory: Clothing material and accessories	1								
Inventory: Food and food supplies	285								
Inventory: Materials and supplies	624								
Inventory: Medical supplies				18					
Consumable supplies	105	614	777	239	1 142	1 142	253	267	282
Consumable: Stationery, printing and office supplies	1 680	2 531	2 254	1 578	1 327	1 327	1 899	2 005	2 115
Operating leases			1 772	318	968	1 397	336	355	375
Property payments	3 002	6 509	5 042	5 117	4 302	3 481	4 732	5 205	5 726
Transport provided: Departmental activity	371	326	533		200	200			
Travel and subsistence	1 629	3 608	1 368	2 597	2 597	2 730	3 056	3 227	3 404
Training and development	2 216	3 602	3 105	1 301	977	977	1 377	1 454	1 534
Operating payments	3 448	2 080	509	2 247	985	985	2 382	2 516	2 655
Venues and facilities	1 839	2 357	278	630	588	588	2 825	2 983	3 147
Interest and rent on land		577	213			9			
Interest		577	213			9			
<b>Transfers and subsidies</b>	<b>396</b>	<b>620</b>	<b>724</b>	<b>150</b>	<b>60</b>	<b>60</b>			
Households	396	620	724	150	60	60			
Social benefits		65	288		50	50			
Other transfers to households	396	555	436	150	10	10			
<b>Payments for capital assets</b>	<b>3 026</b>	<b>4 559</b>	<b>4 688</b>	<b>3 332</b>	<b>3 292</b>	<b>3 292</b>	<b>2 284</b>	<b>2 411</b>	<b>2 544</b>
Buildings and other fixed structures	326	783	43						
Buildings	326								
Other fixed structures		783	43						
Machinery and equipment	2 457	3 776	4 645	3 332	3 292	3 292	2 284	2 411	2 544
Transport equipment		1 241	1 389	1 000	2 158	1 050			
Other machinery and equipment	2 457	2 535	3 256	2 332	1 134	2 242	2 284	2 411	2 544
Software and other intangible assets	243								
<b>Payments for financial assets</b>		<b>85</b>	<b>889</b>						
<b>Total economic classification</b>	<b>118 856</b>	<b>130 629</b>	<b>143 873</b>	<b>117 119</b>	<b>145 279</b>	<b>145 279</b>	<b>128 192</b>	<b>141 891</b>	<b>149 531</b>

TABLE 12.20: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: CULTURAL AFFAIRS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>69 963</b>	<b>74 313</b>	<b>106 869</b>	<b>112 507</b>	<b>105 008</b>	<b>104 880</b>	<b>162 190</b>	<b>166 644</b>	<b>193 760</b>
Compensation of employees	18 512	21 683	29 229	53 039	33 442	33 313	60 269	66 783	70 458
Salaries and wages	16 924	19 713	26 336	45 618	30 122	29 993	52 725	58 818	62 054
Social contributions	1 588	1 970	2 893	7 421	3 320	3 320	7 544	7 965	8 404
Goods and services	51 451	52 630	77 640	59 467	71 566	71 567	101 921	99 861	123 302
Administrative fees		8	27		36	36	58	70	74
Advertising	4 521	1 411	2 853	2 759	3 587	4 233	6 636	7 139	9 531
Minor assets	2		103	57	269	270	350	378	900

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Catering: Departmental activities	6 289	4 457	6 895	3 991	6 923	9 110	10 994	11 351	14 975
Communication (G&S)	208	395	402	483	491	405	1 007	1 063	1 522
Computer services		261							
Consultants and professional services: Business and advisory services	554	522	862		704	797	60	70	74
Legal services				40					
Contractors	11 835	8 987	21 533	24 894	24 417	21 529	38 760	34 767	42 454
Agency and support / outsourced services	16 978	21 173	10 007	6 972	1 257	1 168	1 896	2 014	3 126
Fleet services (including government motor transport)	15								
Consumable supplies	400	236	837	451	2 490	2 496	3 102	2 882	3 541
Consumable: Stationery, printing and office supplies	1	671	468	1 067	1 745	930	3 140	3 231	3 909
Operating leases		934	2 486		3 310	3 310			
Property payments		5 616	10 945	5 981	8 368	8 368	8 930	9 532	10 177
Transport provided: Departmental activity	8 191	4 186	12 012	7 485	8 728	8 728	10 793	12 451	15 135
Travel and subsistence	1 181	1 172	3 778	1 827	2 418	2 552	1 951	2 063	2 177
Training and development	112		70	294	702	703	918	998	1 053
Operating payments	336	1 259	776	852	216	245	1 824	2 046	2 309
Venues and facilities	828	1 342	3 586	2 314	4 805	5 587	10 343	8 583	11 055
<b>Transfers and subsidies</b>	<b>34 685</b>	<b>37 556</b>	<b>38 379</b>	<b>39 666</b>	<b>41 666</b>	<b>41 795</b>	<b>39 812</b>	<b>42 437</b>	<b>44 772</b>
Departmental agencies and accounts	24 747	25 993	28 397	28 766	28 766	28 766	30 434	32 139	33 907
Provide list of entities receiving transfers	24 747	25 993	28 397	28 766	28 766	28 766	30 434	32 139	33 907
Non-profit institutions	9 934	11 461	9 944	10 900	12 900	12 900	7 000	7 783	8 211
Households	4	102	38			129			
Social benefits		102	38			129			
Other transfers to households	4								
<b>Payments for capital assets</b>	<b>103</b>	<b>1 265</b>	<b>31 948</b>	<b>38 251</b>	<b>38 378</b>	<b>38 377</b>	<b>3 454</b>	<b>3 648</b>	<b>3 849</b>
Buildings and other fixed structures		1 145	30 000	34 985	35 032	35 032			
Buildings		1 145	30 000	34 985	35 032	35 032			
Machinery and equipment	103	120	1 948	3 266	3 266	3 266	3 454	3 648	3 849
Transport equipment		39							
Other machinery and equipment	103	81	1 948	3 266	3 266	3 266	3 454	3 648	3 849
<b>Payments for financial assets</b>		<b>296</b>							
<b>Total economic classification</b>	<b>104 751</b>	<b>113 430</b>	<b>177 196</b>	<b>190 423</b>	<b>185 052</b>	<b>185 052</b>	<b>205 456</b>	<b>212 729</b>	<b>242 381</b>

TABLE 12.21: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: LIBRARY AND ARCHIVES SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>7 767</b>	<b>21 562</b>	<b>16 264</b>	<b>47 825</b>	<b>35 826</b>	<b>35 825</b>	<b>83 297</b>	<b>79 231</b>	<b>83 592</b>
Compensation of employees	5 129	10 462	8 279	28 469	10 056	10 056	46 090	53 270	56 199
Salaries and wages	4 509	9 581	7 517	25 200	8 946	8 946	40 664	49 355	52 069
Social contributions	620	881	762	3 269	1 110	1 110	5 426	3 915	4 130
Goods and services	2 638	11 100	7 985	19 356	25 770	25 769	37 207	25 961	27 393
Administrative fees	26	45	154	76	137	137	101	54	57
Advertising	226	619	648	868	2 182	2 182	3 187	533	563
Minor assets	294	567	555	1 291	4 254	4 254	1 546	2 613	2 691
Catering: Departmental activities	122	188	486	501	1 149	1 150	1 307	337	355
Communication (G&S)	52	71	76	81	68	68	828	650	686

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Computer services	58	853	80	2 000	573	890	350	101	107
Consultants and professional services: Business and advisory services	174								
Legal services	140	226							
Contractors		30	46	58	979	979	973	3 971	4 190
Agency and support / outsourced services	755	5 088	288	4 287	1 953	1 954		2 695	2 843
Fleet services (including government motor transport)	30	17	34	50	72	87	558	589	621
Inventory: Learner and teacher support material	60			6 053				2 332	2 460
Inventory: Other supplies							11 000	528	557
Consumable supplies		96	728	117	1 217	1 217	6 697	5 234	5 525
Consumable: Stationery, printing and office supplies	38	80	297	476	1 800	1 800	964	729	769
Property payments		27			3 548	3 548	1 700	3 936	4 219
Transport provided: Departmental activity	6	57	49		113	113	100		
Travel and subsistence	89	392	725	780	944	915	1 438	598	631
Training and development		25	311	307	1 954	1 954	1 288	97	102
Operating payments	413	2 534	3 234	2 262	4 056	3 724	4 470	964	1 017
Venues and facilities	155	185	274	150	771	799	600		
<b>Transfers and subsidies</b>	<b>55 804</b>	<b>103 212</b>	<b>127 492</b>	<b>131 897</b>	<b>133 152</b>	<b>133 152</b>	<b>140 220</b>	<b>147 326</b>	<b>154 305</b>
Provinces and municipalities	55 666	103 111	126 116	129 097	129 882	129 882	137 220	145 900	152 800
Municipalities	55 666	103 111	126 116	129 097	129 882	129 882	137 220	145 900	152 800
Municipalities	55 666	103 111	126 116	129 097	129 882	129 882	137 220	145 900	152 800
Non-profit institutions			400	2 000	2 900	2 900	2 900	792	836
Households	138	101	976	800	370	370	100	634	669
Social benefits	138		312			56			
Other transfers to households		101	664	800	370	314	100	634	669
<b>Payments for capital assets</b>	<b>166 481</b>	<b>153 395</b>	<b>111 676</b>	<b>100 887</b>	<b>116 588</b>	<b>116 587</b>	<b>77 021</b>	<b>91 782</b>	<b>92 617</b>
Buildings and other fixed structures	164 147	150 846	106 325	91 886	112 589	112 589	60 436	82 510	81 713
Buildings				35 154	46 467	46 467	60 436	82 510	81 713
Other fixed structures	164 147	150 846	106 325	56 732	66 122	66 122			
Machinery and equipment	2 334	2 333	5 258	9 001	3 998	3 998	16 585	9 272	10 904
Transport equipment		86	79		29	30			
Other machinery and equipment	2 334	2 247	5 179	9 001	3 970	3 968	16 585	9 272	10 904
Software and other intangible assets		216	93						
<b>Payments for financial assets</b>		<b>9</b>	<b>80</b>						
<b>Total economic classification</b>	<b>230 052</b>	<b>278 178</b>	<b>255 512</b>	<b>280 609</b>	<b>285 565</b>	<b>285 564</b>	<b>300 538</b>	<b>318 339</b>	<b>330 514</b>

TABLE 12.22: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: SPORT AND RECREATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>168 674</b>	<b>165 676</b>	<b>221 448</b>	<b>239 228</b>	<b>208 267</b>	<b>207 484</b>	<b>221 712</b>	<b>229 571</b>	<b>265 002</b>
Compensation of employees	70 094	69 506	81 583	104 926	95 821	95 814	112 957	120 739	130 651
Salaries and wages	61 856	60 195	71 608	91 605	83 972	83 446	98 221	104 658	113 685
Social contributions	8 238	9 311	9 975	13 321	11 849	12 368	14 736	16 081	16 966
Goods and services	98 580	96 160	139 865	134 301	112 446	111 670	108 755	108 832	134 351
Administrative fees	124		83		240	264	260	170	179
Advertising	2 777	2 576	14 437	4 902	4 900	5 102	6 610	6 635	7 675
Minor assets	4	469	21	490	219	219	201	230	243
Bursaries: Employees									



R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Catering: Departmental activities	2 412	3 269	8 742	1 616	9 656	9 057	8 764	6 996	9 609
Communication (G&S)	1 467	1 707	1 937	2 038	2 684	2 683	1 297	1 984	5 593
Computer services		100							
Contractors	37 867	36 364	66 586	66 078	35 943	34 200	23 940	27 931	29 423
Agency and support / outsourced services	14 318	13 628	10 392	16 514	2 093	2 260	2 230	4 115	4 342
Fleet services (including government motor transport)	979	618	1 615	379	2 109	2 109	216	229	242
Inventory: Materials and supplies	17 143	16 343	9 487	14 839	22 523	22 523	17 272	18 998	19 095
Consumable supplies	95	33	330	64	38	142	250	500	1 600
Consumable: Stationery, printing and office supplies	28	67	231	493	713	883	1 426	1 151	1 213
Operating leases	829	4	44	739					
Property payments	741	23		290	4	4	319	337	236
Transport provided: Departmental activity	9 191	10 498	9 699	9 417	12 725	13 169	13 812	11 555	17 553
Travel and subsistence	2 203	2 155	6 291	5 064	5 888	7 070	12 740	8 942	11 934
Training and development	196		94	453	4 546	4 546	6 661	3 706	4 909
Operating payments	1 017	905	420	996	783	786	2 036	1 281	2 988
Venues and facilities	7 189	7 401	9 456	9 929	7 382	6 654	9 821	14 072	17 343
Interest and rent on land		10							
Interest		10							
<b>Transfers and subsidies</b>	<b>15 406</b>	<b>14 003</b>	<b>9 930</b>	<b>19 270</b>	<b>72 999</b>	<b>73 782</b>	<b>84 337</b>	<b>85 436</b>	<b>90 135</b>
Non-profit institutions	14 898	13 788	9 630	19 270	72 821	73 596	84 337	85 436	90 135
Households	508	215	300		178	186			
Social benefits	323	215	300		178	186			
Other transfers to households	185								
<b>Payments for capital assets</b>	<b>4 867</b>	<b>2 417</b>	<b>2 153</b>	<b>28 687</b>	<b>15 782</b>	<b>15 782</b>	<b>2 417</b>	<b>1 740</b>	<b>2 112</b>
Buildings and other fixed structures	3 223		687	26 254	14 486	14 486	1 200		
Buildings	3 223		687	26 254	14 486	14 486			
Machinery and equipment	1 644	2 417	1 466	2 433	1 296	1 296	1 217	1 740	2 112
Transport equipment		1 676	767	229	355	355	342	256	270
Other machinery and equipment	1 644	741	699	2 204	941	941	875	1 484	1 842
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>188 947</b>	<b>182 096</b>	<b>233 531</b>	<b>287 185</b>	<b>297 048</b>	<b>297 048</b>	<b>308 466</b>	<b>316 747</b>	<b>357 249</b>

TABLE 12.23: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: COMMUNITY LIBRARY SERVICES GRANT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>1 667</b>	<b>1 959</b>	<b>5 198</b>	<b>9 309</b>	<b>11 874</b>	<b>11 874</b>	<b>27 106</b>	<b>10 797</b>	<b>12 047</b>
Compensation of employees	903	984	1 102	3 000	800	800	8 426	3 696	5 781
Salaries and wages	799	870	975	2 496	625	625	6 541	3 289	4 610
Social contributions	104	114	127	504	175	175	1 885	407	1 171
Goods and services	764	975	4 096	6 309	11 074	11 074	18 680	7 101	6 266
Administrative fees	22			70					57
Advertising	119	89	81	400	880	880	2 397	947	517
Minor assets	14	72	225	900	2 671	2 671			961
Catering: Departmental activities	70	8	166	300	740	740	300	239	258
Communication (G&S)									75
Computer services		699	35	2 000	500	500			107
Agency and support / outsourced services	341		185					2 757	2 230

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Fleet services (including government motor transport)	30	17	22						
Inventory: Learner and teacher support material	60								988
Consumable supplies	12		178	89	450	450	3 983	216	138
Consumable: Stationery, printing and office supplies									140
Transport provided: Departmental activity			49		113	113			
Travel and subsistence	29	47	40	100	97	97			319
Training and development			221	100	288	288		418	94
Operating payments		43	2 773	2 250	2 233	2 233	1 000	2 524	382
Venues and facilities	67		121	100	500	500			
<b>Transfers and subsidies</b>	<b>39 855</b>	<b>84 707</b>	<b>107 388</b>	<b>104 246</b>	<b>101 946</b>	<b>101 946</b>	<b>108 220</b>	<b>112 620</b>	<b>117 805</b>
Provinces and municipalities	39 850	84 707	106 516	101 446	99 346	99 346	106 720	111 300	116 300
Municipalities	39 850	84 707	106 516	101 446	99 346	99 346	106 720	111 300	116 300
Municipalities	39 850	84 707	106 516	101 446	99 346	99 346	106 720	111 300	116 300
Non-profit institutions			400	2 000	2 600	2 600	1 500	792	836
Households	5		472	800				528	669
Other transfers to households	5		472	800				528	669
<b>Payments for capital assets</b>	<b>74 499</b>	<b>23 724</b>	<b>35 478</b>	<b>59 173</b>	<b>58 950</b>	<b>58 950</b>	<b>33 204</b>	<b>54 367</b>	<b>57 829</b>
Buildings and other fixed structures	72 733	22 238	31 384	56 732	57 074	57 074	27 004	47 910	50 919
Other fixed structures	72 733	22 238	31 384	56 732					50 919
Machinery and equipment	1 766	1 486	4 094	2 441	1 876	1 876	6 200	6 457	6 910
Transport equipment	28	86	22						
Other machinery and equipment	1 738	1 400	4 072	2 441	1 876	1 876	6 200	6 457	6 910
<b>Payments for financial assets</b>			<b>80</b>						
<b>Total economic classification</b>	<b>116 021</b>	<b>110 390</b>	<b>148 144</b>	<b>172 728</b>	<b>172 770</b>	<b>172 770</b>	<b>168 530</b>	<b>177 784</b>	<b>187 681</b>

TABLE 12.24: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: MASS PARTICIPATION AND SPORT DEVELOPMENT GRANT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>83 051</b>	<b>76 570</b>	<b>73 303</b>	<b>70 293</b>	<b>70 293</b>	<b>75 386</b>	<b>75 310</b>	<b>81 110</b>	<b>86 291</b>
Compensation of employees	8 721	7 961	9 809	8 625	8 625	8 388	8 501	9 095	9 675
Salaries and wages	7 915	7 235	9 104	7 988	7 988	8 084	7 566	8 095	8 612
Social contributions	806	726	705	637	637	304	935	1 000	1 063
Goods and services	74 330	68 609	63 494	61 668	61 668	66 998	66 809	72 015	76 616
Administrative fees	124		80	81	81	80	260	278	296
Advertising	2 376	2 550	8 908	5 431	5 431	1 540	3 121	3 931	4 182
Minor assets		464	18	26	26	75			
Catering: Departmental activities	2 068	3 249	7 927	3 754	3 754	6 823	6 979	7 467	7 944
Communication (G&S)	1 333	1 573	242	962	962	193	251	334	355
Computer services		100							
Contractors	20 738	12 095	9 039	9 461	9 461	20 492	15 419	15 748	16 754
Agency and support / outsourced services	13 615	13 449	7 194	5 396	5 396	3 253	1 490	1 487	1 582
Fleet services (including government motor transport)	979	510	470	1 484	1 484	103			
Inventory: Learner and teacher support material									
Consumable supplies	66	34	85	27	27	2			
Consumable: Stationery, printing and office supplies	28	58	164	425	425	362	3 044	3 000	3 192
Operating leases			16						

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Property payments	63	9					107	114	
Transport provided:									
Departmental activity	8 893	10 470	8 165	9 356	9 356	8 958	6 744	7 350	7 820
Travel and subsistence	730	386	3 999	2 403	2 403	664	3 750	4 333	4 610
Training and development	-		93	5	5	1 260	4 706	5 463	5 812
Operating payments	185		27	380	380	282	480	514	546
Venues and facilities	6 447	7 319	8 071	10 991	10 991	5 050	7 165	7 666	8 156
<b>Transfers and subsidies</b>	<b>9 941</b>	<b>12 036</b>	<b>9 630</b>	<b>12 655</b>	<b>12 655</b>	<b>8 654</b>	<b>9 572</b>	<b>10 241</b>	<b>10 895</b>
Non-profit institutions	9 941	12 036	9 630	12 655	12 655	8 654	9 572	10 241	10 895
<b>Payments for capital assets</b>	<b>1 593</b>	<b>951</b>	<b>683</b>	<b>1 561</b>	<b>1 561</b>	<b>469</b>	<b>600</b>	<b>106</b>	<b>114</b>
Machinery and equipment	1 593	951	683	1 561	1 561	469	600	106	114
Transport equipment	1 118	315	237	391	391				
Other machinery and equipment	475	636	446	1 170	1 170	469	600	106	114
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>94 585</b>	<b>89 557</b>	<b>83 616</b>	<b>84 509</b>	<b>84 509</b>	<b>84 509</b>	<b>85 482</b>	<b>91 457</b>	<b>97 300</b>

TABLE 12.25: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT FOR PROVINCES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>1 897</b>	<b>1 996</b>	<b>1 561</b>	<b>2 206</b>	<b>2 206</b>	<b>2 206</b>	<b>2 000</b>		
Compensation of employees	1 897	1 379	1 418	1 786	1 786	1 482	1 382		
Salaries and wages	1 897	1 378	1 418	1 786	1 786	1 482	1 381		
Social contributions		1					1		
Goods and services		617	143	420	420	724	618		
Advertising		83	26				83		
Agency and support / outsourced services		485	9						
Consumable supplies		49	108	420	420	350			
<b>Transfers and subsidies</b>									
<b>Payments for capital assets</b>									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>1 897</b>	<b>1 996</b>	<b>1 561</b>	<b>2 206</b>	<b>2 206</b>	<b>2 206</b>	<b>2 000</b>		

TABLE 12.26: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: SOCIAL SECTOR EPWP INCENTIVE GRANT FOR PROVINCES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>2 502</b>	<b>934</b>	<b>2 085</b>	<b>1 496</b>	<b>1 496</b>	<b>1 496</b>	<b>1 463</b>		
Compensation of employees	2 306	920	2 085	1 424	1 424	1 424	1 421		
Salaries and wages	2 305	918	2 074	1 410	1 410	1 410	1 407		
Social contributions	1	2	11	14	14	14	14		
Goods and services	196	14		72	72	72	42		
Advertising	178			55	55	55	18		
Travel and subsistence	18	14		17	17	17	21		
<b>Transfers and subsidies</b>									
<b>Payments for capital assets</b>									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>2 502</b>	<b>934</b>	<b>2 085</b>	<b>1 496</b>	<b>1 496</b>	<b>1 496</b>	<b>1 463</b>		

TABLE 12.27: TRANSFERS TO LOCAL GOVERNMENT BY CATEGORY AND MUNICIPALITY: SPORT, RECREATION, ARTS AND CULTURE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Category A</b>	<b>19 173</b>	<b>42 030</b>	<b>43 120</b>	<b>40 483</b>	<b>41 837</b>	<b>41 837</b>	<b>45 000</b>	<b>47 000</b>	<b>49 500</b>

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Ekurhuleni	5 200	9 579	13 000	13 800	13 594	13 594	13 700	14 000	15 000
City of Johannesburg	9 690	19 015	17 120	15 921	15 921	15 921	17 600	19 000	19 500
City of Tshwane	4 283	13 436	13 000	10 762	12 322	12 322	13 700	14 000	15 000
<b>Category B</b>	<b>35 993</b>	<b>58 578</b>	<b>79 696</b>	<b>85 814</b>	<b>85 245</b>	<b>85 245</b>	<b>89 420</b>	<b>95 100</b>	<b>100 500</b>
Emfuleni	4 690	9 225	12 300	15 207	13 107	13 107	13 892	15 000	16 500
Midvaal	4 080	7 050	8 800	9 003	9 303	9 303	11 050	12 000	13 500
Lesedi	5 158	6 700	9 670	11 454	11 597	11 597	12 964	14 000	15 000
Mogale City	8 502	12 700	15 700	14 980	15 280	15 280	15 900	16 500	16 500
Merafong City	5 845	9 903	6 300	15 010	15 498	15 498	15 330	16 200	17 000
Rand West City	7 718	13 000	26 926	20 160	20 460	20 460	20 284	21 400	22 000
<b>Category C</b>	<b>500</b>	<b>2 503</b>	<b>3 300</b>	<b>2 800</b>	<b>2 800</b>	<b>2 800</b>	<b>5 178</b>	<b>5 315</b>	<b>5 454</b>
Sedibeng District Municipality							2 378	2 515	2 654
West Rand District Municipality	500	2 503	3 300	2 800	2 800	2 800	2 800	2 800	2 800
Unallocated									
<b>Total transfers to municipalities</b>	<b>55 666</b>	<b>103 111</b>	<b>126 116</b>	<b>129 097</b>	<b>129 882</b>	<b>129 882</b>	<b>139 598</b>	<b>147 415</b>	<b>155 454</b>

# VOTE 13

## DEPARTMENT OF e-GOVERNMENT

To be appropriated by vote in 2018/19	R 1 273 826 000
Responsible MEC	MEC for Finance
Administering Department	Department of e-Government
Accounting Officer	Head of Department

### 1. 1. OVERVIEW

#### Vision

A connected Gauteng City Region that leverages technology to provide quality services to citizens.

#### Mission

To realize the intent of a connected government through:

- Provision of relevant technologies, standards and governance;
- Creation of an environment of collaboration between key stakeholders; and
- Facilitation of the evolution of the Gauteng City Region (GCR) service delivery.

#### Strategic objectives

The key strategic objectives of the department are to:

- Build an enabling infrastructure for connected GCR government;
- Create an enabling platform and support services to enable GCR entities to design, develop and deliver e-Government services;
- Establish a GCR e-Government governance structure to drive priorities, policies, standards and regulations;
- Promote the use of e-Government services by citizens, businesses and government entities; and
- Stimulate the ICT economy by facilitating incubation and innovation and by encouraging public-private partnerships (PPPs) to develop and roll out e- Government services.

#### Core functions and responsibilities

- To roll out the Gauteng Broadband Network (GBN);
- To develop and maintain all provincial government owned ICT infrastructure;
- To develop and maintain applications, networks and services;
- To improve and provide customer driven HR services;
- To implement e-Recruitment solution for job seekers; and
- To deploy HR systems in the province.

#### Main services

The main services of the department relate to:

- Providing universal access to broadband (as defined by the national broadband policy) for citizens, business as well as government institutions;
- Building the network infrastructure and information super-highway to encourage the development of advanced workforce with better ICT skills;
- Enhancing economic productivity through ICT infrastructure development in order to lower the cost of doing business and increase connectivity for companies especially small, medium and micro enterprises (SMMEs);
- Improving service delivery by providing high quality ICT services through e-government; and
- Building capability and improve the quality of service and client experience in the provision of human resource services; these are executed through improving efficiency through the automation of transactional services.

#### Ten-pillar programme of transformation, modernisation and re-industrialisation

The main services of the Department are delivered by ensuring that the Department operationalizes the provincial GCR e-Government Strategy 2015-2020. In order to achieve this, the Department assumed the 5 strategic pillars of the Strategy as

its strategic objectives. This was done to ensure a focused approach to service delivery by the Department to the citizens of the province.

**The five strategic pillars of the GCR e-Government Strategy 2015-2020 are:**

**Pillar 1:** To build an enabling ICT infrastructure for GCR connected government

**Pillar 2:** To create the platform and support services to enable GCR entities to design, develop and deliver e-Government services

**Pillar 3:** To establish a GCR e-Government governance structure to drive priorities, policies, standards and regulations

**Pillar 4:** To promote the use of e-Government services by citizens, businesses and government entities

**Pillar 5:** To stimulate the ICT economy by facilitating incubation and innovation and by encouraging PPPs for the development and roll-out of e-Government services.

**National Development Plan**

The national broadband policy gives expression to South Africa's vision in the NDP of a "seamless information infrastructure by 2030 that will underpin a dynamic and connected vibrant information society and a knowledge economy that is inclusive, equitable and prosperous " in line with this the Department of e-Government will promote digital inclusion by connecting citizens to a high-speed broadband through the Thusong centres located in townships across the province and finally to act as an economic enabler by ensuring that priority townships and economic regeneration zones have access to high-speed broadband.

**External activities and events relevant to budget decisions**

The policy document used to complete the Department's budget are the Provincial Ten Pillar Programme for transformation, modernisation and re-industrialisation. The department's budget responds to changes in demand for connectivity, which has direct impact on service delivery for the province. Financial resources are redirected to implement government wide solutions that are modern, reliable and secure.

**Acts, rules and regulations**

- Public Administrative and Management Act 11, 2014;
- Treasury Regulations 2005 and Delegations;
- Electronic Communications Act, 2005;
- Municipal Finance Management Act, 2004;
- Prevention and Combating of Corrupt Activities Act, 2004;
- Broad-Based Black Economic Empowerment Act, 2003;
- Government Employees Pension Law Amendment Act 35, 2003;
- The Tender Board Repeal Act, 2002;
- Municipality Systems Act, 2000;
- Preferential Procurement Policy Framework Act, 2000;
- Promotion of Access to Information Act, 2000 (Act 2 of 2000);
- Promotion of Administrative Justice Act, 2000;
- Public Finance Management Act, 1999;
- Employment Equity Act, 1998;
- National Skills development Act, 1998;
- Basic Conditions of Employment Act, 1997;
- Intergovernmental Fiscal Relations Act, 1997 (Act 97 of 1997);
- Public Service Laws Amendment Act, 1997;
- Borrowing Powers of Provincial Government Act, 1996 (Act 48 of 1996);
- The Constitution of the Republic of South Africa, 1996;
- The National Archives Act, 1996;
- Development Facilitation Act, 1995;
- Labour Relations Act, 1995;
- Occupational Health and Safety Act, 1995;
- Public Service Act, 1994 Regulations and Delegations; and
- Division of Revenue Act

## 2. REVIEW OF THE CURRENT FINANCIAL YEAR (2017/18)

The Department of e-Government contributes towards service delivery that is aimed at the modernisation of the public service mainly through the Gauteng Broadband Network (GBN) project and automated business processes.

The rollout of the GBN project since inception has provided connectivity to 1200 sites that are located all five corridors of development in the province (namely: the Central, Eastern, Northern, Western and Southern areas of the Gauteng City Region). The rollout of the project reached the start of the second phase during the year under review. The preparatory work in respect of procurement of the second phase began but there are some sub-processes that need to be concluded for the project to make more progress. A corrective measure to facilitate further progress involved a temporary solution relating to connecting some sites on Access Point Name. The department has since introduced a catch up plan to ensure that permanent connectivity continues.

The department has published six e-Services on the e-Government common platform. To date, three departments have signed proposals to migrate to cloud environment, and the process is expected to conclude by end of fourth quarter. A common platform where information and services have been consolidated to a single point was created in 2017/18. The aim of the platform is to provide ease of access to information for the benefit of Gauteng citizens.

The e-services were promoted at various Ntirhisano outreach and Qondis'Ishishini lakho events. Through this promotion the department had the opportunity to educate the public on available e-services such as e-Recruitment and the ICT registration for SMME's amongst others. The department has an incentive framework aimed at encouraging the adoption of e-services as part of the e-Government strategy. Through the incentive strategy that has been employed, 9 provincial e-service incentive programmes were rolled out.

Statistics South Africa indicates that 63.6 percent of Gauteng population has access to the internet through their mobile device, it is within this context that the Department developed 4 mobile applications to enable citizen's convenient access to Government services on their mobile device. Mobile applications provide a range of benefits such as easier interaction with citizens, encouraging new ways of learning and awareness of services.

The DAV centre continues to play an important role of developing, validating and testing various applications to ensure their better integration into the GPG ICT ecosystem, a total of 5 services were tested and validated by the DAV centre located at the Tshimologong centre.

Seven workshops on SAP advocacy were conducted with the purpose of encouraging operational efficiency in the province. The department put together an Action Lab Strategy that aims at contributing towards youth employment, growth of digital entrepreneurship and building the ICT industry in townships. Due to the success of the partnership strategy the department concluded 7 partnership agreements with various key role players in the ICT industry in 2017/18.

The Management Performance and Assessment Tool (MPAT) results for 2016 i.e. MPAT 1.6 was an improvement over the performance achieved in 2015 i.e. MPAT 1.5. The performance of the Department improved in the Strategic Management and Finance KPAs. Of particular importance is that the Department maintained a Level 4 performance for the standard on the Governance of ICTs under KPA 2, Governance and Accountability. This is in line with the mandate of the Department of ensuring the effective governance of ICT in the province.

### **3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2018/19)**

The world is experiencing a technological revolution that affects the way citizen's access services and the way government interact and do business with citizens. This ICT revolution is characterised by speed to access and transmit information. The speed of current ICT breakthroughs has no historical precedent, and is disrupting almost every industry in every country across the world, including South Africa. The breadth and depth of these changes represent the transformation of the entire systems of production, management and governance, and they require a response that is integrated and comprehensive. It is therefore imperative that the Department of e-Government takes urgent steps to unlock the range of opportunities offered by this revolution and also ensure that the rollout of a core network infrastructure that will connect all government buildings, Thusong centres, urban renewal zones and targeted economic zones.

The 2015 Quality of Life Survey indicates that the Gauteng population has nearly access to cell phones. Statistics SA in 2016, found that 63.6 percent of Gauteng's population access the Internet through their mobile devices, 25 percent access it at work and 16.4 percent access the internet at internet cafes or educational institutions. In order to remain on par with these developments, a technologically-enabled public service is essential and vital. The study also noted that 41 percent of all work activities in South Africa are susceptible to automation and that more than a third of future core skills required across all occupations will be different by 2020 compared to what is needed to perform those roles in 2015.

The Department's plans for the new financial year are to continue to champion the modernisation of government in the province through the continued rollout of the Gauteng Broadband Network project. It is envisaged that 850 Government-to-Government sites will be rolled out in 2018/19, 13 Government-to-Citizens sites will be also be connected. 476 LAN/ WAN sites will be integrated as part of the project. A further 120 sites will be provided with Voice over Internet Protocol (VoIP) to maximise the usage of GBN by departments and entities. The provision will assist in generating savings on telephone costs.



During the 2018/19 financial year, the department plans to develop and test over 5 new e-services at the DAV centre. The department will continue to ensure that there is 98 percent network availability for the broadband and access points in the province. The department plans to migrate 4 departments and agencies to the GPG private cloud in 2018/19. The department's implement the initiatives in advocacy events to promote the usage of e-services. This drive is expected to achieve a target of 70 000 registered users for e-services.

## 4. REPRIORITISATION

The department reprioritised the budget baselines of compensation of employees in 2018/19 to identify funds that are reallocated to payments for capital assets, transfers and subsidies as well as goods and services. The funds that are reallocated to payment for capital assets provide for the purchase of office computers and the funds that are reallocated to transfers and subsidies provide for payments to be made to non-employees and/ or for payment of injury-on-duty claims. The reprioritisation of the budget baselines within goods and services totalling R106 million provides the funds for prioritized expenditure items such as the GBN project, software licences and operating leases.

In 2019/20, R5 million is reprioritised from compensation of employees to goods and services to fund operating leases and transfers and subsidies to provide for payments to non-employees. R48 million is reprioritised within goods and services to provide for GBN project, software licences.

Overall, the departments engaged in the reprioritisation of the budget baselines to make funds available for the maintenance and upkeep of the provincial ICT infrastructure and to provide for the provincial information security and the fully-managed data centre.

## 5. PROCUREMENT

There are no major planned procurements for the 2018 MTEF period. Major procurement happened in the previous financial years for the GBN infrastructure. The 2018 budget makes provision for purchases of payment of capital assets at R4.5 million in 2018/19, R3.5 million in 2019/20 and 2020/21

## 6. RECEIPTS AND FINANCING

### 6.1 Summary of receipts

TABLE 13.1: SUMMARY OF RECEIPTS: E-GOVERNMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Equitable share	1 252 648	1 175 647	1 263 186	1 356 832	1 461 059	1 461 059	1 273 826	1 342 611	1 421 333
<b>Total receipts</b>	<b>1 252 648</b>	<b>1 175 647</b>	<b>1 263 186</b>	<b>1 356 832</b>	<b>1 461 059</b>	<b>1 461 059</b>	<b>1 273 826</b>	<b>1 342 611</b>	<b>1 421 333</b>

The equitable share funding of the department increases from R1.2 billion in 2014/15 to R1.3 billion in 2016/17 to enable the department to deliver ICT-related services to the province, including the GBN project and other back office systems. The funding increased from R1.3 billion to R1.4 billion during the adjustments budget process in 2017/18 due to additional amount allocated for the GBN project. The increasing funding from R1.3 billion to R1.4 billion over the 2018 MTEF is dedicated to the Gauteng Broadband Network and GPG ICT infrastructure maintenance and support.

The funds allocated to the department during the first three years under review reduced after some functions that were performed by the department were reallocated to other provincial departments following the streamlining of functions to improve service delivery in the province. The transfer of functions, implemented during the 2015/16 and the 2016/17 financial years, resulted in the Organisational Structure Development function and the Employee Relations functions being transferred to the transversal Human Resource function in the OoP whilst the GPG Hotline function moved to the provincial service delivery war room in the OoP. The functions of Internal Audit and Transversal Procurement moved to the GPT. The migration of functions was part of initiatives of the province to improve efficiencies in service delivery.

### 6.2 Departmental receipts

TABLE 13.2: SUMMARY OF DEPARTMENTAL RECEIPTS: E-GOVERNMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Sales of goods and services other than capital assets	850	572	507	557	466	466	580	604	637

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Interest, dividends and rent on land	15	11	10	12	12	12	12	12	13
Sales of capital assets			10						
Transactions in financial assets and liabilities	1 285	1 224	29	43	350	580	46	49	52
<b>Total departmental receipts</b>	<b>2 150</b>	<b>1 807</b>	<b>556</b>	<b>612</b>	<b>828</b>	<b>1 058</b>	<b>638</b>	<b>665</b>	<b>702</b>

The revenue sources for the department are derived from gym subscriptions, parking fees, fees charged on the issuing of tender documents and commission earned on third-party payments for insurance premiums paid on behalf of department's employees.

Revenue decreased from R2.1 million in 2014/15 to R1.8 million in 2015/16 and it decreased further to R556 000 in 2016/17. The decrease is caused by a decrease in the staff complement following from the migration of functions from the department to the OoP, GPT and other GPG departments. In 2017/18 revenue main appropriation revenue increases from R612 000 to R828 000 during the adjustments budget process because the revenue collection from the monies owed to the department exceeded the budget during the first 6 months of the financial year. The inflation adjustments result in the gradual increase in the revenue budget from the main budget of R612 000 in 2017/8 to R702 000 in 2020/21.

## 7. PAYMENT SUMMARY

### 7.1 Key assumptions

The 2018 MTEF budget continues to be guided and informed by the e-Government Strategic Plan, Annual Performance Plan, TMR objectives and the GPG Programme of Action (POA). The key assumptions underpinning the budget are:

Provision for annual salary adjustments based on the projected growth rates for compensation of employees (namely: Consumer Price Index (CPI) plus 1 per cent) over the 2018 MTEF period are as follows:

- 2018/19: 5.4 per cent CPI plus 1 per cent;
- 2019/20: 5.6 per cent CPI plus 1 per cent;
- 2020/21: 5.5 per cent CPI plus 1 per cent; and
- Provision for provincial priorities including the Gauteng Broadband Network and GPG ICT infrastructure maintenance and support.

### 7.2 Programme summary

TABLE 13.3: SUMMARY OF PAYMENTS AND ESTIMATES BY DEPARTMENT: E-GOVERNMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Administration	145 283	173 848	188 006	239 764	239 672	239 548	245 033	258 755	279 060
2. Information Communication Technology(Ict) Shared Services	989 770	900 980	961 145	1 003 224	1 113 192	1 113 260	906 867	953 076	1 004 300
3. Human Resources Services	78 686	80 078	88 227	113 844	108 195	108 251	121 926	130 780	137 973
<b>Total payments and estimates</b>	<b>1 213 739</b>	<b>1 154 906</b>	<b>1 237 378</b>	<b>1 356 832</b>	<b>1 461 059</b>	<b>1 461 059</b>	<b>1 273 826</b>	<b>1 342 611</b>	<b>1 421 333</b>

### 7.3 Summary of economic classification

TABLE 13.4: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: E-GOVERNMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>766 844</b>	<b>778 623</b>	<b>994 704</b>	<b>1 329 188</b>	<b>1 397 280</b>	<b>1 397 258</b>	<b>1 245 899</b>	<b>1 315 635</b>	<b>1 392 984</b>
Compensation of employees	251 813	270 891	310 087	422 434	392 837	392 837	454 148	482 442	512 141
Goods and services	515 031	507 732	684 617	906 754	1 004 443	1 004 421	791 752	833 193	880 843
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>1 924</b>	<b>23 485</b>	<b>23 166</b>	<b>23 377</b>	<b>23 377</b>	<b>23 377</b>	<b>23 426</b>	<b>23 476</b>	<b>24 764</b>
Departmental agencies and accounts	1 589								

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Higher education institutions	78		22 800	22 800	22 800	22 800	22 800	22 800	24 054
Households	257	23 485	366	577	577	577	626	676	710
<b>Payments for capital assets</b>	<b>444 910</b>	<b>352 457</b>	<b>219 488</b>	<b>4 267</b>	<b>40 382</b>	<b>40 382</b>	<b>4 500</b>	<b>3 500</b>	<b>3 585</b>
Buildings and other fixed structures			72 289			18 209			
Machinery and equipment	320 882	250 431	119 628	4 267	29 645	11 436	4 500	3 500	3 585
Software and other intangible assets	124 028	102 026	27 571		10 737	10 737			
<b>Payments for financial assets</b>	<b>61</b>	<b>341</b>	<b>20</b>		<b>20</b>	<b>42</b>			
<b>Total economic classification</b>	<b>1 213 739</b>	<b>1 154 906</b>	<b>1 237 378</b>	<b>1 356 832</b>	<b>1 461 059</b>	<b>1 461 059</b>	<b>1 273 826</b>	<b>1 342 611</b>	<b>1 421 333</b>

The total expenditure decreased from R1.2 billion in 2014/15 to R1.1 billion in 2015/16 due to the migration of certain functions from the department to the OoP and GPT to streamline the service delivery functions in the province. The allocation of additional funds for the rollout of the GBN project during the adjustments budget process increased the main budget from R1.36 billion to R1.46 billion in 2017/18. The inflation-related adjustments inform the increase of the budget from R1.3 billion in 2018/19 to R1.4 billion in 2020/21. The ICT Shared Services Programme (at 71 per cent of the total budget) receives the majority of the department's combined allocation over the MTEF.

The estimated spending on compensation of employees amounts to an annual average of R483 million over the 2018 MTEF. This estimated spending provides for the filling of funded vacant and critical posts in line with the implementation of the department's interim structure and also provides for notch progression, annual performance bonuses, annual cost-of-living adjustments in line with projected changes in CPI index and other personnel-related payments.

Expenditure on goods and services increases from R515 million in 2014/15 to R747 million in 2016/17 to cater mainly for the requirements of the GBN project. Expenditure is set to increase from R792 million in 2018/19 to R833 million in 2019/20 and to further R881 million in 2020/21. This amount will fund the payments for the GBN project, department's utilities, maintenance and support services for the provincial government's ICT infrastructure, the fully managed data centre and SITA payments. Provision is also made for departmental operational costs, building maintenance and other administrative costs, such as lease payments for the department's car fleet, labour saving devices and payments for audit services.

During the design and rollout phases of the broadband network project, capital expenditure amounted to R444.9 million and R352.5 million in 2014/15 and 2015/16 financial years, respectively. In addition to the capital expenditure related to the design and rollout of GBN project, the department's out-of-warranty computer equipment, including servers, were also refreshed during this period. During the 2015/16 financial year, the department also incurred capital expenditure to renew some of the software licences.

The major portion of e-Government's allocation is on maintenance of the provincial ICT infrastructure in accordance with the department's primary strategic objective of providing a modern, reliable and secure ICT infrastructure of GPG given the department's role as the custodian and catalyst of e-governance in the province.

Transfers and subsidies in the department include R1.6 million paid to the Public Sector Education Training Agency (PSETA) for the skills development requirements in 2014/15; R22.8 million annual payments for the DAV Centre that is located at a local university to support with the testing and validating of e-services applications as from 2016/17; payments to non-employees e.g. injury claims and payments for leave gratuity.

## 7.4 Infrastructure payments

N/A

### 7.4.1 Departmental infrastructure payments

N/A

## 7.5 Transfers

### 7.5.1 Transfers to public entities

N/A

## 7.5.2 Transfers to other entities

TABLE 13.5: SUMMARY OF DEPARTMENTAL TRANSFERS TO OTHER ENTITIES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Departmental Agencies and Accounts	1 589								
Higher education institutions	78		22 800	22 800	22 800	22 800	22 800	22 800	24 054
<b>Total departmental transfers</b>	<b>1 667</b>		<b>22 800</b>	<b>22 800</b>	<b>22 800</b>	<b>22 800</b>	<b>22 800</b>	<b>22 800</b>	<b>24 054</b>

The department transferred R1.6 million to the Public Sector Education Training Agency (PSETA) for the skills development requirements as per the directive from Department Public Services Administration. The department established the Design and Validation (DAV) Centre within Tshimologong Precinct at the University of Witwatersrand that tests and validates applications before they are launched on the platform for e-government services. A transfer payment of R22.8 million was first made in 2016/17 to operationalise the Centre. Such annual transfer payments continue in 2017/18 till 2019/20.

## 8. PROGRAMME DESCRIPTION

### PROGRAMME 1: ADMINISTRATION

#### Programme description

To provide executive leadership, oversight and accountability and corporate support services.

#### Programme objectives

To efficiently manage the Department of e-Government through executive steer and accountability, and the execution of corporate support services supported by effective reporting, risk management and compliance practices.

TABLE 13.6: SUMMARY OF PAYMENTS AND ESTIMATES BY PROGRAMME: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Office Of The Hod	5 074	6 518	8 276	10 361	9 923	9 923	10 973	11 591	12 036
2. Risk Management	2 747	2 786	3 079	3 980	3 775	3 775	4 232	4 539	4 826
3. Office Of The Cfo	31 832	60 998	39 465	62 671	54 374	55 182	52 268	56 220	59 442
4. Corporate Services	105 630	103 546	137 186	162 752	171 600	170 668	177 560	186 405	202 756
<b>Total payments and estimates</b>	<b>145 283</b>	<b>173 848</b>	<b>188 006</b>	<b>239 764</b>	<b>239 672</b>	<b>239 548</b>	<b>245 033</b>	<b>258 755</b>	<b>279 060</b>

TABLE 13.7: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>140 980</b>	<b>148 526</b>	<b>180 110</b>	<b>234 920</b>	<b>233 560</b>	<b>233 538</b>	<b>242 406</b>	<b>256 079</b>	<b>276 350</b>
Compensation of employees	88 472	96 920	115 419	139 667	139 667	139 667	165 644	173 587	186 283
Goods and services	52 508	51 606	64 691	95 253	93 893	93 871	76 763	82 492	90 067
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>1 776</b>	<b>23 152</b>	<b>234</b>	<b>577</b>	<b>485</b>	<b>361</b>	<b>626</b>	<b>676</b>	<b>710</b>
Departmental agencies and accounts	1 589								
Households	187	23 152	234	577	485	361	626	676	710
<b>Payments for capital assets</b>	<b>2 485</b>	<b>2 113</b>	<b>7 642</b>	<b>4 267</b>	<b>5 607</b>	<b>5 607</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>
Machinery and equipment	2 485	2 100	7 577	4 267	5 607	5 607	2 000	2 000	2 000
Software and other intangible assets		13	65						
<b>Payments for financial assets</b>	<b>42</b>	<b>57</b>	<b>20</b>		<b>20</b>	<b>42</b>			
<b>Total economic classification</b>	<b>145 283</b>	<b>173 848</b>	<b>188 006</b>	<b>239 764</b>	<b>239 672</b>	<b>239 548</b>	<b>245 033</b>	<b>258 755</b>	<b>279 060</b>

The expenditure of the Administration Programme increased from R145.3 million in 2014/15 to R173.8 million in 2015/16; it further increased to R188 million in 2016/17. The budget increases from R239 million in 2017/18 to R245 million in 2018/19. The programme is responsible for the administrative functions which are centralized to it for better expenditure control and efficiency gains. Such functions relate to human resources services which are responsible for training and development, bursaries, internship programme provisions, payroll-related expenditure such as performance bonuses. They also relate to

operations such as office automation and labour saving devices, lease payments, provisions for audit services and other operational costs. The budget increases from R245 million in 2018/19 to R279.1 million over the MTEF.

Expenditure on compensation of employees increased from R88.5 million in 2014/15 to the projected R139.7 million in 2017/18. This expenditure caters for the filled posts in the old organisational structure and critical posts filled while awaiting the DPSA approval of the new organisational structure. The expenditure includes payments for all personnel-related costs for the departmental staff and the internship and learnership youth employed in the department. The upward trends are informed by prescribed annual salary increases in the public sector. The budget over the MTEF is informed by the planned recruitment drive to fill all funded and critical posts over MTEF.

Expenditure on goods and services increases from R52.5 million to R65 million during the first three years under review. The main budget reduces from R95.2 million to R93.9 million during the adjustments budget process in 2017/18 to fund goods and services for the GBN project and transfers to households in Programme 2: ICT Shared Services. 2014/15 to R51.6 million in 2015/16. The budget increases from R76.8 million in 2018/19 to R90.1 million over the MTEF.

The main cost drivers under the programme are centralised items, namely: office automation and labour saving devices, rental of office building and parking, municipal rates and taxes, lease of photocopier machines, fleet management, office equipment and office furniture.

Provision for transfers and subsidies relating to leave gratuities and injuries on duty are centralised under the Administration Programme. This budget is reallocated to other programmes accordingly to defray expenditure incurred during the adjustment period. Following the highest capital expenditure of R7.6 million incurred in 2016/17, the capital budget is reducing from R5.6 million in 2017/18 to R2 million per annum over the MTEF to provide for the refresh of computer equipment within the department.

## PROGRAMME 2: INFORMATION COMMUNICATION TECHNOLOGY SHARED SERVICES

### Programme description

Establishment of an ICT e-Government governance structure for the Department and the broader GCR.

Build an enabling ICT infrastructure and platform for common GCR e-Services according to a standardised approach for a connected GCR government.

Promotion of the usage of e-Government services by citizens, businesses and government entities through transformation and incentive programmes. The conclusion of private and public partnerships and the implementation of incubation and innovation programmes.

### Programme objectives

To establish a GCR e-Government governance structure that drives and enables priorities, policies, standards and regulations through approved frameworks.

To ensure that the ICT infrastructure required for the GCR connected government exists, and is enabled by an upgraded core network, the availability of Wi-Fi hotspots and a maintained network availability, allowing GCR entities to be connected and provide e-Services to the citizens of the province through an enabling common platform.

To promote the usage of e-Government services (Citizens, Business and Government Entities).

To stimulate the ICT economy by facilitating incubation and innovation as well as encouraging public private partnerships for the development and rollout of e-Government services.

TABLE 13.8: SUMMARY OF PAYMENTS AND ESTIMATES BY PROGRAMME: INFORMATION COMMUNICATION TECHNOLOGY (ICT) SHARED SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Applications	738 989	677 846	638 505	643 332	814 660	814 660	588 914	585 489	616 759
2. Operations	228 996	208 504	306 175	317 715	264 178	263 192	273 701	324 018	341 839
3. Business Alignment	18 680	13 882	16 464	39 487	31 997	33 051	41 357	40 514	42 463
4. Information Communication Technology Programme Support	3 105	748	1	2 690	2 357	2 357	2 895	3 055	3 239
<b>Total payments and estimates</b>	<b>989 770</b>	<b>900 980</b>	<b>961 145</b>	<b>1 003 224</b>	<b>1 113 192</b>	<b>1 113 260</b>	<b>906 867</b>	<b>953 076</b>	<b>1 004 300</b>

TABLE 13.9: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: INFORMATION COMMUNICATION TECHNOLOGY (ICT) SHARED SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>547 179</b>	<b>550 207</b>	<b>726 400</b>	<b>980 424</b>	<b>1 055 577</b>	<b>1 055 577</b>	<b>881 567</b>	<b>928 776</b>	<b>978 661</b>

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Compensation of employees	85 236	94 436	107 000	175 823	152 090	152 090	173 381	185 259	195 464
Goods and services	461 943	455 771	619 400	804 601	903 487	903 487	708 186	743 517	783 197
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>147</b>	<b>145</b>	<b>22 910</b>	<b>22 800</b>	<b>22 840</b>	<b>22 908</b>	<b>22 800</b>	<b>22 800</b>	<b>24 054</b>
Higher education institutions	78		22 800	22 800	22 800	22 800	22 800	22 800	24 054
Households	69	145	110		40	108			
<b>Payments for capital assets</b>	<b>442 425</b>	<b>350 344</b>	<b>211 835</b>		<b>34 775</b>	<b>34 775</b>	<b>2 500</b>	<b>1 500</b>	<b>1 585</b>
Buildings and other fixed structures			72 289			18 209			
Machinery and equipment	318 397	248 331	112 040		24 038	5 829	2 500	1 500	1 585
Software and other intangible assets	124 028	102 013	27 506		10 737	10 737			
<b>Payments for financial assets</b>	<b>19</b>	<b>284</b>							
<b>Total economic classification</b>	<b>989 770</b>	<b>900 980</b>	<b>961 145</b>	<b>1 003 224</b>	<b>1 113 192</b>	<b>1 113 260</b>	<b>906 867</b>	<b>953 076</b>	<b>1 004 300</b>

Expenditure under this programme decreased from R989.7 million in 2014/15 to R901 million in 2015/16 and R961 million in 2016/17. The expenditure decreases from R1.1 billion in 2017/18 to R907 million in 2018/19, then it further increases to R953 million and R1 billion in 2019/20 and 2020/2021 respectively. During 2014/15 and 2015/16 capital outlays were incurred during the implementation and rollout of GBN project, resulting in the programme's aggregate expenditure rising from R684 million in 2013/14 to over R990 million in financial years 2014/15 and R900 million in 2015/16. The allocation of resources and the priority given to the ICT programme were guided by the principled approach that seeks to ensure that limited resources are utilised efficiently and geared towards capital investment as opposed to consumption expenditures, i.e. the rollout of the broadband and the digitization of the back office functions and allocating resources core items that support mandate of e-Gov.

Over the seven-year period under review spending on compensation of employee increases from R85 million in 2014/15 to R94 million in 2015/16 and a further increase to R107 million in 2016/17. Expenditure estimates increase from R176 million in 2017/18 to R195 million in 2020/21. The annual compensation increases reflects the growing personnel under the programme. Personnel estimates averages an annual rate of R185 million over the 2018 MTEF period. The projected expenditures are driven largely by the drive to fill funded and critical posts in order to support the department's mandate of championing the modernisation of government in Gauteng to rollout broadband and other e-Government services.

Expenditure on goods and services decreased from R462 million in 2014/15 to R456 million in 2015/16 and R682 in 2016/17. Expenditure estimates decrease from R903 million in 2017/18 to R708 million in 2018/19, R743 million in 2019/20, R783 in 2020/21. A major portion of the total budget for goods and services was allocated to three main cost drivers, namely: the e-learning project, computer services and license support and maintenance for the province. However, as from 2014/15, the budget under the programme catered for the implementation of the broadband project in the province, the digitisation of the back office support (including the digitisation of provincial HR functions); maintenance of the GPG ICT infrastructure; licence support and maintenance; fully managed data centre; email management and archiving solution; information security operations.

Increases in projected expenditures on goods and services amounts to R632 million and R667 million in financial years 2019/20 and 2020/21 respectively, the allocation reflects the rollout of the Gauteng Broadband Network (GBN) in the province, and the increasing of the target to 3000 sites by 2019-20. Pillar 1 of the departmental strategy is to build an enabling ICT infrastructure for the connected government, by providing the strategic direction for the rollout of the Gauteng Broadband Network in the province. The rollout of Broadband is also in line with the Deliverology goal of enabling the citizens of Gauteng and GCR personnel to access and utilise government services online at their convenience, through the connectivity provided by the Gauteng Broadband Network.

The Gauteng Department of e-Government is rolling out high speed broadband connectivity throughout the province. Phase 1 of the rollout consisted of the delivery of 400 sites and 8 core nodes. In addition to these 400 sites, the Department, through its reprioritisation managed to connect an additional 600 sites. The department has since build 1000 sites by the end of 2016/17 financial year. Developments in the province resulted in the target being reviewed to 3000 sites across the province sites by the 2019/20 financial year, of which 800, 850 and 458 are targeted for connection to broadband in 2017/18, 2018/19 and 2019/20 respectively.

By the end of the 2014/15 financial year, 6 core sites had been built and connected. The core sites mentioned are: Chris Hani Baragwanath Hospital, 75 Fox Street, 82 Grayston Drive, the West Rand District Offices in Randfontein, and Teraco in Kempton Park for internet and Telkom for the government Data Centre. The core sites are distribution nodes from which it is possible to start connection to other government buildings.



The programme also provides support to enable delivery of e-government services, applications, common platform and enterprise content management as well as the maintenance and upkeep of the provincial ICT infrastructure, services and applications. Ensuring the security of GPG's information and transaction monitoring (risk management) and related firewalls, matters concerning the management of the GPG's fully-managed data centre, business intelligence and software licence management are the main focus of the operations programme. The 2018 MTEF budget allocation caters for the e-Services under application and development unit, different software licences including the maintenance of the licences and renewals thereof. Furthermore provision has been made for critical ICT services such as Email as a service and ICT security. The e-services offered by the department include e-recruitment, Tshepo 1 million management information system and ICT township based start-up.

Provision is made under transfers for the upkeep and maintenance of the DAV centre over MTEF at R22.8 million for 2018/19 and 2019/20, R24 million allocated in 2020/21. The DAV centre located at the Tshimologong precinct will test 11 e-services.

Major part of the ICT programme's budget was allocated for capital expenditure during the 2014/15 financial year, out of R424.9 million spent in 2014/15, approximately R300 million related to the cost of building the broadband core network. An amount of R102 million was paid for licences in 2014/15, R149 million spent in 2016/17 relates to expenditure for capital items under GBN. Provision is made under capital expenditure for the refresh of computer equipment, including servers over at an average of R1.8 million over MTEF.

## PROGRAMME 2: INFORMATION COMMUNICATION TECHNOLOGY SERVICES SHARED SERVICES

### SERVICE DELIVERY MEASURES

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of provincial ICT standards approved (including bid data)	5	4	3	2
Number of new Provincial ICT policies approved annually		1	1	1
Number of new provincial ICT policies implemented, reviewed annually		2	1	1
Number of ICT strategies developed and approved (cyber security strategy, communication and change management)	1	2		
Number of Provincial communities of practice established	1	1	1	1
Number of sites connected (Thusong Centres & Libraries)	13	13		
Number of G2B sites connected (Economic zones, iKasi Labs, mLabs)	2	1		
Number of G2G sites connected	800	850	458	
Number of sites with LAN/WAN integration		476	500	520
Number of sites with VoIP		120	150	180
Number of Departments and their agencies migrated to the GPG private cloud	7	4 agencies	7 agencies	
Number of new e-services developed		5	6	7
Number of e-services tested by the DAV Centre	6	11	16	20
Percentage availability of GPG transversal services	98%	98%	98%	98%
Number of registered users utilising e-services	100 000	70 000	70 000	60 000
Number of young people appointed as interns annually		20	20	20
Number of advocacy events on e-services annually	6	6	6	6
Number of Customer Satisfaction Surveys conducted annually (G2G, G2B, G2C)	3	3	4	4
ICT Action Lab Strategy approved and implemented	1	1	1	1
Number of partnership agreements concluded	3	7		
Number of ICT concepts from Township entrepreneurs tested	5	10	20	25
Number of township developers appointed to develop e-services	5	5	5	5

## PROGRAMME 3: HUMAN RESOURCE SERVICES

### Programme description

To modernize HR business processes within the GPG through provisioning of ICT systems and promoting their optimal utilization, and to produce analytical HR information useful for purposes of decision making.

### Programme objectives

To optimize, digitize and promote Human Resource Services related business processes to enable efficient decision making.

TABLE 13.10: SUMMARY OF PAYMENTS AND ESTIMATES BY PROGRAMME: HUMAN RESOURCES SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Hr Chief Dir Support	2 410	889	805	5 880	3 996	3 996	1 159	1 222	1 289



R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
2. Hr Administration Cluster 1	17 751	18 666	22 375	22 914	22 576	22 576	28 172	32 158	33 927
3. Hr Administration Cluster 2	18 973	17 797	17 639	26 517	25 632	25 665	28 225	29 712	31 346
4. Hr Information Management	2 363	2 447		5 489	5 489	6 475	6 047	6 372	6 722
5. Payroll Services	17 110	18 666	24 280	24 381	22 528	22 528	26 973	28 361	29 921
6. Debt Administration	14 687	15 193	17 060	21 763	21 021	19 793	23 799	25 018	26 394
7. Injury On Duty	5 392	6 420	6 068	6 900	6 953	7 218	7 551	7 937	8 374
<b>Total payments and estimates</b>	<b>78 686</b>	<b>80 078</b>	<b>88 227</b>	<b>113 844</b>	<b>108 195</b>	<b>108 251</b>	<b>121 926</b>	<b>130 780</b>	<b>137 973</b>

TABLE 13.11: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HUMAN RESOURCES SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>78 685</b>	<b>79 890</b>	<b>88 194</b>	<b>113 844</b>	<b>108 143</b>	<b>108 143</b>	<b>121 926</b>	<b>130 780</b>	<b>137 973</b>
Compensation of employees	78 105	79 535	87 668	106 944	101 080	101 080	115 123	123 596	130 394
Goods and services	580	355	526	6 900	7 063	7 063	6 803	7 184	7 579
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>1</b>	<b>188</b>	<b>22</b>		<b>52</b>	<b>108</b>			
Households	1	188	22		52	108			
<b>Payments for capital assets</b>			<b>11</b>						
Machinery and equipment			11						
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>78 686</b>	<b>80 078</b>	<b>88 227</b>	<b>113 844</b>	<b>108 195</b>	<b>108 251</b>	<b>121 926</b>	<b>130 780</b>	<b>137 973</b>

The HR programme is, amongst other things, responsible for the processing of mandates for the GPG Departments; which includes:

- Human Resource Terminations
- Leave Pay
- Pension withdrawals
- Senior management Services.

The expenditure increased from R78.7 million in 2014/15 to R88.2 million in 2016/17. Expenditure was driven by personnel costs which accounted for 99 per cent of the budget. Spending reflects the programme's objective to promote and digitise the services that related to human resources. The budget is set to increase from R108.2 million in 2017/18 to R138 million in 2020/21 to sustain the operations of the programme.

Spending on compensation of employees increased from R78.1 million in 2014/15 to a projected amount of R101.1 million in 2017/18. Components of the personnel expenditure estimates comprise of the standard provisions for annual payroll expenses including projected annual CPI adjustments, notch progression, planned overtime and other personnel-related expenditure such as annual performance bonuses. The budget for compensation of employees decreased by R5.9 million in 2017/18 when the unutilized funds for personnel were reallocated to Programme 2 to fund the budget pressures in the GBN project. The budget will increase from R6.8 million in 2018/19 to R7.6 million in 2020/21.

Expenditure on goods and services ranged between R355 000 and R580 000 during the first three years under review. The operations funded in programme include the service delivery of Thusong Centre at Maponya Mall in Soweto. The main budget for goods and services amounted to R6.9 million to provide for the procurement of the Security and Performance Monitoring Service (SPSM) system to improve turnaround times for processing benefits across the province, debt management solution and the Maponya Mall Thusong Centre as from 2017/18. The budget increased by R163 000 to become R7.1 million during the adjustments process to provide funds for the Web Access Management (WAM) software. The budget is set to increase from R6.8 million to R7.6 million over the MTEF.

The budget for transfers to households provides for the payment of leave gratuity to former employees and claims for injury-on-duty.

**SERVICE DELIVERY MEASURES****PROGRAMME: HUMAN RESOURCE SERVICES**

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of GPG departments utilising E-PMDS	8	2	1	2 Agencies
Number of GPG departments utilising E-Recruitment	3	2	1	2 Agencies
Number of GPG departments utilising Automated Termination Services	3	2	1	2 Agencies
Number of GPG departments and their agencies utilising Automated Leave Management		9	5	2 Agencies
Number of GPG departments and their agencies utilising Automated Payroll allowance		9	5	2 Agencies

**9. OTHER PROGRAMME INFORMATION****9.1 Personnel numbers and costs**

**TABLE 13.12: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS BY COMPONENT**

Actual										Revised estimate				Medium-term expenditure estimate				Average annual growth over MTEF	
2014/15		2015/16		2016/17		2017/18				2018/19		2019/20		2020/21		2017/18 - 2020/21			
R thousands	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Filled posts	Additional posts	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel growth rate	Costs growth rate	% Costs of Total		
Salary level																			
1 – 6	181	39 596	139	46 155	118	28 848	160		160	37 273	160	40 911	160	43 840	160	46 244	0%	7%	9%
7 – 10	298	119 976	357	124 597	404	156 502	485		485	185 139	485	197 462	485	216 552	485	229 443	0%	7%	45%
11 – 12	97	59 598	81	46 769	107	73 023	147		147	96 085	147	115 964	147	124 300	147	130 873	0%	11%	25%
13 – 16	30	32 643	35	30 465	36	34 587	46		46	50 268	46	50 240	46	53 527	46	56 631	0%	4%	12%
Other				22 905		31 585				24 072		49 571		44 223		48 950	0%	27%	8%
Total	606	251 813	612	270 891	665	324 545	838		838	392 837	838	454 148	838	482 442	838	512 141	0%	9%	100%
Programme																			
1. Administration	261	88 472	257	96 920	256	115 419	316		316	139 667	316	165 644	316	173 587	316	186 283	0%	10%	36%
2. Information Communication Technology(ict) Shared Services	154	85 236	154	94 436	166	107 000	258		258	152 090	258	173 381	258	185 259	258	195 464	0%	9%	38%
3. Human Resources Services	191	78 105	201	79 535	243	87 668	264		264	101 080	264	115 123	264	123 596	264	130 394	0%	9%	26%
Direct charges																	0%	0%	0%
Total	606	251 813	612	270 891	665	310 087	838		838	392 837	838	454 148	838	482 442	838	512 141	0%	9%	100%

The personnel numbers of the department increase from 606 in 2014/15 to 838 over the 2018 MTEF. The increase reflects the department's plan to implement the new structure after all processes have been completed.

The increase in staff complement will be seen in junior management from 404 in 2016/17 to 485 in 2018/19, a significant increase could also be seen in middle management level, from 81 employees in 2015/16 to 107 employees in 2016/17 and 147 in 2018/19, this increase relates to the department's need for specialised skilled ICT professionals in order to carry out its mandate of building an enabling infrastructure for connected GCR government.

## 9.2 Training

TABLE 13.13: INFORMATION ON TRAINING: E-GOVERNMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Number of staff	606	612	665	838	838	838	838	838	838
Number of personnel trained	535	628	668	683	683	683	683	683	751
of which									
Male	215	362	389	291	291	291	291	291	320
Female	320	266	279	392	392	392	392	392	431
Number of training opportunities	776	1 000	900	1 067	1 067	1 067	1 067	1 067	1 173
of which									
Tertiary	227	389	350	387	387	387	387	387	425
Workshops	128	111	100	120	120	120	120	120	132
Seminars	56	56	50	60	60	60	60	60	66
Other	365	444	400	500	500	500	500	500	550
Number of bursaries offered	227	90	75	85	85	85	85	85	94
Number of interns appointed	40	44	40	75	75	75	80	90	100
Number of learnerships appointed	40	45	40	50	50	50	50	50	55
Number of days spent on training									
<b>Payments on training by programme</b>									
1. Administration	3 155	1 637	4 958	2 737	2 695	2 838	3 029	3 235	3 558
2. Information Communication Technology(Ict) Shared Services									
3. Human Resources Services									
<b>Total payments on training</b>	<b>3 155</b>	<b>1 637</b>	<b>4 958</b>	<b>2 737</b>	<b>2 695</b>	<b>2 838</b>	<b>3 029</b>	<b>3 235</b>	<b>3 558</b>

The department's continuous investment in human capital is vital to ensure that public servants deliver services optimally to the GPG departments and the citizens of the province. The department's training beneficiaries increased from 668 in 2016/17 to 683 in 2017/18. The number remains at 683 from 2018/19 to 2019/20, it increases to 751 in 2020/21. The increase was based on the training provided for staff and on the departments' response to the Tshepo 500 000 initiative which aimed to create 500 000 sustainable jobs and enhance township entrepreneurship in the province, the number has since increased to Tshepo 1 million. The department's mandate requires it to provide competitive skills that will enable the achievement of the vision of a 'Connected Gauteng City Region'. Youth skills development will be intensified through Learnerships and internship. It is envisioned that 5 % of the establishment in 2020/21 will be made up of youth.

The skills development initiatives are aligned to the Skills Development Act of 1998, the National Skills Development Strategy and all related legislation.

## 9.3 Reconciliation of structural changes

N/A

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

TABLE 13.15: SPECIFICATION OF RECEIPTS: E-GOVERNMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Tax receipts</b>									
<b>Sales of goods and services other than capital assets</b>	<b>850</b>	<b>572</b>	<b>507</b>	<b>557</b>	<b>466</b>	<b>466</b>	<b>580</b>	<b>604</b>	<b>637</b>
Sale of goods and services produced by department (excluding capital assets)	850	572	507	557	466	466	580	604	637
Sales by market establishments	850	572	507	557	466	466	580	604	637
<b>Transfers received from:</b>									
<b>Fines, penalties and forfeits</b>									
<b>Interest, dividends and rent on land</b>	<b>15</b>	<b>11</b>	<b>10</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>13</b>
Interest	15	11	10	12	12	12	12	12	13
<b>Sales of capital assets</b>			<b>10</b>						
Land and sub-soil assets			10						
<b>Transactions in financial assets and liabilities</b>	<b>1 285</b>	<b>1 224</b>	<b>29</b>	<b>43</b>	<b>350</b>	<b>580</b>	<b>46</b>	<b>49</b>	<b>52</b>
<b>Total departmental receipts</b>	<b>2 150</b>	<b>1 807</b>	<b>556</b>	<b>612</b>	<b>828</b>	<b>1 058</b>	<b>638</b>	<b>665</b>	<b>702</b>

TABLE 13.16: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: E-GOVERNMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>766 844</b>	<b>778 623</b>	<b>994 704</b>	<b>1 329 188</b>	<b>1 397 280</b>	<b>1 397 258</b>	<b>1 245 899</b>	<b>1 315 635</b>	<b>1 392 984</b>
Compensation of employees	251 813	270 891	310 087	422 434	392 837	392 837	454 148	482 442	512 141
Salaries and wages	220 599	236 705	270 712	373 070	346 512	346 511	393 068	418 461	444 617
Social contributions	31 214	34 186	39 375	49 364	46 326	46 326	61 080	63 981	67 524
Goods and services	515 031	507 732	684 617	906 754	1 004 443	1 004 421	791 752	833 193	880 843
Administrative fees	491	1 421	774	1 510	1 173	1 312	575	688	801
Advertising	634	856	399	2 371	2 958	2 958	4 133	3 770	4 028
Minor assets	1 798	377	1 183	525	329	357	1 355	1 820	2 305
Audit cost: External	5 536	3 673	4 729	6 427	6 427	6 427	6 800	7 100	7 400
Bursaries: Employees	1 733	1 054	1 923	1 607	1 607	1 607	1 734	1 831	1 932
Catering: Departmental activities	46	77	551	90	143	143	135	165	205
Communication (G&S)	7 176	4 613	3 560	2 247	3 214	3 214	2 953	3 248	3 546
Computer services	420 790	420 927	465 616	777 023	828 881	812 530	666 802	700 301	738 014
Consultants and professional services: Business and advisory services	8 469	7 468	1 268	950	5 121	5 121	658	692	726
Legal services	1 380	1 464	1 892	3 122	1 932	1 931	2 724	2 867	2 967
Contractors	7 986	4 424	2 516	24 517	11 111	10 597	7 258	7 452	7 852
Fleet services (including government motor transport)	429	397	203	2 736	2 737	2 737	1 500	1 800	2 100
Consumable supplies	126	985	908	711	1 008	1 191	1 033	1 096	1 211
Consumable: Stationery, printing and office supplies	1 669	1 749	3 659	1 266	2 814	3 278	2 204	2 533	2 643
Operating leases	28 843	28 007	161 248	36 858	87 403	103 696	54 583	57 559	61 934
Property payments	19 978	19 014	22 998	34 001	32 168	31 670	23 319	25 143	27 084
Travel and subsistence	1 659	968	998	1 645	1 645	1 655	1 200	1 400	1 600
Training and development	3 152	1 637	4 958	2 737	2 695	2 838	2 879	3 068	3 269
Operating payments	2 033	2 731	4 201	4 878	5 178	5 178	5 708	6 090	6 226
Venues and facilities	1 103	5 886	448	1 503	5 756	5 756	4 200	4 570	5 000
Rental and hiring		4	585	30	143	225			
<b>Transfers and subsidies</b>	<b>1 924</b>	<b>23 485</b>	<b>23 166</b>	<b>23 377</b>	<b>23 377</b>	<b>23 377</b>	<b>23 426</b>	<b>23 476</b>	<b>24 764</b>
Departmental agencies and accounts	1 589								

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Provide list of entities receiving transfers	1 589								
Higher education institutions	78		22 800	22 800	22 800	22 800	22 800	22 800	24 054
Households	257	23 485	366	577	577	577	626	676	710
Social benefits	257	23 485	340	577	577	577	626	676	710
Other transfers to households			26						
<b>Payments for capital assets</b>	<b>444 910</b>	<b>352 457</b>	<b>219 488</b>	<b>4 267</b>	<b>40 382</b>	<b>40 382</b>	<b>4 500</b>	<b>3 500</b>	<b>3 585</b>
Buildings and other fixed structures			72 289			18 209			
Machinery and equipment	320 882	250 431	119 628	4 267	29 645	11 436	4 500	3 500	3 585
Transport equipment	1 587	855	5 773						
Other machinery and equipment	319 295	249 576	113 855	4 267	29 645	11 436	4 500	3 500	3 585
Software and other intangible assets	124 028	102 026	27 571		10 737	10 737			
<b>Payments for financial assets</b>	<b>61</b>	<b>341</b>	<b>20</b>		<b>20</b>	<b>42</b>			
<b>Total economic classification</b>	<b>1 213 739</b>	<b>1 154 906</b>	<b>1 237 378</b>	<b>1 356 832</b>	<b>1 461 059</b>	<b>1 461 059</b>	<b>1 273 826</b>	<b>1 342 611</b>	<b>1 421 333</b>

TABLE 13.17: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments	140 980	148 526	180 110	234 920	233 560	233 538	242 406	256 079	276 350
Compensation of employees	88 472	96 920	115 419	139 667	139 667	139 667	165 644	173 587	186 283
Salaries and wages	75 888	83 571	100 521	120 798	122 775	122 774	136 412	143 108	154 121
Social contributions	12 584	13 349	14 898	18 869	16 892	16 893	29 232	30 479	32 162
Goods and services	52 508	51 606	64 691	95 253	93 893	93 871	76 763	82 492	90 067
Administrative fees	456	1 403	774	1 344	1 055	1 138	525	635	745
Advertising	634	856	391	2 346	2 922	2 922	4 102	3 737	3 993
Minor assets	225	139	822	70	120	148	1 100	1 550	2 020
Audit cost: External	5 536	3 673	4 729	6 427	6 427	6 427	6 800	7 100	7 400
Bursaries: Employees	1 733	1 054	1 923	1 607	1 607	1 607	1 734	1 831	1 932
Catering: Departmental activities	46	77	547	90	143	143	135	165	205
Communication (G&S)	1 846	1 087	1 265	760	1 714	1 714	1 453	1 664	1 875
Computer services	129	139	145	14	87	87	1 193	1 398	1 604
Consultants and professional services: Business and advisory services	1 944	1 141	1 115	950	5 121	5 121	658	692	726
Legal services	1 380	1 464	1 892	3 122	1 932	1 931	2 724	2 867	2 967
Contractors	1 328	1 700	2 184	23 497	10 245	9 731	6 258	6 744	7 105
Fleet services (including government motor transport)	429	397	203	2 736	2 737	2 737	1 500	1 800	2 100
Consumable supplies	95	304	784	711	854	1 037	1 033	1 096	1 211
Consumable: Stationery, printing and office supplies	1 591	1 742	3 659	1 266	2 814	3 278	2 204	2 533	2 643
Operating leases	7 520	6 702	10 473	6 229	8 781	8 782	8 455	8 848	10 544
Property payments	19 742	18 687	22 926	33 926	32 123	31 625	23 257	25 078	27 015
Travel and subsistence	1 658	911	998	1 645	1 645	1 652	1 200	1 400	1 600
Training and development	3 152	1 616	4 958	2 695	2 664	2 807	2 877	3 066	3 267
Operating payments	1 961	2 699	3 870	4 315	5 049	5 049	5 356	5 718	6 115
Venues and facilities	1 103	5 811	448	1 503	5 710	5 710	4 200	4 570	5 000
Rental and hiring		4	585		143	225			
<b>Transfers and subsidies</b>	<b>1 776</b>	<b>23 152</b>	<b>234</b>	<b>577</b>	<b>485</b>	<b>361</b>	<b>626</b>	<b>676</b>	<b>710</b>
Departmental agencies and accounts	1 589								
Provide list of entities receiving transfers	1 589								



R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Households	187	23 152	234	577	485	361	626	676	710
Social benefits	187	23 152	214	577	485	361	626	676	710
Other transfers to households			20						
<b>Payments for capital assets</b>	<b>2 485</b>	<b>2 113</b>	<b>7 642</b>	<b>4 267</b>	<b>5 607</b>	<b>5 607</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>
Machinery and equipment	2 485	2 100	7 577	4 267	5 607	5 607	2 000	2 000	2 000
Transport equipment	1 587	855	657						
Other machinery and equipment	898	1 245	6 920	4 267	5 607	5 607	2 000	2 000	2 000
Software and other intangible assets		13	65						
<b>Payments for financial assets</b>	<b>42</b>	<b>57</b>	<b>20</b>		<b>20</b>	<b>42</b>			
<b>Total economic classification</b>	<b>145 283</b>	<b>173 848</b>	<b>188 006</b>	<b>239 764</b>	<b>239 672</b>	<b>239 548</b>	<b>245 033</b>	<b>258 755</b>	<b>279 060</b>

TABLE 13.18: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: INFORMATION COMMUNICATION TECHNOLOGY (ICT) SHARED SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>547 179</b>	<b>550 207</b>	<b>726 400</b>	<b>980 424</b>	<b>1 055 577</b>	<b>1 055 577</b>	<b>881 567</b>	<b>928 776</b>	<b>978 661</b>
Compensation of employees	85 236	94 436	107 000	175 823	152 090	152 090	173 381	185 259	195 464
Salaries and wages	76 650	84 524	95 469	160 663	137 310	137 310	157 257	168 039	177 281
Social contributions	8 586	9 912	11 531	15 160	14 780	14 780	16 124	17 220	18 183
Goods and services	461 943	455 771	619 400	804 601	903 487	903 487	708 186	743 517	783 197
Administrative fees					2	2			
Minor assets	1 573	238	361	455	209	209	255	270	285
Catering: Departmental activities			1						
Communication (G&S)	5 330	3 526	2 295	1 487	1 500	1 500	1 500	1 584	1 671
Computer services	420 272	420 635	465 262	770 553	822 108	805 813	659 077	692 005	729 133
Consultants and professional services: Business and advisory services	6 525	6 327	153						
Contractors	6 658	2 724	256	1 000	860	860	1 000	708	747
Consumable supplies	31	681	124		154	154			
Consumable: Stationery, printing and office supplies	78								
Operating leases	21 235	21 176	150 678	30 501	78 494	94 786	46 000	48 576	51 248
Property payments	168	279							
Travel and subsistence	1	57				3			
Training and development		21		42	31	31	2	2	2
Operating payments	72	32	270	563	129	129	352	372	111
Venues and facilities		75							
<b>Transfers and subsidies</b>	<b>147</b>	<b>145</b>	<b>22 910</b>	<b>22 800</b>	<b>22 840</b>	<b>22 908</b>	<b>22 800</b>	<b>22 800</b>	<b>24 054</b>
Higher education institutions	78		22 800	22 800	22 800	22 800	22 800	22 800	24 054
Households	69	145	110		40	108			
Social benefits	69	145	110		40	108			
<b>Payments for capital assets</b>	<b>442 425</b>	<b>350 344</b>	<b>211 835</b>		<b>34 775</b>	<b>34 775</b>	<b>2 500</b>	<b>1 500</b>	<b>1 585</b>
Buildings and other fixed structures			72 289			18 209			
Machinery and equipment	318 397	248 331	112 040		24 038	5 829	2 500	1 500	1 585
Transport equipment			5 116						
Other machinery and equipment	318 397	248 331	106 924		24 038	5 829	2 500	1 500	1 585
Software and other intangible assets	124 028	102 013	27 506		10 737	10 737			
<b>Payments for financial assets</b>	<b>19</b>	<b>284</b>							
<b>Total economic classification</b>	<b>989 770</b>	<b>900 980</b>	<b>961 145</b>	<b>1 003 224</b>	<b>1 113 192</b>	<b>1 113 260</b>	<b>906 867</b>	<b>953 076</b>	<b>1 004 300</b>

TABLE 13.19: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HUMAN RESOURCES SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>78 685</b>	<b>79 890</b>	<b>88 194</b>	<b>113 844</b>	<b>108 143</b>	<b>108 143</b>	<b>121 926</b>	<b>130 780</b>	<b>137 973</b>
Compensation of employees	78 105	79 535	87 668	106 944	101 080	101 080	115 123	123 596	130 394
Salaries and wages	68 061	68 610	74 722	91 609	86 427	86 427	99 399	107 314	113 215
Social contributions	10 044	10 925	12 946	15 335	14 653	14 653	15 724	16 282	17 179
Goods and services	580	355	526	6 900	7 063	7 063	6 803	7 184	7 579
Administrative fees	35	18		166	116	172	50	53	56
Advertising			8	25	36	36	31	33	35
Catering: Departmental activities			3						
Computer services	389	153	209	6 456	6 686	6 630	6 532	6 898	7 277
Contractors			76	20	6	6			
Consumable: Stationery, printing and office supplies		7							
Operating leases	88	129	97	128	128	128	128	135	142
Property payments	68	48	72	75	45	45	62	65	69
Operating payments			61						
Rental and hiring				30					
<b>Transfers and subsidies</b>	<b>1</b>	<b>188</b>	<b>22</b>		<b>52</b>	<b>108</b>			
Households	1	188	22		52	108			
Social benefits	1	188	16		52	108			
Other transfers to households			6						
<b>Payments for capital assets</b>			<b>11</b>						
Machinery and equipment			11						
Other machinery and equipment			11						
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>78 686</b>	<b>80 078</b>	<b>88 227</b>	<b>113 844</b>	<b>108 195</b>	<b>108 251</b>	<b>121 926</b>	<b>130 780</b>	<b>137 973</b>



# VOTE 14

## GAUTENG PROVINCIAL TREASURY

To be appropriated by vote in 2018/19	R 796 413 000
Responsible MEC	MEC for Finance
Administering Department	Gauteng Provincial Treasury
Accounting Officer	Head of Department

### 1. OVERVIEW

#### Vision

To provide strategic leadership in financial and fiscal matters to ensure sustainable and inclusive social and economic development of the people of Gauteng so that all may enjoy value for money services of the highest quality.

#### Mission

We are an activist Treasury that enables and promotes quality service delivery for the citizens of Gauteng through:

- Sustainable financing and funding that ensures developmentally focused allocation of resources and innovative revenue generation;
- Efficient cash management that ensures sustainable liquidity levels in the province;
- Effective financial management and reporting that ensures responsible stewardship and transparent resource utilization and expenditure; and
- A well-structured governance framework that ensures accountability, transparency and fiscal discipline in line with statutory obligations.

#### Strategic goals

- To promote better planning and budgeting synergy across all spheres of government in the province;
- To ensure balanced budgeting and sustainable funding for legislative mandates and strategic priorities of the province;
- To ensure approved financial resources are spent efficiently, effectively and economically across the province;
- To support all departments, entities and municipalities to achieve unqualified audits;
- To reduce fraud and corruption and promote clean government across the province; and
- To ensure statutory obligations are met and that decision makers facilitate appropriate interventions.

#### Core functions and responsibilities

The functions of the Gauteng Provincial Treasury are described in the Public Finance Management Act (PFMA, 1999) and the Municipal Finance Management Act (MFMA, 2003). These can be summarised as follows:

- To manage the budget allocation for the Gauteng Provincial Government;
- To ensure the instilling of fiscal discipline and corporate governance in the province;
- To ensure proper cash management;
- To ensure the effective and efficient utilisation of resources – value for money and compliance with all relevant legislation;
- To develop, implement and monitor compliance with corporate governance norms and standards relating to provincial and local government; and
- To ensure adequate financial accountability.

#### Main services

The mandate of the Gauteng Provincial Treasury is to promote good governance by providing stewardship on all financial matters in the province and to ensure that provincial budgets and budgetary processes promote transparency, accountability and the effective financial management of resources.

In essence, the role of department is to ensure that provincial strategies are funded through projects and other initiatives which are aligned to the provincial priorities and the principles of the Batho Pele policy.

### Ten-Pillar Programme of Transformation, Modernisation and Re-industrialisation

The fifth administration of the Gauteng Province adopted a ten-pillar programme of radical Transformation, Modernisation and Reindustrialisation (TMR) which puts emphasis on radical socio-economic transformation, being an activist and a responsive government. The TMR programme is supported by ten pillars. The mandate of the Gauteng Provincial Treasury is essentially centered on promoting good governance by providing stewardship on all financial matters in the Province. In essence, the role of the department is thus focused on ensuring that strategies and key provincial priorities and projects which align to the TMR programme are funded. In this regards, the GPT supports all ten pillars in the TMR programme through reprioritizing and ensuring all the new provincial priorities are resourced.

At a departmental level, the department directly supports the following Provincial Pillars:

- Pillar 1: Radical economic transformation;
- Pillar 4: Transformation of state and governance; and
- Pillar 5 : Modernisation of the public service.

As an activist Treasury, we have adopted pillars which support and align to the TMR programme and also operationalise the department's mission and vision. The adopted departmental pillars are as follows:

- Promoting better planning and budgeting synergy across all spheres of government in the province;
- Sustainable financing and funding;
- Effective and efficient financial management;
- Support radical economic transformation; and
- Perform all Treasury's statutory obligations and promote a transparent and accountable government.

The Gauteng Provincial Treasury has and continues to implement the departmental strategic pillars which forms part of the TMR agenda. To date, the GPT has achieved the following:

- Improved synergy in planning and budgeting processes between the three spheres of government to ensure key priorities as espoused in the TMR programme are adequately funded in order to accelerate service delivery to the Gauteng citizenry;
- Implementation of the revenue enhancement strategy;
- Stabilization of the provincial wage bill against budget;
- Prudent cash management practices resulting in sustainable liquidity levels in the GPG;
- Provision of structured and targeted training to government institutions resulting in improvement in audit outcomes;
- Implementation of the open tender process as a measure to reduce fraud and corruption in government procurement processes;
- Compliance with regulatory and legislated requirements and standards;
- Implementation of Business Intelligence tools and automation of systems to improve efficiencies in financial management and enhance data integrity;
- Implementation through support of the Township Economy Revitalisation strategy; and
- The department has maintained an unqualified audit opinion with no matters of emphasis as well as for the Provincial Revenue Fund.

### National Development plan

The National Development Plan (NDP) envisions a South Africa where everyone feels free yet bounded to others; where everyone embraces their full potential, a country where opportunity is determined not by birth, but by ability, education and hard work. The realisation of such a society will require transformation of the economy and focused efforts to build the country's capabilities. The main challenge has been unevenness in capacity that leads to uneven performance in local, provincial and national government.

Part of building the country's capabilities includes the work described in Chapter 13 of the NDP where it is indicated that there is a need to build the capability of the state to play a developmental and transformative role.

In alignment with the need to build a capable and developmental state, the Gauteng Provincial department has aligned its objectives with the provincial transformation, modernisation and reindustrialisation programme. The department supports initiatives espoused in the Transformation, Modernisation and Reindustrialisation (TMR) programme.

Some of the key objectives under the chapter are:

- A state that is capable of playing a developmental and transformative role;
- A public service immersed in the development agenda but insulated from undue political interference;
- Relations between national, provincial and local government are improved through a more proactive approach to managing the intergovernmental system; and

- Strengthening local government.

GPT aims to develop systems and interventions to ensure effective financial management in the province. Parts of the interventions in this regard are providing support to departments and local municipalities to achieve unqualified audits, elimination of wastage and monitoring of cost containment in the province. Another important aspect of measures the department has undertaken in this regard is ensuring that government plans and budgets are synergised.

### **External activities and events relevant to budget decisions**

The fifth administration of the Gauteng Provincial Government (GPG) adopted the TMR programme that carries the future plans of the Gauteng City Region. The central economic and social objectives of the TMR remain:

- To change income distribution;
- To enhance equity and thereby raise the living standards of all our people; and
- To change ownership patterns and bring black people into the economic mainstream of our province.

The work towards the realization of these objectives continues with emphasis on the transformation of the industrial structure, the promotion of innovation driven industries, investment into skills development, transformation of apartheid spatial patterns, investment into infrastructure, and the building of strategic transformative partnerships with the private sector.

Due to the interconnectedness of South Africa's economy, the fragile global recovery and weakening national outlook poses challenges for the province's economy. The province continues to be the country's economic hub accounting for an estimated 35.4 per cent of the country's Gross Domestic Product (GDP) in 2015. Economic activity in the Gauteng City Region continues to be dominated by the finance & business services, followed by government, social & personal services sectors.

The subdued economic environment means that the country will face a challenging fiscal outlook going forward. During the 2016 Medium Term Budget Statement by the Minister of Finance, the need to accelerate fiscal consolidation in order to limit budget deficit and slow the pace of debt accumulation, whilst supporting stronger public and private infrastructure investment was emphasised.

Fiscal discipline remains important to ensure that fiscal targets are achieved. To stimulate economic activity, emphasis must be placed on meeting spending targets, particularly in infrastructure and in the economic development space. In addition, the rollout of TMR agenda should be accelerated where possible, as well as the enhancement of the Gauteng City Region to further advance inclusive growth, with a particular emphasis on employment programmes. The 'Brexit' is expected to further dampen global economic growth prospects, potentially having an adverse impact on emerging markets (including South Africa, and eventually Gauteng).

### **Acts, rules and regulations**

- Division of Revenue Act (DORA), 2008;
- Treasury Regulations 2005 and Delegations;
- Prevention and Combating of Corrupt Activities Act, 2004;
- Municipal Finance Management Act, 2004;
- Broad-Based Black Economic Empowerment Act, 2003;
- The Tender Board Repeal Act, 2002;
- Preferential Procurement Policy Framework Act, 2000;
- Promotion of Access to Information Act, 2000 (Act 2 of 2000);
- Municipality Systems Act (2000) and Development Facilitation Act (1995);
- Promotion of Administrative Justice Act, 2000;
- Public Finance Management Act, 1999;
- Employment Equity Act, 1998;
- Basic Conditions of Employment Act, 1997;
- Intergovernmental Fiscal Relations Act, 1997 (Act 97 of 1997);
- Public Service Laws Amendment Act; 1997;
- Government Employees Pension Law, 1996;
- The National Archives Act, 1996;
- Borrowing Powers of Provincial Government Act, 1996 (Act 48 of 1996);
- The Constitution of the Republic of South Africa, 1996;
- Labour Relations Act, 1995;
- Occupational Health and Safety Act, 1995;
- Public Service Act, 1994 Regulations and Delegations;
- The National Archives Act, 1996;
- Borrowing Powers of Provincial Government Act, 1996 (Act 48 of 1996);

- The Constitution of the Republic of South Africa, 1996;
- Labour Relations Act, 1995;
- Occupational Health and Safety Act, 1995;
- Public Service Act, 1994 Regulations and Delegations;

## 2. REVIEW OF THE CURRENT FINANCIAL YEAR (2017/18)

The department continued to support the implementation of the GPG Transformation, Modernisation and Reindustrialisation programme in the 2017/18 financial year and contributed directly to three pillars of the TMR programme (namely: Pillar 1 - Radical economic transformation, Pillar 4 - Transformation of state and governance and Pillar 5 - Modernisation of public service).

The following has been implemented:

### PILLAR 1: RADICAL ECONOMIC TRANSFORMATION

#### **To create an enabling environment for township-based SMME to do business with GPG**

The combined efforts of GPG Departments, entities and local municipalities, supported the Township Economy Revitalisation (TER) Strategy, resulting in the target for procurement from township enterprises being realised in 2016/17 and this effort continued in the 2017/18 financial year, with 16 per cent of procurement expenditure spent on township suppliers.

The GPT continued with its efforts of increasing the number of suppliers registered on the GPG database as a measure to increasing the pool of suppliers available to do business with government. The department partnered with various stakeholders to provide development workshops by training 681 suppliers, hence ensuring that they are fully compliant with government prescripts relating to procurement.

In order for SMMEs and cooperatives to sustain themselves and continue to render services to government, timeous payment of invoices is critical, in this regard 100 per cent of all invoices submitted up to Q3, were paid within 30 days and 99,5 per cent were paid within 15 days upon receipt.

#### **To support the development and implementation of the Township Economy Revitalisation Strategy that encourages the increase in township spend**

GPG departments together with entities and municipalities, supported the Township Economy Revitalisation Strategy that resulted in the target for procurement from township enterprises being realised this continued to be a focus area in the current financial year. The number of township suppliers on the GPG database has increased and the department continued to provide opportunities such as supplier development and incubation as a means to ensure suppliers benefit from public procurement spend by partnering with different stakeholders. Supplier development includes development workshops and training to ensure that suppliers are fully compliant with government prescripts relating to procurement.

### PILLAR 4: TRANSFORMATION OF STATE AND GOVERNANCE

#### **Promoting better planning and budgeting synergy across all spheres of government**

The department put measures in place to ensure that own revenue targets as outlined in the Provincial Revenue Strategy are realised, especially through alternative funding solutions. The department hosted various bi-laterals with the provincial departments and local government to ensure that proposed budgets are aligned to the TMR, other key policies and strategies adopted for implementation in the Gauteng City Region. Budget assessments were conducted at local municipalities and together with municipal fiscal responsiveness assessments oversight on municipalities was intensified.

#### **Ensuring balanced budgeting and sustainable funding for legislative mandates and strategic priorities of the province**

The department ensured that GPG departments are investing massively in catalytic infrastructure projects to facilitate spatial transformation across the five development corridors of the GCR. This is one of the key focus areas for the TMR programme that accelerates the delivery of services and improve economic growth, and to promote increased spending, the department ensured that only projects that are ready to implemented were funded.

#### **Ensuring that approved financial resources are spent efficiently, effectively and economically across the province**

The GPT coordinated cost containment measures for non-core goods and services items and spending on personnel, which was targeted to remain below 60 percent of the total budget, by end of the 3<sup>rd</sup> quarter compensation of employees was at 42 per cent. The GPT further continued to monitor and ensure improvement in the spending of infrastructure and conditional grants.

The province's liquidity levels have remained steady and sustainable. This was as a result of the prudent cash management practices being implemented where it was ensured that cash-outflows did not exceed provincial revenue streams.



**Supporting all departments, entities and municipalities to achieve unqualified audits**

Various interventions by the GPT have resulted in gradual improvement in audit outcomes for departments, public entities and local municipalities. All GPG departments and entities received unqualified audit outcomes for the 2016/17 financial year, with 65 per cent of audit outcomes being clean audits. The department continued to provide technical support and structured targeted training to address issues raised by the Auditor General during audits, this was done to ensure that the province gradually moves towards having unqualified audit outcomes in all its provincial institutions. The implementation of internal audits continued and the department continued to support GPG departments to ensure execution of internal audit recommendations.

**Reducing fraud and corruption and promoting clean government across the province**

The current administration in Gauteng is developing and advocating for a capable, responsive, accountable, clean, activist government machinery. As a result, various interventions have been put in place to realise this and one of the key projects is the implementation of the Open Tender system by government institutions. Already up to the end of the 3rd quarter, 17 projects have been adjudicated, with 68 more projects in the pipeline. Open tender is implemented in all GPG departments, 4 entities and 2 Gauteng local municipalities.

Fraud detection reviews were also conducted as part of the five pillars of the Forensic Services strategy of deterrence, prevention, detection, investigation; sanctions and recovery to ensure eradication of fraud and corruption within the Gauteng Provincial Government.

**Ensuring that statutory obligations are met and that decision makers facilitate appropriate interventions**

Timeous submission of statutory and regulatory reports is fundamental to a Treasury function, through its internal monitoring instrument, the Compliance Dashboard, the department was able to fulfill 100 per cent of its statutory and regulatory reporting obligations.

**PILLAR 5: MODERNISATION OF THE PUBLIC SERVICE**

The roll-out of the automated In-Year Monitoring (IYM) system is continuing, the automation of the IYM was done to ensure credible financial data and improve efficiencies in budget and expenditure reporting processes. The implementation of the online payroll certificate system to public entities which has been deployed to provincial departments has been initiated.

**3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2018/19)**

The 2018/19 financial year marks the last mile for the fifth Political administration which took office in 2014. The Gauteng province has been operating in a tight fiscal space and seeing increased demands on provincial fiscus to mitigate poverty and unemployment and promote growth.

The Gauteng Provincial Treasury is committed to the improvement of the lives of Gauteng citizens. The department's priority is to support the key priorities of this fifth administration. The department continues to support the implementation of the GPG Transformation, Modernisation and Reindustrialisation programme, the Gauteng Economic Development Strategy, the Township Economy Revitalisation strategy and the Infrastructure Master Plan. These policies have been adopted as key policies in the Gauteng City Region to accelerate, radically transform, modernise and re-industrialise the delivery of services to the Gauteng citizenry.

To ensure that the provincial priorities as espoused in the policy documents and plans and ensure that the envisaged service delivery outcomes in the Gauteng province are realised, the department has set out the following focus areas for the financial year:

**PILLAR 1: RADICAL ECONOMIC TRANSFORMATION****To create an enabling environment for township-based SMME to do business with GPG**

The key focus area for the Township Economy Revitalisation strategy is the revitalising and mainstreaming of the township economy and the development of SMME's and cooperatives. This is done through active industrial incentives and transformative procurement policy that promotes the growth of township-based manufacturing and services.

**To support the development and implementation of the township revitalisation strategy that encourages the increase in township spend**

The GPT intends to increase contribution to revitalizing townships by leveraging procurement to transform the economy. In this regard, the department will ensure that the provincial government increases its spending in registered township suppliers on the database to meet the target of 40% of procurement budget by the end of the 2018/19 financial year. This is only achievable with the collaboration of the local government sphere and GPG entities and also to ensure comprehensive reporting on TER across the Gauteng City Region.

Inclusion and sustainability of emerging enterprises are key elements in the acceleration of economic transformation. This is achievable through empowerment which entails a combination of supplier development, access to finance and markets in the mainstream economy.

In this regard, the department will continue with the implementation of various supplier development initiatives which have been established through partnerships with the private sector to ensure that township suppliers receive the net benefit due to them. The GPT will also continue with its efforts of increasing the number of suppliers registered on the CSD to increase the pool of suppliers available to do business with government. The department will continue to monitor and ensure compliance to and implementation of Regulations (PPR) from 1 April 2017 that requires government institutions to sub-contract 30% of all tenders over R30 million.

Payment of invoices for services rendered is an important element in ensuring the sustainability of SMMEs and cooperatives. The Gauteng Provincial Treasury department will put measures and processes in place to ensure timeous payment of invoices within 30 days upon receipt of final and correct invoices.

#### **PILLAR 4: TRANSFORMATION OF STATE AND GOVERNANCE**

##### **Promoting better planning and budgeting synergy across all spheres of government**

Synergy in the three spheres of government promotes better planning and budgeting resulting in an integrated and credible planning framework which will ensure alignment of plans across the spheres of government. Synergising processes is an integral element in ensuring that provincial priorities are strategically resourced with the potential to accelerate service delivery for the Gauteng citizenry and realise economies of scale.

The GPT will host various bilateral engagements with departments through various platforms like the Budget Lekgotla, Budget Fora, Premier's Budget Committee and Inter-Governmental Relations structures where there will be discussions on budget plans to ensure alignment to the TMR programme and other key policies and strategies adopted for implementation in the Gauteng City Region.

##### **Ensuring balanced budgeting and sustainable funding for legislative mandates and strategic priorities of the province**

The Gauteng economy remains the dominant economy in South Africa. The Gauteng City Region government continues to implement the transformation, modernisation and re-industrialisation programme through partnerships with the private sector, labour and the rest of society. The realisation of this programme requires a consultative approach to key priorities and improved synergies. This necessitates prudent budgeting and planning which focus on the provincial priorities to ensure that as a Province, more is done with less and that the priorities espoused in the TMR programme are adequately resourced.

It is for this reason that the GPT will continue to significantly increase and optimize own revenue generated from provincial sources and put measures in place to ensure that own revenue targets as outlined in the Provincial Revenue Strategy are realised. These funds will augment the equitable share and assist the province in ensuring that key priorities such as education, healthcare and social welfare are funded and furthermore citizens receive quality public services. The Gauteng Infrastructure Financing Agency will work with the Gauteng Planning Division to develop a financing model for the Infrastructure Master Plan 2030.

##### **Ensuring that approved financial resources are spent efficiently, effectively and economically across the province**

The GPT will manage the budget of non-core budgetary items and personnel within GPG. In attaining this, the department aims to contain personnel expenditure at below 60 percent against the total budget. Expenditure on infrastructure and conditional grants will be monitored and tracked to ensure improvement in the spending thereof. Similarly, the department will ensure efficient spent on provincial transfers to municipalities and increase capital expenditure at municipalities by putting in place various tracking and monitoring mechanisms.

The department will also continue to work closely with departments and municipalities to ensure the rollout of the infrastructure investment programme in the province. The programme will enable GPG to deliver infrastructure that will greatly support the provision of public services and contribute to the creation of jobs and towards investments in catalytic infrastructure projects to facilitate spatial transformation across the five development corridors of the GCR.

Cash-outflows to departments have remained within the provincial revenue streams, minimising liquidity exposure in the GPG. The department will continue to monitor cash disbursements to departments and ensuring that fund requests do not exceed the appropriated funds and ensure that prudent cash management practices are being implemented in departments.

##### **Supporting all departments, entities and municipalities to achieve unqualified audits**

The efforts and interventions by the GPT in supporting departments, municipalities, and entities to manage their finances in accordance with laws and regulations have resulted in improved audit outcomes for the provincial government. The GPT will continue to work closely with departments, entities and municipalities to ensure sustainability and improvement of the audit outcomes.

The programmes within the GPT will track the implementation of the Auditor General's recommendations and Gauteng Audit Services (GAS) will also conduct internal audits in accordance with approved risk based audit plans to ensure that problematic

areas are identified and addressed timeously to improve final audit outcomes and promote improvements in the internal control environment.

#### **Reducing fraud and corruption and promoting clean government across the province**

The GPG is committed to fight fraud and corruption in the public service to construct and advocate for a capable, responsive, accountable, clean and activist government machinery. The five key pillars of Deterrence; Prevention; Detection; Investigation; Sanctions and Recovery as espoused in the Forensic Services strategy and are at the centre of fighting and eradicating fraud and corruption in GPG.

The GPT will work closely with departments to fast-track implementation of the recommendations of fraud detection reviews to expedite action against maladministration, incompetence and corruption. The results of the detection reviews will assist in the identification of risk areas and development of control measures to tighten processes and systems to minimize fraud and corruption.

The roll out of the Open Tender system in the GPG is yielding positive results and restoring public confidence in a fair and just public procurement system. In this regard, the department will continue to accelerate the implementation of the Open Tender system in all provincial departments and introduce legislation on the system so that it becomes the institutionalised manner of procuring goods and services in this province.

#### **Ensuring that statutory obligations are met and that decision makers facilitate appropriate interventions**

Compliance with rules and regulations is key in fulfilment of the GPT's mandate. This is achieved by ensuring timeous submissions of credible reports to various key stakeholders as well as payments of invoices to suppliers within the prescribed timeframe of 30 days upon receipts of correct invoice.

The GPT will put interventions in place to ensure compliance to the MPAT standards and requirements and improved Management of Performance Assessment Tool (MPAT) results, and the fulfilment of the department's statutory and regulatory reporting obligations.

#### **PILLAR 5: MODERNISATION OF THE PUBLIC SERVICE**

Innovation, modernisation and technology enable service delivery improvement through an increase in productivity and improvement in and enhancement of operational efficiencies. In this regard, the GPT will continue to roll-out and implement Business Intelligence tools as a way of working smarter, driving functional excellence and improving service delivery in GPG. Where possible, processes will be automated to increase credibility of data and improve accuracies.

## **4. REPRIORITISATION**

GPT performed the reprioritisation exercise to identify savings that will be utilised to fund the spending plan over MTEF. The baselines for goods and services in core programmes were reprioritised. Savings were realised through identifying more cost effective ways of service delivery and reducing funds allocated for non-core items. The Administration and Gauteng Audit Services programmes reprioritised R4.8 million and R3 million, respectively, to support the implementation of the new generic structure for provincial treasuries.

The identified savings were also redirected to ensure continued support for the open tender process through probity audits, the implementation requirements of specialised audits in order to enhance transparency, good governance and a clean government through strengthening the internal control and regulatory environment in the province, automation of AFS production and deployment of SAP project system & PPM Modules and Providing assistance to municipalities to improve and promote sound Financial Governance; Financial Management and Administration to optimize revenue; contribute towards expenditure reduction; improving municipal audit outcomes and addressing institutional challenges. In addition the GPT has also directed funds to the Provincial Revenue Enhancement Strategy that aims to maximise the revenue collection in the province.

## **5. PROCUREMENT**

The 2018/19 financial year will see a continuation of various projects that GPT has procured in the prior years. These projects include the economic impact analysis which will be conducted on the Computable General Equilibrium (CGE) model which is estimated at R500 000 and probity auditors for the open tender project estimated at R25 million. The department is also planning to procure business solutions on its existing SAP platforms ranging Infrastructure Project Management (PPM), Forensic Information System (ICM and Analytics) estimated at R5.6 million.

To support Annual financial Statement reporting the GPT will procure a solution to automate the AFS production and continue with the annual AFS training of municipalities at an estimated cost of R500 000.

## 6. RECEIPTS AND FINANCING

### 6.1 Summary of receipts

TABLE 14.1: SUMMARY OF RECEIPTS: GAUTENG PROVINCIAL TREASURY

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Equitable share	482 189	555 189	616 351	712 634	654 907	654 907	796 413	831 470	882 786
Conditional grants									
<b>Total receipts</b>	<b>482 189</b>	<b>555 189</b>	<b>616 351</b>	<b>712 634</b>	<b>654 907</b>	<b>654 907</b>	<b>796 413</b>	<b>831 470</b>	<b>882 786</b>

The department is funded through equitable share. The allocation over the 2018 MTEF increases from the 2017/18 revised estimate of R654.9 million to R882.8 million in 2020/21. This corresponds with the departmental plans to implement the approved structure after obtaining the DPSA approval and to align the GPT as closely as possible with the prescribed uniform budget structures for Treasuries.

In the 2015/16 financial year, the GPT was reconfigured to align to the generic structure prescribed for Provincial Treasuries. The department has created new specialised and focused programmes, also taking over functions from the Department of e-Government. This has impacted both the outcomes and the 2018 MTEF period which are inclusive of the adopted functions.

Over the MTEF the department is funding various key projects, such as probity audit for the Open Tender Process, Computable General Equilibrium Model, and Forensic Audit Information Systems, P-Card software licenses and GRAP/Modified Cash Standard training for Municipalities and entities and Automation of Annual Financial Statements production for departments. The department will continue to strengthen their initiatives in support of the Operation Clean Audit such as the Municipal Advisor hands on support programme and various trainings on GRAP and Modified Cash Standard to GPG Departments and entities.

### 6.2 Departmental receipts

TABLE 14.2: SUMMARY OF DEPARTMENTAL RECEIPTS COLLECTION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Tax receipts									
Sales of goods and services other than capital assets	323	555	833	1 050	1 050	1 050	1 111	1 173	1 238
Transfers received									
Interest, dividends and rent on land	481 453	622 676	657 747	300 000	450 000	450 000	450 000	500 000	550 000
Sales of capital assets		214				84			
Transactions in financial assets and liabilities	490	451	445	450	450	450	500	528	557
<b>Total departmental receipts</b>	<b>482 266</b>	<b>623 896</b>	<b>659 025</b>	<b>301 500</b>	<b>451 500</b>	<b>451 584</b>	<b>451 611</b>	<b>501 701</b>	<b>551 795</b>

The department generates revenue mainly through the interest earned on favourable cash balances. The interest revenue is supplemented by parking fees charged to staff members and by recovery of debts from the previous years.

The interest revenue forms 99 percent of the total revenue collected by the department in each financial year. The interest revenue increases from R481.4 million in 2014/15 to R622.6 million in 2015/16. The revenue collection increased by R141.2 million between the 2014/15 and 2015/16 financial years. The interest revenue budget is set conservatively given that an increased spending in the province would reduce the cash balances and result in lower interest revenue earned. For this reason, the budget is set to increase from R452 million in 2018/19 to R502 million in 2019/20 and to R552 million in 2020/21.

Other revenue sources, particularly the parking fees, increase gradually from R323 000 to R555 000 between 2014/15 and 2015/16. The amount collected from this revenue source increased significantly in 2016/17 due to the money collected for selling of tender documents by the department.

## 7. PAYMENT SUMMARY

### 7.1 Key assumptions

The 2018 Medium Term Expenditure Framework (MTEF) budget is informed by the Gauteng Provincial Treasury's Strategic Plan, Annual Performance Plan, the provincial outcomes and the Gauteng Provincial Government's programme of action (POA). Provision for annual salary adjustments are made as follows: 6.4 percent in 2018/19; 6.6 percent in 2019/20; 6.5 percent in 2020/21. Provision has also been made for notch progression, performance bonuses, housing allowances, long service award and employer's medical aid contributions.

### 7.2 Programme summary

TABLE 14.3: SUMMARY OF PAYMENTS AND ESTIMATES BY PROGRAMME: GAUTENG PROVINCIAL TREASURY

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Administration	92 037	106 291	121 306	128 921	130 194	130 194	149 397	161 278	169 434
2. Sustainable Fiscal Resource Management	139 420	183 041	171 420	141 751	137 751	137 751	156 001	164 773	173 831
3. Financial Governance	109 809	126 678	125 343	145 585	153 785	153 785	166 413	170 419	179 793
4. Provincial Supply Chain Management	59 200	53 460	84 545	122 614	108 341	108 341	128 034	131 039	141 399
5. Municipal Financial Governance	28 525	29 995	37 075	61 384	44 957	44 957	78 576	69 737	76 724
6. Gauteng Audit Services	53 198	55 724	76 662	112 379	79 879	79 879	117 992	134 224	141 605
<b>Total payments and estimates</b>	<b>482 189</b>	<b>555 189</b>	<b>616 351</b>	<b>712 634</b>	<b>654 907</b>	<b>654 907</b>	<b>796 413</b>	<b>831 470</b>	<b>882 786</b>

### 7.3 Summary of economic classification

TABLE 14.4: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: GAUTENG PROVINCIAL TREASURY

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>401 859</b>	<b>429 043</b>	<b>507 718</b>	<b>644 664</b>	<b>583 225</b>	<b>583 068</b>	<b>714 818</b>	<b>761 592</b>	<b>809 065</b>
Compensation of employees	332 226	364 346	406 205	548 319	461 688	460 337	590 162	629 631	670 558
Goods and services	69 633	64 697	101 513	96 345	121 537	122 731	124 656	131 961	138 507
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>76 944</b>	<b>120 659</b>	<b>104 500</b>	<b>66 335</b>	<b>66 849</b>	<b>67 006</b>	<b>69 559</b>	<b>63 014</b>	<b>66 479</b>
Departmental agencies and accounts	75 000	120 000	102 650	55 335	55 385	55 385	58 544	61 940	65 346
Non-profit institutions				10 000	10 000	10 000	10 000		
Households	1 944	659	1 850	1 000	1 464	1 621	1 015	1 074	1 133
<b>Payments for capital assets</b>	<b>3 262</b>	<b>5 487</b>	<b>4 083</b>	<b>1 635</b>	<b>4 821</b>	<b>4 821</b>	<b>12 036</b>	<b>6 864</b>	<b>7 242</b>
Machinery and equipment	2 970	5 487	4 083	1 635	4 821	4 821	12 036	6 864	7 242
Land and sub-soil assets									
Software and other intangible assets	292								
<b>Payments for financial assets</b>	<b>124</b>		<b>50</b>		<b>12</b>	<b>12</b>			
<b>Total economic classification</b>	<b>482 189</b>	<b>555 189</b>	<b>616 351</b>	<b>712 634</b>	<b>654 907</b>	<b>654 907</b>	<b>796 413</b>	<b>831 470</b>	<b>882 786</b>

GPT was reconfigured in 2015/16 to align to the generic structure prescribed for Provincial Treasuries. The department has created new specialised and focused programmes, also taking over functions from the former Gauteng Department of Finance (now Department of E-Government). This has impacted both the outcomes and the 2018 MTEF period which are inclusive of the adopted functions.

Due to the departments, structural reconfiguration the previous outcomes and the 2018 MTEF period is inclusive of the adopted functions. Spending increased from R482.1 million in 2014/15 to R616.3 million in 2016/17. The budget of R712.6 million decreases to R654.9 million in 2017/18 due to the surrender of unutilized budget for vacant posts and suspension of funds to e-Government during the adjustments budget process. In 2018 MTEF period the allocation increases further to R796 million peaking at R882.8 million in the 2020/21 outer year.

Expenditure on compensation of employees increases from R332.2 million in 2014/15 to a projected amount of R461.7 million in 2017/18. Funds surrender during the 2017/18 adjustment process reduced the budget from R548.3 million to R461.7 million. The budget continues to grow in the 2018 MTEF period, R590.2 million in 2018/19 to R671.6 million in 2020/21, which

corresponds with the departmental plans to implement the new organisational structure when the DPSA approves it and to align the GPT as closely as possible with the uniform budget structure designated for Treasuries. Provision has been made for notch progression and annual performance bonuses as well as improvement in condition of service adjustment.

On goods and services, the department has made provisions for key projects and initiatives over the 2018 MTEF period such as Probity Audits, the Open Tender Process and the Forensic Audit Information systems. This is reflected in the increase from R121.5 million in 2017/18 to R138.5 million in 2020/21, at an annual average of 4.6 percent. This budget provides for the operational expenses such as property payments and administrative fees.

The department is still responsible for the transfer payments to the Gauteng Infrastructure Funding Agency and the South African Supplier Development Council (SASDC). The SASDC transfer comes to an end in the 2018/19 financial year. The Transfers and subsidies over the MTEF period are R69.5 million in the 2018/19 financial year, R63 million in the 2019/20 financial year and R66.5 million in the 2020/21 financial year. Transfers and subsidies to household caters for external bursaries provided to disadvantaged students.

Payments for capital assets mainly fund the provision of tools of trade for the department's officials. The resourcing is based on a structured IT equipment refresh process which is informed by the economic useful life of the various IT assets and warranties, as well the additional funds for the provision of servers. The allocation over the MTEF period is R12 million in 2018/19, R6.9 million in 2019/20 and R7.2 million in 2020/21.

## 7.4 Infrastructure payments

N/A

### 7.4.1 Departmental infrastructure payments

N/A

### 7.4.2 Non infrastructure items

N/A

### 7.4.3 Departmental Public-Private-Partnership (PPP) projects

The department does not have any PPP projects. The Provincial Treasury's oversight responsibilities for PPPs within the Province are housed under Sub-programme: Infrastructure Management (Element: PPP unit).

## 7.5 Transfers

### 7.5.1 Transfers to public entities

N/A

### 7.5.2 Transfers to other entities

TABLE 14.5: SUMMARY OF DEPARTMENTAL TRANSFERS TO OTHER ENTITIES: GAUTENG PROVINCIAL TREASURY

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Gauteng infrastructure funding agency	75 000	70 000	102 650	55 335	55 385	55 385	58 544	61 940	65 347
<b>Total departmental transfers</b>	<b>75 000</b>	<b>70 000</b>	<b>102 650</b>	<b>55 335</b>	<b>55 385</b>	<b>55 385</b>	<b>58 544</b>	<b>61 940</b>	<b>65 347</b>

During the 2014/15 financial year, the budget for the Gauteng Infrastructure Funding Agency increased from R75 million to R102.6 million in 2016/17 due to the re-establishment of the agency and the provision for the project preparation facility within the unit. Over the MTEF, the allocation for GIFA increases from R58.5 million in 2018/19, to R62 million in 2019/20 and R65 million in 2020/21. The increase in allocation is aimed at ensuring a sustainable pipeline of strategic infrastructure projects that are catalysts for socio-economic development in the province.

### 7.5.3 Transfers to local government

N/A



## 8. PROGRAMME DESCRIPTION

### PROGRAMME 1: Administration

#### Programme description

The programme aims to provide effective leadership, management and administrative support to the Treasury programmes as well as the Member of the Executive Council (MEC) and the Accounting Officer. This is done to carry out the mission and mandate of the department.

#### Programme objectives

- To provide for the well-functioning of the Member of Executive Council for Finance to enable her to provide political leadership and ensure alignment to the Ministerial Handbook.
- To render administrative leadership to the department and is further sub-divided in Strategy Management, a function which manages and coordinates strategic planning, corporate performance, monitoring and evaluation of the department and also provides internal risk management services.
- Financial Management Services which houses the Office of the Chief Financial Officer (CFO) aims to ensure sound financial management in GPT, by ensuring, amongst things, budgets which align to the outcomes and priorities of the department and compliance with Supply Chain prescripts.
- Human Resources, Communications, Legal Services and Information, Communications and Technology (ICT) functions reside in this sub-programme and their purpose is to ensure compliance to good governance principles by providing corporates support services to the department.

#### Key policies, priorities and outputs

Some of the key priorities for the Administration programme in the 2018/19 financial year are as follows:

- Compliance with regulatory and legislated reporting requirements;
- Vacancy rate maintained at accepted levels;
- Implementation of the generic structure;
- Improve departmental score for Management of Performance Assessment Tool (MPAT) and ensure compliance with standards and requirements;
- Ensure timely payment of service providers;
- Maintain department's audit outcome for the financial year under audit; and
- Development of youth in support of Tshepo 1 million.

TABLE 14.6: SUMMARY OF PAYMENTS AND ESTIMATES BY SUB-PROGRAMME: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Office Of The Mec	6 471	5 840	6 310	7 288	7 288	7 288	8 417	8 862	9 348
2. Office Of The Hod	14 692	15 064	17 274	17 709	17 709	18 445	13 534	14 927	15 748
3. Corporate Management	52 534	59 682	73 058	77 865	75 138	74 402	84 850	95 432	100 681
4. Financial Management Services (Cfo)	18 340	25 705	24 664	26 059	30 059	30 059	42 596	42 057	43 657
<b>Total payments and estimates</b>	<b>92 037</b>	<b>106 291</b>	<b>121 306</b>	<b>128 921</b>	<b>130 194</b>	<b>130 194</b>	<b>149 397</b>	<b>161 278</b>	<b>169 434</b>

TABLE 14.7: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>88 524</b>	<b>100 590</b>	<b>116 349</b>	<b>126 286</b>	<b>124 305</b>	<b>124 301</b>	<b>136 346</b>	<b>153 340</b>	<b>161 059</b>
Compensation of employees	62 021	68 642	77 152	91 902	89 108	89 099	98 852	111 605	117 742
Goods and services	26 503	31 948	39 197	34 384	35 197	35 202	37 494	41 735	43 317
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>1 499</b>	<b>214</b>	<b>830</b>	<b>1 000</b>	<b>1 067</b>	<b>1 071</b>	<b>1 015</b>	<b>1 074</b>	<b>1 133</b>
Provinces and municipalities									
Households	1 499	214	830	1 000	1 067	1 071	1 015	1 074	1 133
<b>Payments for capital assets</b>	<b>2 006</b>	<b>5 487</b>	<b>4 083</b>	<b>1 635</b>	<b>4 821</b>	<b>4 821</b>	<b>12 036</b>	<b>6 864</b>	<b>7 242</b>
Machinery and equipment	1 731	5 487	4 083	1 635	4 821	4 821	12 036	6 864	7 242
Software and other intangible assets	275								
<b>Payments for financial assets</b>	<b>8</b>		<b>44</b>		<b>1</b>	<b>1</b>			
<b>Total economic classification</b>	<b>92 037</b>	<b>106 291</b>	<b>121 306</b>	<b>128 921</b>	<b>130 194</b>	<b>130 194</b>	<b>149 397</b>	<b>161 278</b>	<b>169 434</b>



The Administration expenditure increases from R92 million in 2014/15 to a projected amount of R130.2 million in 2017/18. The budget increases by R1.3 million from R128.9 million to R130.2 million through the adjustments budget process in 2017/18. Over the MTEF period, the budget continues to increase from R149.4 million in 2018/19 to R169.4 million in 2020/21. The growth in Administration is indicative of the department's increase in size where the full structure makes a provision for 1 094 officials and the migrated functions from e-Gov.

Expenditure on compensation of employees increases from R62 million in 2014/15 to R77.1 million in 2016/17. The main budget decreases from R91.9 million to R89.1 million through the 2017/18 adjustments budget process to provide funds for the injury-on-duty claims and leave gratuity payments, debts write-offs and funds suspension to e-Gov for the ICT requirements. Over the MTEF period, the budget allocation is as follows: R98.8 million in 2018/19, R111.6 million in 2019/20 and R117.7 million in 2020/21. The increase in compensation of employees is due to the establishment of capacity to support the growth in the department in terms of personnel and functions, other contributions to the increase include the annual cost of living salary increases, notch progressions and personnel related costs such as performance bonus and service bonus.

The main cost drivers in goods and services are utilities, external audit, lease payments, communication and property payments. The department also has various project earmarked and catered for under goods and services such as the hosting of network servers externally, IT equipment refreshing programme and the Corporate Performance and Evaluation Information Systems.

The spending increases from R1.7 million in 2014/15 to R4.1 million in 2016/17. During the 2017/18 adjustments, the budget increases from R1.6 million to R4.8 million to provide for the purchase of tools of trade including printers. Over the MTEF, The budget allocation over the MTEF amounts to R12 million (2018/19), R6.9 million (2019/20) and R7.2 million (2020/21).

## SERVICE DELIVERY MEASURES

### PROGRAMME1: ADMINISTRATION

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Auditor General's audit outcome for the department	Unqualified audit opinion with no other matters in the audit report	Unqualified audit opinion with no other matters in the audit report	Unqualified audit opinion with no other matters in the audit report	Unqualified audit opinion with no other matters in the audit report
% of external audit recommendations tracked before next audit cycle	100%	100%	100%	100%
% of supplier payments paid within 30 days after receipt of correct invoice	100%	100%	100%	100%
Number of youth developed in support of Tshepo 1 million	50	205	265	275
Number of evaluations conducted	3	3	3	3
Approved Annual Performance Plan submitted to GPL in line with prescribed timelines	New indicator	2019/20 APP submitted to GPL in line with prescribed timelines	2020/21 APP submitted to GPL in line with prescribed timelines	2021/22 APP submitted to GPL in line with prescribed timelines
Approved annual report submitted to GPL in line with prescribed timelines	New indicator	2017/18 annual report submitted to GPL in line with prescribed timelines	2018/19 annual report submitted to GPL in line with prescribed timelines	2019/20 annual report submitted to GPL in line with prescribed timelines

### PROGRAMME 2: SUSTAINABLE FISCAL RESOURCE MANAGEMENT

#### Programme description

To ensure the effective and efficient administration of provincial and fiscal resources

#### Programme objectives

- The Budget Management function is responsible for resourcing the provincial priorities and reporting on provincial expenditure.
- The Economic and Fiscal Policy Oversight sub-programme provides socio-economic research and analysis and further ensures optimal own revenue collection in the province.
- Infrastructure Management intends to enhance and monitor infrastructure performance of Provincial Departments, Entities and Municipalities in order to improve the delivery of infrastructure projects and to stimulate economic growth.

- The Financial Assets and Liabilities Management sub-programme promotes and enforces transparency and effective management of the Provincial Revenue Fund by ensuring prudent cash flow management and the liquidity in the Province are sustained.
- The main function for this sub-programme is to guide the formulation of budget policy and monitors the expenditure of the budget to ensure that the resources are spent effectively and efficiently.

### Key policies, priorities and outputs

Some of the key priorities for the Sustainable Fiscal Resource Management programme in the 2018/19 financial year are as follows:

- Optimize own revenue generation
- Improve infrastructure delivery to support economic growth and job creation
- Manage the budget of non-core budgetary items
- Manage the budget for compensation of employees within GPG

TABLE 14.8: SUMMARY OF PAYMENTS AND ESTIMATES BY SUB-PROGRAMME: SUSTAINABLE FISCAL RESOURCE MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Programme Support/Office Of The Ddg	79 280	124 207	106 202	60 415	60 465	60 539	64 343	68 044	71 785
2. Budget Management	13 355	16 496	16 938	22 570	20 780	20 404	25 542	27 021	28 505
3. Economic And Fiscal Policy Oversight	9 382	10 074	11 959	13 652	15 533	14 975	14 327	15 098	15 929
4. Infrastructure Management	3 287	6 359	10 129	15 175	14 375	13 571	16 362	17 310	18 261
5. Financial Asset And Liabilities Management	18 836	8 664	9 574	12 425	12 270	13 496	15 423	16 131	17 018
6. Public Finance	15 280	17 241	16 618	17 514	14 328	14 766	20 004	21 169	22 333
<b>Total payments and estimates</b>	<b>139 420</b>	<b>183 041</b>	<b>171 420</b>	<b>141 751</b>	<b>137 751</b>	<b>137 751</b>	<b>156 001</b>	<b>164 773</b>	<b>173 831</b>

TABLE 14.9: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: SUSTAINABLE FISCAL RESOURCE MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>64 270</b>	<b>62 840</b>	<b>68 655</b>	<b>86 416</b>	<b>82 366</b>	<b>82 305</b>	<b>97 457</b>	<b>102 833</b>	<b>108 485</b>
Compensation of employees	59 773	55 072	59 679	75 424	68 234	66 902	82 421	87 182	91 974
Goods and services	4 497	7 768	8 976	10 992	14 132	15 403	15 036	15 651	16 511
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>75 150</b>	<b>120 201</b>	<b>102 765</b>	<b>55 335</b>	<b>55 385</b>	<b>55 446</b>	<b>58 544</b>	<b>61 940</b>	<b>65 346</b>
Departmental agencies and accounts	75 000	120 000	102 650	55 335	55 385	55 385	58 544	61 940	65 346
Households	150	201	115			61			
<b>Payments for capital assets</b>									
Buildings and other fixed structures									
Land and sub-soil assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>139 420</b>	<b>183 041</b>	<b>171 420</b>	<b>141 751</b>	<b>137 751</b>	<b>137 751</b>	<b>156 001</b>	<b>164 773</b>	<b>173 831</b>

Ninety five percent of expenditure incurred in Sustainable Fiscal Resource Management were transfer payments and personnel costs during the first three years under review. The total expenditure increases from R139.4 million in 2014/15 to R171.4 million in the 2016/17. The surrender of R4 million back to the Provincial Revenue Fund reduced the main budget from R141.7 million to R137.5 million during the 2017/18 adjustments budget. The budget is set to increase from R156 million to R173.8 million over the MTEF to provide mainly for transfer payments and personnel costs.

Average spending on compensation of employees was R58 million during the first three years under review. The main budget of R75.4 million in 2017/18 was informed by the new organisational structure that is awaiting the DPSA approval. The non-implementation of this new organisation during the financial year resulted in funds for new units in the structure (e.g. data management sub-unit and infrastructure support sub-unit) not being used and being surrender back to the Provincial Revenue Fund during the 2017/18 adjustments. Hence a decrease in the budget from R75.4 million to R68.2 million in 2017/18. The budget over the MTEF increases from R82.4 million (2018/19) to R92 million (2020/21) to accommodate the requirements of new organisational structure when it is approved.

The programme experienced a R1.2 million expenditure increase in goods and services between the 2015/16 and 2016/17 financial years. The budget increases by R3.1 million to become R14.1 million during the 2017/18 adjustments through reallocation of funds from compensation of employees to goods and services to provide for the requirements of the Computable General Equilibrium (CGE) Model. In the MTEF period the allocation is as follows; R15 million (2018/19), R15.6 million (2019/20) and R16.5 million (2020/21). The main cost drivers under this programme are the (CGE) model, Infrastructure management, and the printing of provincial publications such as PERO, SERO, MTBPS, and EPRE.

The budget for transfers and subsidies to the Gauteng Infrastructure Funding Agency (GIFA) increased by R50 000 to become R55.4 million during the 2017/18 adjustments. Over the MTEF period, the budget for transfer payment is as follows R58.5 million for 2018/19, R61.9 million for 2019/20 and R65.3 million for 2020/21.

## SERVICE DELIVERY MEASURES

### PROGRAMME 2: SUSTAINABLE FISCAL RESOURCE MANAGEMENT

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of engagements conducted with GPG departments on the alignment of budgets to the TMR programme	14 MTEC sessions held and MTEC resolutions prepared	14 MTEC sessions held and MTEC resolutions prepared	14 MTEC sessions held and MTEC resolutions prepared	14 MTEC sessions held and MTEC resolutions prepared
	15 Budget fora held	15 Budget fora held	15 Budget fora held	15 Budget fora held
Number of budgets tabled in line with prescribed timeframes	1 MTEF budget that resources the TMR programme tabled	1 MTEF budget that resources the TMR programme tabled	1 MTEF budget that resources the TMR programme tabled	1 MTEF budget that resources the TMR programme tabled
	1 adjustment budget that resources the TMR programme tabled	1 adjustment budget that resources the TMR programme tabled	1 adjustment budget that resources the TMR programme tabled	1 adjustment budget that resources the TMR programme tabled
% variance between projections and actuals	Actual transfer payments should not exceed the quarterly projections by 7%	Actual transfer payments to not exceed 7% of the quarterly projections	Actual transfer payments to not exceed 7% of the quarterly projections	Actual transfer payments to not exceed 7% of the quarterly projections
	Actual expenditure on CoE should not exceed the quarterly projections by 7%	Actual expenditure on CoE to not exceed 7% of the quarterly projections	Actual expenditure on CoE to not exceed 7% of the quarterly projections	Actual expenditure on CoE to not exceed 7% of the quarterly projections
Average % increase in provincial own revenue	8%	10%	Own revenue collection increase at CPI	Own revenue collection increase at CPI
Number of infrastructure budgets tabled in line with prescribed timeframes	2	2	2	2
% spent on infrastructure budget allocation by the GPT	New Indicator	98%	98%	98%
AG Audit outcome for the Provincial Revenue Fund	Unqualified audit opinion with no other matters	Unqualified audit opinion with no other matters	Unqualified audit opinion with no other matters	Unqualified audit opinion with no other matters
% spent on conditional grants allocation	98%	98%	98%	98%

### PROGRAMME 3: FINANCIAL GOVERNANCE

#### Programme description

To promote accountability through substantive reflection of financial activities as well as compliance with financial norms and standards in PFMA compliant institutions.

#### Programme objectives

- The Provincial Accounting Services enforces the effective implementation of accounting practices and also prepares accurate consolidated financial statements by focusing on, amongst others, financial accounting matters, asset management, banking and issues related to statutory deductions.
- The main focus for Provincial Forensic Audit is the provision of forensic audit services in the Province.
- The Transversal Internal Audit and Risk Management function provides risk management support services to provincial institutions and have an oversight role on internal audit function.

- The Compliance sub-programme monitors and enforces compliance with the PFMA and other regulatory prescripts by provincial institutions.
- The Financial Information Management Systems function provides oversight on and oversees the management of transversal financial systems in the Province

### Key policies, priorities and outputs

Some of the key priorities for the Financial Governance programme in the 2018/19 financial year are as follows:

- Maintenance and achievement of unqualified audit outcomes for provincial departments and public entities
- Development and monitoring of risk profiles for Provincial Departments and Municipalities
- Implementation of the forensics services strategy in order to eradicate fraud and corruption in the Province
- Monitoring of compliance with 30 days payments policies by departments

**TABLE 14.10: SUMMARY OF PAYMENTS AND ESTIMATES BY SUB-PROGRAMME: FINANCIAL GOVERNANCE**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Programme Support/Office Of The Ddg	32 613	15 294	3 222	3 948	4 448	4 442	5 769	6 000	6 332
2. Provincial Accounting Services	30 992	43 019	46 766	54 233	53 233	54 877	59 849	60 640	63 975
3. Provincial Forensic Audits	14 848	19 215	23 768	25 312	39 512	39 139	41 523	40 705	42 945
4. Transversal Internal Audit And Risk Management	11 822	14 030	15 233	17 759	17 259	16 990	18 659	19 843	20 934
5. Norms And Standards	12 564	14 240	9 865	3 959	3 959	3 803	5 213	5 516	5 819
6. Financial Information Management Systems	6 970	20 880	26 489	40 374	35 374	34 534	35 400	37 715	39 788
<b>Total payments and estimates</b>	<b>109 809</b>	<b>126 678</b>	<b>125 343</b>	<b>145 585</b>	<b>153 785</b>	<b>153 785</b>	<b>166 413</b>	<b>170 419</b>	<b>179 793</b>

**TABLE 14.11: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: FINANCIAL GOVERNANCE**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>108 469</b>	<b>126 573</b>	<b>125 023</b>	<b>145 585</b>	<b>153 684</b>	<b>153 684</b>	<b>166 413</b>	<b>170 419</b>	<b>179 793</b>
Compensation of employees	73 959	107 726	112 211	129 893	119 592	119 674	135 839	141 416	149 193
Goods and services	34 510	18 847	12 812	15 692	34 092	34 010	30 574	29 003	30 600
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>112</b>	<b>105</b>	<b>320</b>		<b>100</b>	<b>100</b>			
Provinces and municipalities									
Households	112	105	320		100	100			
<b>Payments for capital assets</b>	<b>1 228</b>								
Machinery and equipment	1 228								
Software and other intangible assets									
<b>Payments for financial assets</b>					<b>1</b>	<b>1</b>			
<b>Total economic classification</b>	<b>109 809</b>	<b>126 678</b>	<b>125 343</b>	<b>145 585</b>	<b>153 785</b>	<b>153 785</b>	<b>166 413</b>	<b>170 419</b>	<b>179 793</b>

Spending for the Financial Governance programme increases from R109.8 million in the 2014/15 financial year to R125.3 million in the 2016/17 financial year. The spending pressures in respect of provincial forensic audits caused the budget to increase through funds reallocated from other programmes during the 2017 adjustments process. For the MTEF period the allocation is set at R166.4 million in 2018/19, R170.4 million in 2019/20 and R179.8 million in the 2020/21 financial years. The increase will fund various system development and enhancements projects as a commitment to modernising the public service for effective service delivery.

Personnel costs incurred increase from R74 million in 2014/15 to R112.2 million in 2016/17. R10.3 million for vacant posts was reallocated to fund goods and services during the 2017/18 adjustments budget; this reduced the personnel budget from R129.9 to R119.6 million. The budget increases from R119.6 million in 2017/18 to R149.2 million in 2020/21 to fund the requirements of the new organisational structure.

Expenditure on goods and services decreased from R34.5 million (2014/15) to R12.8 million (2016/17) due to the completion of the Health Intervention project in 2015/16. The budget increased by R18.4 million to become R34.1 million during the 2017/18 adjustments through R8.2 million reallocated from other programmes and R10.3 million reallocated from funds for vacant posts; these funds increased the allocation for forensic investigation assignments undertaken to improve transparency in the public resources usage. Over the MTEF, the budget ranges between R29 million and R30.6 million. Spending focus over MTEF will be on Investigative Case Management System, forensic audit information system, P-Card and E-Invoicing

software licenses and automation of annual financial statements production for department and entities, deployment of SAP PPM project system. These efforts are in line with the promotion of accountability through substantive reflection of financial activities as well as compliance with financial norms and standards.

## SERVICE DELIVERY MEASURES

### PROGRAMME 3: FINANCIAL GOVERNANCE

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
% of audit recommendations tracked at public entities before the next audit cycle	100%	100%	100%	100%
% of audit recommendations tracked at the departments before the next audit cycle	100%	100%	100%	100%
Number of reports produced on the monitoring of compliance to 30 days payment in 3 departments (Health, Education and Infrastructure Dev)	4	4	4	4
Number of SCM procurement related fraud detection reviews conducted	New indicator	4	4	4
Number of departments with updated risk profiles	Update risk profiles for all departments by 31 March 2018	14	14	14
Number of municipalities with risk profiles developed	Develop risk profiles for 2 municipalities by 30 June 2018	8 municipalities with risk profiles developed	8 municipalities with updated risk profiles	8 municipalities with updated risk profiles
% of departments with unqualified audit outcomes	All departments with unqualified audit outcomes	100%	100%	100%
% of public entities with unqualified audit outcomes	All public entities with unqualified audit outcomes	100%	100%	100%

### PROGRAMME 4: PROVINCIAL SUPPLY CHAIN MANAGEMENT

#### Programme description

Promote and enforce transparency and effective Supply Chain Management in the province.

#### Programme objective

- The Supply Chain Management Norms and Standards, Governance, Compliance, Monitoring & Evaluation functions oversee the establishment of uniform SCM policy, norms & standards and ensures monitoring and reporting on SCM matters.
- The Client Support function promotes, supports and develops capacity through institutional, organisational, individual and stakeholder development.
- The Transversal Contract Management sub-programme establishes SCM transversal contract management mechanisms in the Province.
- Strategic Procurement establishes SCM strategic procurement mechanisms in support and in alignment to the Township Economic Revitalisation strategy

#### Key policies, priorities and outputs

Some of the key priorities for the Provincial Supply Chain Management programme in the 2018/19 financial year are as follows:

- Full implementation of the Open Tender Process in GPG institutions;
- Increased spending of procurement on registered township suppliers;
- Utilization of township suppliers registered in the centralized supplier database (CSD);
- Supplier Development and training to facilitate greater participation in government procurement; and
- Reduction of historical irregular expenditure.

TABLE 14.12: SUMMARY OF PAYMENTS AND ESTIMATES BY SUB-PROGRAMME: PROVINCIAL SUPPLY CHAIN MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Programme Support/Office Of The Ddg	3 159	6 461	28 222	28 260	32 260	31 348	36 398	36 898	38 929
2. Scm Policy, Norms And Standards			5 000	14 232	12 732	16 415	22 142	22 314	23 539

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
3. Governance, Compliance, Monitoring And Evaluation									
4. Scm Client Support			35 605	34 335	27 062	25 385	37 126	39 279	44 592
5. Strategic Procurement			10 979	17 138	16 138	15 270	19 235	20 350	21 470
6. Transversal Contract Management			4 739	28 649	20 149	19 923	13 133	12 198	12 869
7. Movable Asset Management									
8. Procurement Services	56 041	46 999							
<b>Total payments and estimates</b>	<b>59 200</b>	<b>53 460</b>	<b>84 545</b>	<b>122 614</b>	<b>108 341</b>	<b>108 341</b>	<b>128 034</b>	<b>131 039</b>	<b>141 399</b>

TABLE14.13: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PROVINCIAL SUPPLY CHAIN MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>59 058</b>	<b>53 399</b>	<b>84 109</b>	<b>112 614</b>	<b>98 316</b>	<b>98 236</b>	<b>118 034</b>	<b>131 039</b>	<b>141 399</b>
Compensation of employees	57 798	49 796	59 913	92 511	72 173	72 093	90 314	103 323	112 157
Goods and services	1 260	3 603	24 196	20 103	26 143	26 143	27 720	27 716	29 242
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>9</b>	<b>61</b>	<b>430</b>	<b>10 000</b>	<b>10 015</b>	<b>10 095</b>	<b>10 000</b>		
Non-profit institutions				10 000	10 000	10 000	10 000		
Households	9	61	430		15	95			
<b>Payments for capital assets</b>	<b>17</b>								
Land and sub-soil assets									
Software and other intangible assets	17								
<b>Payments for financial assets</b>	<b>116</b>		<b>6</b>		<b>10</b>	<b>10</b>			
<b>Total economic classification</b>	<b>59 200</b>	<b>53 460</b>	<b>84 545</b>	<b>122 614</b>	<b>108 341</b>	<b>108 341</b>	<b>128 034</b>	<b>131 039</b>	<b>141 399</b>

The total expenditure increases from R59.2 million in 2014/15 financial year to R84.5 million in 2016/17. The main allocation increased to R122.6 million in 2017/18 as the implementation of the interventions to improve supply chain management in the province gained momentum. The surrender of funds for vacant posts in the unapproved new organisational structure reduced the budget from R122.6 million to R108.3 million during the 2017/18 adjustments budget process. The allocations over the MTEF amount to R128 million (2018/19), R131 million (2019/20) and R141.4 million (2020/21). These allocations provide for increasing the capacity in the various sub-units within the programme; for the supplier development to support the TER strategy; and for a further rollout of the open tender system in Gauteng Province.

Expenditure on compensation of employees increases from R57.8 million in 2014/15 to a projected amount of R72.1 million in 2017/18. In line with the requirements of the new organisational structure that is yet to be approved by the DPSA, the main budget amounted to R92.5 million in 2017/18. This budget was subsequently reduced to R72.2 million through the surrender of funds for vacant posts during the 2017/18 adjustments. The budget increases from R90.3 million to R112.2 million over the MTEF to capacitate the various business units (namely: SCM Policy, Norms and standards, governance, SCM compliance monitoring and evaluation).

Spending on goods and services increased up to R24.2 million during the first three years under review to fund goods and services required for the open tender system, supplier development and the procurement hub. The budget increased by R6 million to become R26.1 million during the 2017/18 adjustments budget to fund the drafting of the open tender legislation and the hosting of supplier development seminar. The allocation over the MTEF is as follows: R27.7 million for 2018/19 and 2019/20 and R29.2 million for 2020/21. The main focus will be probity audit services required for open tenders in departments and entities, implementation of TER strategy and other SCM interventions as well as other operational requirements.

The transfers and subsidies allocation which commenced in 2016/17 and over the MTEF which comes to an end in 2018/19 caters for supplier development to support township economy revitalization.

## SERVICE DELIVERY MEASURES



**PROGRAMME 4: PROVINCIAL SUPPLY CHAIN MANAGEMENT**

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of departments implementing the open tender process	14 departments	14 departments	14 departments	14 departments
Number of registered suppliers undergoing supplier development	1 060	1 238	1 188	1 000
% spend of procurement on township suppliers in the 5 developmental corridors	Central 39%	Central 39%	Central 39%	Central 39%
	Eastern 27%	Eastern 27%	Eastern 27%	Eastern 27%
	Northern 25%	Northern 25%	Northern 25%	Northern 25%
	Western 6%	Western 6%	Western 6%	Western 6%
	Southern 3%	Southern 3%	Southern 3%	Southern 3%
Number of public entities implementing the open tender process	5 entities	7 entities	7 entities	7 entities
Number of compliance reports produced to monitor government procurement above R30 million subcontracted to SMEs	New Indicator	4	4	4

**PROGRAMME 5: MUNICIPAL FINANCIAL GOVERNANCE****Programme description**

To ensure effective and efficient management in Municipalities and Municipal Entities and coordinate the provisioning of capacity building.

The Municipal Financial Governance Programme is divided into various sub-programmes that enables it to attain its set strategic objectives, deliverable and targets. The sub-programmes are as follows:

**Programme objective**

- The Local Government Financial Services function ensures optimal and sustainable budget management process in delegated local municipalities and further monitors the effective and efficient compliance with financial assets and liabilities management.
- The Municipal Accounting and Asset Management function monitors compliance with financial management and annual reporting framework and further promotes the understanding and implementation of accounting standards (GRAP), as well as the reviewing and reporting on the quality of Annual Financial Statements.
- Municipal Compliance and Financial Management Support co-ordinates, monitors and reports on MFMA implementation and enforces compliance with the MFMA and other regulatory prescripts by local municipalities.

**Key policies, priorities and outputs**

Some of the key priorities for the Municipal Financial Governance programme in the 2018/19 financial year are as follows:

- Reduction of confirmed government debt
- Ensure efficient spent on provincial transfers to municipalities and increase capital expenditure at municipalities
- Improve sound financial management in delegated municipalities
- Maintain the achievement of unqualified audit outcomes for delegated municipalities and municipal entities
- Ensure the credibility of municipal planning and budgeting processes

**TABLE 14.14: SUMMARY OF PAYMENTS AND ESTIMATES BY SUB PROGRAMME: MUNICIPAL FINANCIAL GOVERNANCE**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Programme Support/Office Of The Ddg	28 525	29 995	37 075	11 285	44 957	44 957	11 682	12 359	13 038
2. Local Government Financial Services				13 243			19 971	12 136	12 804
3. Municipal Accounting And Asset Management				12 127			21 330	13 574	14 320
4. Municipal Compliance And Financial Management Support				24 729			25 593	31 668	36 562
<b>Total payments and estimates</b>	<b>28 525</b>	<b>29 995</b>	<b>37 075</b>	<b>61 384</b>	<b>44 957</b>	<b>44 957</b>	<b>78 576</b>	<b>69 737</b>	<b>76 724</b>

**TABLE 14.15: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: MUNICIPAL FINANCIAL GOVERNANCE**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>28 387</b>	<b>29 971</b>	<b>37 034</b>	<b>61 384</b>	<b>44 853</b>	<b>44 853</b>	<b>78 576</b>	<b>69 737</b>	<b>76 724</b>
Compensation of employees	27 681	28 847	29 903	54 409	41 079	41 079	71 238	61 927	68 485
Goods and services	706	1 124	7 131	6 974	3 774	3 774	7 338	7 810	8 239
Interest and rent on land									



R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Transfers and subsidies to:</b>	138	24	41		104	104			
Provinces and municipalities									
Households	138	24	41		104	104			
<b>Payments for capital assets</b>									
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>28 525</b>	<b>29 995</b>	<b>37 075</b>	<b>61 384</b>	<b>44 957</b>	<b>44 957</b>	<b>78 576</b>	<b>69 737</b>	<b>76 724</b>

The spending for the Municipal Financial Governance increases from R28.5 million in 2014/15 to R37.1 million in 2016/17. The programme surrendered funds for vacant posts during the 2017/18 adjustments budget which reduced the budget from R61.4 million to R45 million. The budget amounts increases up to R78.6 million over the MTEF.

Personnel expenditure was at R27.7 million in 2014/15, R28.8 million in 2015/16 and R29.9 million in 2016/17. In line with the requirements of the unapproved organisational structure, the main budget of R54.4 million was allocated in 2017/18. This budget subsequently reduced to R41.1 million during the 2017/18 adjustments budget when the funds for vacant posts were surrendered to the Provincial Revenue Fund. The budget increases to R71.2 million in 2018/19 to provide for the additional capacity under Municipal Compliance and Financial Management Support and for personnel costs of filled posts.

Expenditure on goods and services amounted to R706 000 in 2014/15 and it increased to R1.1 million in 2015/16 to provide for the various interventions in municipalities in 2015/16. The expenditure further increased to R7.1 million in 2016/17 mainly to provide legal support to Emfuleni Municipality. The budget increases from R7.3 million to R8.2 million over the MTEF to provide for the printing of gazettes, travel expenditure to municipalities, software licenses as well as training and development for municipalities. The projects that will be supported by the programme are MSCOA Hands-on Support, MFG Compliance dashboard tool/ database management tool, Government Debt Verifications and training on annual financial statements.

## SERVICE DELIVERY MEASURES

### ROGRAMME 5: MUNICIPAL FINANCIAL GOVERNANCE

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of budget assessments conducted for delegated municipalities	16	16	16	16
Number of municipal SDBIP assessments conducted	8	8	8	8
Number of reports produced on the reduction of confirmed provincial government debt that is over 90 days	New Indicator	4	4	4
% spent on provincial transfers to municipalities	75%	75%	80%	85%
Number of municipal fiscal responsiveness assessments conducted	32	8	8	8
% of audit findings tracked in respect of AFS from the audit action plans of municipalities	100%	100%	100%	100%

### PROGRAME 6: GAUTENG AUDIT SERVICES

#### Programme description

To enhance transparency, good governance and a clean government through strengthening the internal control and regulatory environment in the province and to render audit services in the GPG.

#### Programme objective

- The Risk and Compliance Audit Services function manages and ensures performance of risk and compliance audits for the GPG.
- Performance and Computer Audit Services manages and conducts performance and computer audits for GPG departments.

#### Key policies, priorities and outputs

The key priority for the Gauteng Audit Services programme in the 2018/19 financial year are is:

- Conduct audit services that assist in improving the controls environment for GPG departments and trading entities
- Implementation of Internal Audit Plans

TABLE 14.16: SUMMARY OF PAYMENTS AND ESTIMATES: GAUTENG AUDIT SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Programme Support/Office Of The Ddg	3 768	3 249	11 237	10 563	10 433	10 433	9 009	12 706	13 404
2. Risk And Compliance Audit Services( Cluster1,2,3)	14 194	13 002	21 398	37 139	23 659	23 169	38 428	40 657	42 893
3. Risk And Compliance Audit Services( Cluster 4,5,6)	17 824	20 635	25 048	37 090	24 090	24 840	45 513	48 153	50 801
4. Performance And Computer Audit Services	12 913	15 156	18 979	27 587	21 697	21 437	25 042	32 708	34 507
5. Audit Centre Of Excellence	4 499	3 682							
6. Financial Audit And Risk Compliance									
<b>Total payments and estimates</b>	<b>53 198</b>	<b>55 724</b>	<b>76 662</b>	<b>112 379</b>	<b>79 879</b>	<b>79 879</b>	<b>117 992</b>	<b>134 224</b>	<b>141 605</b>

TABLE 14.17: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: GAUTENG AUDIT SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>53 151</b>	<b>55 670</b>	<b>76 548</b>	<b>112 379</b>	<b>79 701</b>	<b>79 689</b>	<b>117 992</b>	<b>134 224</b>	<b>141 605</b>
Compensation of employees	50 994	54 263	67 347	104 180	71 502	71 490	111 498	124 178	131 007
Goods and services	2 157	1 407	9 201	8 199	8 199	8 199	6 494	10 046	10 598
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>36</b>	<b>54</b>	<b>114</b>		<b>178</b>	<b>190</b>			
Provinces and municipalities									
Households	36	54	114		178	190			
<b>Payments for capital assets</b>	<b>11</b>								
Machinery and equipment	11								
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>53 198</b>	<b>55 724</b>	<b>76 662</b>	<b>112 379</b>	<b>79 879</b>	<b>79 879</b>	<b>117 992</b>	<b>134 224</b>	<b>141 605</b>

Gauteng Audit Services (GAS) spending increases from R53.2 million in 2014/15 to R76.7 million in 2016/17. The programmes expenditure is driven by compensation of employees as most of the audit work is personnel driven. Over MTEF, increasing the capacity of the programme is prioritized to enable the programme to deliver on its mandate that contributes towards the achievement of clean audits in the province.

Personnel costs increase from R51 million in 2014/15 to a projected amount of R71.5 million in 2017/18. The budget increases from R71.5 million in 2017/18 (after the surrender of funds for vacant posts) to R131 million in 2020/21. Of the total staff establishment of 133 posts, 118 posts were active and number of vacancies was 15 as of December 2017. The programme is actively recruiting in the audit market and adopting various strategies to attract and retain audit talent. The increase in the personnel budget over the MTEF is due to inflationary and cost of living adjustments as well as other personnel related spending such as performance bonuses.

Goods and services under this programme consist mainly of provision for specialised audits which are not resident internally, necessitating the augmentation of this gap by using consultants to assist with the execution of the specialised audits. The budget for goods and services increases from R8.2 million in 2017/18 to R10.6 million in 2020/21. The increase is due to the implementation requirements of specialised audits (Performance Audits and Risk & Compliance Audits) in order to enhance transparency, good governance and a clean government through strengthening the internal control and regulatory environment in the province.

## SERVICE DELIVERY MEASURES

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
% implementation of risk based Internal Audit Plans approved by the audit committee	90%	90%	90%	90%
% of internal audit recommendations tracked as implemented by departments and trading entities	90%	90%	90%	90%
% of AG significant findings (findings causing audit qualification) followed-up audits by Internal Audit	100%	100%	100%	100%

## **9. OTHER PROGRAMME INFORMATION**

### **9.1 Personnel numbers and costs**

TABLE14.18: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS BY COMPONENT

Actual				Revised estimate				Medium-term expenditure estimate				Average annual growth over MTEF					
2014/15		2015/16		2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21			
R thousands	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Filled posts	Additional posts	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel growth rate	Costs growth rate	% Costs of Total
Salary level																	
1 – 6	148	50 986	172	28 807	102	16 703	77	67	144	23 618	182	44 327	182	49 917	8%	28%	7%
7 – 10	324	108 075	394	175 151	479	204 938	510		510	210 263	521	295 552	521	310 925	1%	14%	46%
11 – 12	128	90 302	126	69 681	152	102 552	162		162	117 920	196	155 988	196	164 568	7%	12%	25%
13 – 16	67	82 863	104	87 064	82	82 012	92		92	106 356	106	129 838	106	141 007	5%	10%	21%
Other				3 643			3		3	2 179	6	3 703	6	4 141	26%	24%	1%
Total	667	332 226	796	364 346	815	406 205	844	67	911	460 337	1 011	629 631	1 011	670 558	4%	13%	100%
Programme																	
1. Administration	226	62 021	192	68 642	211	77 152	169	67	236	88 426	222	105 007	222	110 781	(2)%	8%	17%
2. Sustainable Fiscal Resource Management	80	59 773	86	55 072	89	59 679	91		91	65 350	110	83 382	110	87 967	7%	10%	13%
3. Financial Governance	258	73 959	233	107 726	227	112 211	253		253	116 512	251	139 010	251	149 195	(0)%	9%	23%
4. Provincial Supply Chain Management		57 798	136	49 796	126	59 913	144		144	74 673	166	103 741	166	119 118	5%	17%	17%
5. Municipal Financial Governance		27 681	51	28 847	46	29 903	55		55	37 204	81	58 038	81	72 490	14%	25%	10%
6. Gauteng Audit Services	103	50 994	98	54 263	116	67 347	132		132	78 172	181	111 498	181	131 007	11%	19%	19%
Direct charges															0%	0%	0%
Total	667	332 226	796	364 346	815	406 205	844	67	911	460 337	1 011	629 631	1 011	670 558	4%	13%	100%
Employee dispensation classification																	
Public Service Act appointees not covered by OSDs															0%	0%	0%
Public Service Act appointees still to be covered by OSDs															0%	0%	0%
Professional Nurses, Staff Nurses and Nursing Assistants															0%	0%	0%



Personnel costs increase from R332 million in 2014/15 to R364 million in 2015/16, the personnel numbers increased from 667 in 2014/15 employees to 796 in 2015/16. Projected personnel numbers increase from 815 in 2016/17 to 911 in 2018/19. The increase is line with the department's plan to fill vacant posts and implement the new structure. Included in the growth in costs is the anticipated increase in inflation. The significant growth in personnel costs and numbers is to ensure that the department continues to provide oversight and technical support to GPG departments

## 9.2 Training

TABLE 14.19: INFORMATION ON TRAINING: GAUTENG PROVINCIAL TREASURY

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Number of staff	667	796	815	911	911	911	994	1 011	1 011
Number of personnel trained	350	450	500	525	525	525	555	586	619
of which									
Male	140	160	180	189	189	189	200	211	223
Female	210	290	320	336	336	336	355	375	396
Number of training opportunities	490	600	710	746	746	746	789	833	879
of which									
Tertiary	250	300	350	368	368	368	389	411	434
Workshops	200	250	300	315	315	315	333	352	371
Seminars	40	50	60	63	63	63	67	70	74
Other									
Number of bursaries offered	173	200	200	210	210	210	222	235	248
Number of interns appointed	35	40	45	42	42	55	55	55	55
Number of learnerships appointed	18	20	25	30	30	28	28	28	28
Number of days spent on training									
<b>Payments on training by programme</b>									
1. Administration	1 337	1 711	2 999	1 088	1 018	1 018	1 663	1 760	1 857
2. Sustainable Fiscal Resource Management	525	364	370	522	522	682	753	785	817
3. Financial Governance	1 399	1 885	2 234	1 953	753	753	1 343	1 424	1 470
4. Provincial Supply Chain Management	495	929	1 821	1 368	1 368	5 811	1 000	1 032	1 100
5. Municipal Financial Governance			188		400	660	400	450	475
6. Gauteng Audit Services			859	775	775	775	820	867	915
<b>Total payments on training</b>	<b>3 756</b>	<b>4 889</b>	<b>8 471</b>	<b>5 706</b>	<b>4 836</b>	<b>9 699</b>	<b>5 979</b>	<b>6 318</b>	<b>6 634</b>

GPT requires a continuous and an uncompromising acquisition of the required skills. A lifelong learning is a vital mind set for a learning organisation that needs to thrive in the 21st Century moreover with essential response to the service requests of the people of Gauteng. The department recognizes that it's most important asset is its employees, and this asset will need to be managed to ensure the continued success of the department. This is entrenched in the department value of valuing employees.

The department will achieve this through the implementation of meaningful skills programs, internships, learnership and SAIPA programs. To maintain the productivity, well-being and motivation of employees within the rapidly changing environment, GPT must underpin these changes with adequate, appropriate and supportive development and training opportunities.

Training interventions will focus on improving the generic and functional skills of employees, which includes seminars and workshops. All training interventions will be in line with the approved Workplace Skills Plan, as well as the individual Personal Development Plans (PDPs) which form part of the performance management and development system.

The department is continuously committed to addressing skills shortages and scarce skills, and aims to appoint at least 8 per cent of the staff establishment as interns, work intergrated learning and SAIPA each financial year. This exceeds the mandated 5 per cent. In implementing the above-mentioned programmes, the department is contributing towards halving poverty, creating jobs, youth development and ultimately addressing skills shortages in the country. Interns and learners are appointed additional to the staff establishment, and must therefore be budgeted for.



# **Annexure to the Estimates of Provincial Revenue and Expenditure**

TABLE 14.20: SPECIFICATION OF RECEIPTS: GAUTENG PROVINCIAL TREASURY

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Tax receipts</b>									
<b>Sales of goods and services other than capital assets</b>	<b>323</b>	<b>555</b>	<b>833</b>	<b>1 050</b>	<b>1 050</b>	<b>1 050</b>	<b>1 111</b>	<b>1 173</b>	<b>1 238</b>
Sale of goods and services produced by department (excluding capital assets)	323	555	833	1 050	1 050	1 050	1 111	1 173	1 238
Sales by market establishments	323	555	833	1 050	1 050	1 050	1 111	1 173	1 238
<b>Transfers received from:</b>									
Public corporations and private enterprises									
<b>Fines, penalties and forfeits</b>									
<b>Interest, dividends and rent on land</b>	<b>481 453</b>	<b>622 676</b>	<b>657 747</b>	<b>300 000</b>	<b>450 000</b>	<b>450 000</b>	<b>450 000</b>	<b>500 000</b>	<b>550 000</b>
Interest	481 453	622 676	657 747	300 000	450 000	450 000	450 000	500 000	550 000
<b>Sales of capital assets</b>	<b>214</b>					<b>84</b>			
Other capital assets	214					84			
<b>Transactions in financial assets and liabilities</b>	<b>490</b>	<b>451</b>	<b>445</b>	<b>450</b>	<b>450</b>	<b>450</b>	<b>500</b>	<b>528</b>	<b>557</b>
<b>Total departmental receipts</b>	<b>482 266</b>	<b>623 896</b>	<b>659 025</b>	<b>301 500</b>	<b>451 500</b>	<b>451 584</b>	<b>451 611</b>	<b>501 701</b>	<b>551 795</b>

TABLE 14.21: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: GAUTENG PROVINCIAL TREASURY

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>401 859</b>	<b>429 043</b>	<b>507 718</b>	<b>644 664</b>	<b>583 225</b>	<b>583 068</b>	<b>714 818</b>	<b>761 592</b>	<b>809 065</b>
Compensation of employees	332 226	364 346	406 205	548 319	461 688	460 337	590 162	629 631	670 558
Salaries and wages	295 256	320 262	357 422	477 622	394 731	405 441	515 781	551 858	587 755
Social contributions	36 970	44 084	48 783	70 697	66 957	54 896	74 381	77 773	82 803
Goods and services	69 633	64 697	101 513	96 345	121 537	122 731	124 656	131 961	138 507
Administrative fees	61	84	82	114	113	676	630	666	703
Advertising	2 855	3 130	5 739	1 951	3 151	3 850	4 261	4 878	5 144
Minor assets	85	558	119	244	2 005	1 778	300	300	317
Audit cost: External	2 879	3 213	3 444	5 323	3 468	3 468	3 868	4 690	4 235
Bursaries: Employees	1 218	1 761	3 196	2 545	2 889	3 931	4 692	5 348	5 642
Catering: Departmental activities	374	410	775	836	1 132	907	1 103	1 145	1 208
Communication (G&S)	1 999	3 139	3 129	3 401	2 860	3 261	3 388	3 593	3 791
Computer services	2 535	5 978	9 206	12 081	10 076	10 076	11 372	12 012	12 672
Consultants and professional services: Business and advisory services	35 008	21 045	35 084	42 315	59 029	56 237	61 973	64 195	67 730
Legal services	660	555	6 255	893	4 733	4 531	1 479	1 536	1 620
Contractors	1 306	1 008	517	491	5 516	4 025	503	582	614
Fleet services (including government motor transport)	668	751	384	560	560	438	590	624	659
Consumable supplies	343	508	249	373	563	574	279	270	284
Consumable: Stationery, printing and office supplies	2 063	3 417	4 605	2 450	3 430	2 855	2 779	2 949	3 111
Operating leases	2 494	3 588	5 538	5 196	4 796	4 796	5 115	5 429	5 728
Property payments	7 924	6 191	5 923	5 020	5 006	5 006	6 608	7 269	7 668
Travel and subsistence	964	1 725	2 102	2 475	2 672	2 531	2 409	2 574	2 716
Training and development	3 756	5 308	8 921	5 706	4 836	9 699	8 219	8 576	9 048
Operating payments	1 638	1 626	2 224	2 366	2 845	2 507	2 928	3 046	3 213
Venues and facilities	803	702	4 021	2 005	1 857	1 585	2 160	2 279	2 404
<b>Transfers and subsidies</b>	<b>76 944</b>	<b>120 659</b>	<b>104 500</b>	<b>66 335</b>	<b>66 849</b>	<b>67 006</b>	<b>69 559</b>	<b>63 014</b>	<b>66 479</b>

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Departmental agencies and accounts	75 000	120 000	102 650	55 335	55 385	55 385	58 544	61 940	65 346
Provide list of entities receiving transfers	75 000	120 000	102 650	55 335	55 385	55 385	58 544	61 940	65 346
Non-profit institutions				10 000	10 000	10 000	10 000		
Households	1 944	659	1 850	1 000	1 464	1 621	1 015	1 074	1 133
Social benefits	1 944	613	1 109		319	543			
Other transfers to households		46	741	1 000	1 145	1 078	1 015	1 074	1 133
<b>Payments for capital assets</b>	<b>3 262</b>	<b>5 487</b>	<b>4 083</b>	<b>1 635</b>	<b>4 821</b>	<b>4 821</b>	<b>12 036</b>	<b>6 864</b>	<b>7 242</b>
Machinery and equipment	2 970	5 487	4 083	1 635	4 821	4 821	12 036	6 864	7 242
Other machinery and equipment	2 970	5 487	4 083	1 635	4 821	4 821	12 036	6 864	7 242
Software and other intangible assets	292								
<b>Payments for financial assets</b>	<b>124</b>		<b>50</b>		<b>12</b>	<b>12</b>			
<b>Total economic classification</b>	<b>482 189</b>	<b>555 189</b>	<b>616 351</b>	<b>712 634</b>	<b>654 907</b>	<b>654 907</b>	<b>796 413</b>	<b>831 470</b>	<b>882 786</b>

TABLE 14.22: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>88 524</b>	<b>100 590</b>	<b>116 349</b>	<b>126 286</b>	<b>124 305</b>	<b>124 301</b>	<b>136 346</b>	<b>153 340</b>	<b>161 059</b>
Compensation of employees	62 021	68 642	77 152	91 902	89 108	89 099	98 852	111 605	117 742
Salaries and wages	54 809	60 350	68 094	79 673	76 999	79 073	86 341	98 340	103 747
Social contributions	7 212	8 292	9 058	12 229	12 109	10 026	12 511	13 265	13 995
Goods and services	26 503	31 948	39 197	34 384	35 197	35 202	37 494	41 735	43 317
Administrative fees	46	73	64	96	88	174	105	112	119
Advertising	2 114	1 347	3 543	1 108	750	250	422	990	1 044
Minor assets	67	558	119	244	2 005	1 778	300	300	317
Audit cost: External	1 738	2 209	2 624	3 841	2 241	2 241	2 500	3 231	2 696
Bursaries: Employees	1 218	1 761	3 196	2 545	2 889	3 931	4 692	5 348	5 642
Catering: Departmental activities	170	218	296	219	341	341	292	307	324
Communication (G&S)	1 999	3 139	3 129	3 401	2 860	3 261	3 388	3 593	3 791
Computer services	1 802	3 854	4 611	4 833	3 919	3 919	4 157	4 371	4 611
Consultants and professional services: Business and advisory services	723	393	1 216	1 044	398	404	665	1 047	1 105
Legal services	67	555	1 469	893	2 567	2 365	1 479	1 536	1 620
Contractors	1 298	940	491	491	716	491	503	582	614
Fleet services (including government motor transport)	668	751	384	560	560	438	590	624	659
Consumable supplies	338	488	248	373	556	566	279	270	284
Consumable: Stationery, printing and office supplies	1 054	2 304	1 258	1 026	1 566	1 566	1 405	1 487	1 569
Operating leases	2 494	3 588	5 538	5 196	4 796	4 796	5 115	5 429	5 728
Property payments	7 924	6 191	5 923	5 020	5 006	5 006	6 608	7 269	7 668
Travel and subsistence	278	840	661	713	1 079	1 129	819	866	914
Training and development	1 337	1 418	2 501	1 088	1 018	1 018	1 663	1 760	1 857
Operating payments	411	779	884	570	1 012	858	1 189	1 225	1 291
Venues and facilities	757	542	1 042	1 123	830	670	1 323	1 388	1 464
<b>Transfers and subsidies</b>	<b>1 499</b>	<b>214</b>	<b>830</b>	<b>1 000</b>	<b>1 067</b>	<b>1 071</b>	<b>1 015</b>	<b>1 074</b>	<b>1 133</b>
Households	1 499	214	830	1 000	1 067	1 071	1 015	1 074	1 133
Social benefits	1 499	168	89			71			
Other transfers to households		46	741	1 000	1 067	1 000	1 015	1 074	1 133
<b>Payments for capital assets</b>	<b>2 006</b>	<b>5 487</b>	<b>4 083</b>	<b>1 635</b>	<b>4 821</b>	<b>4 821</b>	<b>12 036</b>	<b>6 864</b>	<b>7 242</b>
Machinery and equipment	1 731	5 487	4 083	1 635	4 821	4 821	12 036	6 864	7 242

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Other machinery and equipment	1 731	5 487	4 083	1 635	4 821	4 821	12 036	6 864	7 242
Software and other intangible assets	275								
Payments for financial assets	8		44		1	1			
<b>Total economic classification</b>	<b>92 037</b>	<b>106 291</b>	<b>121 306</b>	<b>128 921</b>	<b>130 194</b>	<b>130 194</b>	<b>149 397</b>	<b>161 278</b>	<b>169 434</b>

TABLE 14.23: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: SUSTAINABLE FISCAL RESOURCES MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>64 270</b>	<b>62 840</b>	<b>68 655</b>	<b>86 416</b>	<b>82 366</b>	<b>82 305</b>	<b>97 457</b>	<b>102 833</b>	<b>108 485</b>
Compensation of employees	59 773	55 072	59 679	75 424	68 234	66 902	82 421	87 182	91 974
Salaries and wages	53 040	49 069	53 223	65 178	59 206	59 495	72 458	76 582	80 791
Social contributions	6 733	6 003	6 456	10 246	9 028	7 407	9 963	10 600	11 183
Goods and services	4 497	7 768	8 976	10 992	14 132	15 403	15 036	15 651	16 511
Administrative fees	7	2	5	6	7	481	507	536	565
Advertising	361	1 500	397	511	2 071	3 342	3 540	3 572	3 767
Audit cost: External	560	485	442	785	630	630	731	779	822
Catering: Departmental activities	29	53	54	232	382	188	396	410	433
Computer services		345	76		455	455	500	500	528
Consultants and professional services: Business and advisory services	906	2 818	4 675	6 066	7 192	7 189	6 122	6 447	6 802
Legal services	593								
Contractors		68	26			34			
Consumable supplies		20							
Consumable: Stationery, printing and office supplies	632	693	1 935	693	1 033	559	532	545	575
Travel and subsistence	227	93	201	589	338	341	463	501	528
Training and development	525	936	184	522	522	682	753	785	828
Operating payments	657	755	910	1 177	1 091	1 091	1 257	1 316	1 389
Venues and facilities			71	411	411	411	235	260	274
<b>Transfers and subsidies</b>	<b>75 150</b>	<b>120 201</b>	<b>102 765</b>	<b>55 335</b>	<b>55 385</b>	<b>55 446</b>	<b>58 544</b>	<b>61 940</b>	<b>65 346</b>
Departmental agencies and accounts	75 000	120 000	102 650	55 335	55 385	55 385	58 544	61 940	65 346
Provide list of entities receiving transfers	75 000	120 000	102 650	55 335	55 385	55 385	58 544	61 940	65 346
Households	150	201	115			61			
Social benefits	150	201	115			61			
<b>Payments for capital assets</b>									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>139 420</b>	<b>183 041</b>	<b>171 420</b>	<b>141 751</b>	<b>137 751</b>	<b>137 751</b>	<b>156 001</b>	<b>164 773</b>	<b>173 831</b>

TABLE 14.24: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: FINANCIAL GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>108 469</b>	<b>126 573</b>	<b>125 023</b>	<b>145 585</b>	<b>153 684</b>	<b>153 684</b>	<b>166 413</b>	<b>170 419</b>	<b>179 793</b>
Compensation of employees	73 959	107 726	112 211	129 893	119 592	119 674	135 839	141 416	149 193
Salaries and wages	64 702	94 234	97 800	111 822	103 922	104 029	117 593	122 617	129 360
Social contributions	9 257	13 492	14 411	18 071	15 670	15 645	18 246	18 799	19 833
Goods and services	34 510	18 847	12 812	15 692	34 092	34 010	30 574	29 003	30 600
Administrative fees	6	5	7	12	12	12	13	13	14
Advertising	94								
Minor assets	18								
Audit cost: External	581	519	378	697	597	597	637	680	717

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Catering: Departmental activities	175	49	121	100	124	124	113	120	127
Computer services	634	863	2 818	5 367	4 101	4 101	4 018	4 336	4 574
Consultants and professional services: Business and advisory services	31 066	16 112	7 527	6 878	27 778	27 778	23 854	21 792	22 990
Consumable supplies	4				6	6			
Consumable: Stationery, printing and office supplies	2	7	1	3	3	3			
Travel and subsistence	208	234	298	419	411	329	381	418	442
Training and development	1 399	1 001	1 578	1 953	753	753	1 343	1 424	1 503
Operating payments	270	35	84	164	207	207	115	120	127
Venues and facilities	46	22		100	100	100	100	100	106
<b>Transfers and subsidies</b>	<b>112</b>	<b>105</b>	<b>320</b>		<b>100</b>	<b>100</b>			
Households	112	105	320		100	100			
Social benefits	112	105	320		100	100			
<b>Payments for capital assets</b>	<b>1 228</b>								
Machinery and equipment	1 228								
Other machinery and equipment	1 228								
<b>Payments for financial assets</b>					<b>1</b>	<b>1</b>			
<b>Total economic classification</b>	<b>109 809</b>	<b>126 678</b>	<b>125 343</b>	<b>145 585</b>	<b>153 785</b>	<b>153 785</b>	<b>166 413</b>	<b>170 419</b>	<b>179 793</b>

TABLE 14.25: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PROVINCIAL SUPPLY CHAIN MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>59 058</b>	<b>53 399</b>	<b>84 109</b>	<b>112 614</b>	<b>98 316</b>	<b>98 236</b>	<b>118 034</b>	<b>131 039</b>	<b>141 399</b>
Compensation of employees	57 798	49 796	59 913	92 511	72 173	72 093	90 314	103 323	112 157
Salaries and wages	52 604	42 667	51 765	81 181	60 843	62 402	75 493	88 742	96 398
Social contributions	5 194	7 129	8 148	11 330	11 330	9 691	14 821	14 581	15 759
Goods and services	1 260	3 603	24 196	20 103	26 143	26 143	27 720	27 716	29 242
Administrative fees	1		2		2	2			
Advertising	286	283	1 799	282	280	208	299	316	333
Catering: Departmental activities		24	109	105	105	105	112	118	124
Consultants and professional services: Business and advisory services	277	1 722	15 539	18 034	18 034	15 057	25 530	25 400	26 800
Contractors	1				4 800	3 500			
Consumable: Stationery, printing and office supplies		23	14						
Travel and subsistence	20	7	109	88	128	89	93	98	103
Training and development	495	1 406	4 008	1 368	1 368	5 811	1 448	1 532	1 616
Operating payments	180		13	105	105	50			
Venues and facilities		138	2 603	121	121	121	238	252	266
<b>Transfers and subsidies</b>	<b>9</b>	<b>61</b>	<b>430</b>	<b>10 000</b>	<b>10 015</b>	<b>10 095</b>	<b>10 000</b>		
Non-profit institutions				10 000	10 000	10 000	10 000		
Households	9	61	430		15	95			
Social benefits	9	61	430		15	95			
<b>Payments for capital assets</b>	<b>17</b>								
Software and other intangible assets	17								
<b>Payments for financial assets</b>	<b>116</b>		<b>6</b>		<b>10</b>	<b>10</b>			
<b>Total economic classification</b>	<b>59 200</b>	<b>53 460</b>	<b>84 545</b>	<b>122 614</b>	<b>108 341</b>	<b>108 341</b>	<b>128 034</b>	<b>131 039</b>	<b>141 399</b>

TABLE 14.26: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: MUNICIPAL FINANCIAL GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>28 387</b>	<b>29 971</b>	<b>37 034</b>	<b>61 384</b>	<b>44 853</b>	<b>44 853</b>	<b>78 576</b>	<b>69 737</b>	<b>76 724</b>
Compensation of employees	27 681	28 847	29 903	54 409	41 079	41 079	71 238	61 927	68 485
Salaries and wages	25 185	26 016	26 914	47 815	34 486	37 088	65 261	55 876	61 724
Social contributions	2 496	2 831	2 989	6 594	6 593	3 991	5 977	6 051	6 761
Goods and services	706	1 124	7 131	6 974	3 774	3 774	7 338	7 810	8 239
Administrative fees		2	4		4	4	5	5	5
Catering: Departmental activities		66	193	180	180	149	190	190	200
Computer services	99	204	434	365	215	215	220	240	253
Consultants and professional services: Business and advisory services				5 092	427	427	3 300	3 630	3 831
Legal services			4 786		966	966			
Consumable supplies	1		1		1	2			
Consumable: Stationery, printing and office supplies	375	390	902	728	828	727	842	917	967
Travel and subsistence	231	405	522	558	558	479	539	570	601
Training and development			187		400	660	2 192	2 208	2 329
Operating payments		57	27	50	50		50	50	53
Venues and facilities			75		145	145			
<b>Transfers and subsidies</b>	<b>138</b>	<b>24</b>	<b>41</b>		<b>104</b>	<b>104</b>			
Households	138	24	41		104	104			
Social benefits	138	24	41		104	104			
<b>Payments for capital assets</b>									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>28 525</b>	<b>29 995</b>	<b>37 075</b>	<b>61 384</b>	<b>44 957</b>	<b>44 957</b>	<b>78 576</b>	<b>69 737</b>	<b>76 724</b>

TABLE 14.27: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: GAUTENG AUDIT SERVICES

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>53 151</b>	<b>55 670</b>	<b>76 548</b>	<b>112 379</b>	<b>79 701</b>	<b>79 689</b>	<b>117 992</b>	<b>134 224</b>	<b>141 605</b>
Compensation of employees	50 994	54 263	67 347	104 180	71 502	71 490	111 498	124 178	131 007
Salaries and wages	44 916	47 926	59 626	91 953	59 275	63 354	98 635	109 701	115 735
Social contributions	6 078	6 337	7 721	12 227	12 227	8 136	12 863	14 477	15 272
Goods and services	2 157	1 407	9 201	8 199	8 199	8 199	6 494	10 046	10 598
Administrative fees	1	2				3			
Advertising				50	50	50			
Catering: Departmental activities			2						
Computer services		712	1 267	1 516	1 386	1 386	2 477	2 565	2 706
Consultants and professional services: Business and advisory services	2 036		6 127	5 200	5 200	5 382	2 502	5 879	6 202
Consumable: Stationery, printing and office supplies			495						
Travel and subsistence		146	311	108	158	164	114	121	128
Training and development		547	463	775	775	775	820	867	915
Operating payments	120		306	300	380	301	317	335	353
Venues and facilities			230	250	250	138	264	279	294
<b>Transfers and subsidies</b>	<b>36</b>	<b>54</b>	<b>114</b>		<b>178</b>	<b>190</b>			
Households	36	54	114		178	190			
Social benefits	36	54	114		100	112			
<b>Payments for capital assets</b>	<b>11</b>								
Machinery and equipment	11								
Other machinery and equipment	11								

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Payments for financial assets									
Total economic classification	53 198	55 724	76 662	112 379	79 879	79 879	117 992	134 224	141 605



# VOTE 15

## DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT

To be appropriated by vote in 2018/19	R 3 036 964 000
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 supporting entrepreneurs;
- Empowering communities through job creation in partnership with the public and private sector;
- 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 Ten Pillar Programme of Transformation, Modernisation and Re-industrialisation. The outcomes and initiatives planned under each pillar are provided below.

### **Pillar 1: Radical economic transformation**

Over the next five years, 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. As part of this, the focus will be on the reindustrialisation of the Gauteng economy through strategic infrastructure development. In terms of this outcome, the Department has managed to ensure that 80.6 per cent of its procurement is spent on black-owned companies while 11.6 per cent is spent on black women owned companies. Procurement spend on youth-owned companies is over 20 per cent with a performance of 41.5 per cent, while the amount spent on People with Disabilities owned companies stands at over 1 per cent with a quarterly performance of 1.2 per cent.

The provincial government 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, the automotive industry, manufacturing, ICT, tourism, pharmaceuticals, creative industries, construction and real estate. The promotion of new SMMEs and township enterprises will also be brought into these key sectors of the economy. The Department has attained a 71.2 per cent procurement allocation to SMMEs in the third quarter owing to their high response rate. The total percentage procurement in terms of the Township Enterprise Revitalisation was at 14 per cent during the third quarter.

The Department coordinated the creation of 2658 job opportunities for the Zivuseni Reloaded Programme, and 2568 for the National youth service (NYS) Skills Development Programme. To empower emerging contractors for economic growth, the Department supported 20 SMME contractors with accredited skills and training support during the third quarter.

### **Pillar 3: Accelerated social transformation**

Economic and spatial transformation must be underpinned by, and support, 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, eradicate poverty and build social cohesion and social solidarity.

Over the MTEF, the Department will contribute to supporting this pillar by ensuring the swift delivery of social infrastructure projects to reduce poverty, inequality and unemployment through the provision of infrastructure projects on behalf of client departments. This will be done by ensuring that 90 per cent of projects being implemented on behalf of the client departments are implemented on time and within budget. In addition, the Department will begin focusing on the quality of the projects managed by ensuring that 95 per cent of projects are delivered with zero-defects. A key focus over the MTEF will also be the roll-out of the National Health Insurance (NHI) based clinics in selected regions in the province; as well as the improvement of the conditions of hospitals within the province to a level above average functionality.

### **Pillar 4: Transformation of the state and governance**

The second phase of transition to a national democratic society needs public representatives, public servants and leaders from other sectors, who will remain true to the values of loyal service to the people.

The Department of Infrastructure Development 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). The Department has already verified 2 237 assets on the IAR in accordance with the mandatory requirements of National Treasury in the current financial year. Based on this and the newly approved Property Optimisation Strategy, the Department is moving towards a new approach of delivering and managing high impact infrastructure in the Province.

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 support the delivery and management of infrastructure within the Department. The IDMS is a strategic framework detailing the preferred method of implementing infrastructure projects in the province. In terms of the IDMS framework there are several processes and decision gates through which approvals are obtained for the implementation of infrastructure and maintenance projects. The department mapped all these key processes and trained relevant staff on the use of these processes.

### **Pillar 5: Modernisation of public service**

Government cannot talk about radical socio-economic transformation without fundamentally changing the way state institutions relate to society. Part of the radical shift in government, involves how it deals with and eradicate corruption among public officials and public servants, including the private sector. Gauteng government will introduce measures to

strengthen the integrity of public institutions and public processes so that fraud and corruption are prevented and detected early in the value chain, to prevent losses.

In modernising the delivery of infrastructure, the Department is fully operationalising the IDMS. This has taken place through aligning the Department's organisational structure to the system, thereby putting it in an optimal position to implement and maintain infrastructure efficiently and effectively. Processes have also been mapped that guide the implementation and maintenance of the Department's infrastructure. To support the roll-out of the processes, the Department has employed information and communication technology systems that include the Oracle Primavera P6 system that is utilised to manage the CAPEX projects of the Department. This system is a best-in-class system and was interlinked to other support systems like the Oracle Unifier System and Oracle Business Intelligence (BI) System in the department.

The Unifier System enables the Department to track and manage the payment processes while the Oracle BI system enables the Department to monitor and analyse all projects through various high-level dashboards. The system introduced to manage the immovable assets of the Department includes the Archibus System that has enabled the Department to digitise its Immovable Asset Register (IAR). These systems are housed at Lutsinga Infrastructure House, established and launched by the DID to provide an integrated view of project performance across the Department 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 so by integrating the outputs of the internal systems, capabilities and a dedicated operational team under one roof. These inputs can then be used to monitor, analyse and manage key construction, perform maintenance, manage Expanded Public Works Programme and property portfolio management project as well as pull portfolio management related progress reports.

#### **Pillar 6: Modernisation of the economy**

The provincial government 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 public private partnership (PPP) projects which are in the pipeline in terms converting coal boilers to gas boilers, supply gas to the boilers, installing trigen/cogen plants at health facilities and installing 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). As a result, all of the above sections directly align to the NDP.

#### **External activities and events relevant to budget decisions**

An Inter-department Infrastructure Coordination Unit will be established for all GPG Departments as per the decision taken by EXCO in the 2017/18 financial year. The DID will be the lead department in relation to the functionality of the unit. The establishment of this unit will have an implication for the budget from a human resource perspective, as well as the systems that will be utilised.

#### **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 (2017/18)

### Pillar 1: Radical economic transformation

The Expanded Public Works Programme (EPWP) is a public employment programme that aims to provide temporary work to economically marginalised citizens between the ages of 18 and 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. To make the programme more sustainable EPWP has looked at the ways and means of an exit strategy that does not leave the participants destitute but provides a means of improving their lives. The EPWP programme is a broader government strategy to reduce poverty and reduction of unemployment. The programme draws significant numbers of the unemployed into productive work, where they acquire skills while being gainfully employed. The Department has a target of 2 500 NYS learners, 4 500 Zivuseni Reloaded which bring the total of 7 000 EPWP participants. In terms of recruiting, NYS recruits youth between the ages of 18 and 35 while Zivuseni recruits 18 to 65. For the period under review, the programme managed to create 6 614 work opportunities.

### Pillar 3: Accelerated social transformation

The Department plans to implement varied education infrastructure programmes consisting of new smart schools, replacement schools, restorative repair to Grade R classrooms, Smart Schools Conversion and Special schools (schools for autism, LSEs). Under these programmes, the department has projects at planning and design, tender, construction and final accounts. The roll-out of the above programmes increases access to education through the deployment of ICT technology, improved and learning environment, much safer learning spaces and enhanced social cohesion amongst learners.

The Department put measures in place to implement various Education Infrastructure projects, which range from the construction of new smart schools, restorative repairs to Grade R classrooms etc. Projects in this class include planning and design, projects ready for tender, construction and final accounts. The four completed education infrastructure projects are the construction of the Corn Amore and Mahlodi Primary Schools Grade R classroom, the rehabilitation of the sinkhole at Lytellton Manor High and restorative repairs at Randfontein High School. Moreover, the Department managed to finalise the accounts for four restorative projects. The projects are Itereng LSEN School, Nicola Smith Secondary School, Jabulani Technical Secondary School and Huggenoot Primary School

Projects, currently in the works and at various stages of construction are in Olievenhoutbosch Secondary No 2, Nokuthula LSEN (practically complete), Everest Primary, Julius Sebolai Primary, Menzi Primary, Tinasonke Primary and Mayibuye Primary. The primary schools were based on a prototype design that incorporates ICT readiness and smart deployment.

There are two projects related to Social Development, including the construction of new office accommodation for Desmond Tutu Child and Youth Care Centre and Mary Moodley Child and Youth Care Centre (CYCC). The Department is implementing a multi-year project, the Suikerbosrand Nature Reserve – Southern Waterline on behalf of the client and the project is under construction, with progress towards the completion stage at 97 per cent. The bulk of the outstanding work includes mechanical and electrical works at the pump houses and reservoirs, as well as their testing and commissioning. Penalties have been imposed on the contractor and this has resulted in slow progress.

The construction of Mary Moodley CYCC and Desmond Tutu CYCC is complete. Regarding the seventh floor's re-configuration at the Perm Building, the client requested additional work. The other projects being implemented running and in progress are the Rearabilwe Garankuwa CYCC and the Kwasokhulumi Early Childhood Development (ECD) Centre. Rearabilwe Garankuwa CYCC is 75 per cent complete, while the Kwasokhulumi ECD Centre is 40 per cent complete. The Walter Sisulu CYCC project is still in design and relates to the demolition and decommission of the administration block. The Department is implementing the Sebokeng Driving Learner Testing Centre (DLTC), which is still under construction and is at the 75 per cent completion stage. The anticipated completion date was revised to September 2017. The Department advertised the tender for the Operation Mabaleng project and a contractor was appointed, but no work has commenced yet because the Department is still awaiting budget confirmation. Tenders were advertised regarding Akasia and Atteridgeville Community Libraries. Akasia was awarded while Atteridgeville will undergo re-evaluation based on the procurement process.

The Department managed to complete four projects on behalf of Department of Health. The four include the construction of staff residences at Thelle Mogoerane (Natalspuit) Hospital, two renovations at Sterkfontein Psychiatric Ward 5 and the installation of lifts in Pretoria West Hospital Nurses residence. Kekanastad Clinic went on tender while other three clinics (Mayibuye Clinic, Philip Moyo CHC, & Mandisa Shiceka CDC) proceeded to construction stage). The Sebokeng Zone 17 clinic site hand over is waiting for finalisation of contract. The planning of the Community Health Centre (CHC) facilities continues and they are at various stages of project conception including of National Health Insurance (NHI) projects.

The design of the small clinic prototype was approved and is currently being implemented on three pilot projects which are out on construction, namely: New Kekana Gardens, Kekanastad Clinic, and Dewaggensdrift Clinic. The Department is implementing 12 small clinics in different implementation phases. Some of those projects relate to NHI Projects.

**Pillar 4: Transformation of the state and governance**

The Department is continuously striving towards the empowerment of the targeted groups for firms owned by black people, Youth, Women, People with Disabilities and Military Veterans. The procurement is also targeted towards the development of Small Medium and Micro Enterprises (SMME) as well as Township Enterprise Revitalisation (TER). In response to targets set for these designated groups; 75.5 per cent was spent on black owned, 30 per cent on black owned women, 0.01 per cent on people with disabilities, 6.8 per cent are youth-owned enterprises. In respect of SMMEs and TER initiatives, the Department spent 52.8 per cent and 12.8 per cent of its procurement respectively.

**Pillar 5: Modernisation of the public service**

The Department managed to reduce the energy cost of our buildings at the Bank of Lisbon, 30 Simmonds Street and at 75 Fox Street by installing LED lights. The replacement of fluorescent lights with LED lights has led to a noticeable reduction in the total energy bill year on year. Further, the Department assessed precinct buildings from an Occupational Health and Safety perspective, followed by a process of critical maintenance projects to address statutory health and safety non-compliance. In continuous efforts to prevent the deterioration of the precinct buildings, for example maintenance work done at 78 Fox Street.

There are approximately 168 properties that have been presented to the Disposal Committee and recommended for disposal. Of these, 136 properties are awaiting approval for disposal by the Disposal Committee. In addition, letters have been sent to the User Departments of these properties to ascertain if the building can be disposed -of and to gain support for the disposal process. The Department of Roads and Transport (DRT) has confirmed 26 properties that could be disposed. The Department also placed 16 residential properties onto phase 2 auction. The outcome report was that out of 16, only 7 managed to attract bids. The expected market-related value will be R4.6 million. In terms of the Immovable Asset Register, a total of 6 224 assets have been verified in accordance with the mandatory requirements of National Treasury.

### 3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2018/19)

**Pillar 1: Radical economic transformation**

**Implementation of the NYS and the Zivuseni Reloaded Programme:** The EPWP SMME Turnaround Strategy was developed and is being implemented through various measures such as the development of Project Plans to implement identified programs. The GPG has committed itself to revitalise and mainstream the township economy by supporting the development of township enterprises, co-operatives and SMMEs that will produce infrastructure projects that meet the needs of the Gauteng township residents.

**Coordination of Provincial implementation of EPWP Phase 3:** Provincial co-ordination of the EPWP function is a DID mandate. The emphasis will be on addressing key data collection challenges across municipalities and provincial departments that continue to be faced by the Department, as well as Provincial departments and municipalities. The department will be tackling this issue through the provision of support measures and the use of the biometric system.

**Pillar 2: Decisive Spatial Transformation**

**Establishment of Kopanong Precinct:** The Kopanong Precinct development project remains a key project of the GPG that the Department will implement over the medium term through a Public Private Partnership (PPP). The aim is to mobilise more than R10 billion in public and private investments in the regeneration of the Johannesburg CBD as the seat of the Provincial government. This will be done through the refurbishment of 19 buildings in the inner-city precinct for this purpose. Six buildings have already undergone partial refurbishment. In addition, the appointment of a Transaction Advisor in July 2016 has added impetus to the project, and the feasibility study was submitted to National Treasury for Treasury Approval 1 (TA1) in the 2017/18 financial year. The department anticipates National Treasury Approval TAIL (B) for Request for Proposals (RFP) in the 2018/19 financial year. Feedback from Provincial Treasury and the MEC for Finance requires a review of the submitted feasibility study to reduce the annual unitary payment.

**Pillar 3: Accelerated social transformation**

**Implementation of Education Infrastructure Projects:** In terms of education related projects, the focus over the Medium-Term will be to ensure that 90 per cent of projects being implemented on behalf of the Department of Education 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 education projects are spread across all the 5 developmental corridors of GCR. The release of National Minimum Uniform Norms and Standards by the National Treasury ensures 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. For the 2018/19 financial year, the department will be implementing 28 infrastructure projects.



**Implementation of Health Infrastructure Projects:** In terms of health-related projects, the focus over the medium term is to ensure that 90 per cent of projects being implemented on behalf of the Department of Health are implemented on time and within budget. Additionally, the Department will begin focusing on the quality of the projects managed by ensuring that 95 per cent of projects are delivered with zero-defects. A key focus over the medium term is to roll-out the National Health Insurance (NHI) based clinics across selected corridors of the GCR. During the current financial year, planning will continue for five flagship projects, under the hospital revitalization sub programme. For the 2018/19 financial year, the Department will be implementing 11 health infrastructure projects.

**Implementation of STARS Infrastructure Projects:** The STARS project refers to all infrastructure projects undertaken for the Department Social Development, Roads and Transport, Agriculture and Rural Development, Sports, Arts, Culture and Recreation, Community Safety and Infrastructure Development itself. However, these exclude the Department of Human Settlements and the road-works undertaken by the Gauteng Department of Roads and Transport. In the 2018/19 financial year, the Department will be implementing 24 infrastructure projects for these client departments.

#### **Pillar 4: Transformation of state and governance**

**Leveraging procurement to benefit previously disadvantaged entities and individuals:** Infrastructure based programmes and projects can be used as a catalyst for economic growth and development by leveraging the public sectors procurement processes to benefit previously disadvantaged entities and individuals. The emphasis will be on creating opportunities for People with Disabilities and Military Veterans owned entities, as the Department has consistently battled to attract procurement from this category of entities. At the heart of addressing the challenges within the procurement/supply chain management function continues to strengthen the centralised procurement system which will ensure that 80 per cent of all invoices without a dispute are paid within 30 days of receipt from the service providers.

**Improving human resource capacity and capability:** The Department is working on ensuring that it has the right capacity and the skills to provide the services required in terms of its mandate. The Human Resource function focuses on ensuring that all new posts, especially those that are identified as critical and of a technical nature, are filled. The filling of the vacant funded posts will also consider policy imperatives on employment equity (50 per cent of women in management positions and 1 per cent of People with Disabilities and Military Veterans) within the Department and will strive to ensure all vacant posts are filled (within a 10 per cent variation).

**Operationalisation of IDMS:** The operationalisation of the IDMS points to four key components: processes, people, technology and organisational alignment. In terms of processes, the IDMS framework defines three key high-level processes that are vital to the planning, delivery, procurement, operation and maintenance of infrastructure works. These high-level processes are Portfolio Management, Project Management and Operations and Maintenance. Within each of these high-level processes, there are several of sub-processes and decision gates at which approvals are required to carry the work forward. The IDMS operationalisation programme will enable GDID to render a world class service to client departments and the residents of Gauteng.

**Utilizing Information Technology, Innovation and Benchmarking to stay ahead of the Infrastructure Delivery Curve:** The roll-out of the Primavera Project Management System was completed. All health and education related CAPEX projects are already being planned and managed through the Primavera System. Over the next few years the focus will be on making sure that this system is used effectively and optimally across all units involved with CAPEX projects by raising awareness and training among relevant staff in the Department, as well as key staff within client departments. The ability of the system to provide customised reports as part of its “Project Eye” dashboard is a key feature that will be utilised to make technical and operational decisions relating to CAPEX projects. The roll-out of an Archibus system will also ensure optimal property management at a portfolio level for the Province that will result in better property management and revenue generation opportunities.

#### **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. The compilation of a compliant baseline Immovable Asset Register (IAR) is of paramount importance for cleaning-up of all negative audit findings. The department is committed to ensure 80 per cent compliance on the Immovable Asset Register with the requirements of the Government Immovable Asset Management Act (GIAMA) per annum.

**Development of User-Asset Management Plans and Custodian-Asset Management Plan:** The Department commits to register and verify 7 011 immovable assets in the IAR, in accordance with the mandatory requirements of National Treasury. The Department will further facilitate the completion of 14 User-Asset Management Plans (U-AMP's) by respective client departments in Gauteng while developing one Custodian-Asset Management Plan (C-AMP) for submission to the Gauteng Treasury in accordance with GIAM Act.

**Operationalisation of the Infrastructure Delivery Management System:** The Department will operationalise the IDMS. As the custodian of the IDMS business process, the focus of the Department during the 2017/18 financial was on embedding the use of the IDMS business processes and systems across the Department. During the 2018/19 financial year, the Department will continue to embed the use of these business processes and systems across the Department. This will include 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 that was created during foundational phase will be re-energised to enable continuous improvement of governance and decision making. The continuous improvement work will focus on:

- Conducting scheduled engagements with business areas across the organisation and Client Departments who are 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 the IDMS delivery processes and systems by impacted business users. The objective is to also use the process audits to establish gaps and opportunities for further enhancements of the business processes.

#### **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. The solar photo voltaic (PV) project is managed as a PPP project and is registered as such with National Treasury. In addition, the Department will facilitate for 11 GPG facilities to be taken through Rooftop Solar PV PPP Procurement process by 31 March 2019.

#### **Pillar 7: Modernisation of Human Settlements and Urban Development:**

**Strengthening the implementation of 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, major breakdowns within 7 days and to carry out major refurbishments within 365 days. This was done to ensure that small maintenance and day to day issues and challenges are resolved quickly and efficiently without having to go through the whole procurement value chain by adopting a single supplier system to ensure quality and timeous delivery, removing the need for the continuous SCM processes.

This is complemented by the e-maintenance system, which is an online maintenance system designed to report, log and monitor maintenance defects at hospitals. It enables any member of the public and not just hospital staff, to log any maintenance issue via the maintenance reception at the facility, SMS, the website or on social media. Bringing down the health maintenance backlog will be a crucial indicator that will be monitored in real-time.

**Infrastructure maintenance:** DID has a responsibility to ensure it provides quality maintenance service to the assets under its custodianship. In addition, one of its key responsibilities is to ensure that all public health facilities in GCR are properly maintained. Over the medium term, increased attention will be paid to enhancing the role of maintenance within the Department and the Province as a whole. This will ensure that more attention is paid to those immovable assets under its custodianship as well as the public health facilities. A key tool that will be leveraged will be the development of a Comprehensive Preventive Maintenance Plan that will change the way in which planned and unplanned maintenance work will be undertaken in the department, initially for the health facilities. The Comprehensive Preventive Maintenance Plan will identify key health facilities that will be prioritised for the delivery of planned maintenance services over the upcoming years

## **4. REPRIORITISATION**

The department continues to review its operations to identify cost savings and eliminate inefficiencies. These savings will assist the department to reprioritise planning and funds toward achievement of the transformation, modernisation and reindustrialisation (TMR) programme. The department will implement cost containment measures and reduce spending obligations on non-core items.

Of the 2018/19 budget of R2.7 billion, approximately 70 per cent (R1.9 billion) is ring fenced for Compensation of employees, Rates and Taxes, NYS stipends and Infrastructure. This leaves only about R800 million available for operating cost including Property Lease payments and security services. Property leases are estimated at R380 million for the 2018/19 financial year without considering any new space requests that the departments may require during the financial year. The department makes available an amount of R297 million through reprioritisation while R163 million is for the Precinct which excludes other services like security and cleaning.



The preparations for the 2018/19 financial year considered the funding requirements for property leases, security services, fleet vehicles, travelling and subsistence allowances but that doesn't take away the fact that the department is underfunded. The reprioritisation was to cover current commitments.

The department has put strict cost containment measures in order to improve the department's cash-flow. This was done by ensuring that managers get CFO's approval prior to any procurement taking place thus ensuring that the budget is confirmed. Some of the consulting services were suspended and others cancelled to avoid further commitment of the budget. Gauteng fleet vehicles (g-fleet) utilisation was reviewed to ensure that departmental vehicles are used optimally. This resulted a significant reduction in expenditure. In addition, both overtime and travel claims are being reviewed.

All these cost containment measures are an indication that the department is prioritising the efficient use of available resources and reduce costs for services that are not directly contributing to service delivery.

## 5. PROCUREMENT

Supply Chain remains a trajectory for service delivery and thus there have been consistent improvements in the area because of changes or introduction of new regulatory frameworks. The following are key initiatives and challenges noted within the Supply Chain Environment.

### **Standards for Infrastructure Procurement and Delivery Management**

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

The policy (Supply Chain Management Policy Infrastructure Procurement and Delivery Management) in line with SIPDM was approved on the 24 November 2017 and is currently in place.

To this end, the Department 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 tender process for the framework Agreement was advertised on the 20 November 2016 and approval was given by the accounting officer on the 5 October 2017. Currently the department is utilizing the Framework Agreement for construction projects from CIDB grading 6 to 9. The main aim is to shorten turnaround times and having in place service providers who have the necessary capacity and capability.

### **Open tender processes**

In 2015/16 financial year, Gauteng Province introduced 'open tenders' which were applicable to tenders above R50 million, where the public can observe tender adjudication proceedings. The openness of tenders was introduced in the interest of transparency, fairness, value for money, equity and cost-effectiveness in the tender processes. The Department participated in open adjudication processes and has successfully awarded tenders to the amount of R643 million through open adjudication in the 2017/18 financial year. For the 2018/19 financial year, the Department aims to subject at least 60 per cent of its tenders to the open adjudication process regardless of transactional value.

### **Irregular expenditure**

The department implemented guidelines and a procedure manual to assist with early detection, timeous reporting and prevention of irregular, unauthorized and fruitless and wasteful expenditure. Reporting processes have been enhanced to ensure completeness of disclosures and investigations so that action is taken to curb recurrence. The Department strengthened processes to ensure that no new irregular expenditure occurs with a minimum 3 quotations obtained and proper SCM processes being adhered to. Bid Committees in conjunction with Internal Control Unit are also instrumental in ensuring that no new irregular expenditure occurs on tenders. In addition, probity auditors for projects above R50 million will highlight any irregularities before award.

### **Achievements**

The Department continues to maintain procurement channelled to targeted groups such as SMMEs, black-owned businesses, women, youth empowerment, people with disabilities and military veterans. The department through the enactment of the revised Preferential Procurement Regulation 2017 can now in the tender process through pre-qualified criteria and mandatory subcontracting to advance targeted groups including township enterprises. The Supply Chain Management office will continue to conduct training and workshops that will provide insight on procurement process to targeted groups. The Supply Chain Management office has filled 90 per cent of the vacant positions in line with the IDMS structure.

## Challenges

In terms of the procurement targets, there was under-achievement in Military Veterans and the department is embarking on addressing procurement spent on Cooperatives. 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		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Equitable share	1 880 117	2 349 141	2 546 440	2 525 930	2 730 053	3 005 269	3 019 184	3 122 694	3 261 766
Conditional grants	5 511	9 205	17 167	19 192	19 192	19 192	17 780		
Expanded Public Works Programme Incentive Grant for Provinces	5 511	9 205	17 167	19 192	19 192	19 192	17 780		
<b>Total receipts</b>	<b>1 885 628</b>	<b>2 358 346</b>	<b>2 563 607</b>	<b>2 545 122</b>	<b>2 749 245</b>	<b>3 024 461</b>	<b>3 036 964</b>	<b>3 122 694</b>	<b>3 261 766</b>

Departmental receipts increased from R1.9 billion 2014/15 to R2.5 billion in 2016/17. The department's budget for the 2017/18 financial year increased from R2.5 billion to R2.7 billion owing to a budget increased of R207 million for infrastructure. The department managed to submit all portfolios of expenditure in support of the progress and expenditure incurred on the projects. This additional allocation will assist the department in ensuring that contractors are paid within 30 days for work done and to avoid any of the walking out of site due to non-payment.

Over the MTEF, the departmental receipts are expected to increase from R3 billion in 2018/19 to R3.3 billion in 2020/21. The department will further receive an amount of R18 million as incentive grant in 2018/19 that will be used for job creation for the youth and the payment of stipends to these individuals.

### 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		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Sales of goods and services other than capital assets	18 023	18 152	18 855	23 531	23 531	16 696	24 895	26 289	27 735
Interest, dividends and rent on land	27	119	23			67			
Transactions in financial assets and liabilities	795	2 002	1 230	619	619	619	655	692	730
<b>Total departmental receipts</b>	<b>18 845</b>	<b>20 273</b>	<b>20 108</b>	<b>24 150</b>	<b>24 150</b>	<b>17 382</b>	<b>25 550</b>	<b>26 981</b>	<b>28 465</b>

The department generates an income from the sale of tender documents to service providers for construction and maintenance of the government properties, leasing of commercial and residential properties and granting access to the holiday resorts for camping and fishing.

The department's revenue collection has increased from R19 million in the 2014/15 financial year to R20 million in 2016/17 financial year with a projection of R24 million for the 2017/18.

The department is experiencing challenges regarding collection of market related rentals, which is affecting the annual collections. The department decided to sell some of the properties because it is costly to maintain the properties and these are not generating sufficient revenue. The former Premiers residence was auctioned during the 2016/17 financial year and the transfer is still in progress with the conveyancers. The revenue over the MTEF is expected to increase from R26 million in 2018/19 to R28 million in 2020/21 financial period.

## 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. The following elements have been taken into account when determining budgets for the 2018/19 MTEF:

#### Personnel:

Over the MTEF, personnel costs will increase by 6.7 per cent in 2018/19, 6.6 per cent in 2019/20 and by 6.5 per cent in the 2020/21 financial year. The provision has also been made for 1.5 percent pay progression and performance bonus.

#### Goods and services:

The consumer price index (CPI) inflation projection will be used for all non-personnel items over the MTEF. For the 2018/19 financial year it will be 5.7 per cent, 5.6 per cent in 2019/20 and 5.5 per cent in the 2020/21 financial year.

### 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		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Administration	313 650	442 542	449 445	325 307	325 308	390 654	326 559	337 896	367 334
2. Public Works Infrastructure	1 214 021	1 677 464	1 796 898	1 912 116	2 119 239	2 351 576	2 392 642	2 458 180	2 552 063
3. Expanded Public Works Programme	302 865	296 097	317 264	304 698	304 698	282 231	317 763	326 618	342 369
<b>Total payments and estimates</b>	<b>1 830 536</b>	<b>2 416 103</b>	<b>2 563 607</b>	<b>2 542 122</b>	<b>2 749 245</b>	<b>3 024 461</b>	<b>3 036 964</b>	<b>3 122 694</b>	<b>3 261 766</b>

### 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		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>1 299 443</b>	<b>1 480 663</b>	<b>1 667 259</b>	<b>1 694 822</b>	<b>1 855 720</b>	<b>2 141 461</b>	<b>1 991 827</b>	<b>2 105 271</b>	<b>2 209 271</b>
Compensation of employees	574 716	708 008	838 730	914 901	914 900	930 577	1 033 479	1 105 773	1 166 591
Goods and services	724 161	766 295	828 203	779 522	940 421	1 210 569	957 548	998 756	1 041 898
Interest and rent on land	566	6 360	326	399	400	315	800	742	782
<b>Transfers and subsidies to:</b>	<b>306 210</b>	<b>682 843</b>	<b>727 118</b>	<b>766 462</b>	<b>765 462</b>	<b>763 411</b>	<b>907 444</b>	<b>958 489</b>	<b>1 012 270</b>
Provinces and municipalities	300 646	679 060	717 417	757 462	757 462	757 462	901 394	954 375	1 007 931
Departmental agencies and accounts	2						4	4	4
Households	5 562	3 783	9 701	9 000	8 000	5 949	6 046	4 110	4 335
<b>Payments for capital assets</b>	<b>219 732</b>	<b>251 898</b>	<b>152 035</b>	<b>80 838</b>	<b>128 063</b>	<b>119 179</b>	<b>137 693</b>	<b>58 934</b>	<b>40 225</b>
Buildings and other fixed structures	193 548	185 480	110 690	48 838	106 063	94 598	103 693	31 094	
Machinery and equipment	25 687	28 467	41 345	32 000	22 000	24 581	34 000	27 840	40 225
Software and other intangible assets	497	37 951							
<b>Payments for financial assets</b>	<b>5 151</b>	<b>699</b>	<b>17 195</b>			<b>410</b>			
<b>Total economic classification</b>	<b>1 830 536</b>	<b>2 416 103</b>	<b>2 563 607</b>	<b>2 542 122</b>	<b>2 749 245</b>	<b>3 024 461</b>	<b>3 036 964</b>	<b>3 122 694</b>	<b>3 261 766</b>

The departmental budget over the MTEF will increase from R3 billion in 2018/19 to R3.2 billion in 2020/21. The allocation for 2018/19 budget includes R2.1 billion which consists of R901 million for the payments of rates and taxes; R1 billion for compensation of employees; R104 million for capital infrastructure; and R77 million for NYS. This leaves only R 921 million for all commitments and other operational costs.

Compensation of employees' budget has increased significantly as a result of filling of critical posts and implementation of the IDMS. This budget will increase from R1 billion to R 1.2 billion over the MTEF and includes the R76.8 million allocation for the NYS programme and Ziviseni as well as R15 million for the tools of trade in the 2018/19 financial year.

Goods and services increases R575 million in 2014/15 to R828 million in 2016/17 and to R1 billion in 2017/18 financial year due to the increase in allocation for maintenance of government infrastructure during budget adjustment process. Over the MTEF, the allocation increases from R957 million in 2018/19 financial year to R1 billion in 2020/21 financial year due to inflationary rate and additional funding on leased buildings. The 2018/19 allocation includes the R186 million for EPWP training, R92.4 million stipends for the NYS and Zivuseni beneficiaries, tools of trade and protective clothing. An amount of R12.9 million included is for the Maintenance turnaround strategy, R233 million for the precinct of which R70.9 million is for infrastructure.

Transfers in the Department constitute the Devolution of rates and taxes and Household which is for bursaries for non-employees and the leave gratuity that is paid out when an employee leaves the department. The allocation for rates and taxes increased significantly from R301 million in 2014/15 to R717 million in 2016/17 mainly to accommodate increases in municipal services which were higher than inflation as well as the identification of provincial properties which were not previously included on the immovable asset register. The allocation for 2017/18 rates and taxes amount to R757 and is expected to increase from R901 million in 2018/19 and thereby reaching R1 billion in 2020/21.

Payment for Capital Assets allocation is for the capital infrastructure and the machinery and equipment. An amount of R104 million is allocated for infrastructure projects in the 2018/19 financial year while R34 million is allocated for the machinery and equipment including the payments of phone contracts.

## 7.4 Infrastructure payments

### 7.4.1 Departmental infrastructure payments

Please refer to the 2018 Estimates of Capital Expenditure (ECE)

### 7.4.2 Departmental Public-Private-Partnership (PPP) projects

The Transactional Advisor was appointed which works together with the Project Officer to put together a proposal feasibility study that will be presented to National Treasury for funding. During May a presentation of the feasibility study was made to the Head of Department (HOD) and the Chief Financial Officer (CFO) where the costs were discussed and amendments were made. The TA 1 was submitted to the National Treasury for consideration.

## 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		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Category A	244 565	566 223	644 295	647 532	647 532	647 532	766 000	796 000	842 000
Category B	56 111	105 178	63 381	109 930	109 930	109 930	135 394	158 375	165 931
Category C		7 658	9 740						
Unallocated		1	1						
<b>Total departmental transfers</b>	<b>300 676</b>	<b>679 060</b>	<b>717 417</b>	<b>757 462</b>	<b>757 462</b>	<b>757 462</b>	<b>901 394</b>	<b>954 375</b>	<b>1 007 931</b>

The transfer to local government constitutes the payments of utilities for schools and other buildings which are given to the department. The spending over the previous years increased from R301 million in 2014/15 to R757 million in 2018/19. Over MTEF the allocation will increase from R901 million in the 2018/19 financial year to R1 billion in the 2020/21 financial year.

The department has seen an increase in the expenditure over years, which has resulted in invoices being accrued to the following financial years due to the increase in properties that are devolved and those schools that are transferred to the department.

## 8. PROGRAMME DESCRIPTION

### PROGRAMME 1: ADMINISTRATION

#### Programme description

The purpose of this Programme is to provide strategic leadership to the Department and to support the core programmes in their efforts to implement the mandate of the Department. This includes the provision of strategic and operational support services for the MEC and the HOD, provision of Financial Management and Supply Chain Management services, provision of Corporate Support Services including Human Resource Management, Information Systems Management, Internal and External Communications, Strategic Planning and Monitoring and Evaluation as well as Legal Services and Security Management, and the provision of Internal Audit and Organisational Risk Management services.

#### Programme objectives

The following are the programme specific objectives that will be the focus of the Department over the next three years.

- Leveraging procurement to benefit historically disadvantaged entities and individuals;
- Improving human resource capacity and capability;
- Effective and sustainable management of departmental resources;
- Operationalisation of IDMS;
- Utilizing Information Technology, 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 definition of 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 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Office Of The Mec	10 695	9 789	9 330	7 919	7 919	7 592	8 246	8 707	9 186
2. Corporate Support	292 217	427 911	428 322	306 142	306 143	369 278	306 237	316 869	345 150
3. Management Of The Department	10 738	4 842	11 793	11 246	11 246	13 784	12 076	12 320	12 998
<b>Total payments and estimates</b>	<b>313 650</b>	<b>442 542</b>	<b>449 445</b>	<b>325 307</b>	<b>325 308</b>	<b>390 654</b>	<b>326 559</b>	<b>337 896</b>	<b>367 334</b>

TABLE 15.7: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>287 418</b>	<b>398 680</b>	<b>402 926</b>	<b>287 308</b>	<b>298 308</b>	<b>362 180</b>	<b>288 288</b>	<b>307 820</b>	<b>324 750</b>
Compensation of employees	117 485	160 195	184 058	192 064	192 064	198 727	195 708	206 668	218 035
Goods and services	169 513	232 263	218 723	95 044	106 045	163 338	92 081	100 781	106 324
Interest and rent on land	420	6 222	145	200	200	115	500	371	391
<b>Transfers and subsidies to:</b>	<b>2 735</b>	<b>2 221</b>	<b>6 378</b>	<b>6 000</b>	<b>5 000</b>	<b>3 476</b>	<b>4 271</b>	<b>2 236</b>	<b>2 359</b>
Provinces and municipalities									
Households	2 735	2 221	6 378	6 000	5 000	3 476	4 271	2 236	2 359
<b>Payments for capital assets</b>	<b>23 346</b>	<b>40 943</b>	<b>38 946</b>	<b>32 000</b>	<b>22 000</b>	<b>24 588</b>	<b>34 000</b>	<b>27 840</b>	<b>40 225</b>
Machinery and equipment	22 849	25 709	38 946	32 000	22 000	24 588	34 000	27 840	40 225
Software and other intangible assets	497	15 234							
<b>Payments for financial assets</b>	<b>151</b>	<b>698</b>	<b>1 195</b>			<b>410</b>			
<b>Total economic classification</b>	<b>313 650</b>	<b>442 542</b>	<b>449 445</b>	<b>325 307</b>	<b>325 308</b>	<b>390 654</b>	<b>326 559</b>	<b>337 896</b>	<b>367 334</b>

The expenditure for the programme increased from R314 million in 2014/15 to R 449 million in 2016/17 due to the allocation of the security services budget from programme 2: Public Works Infrastructure to programme 1: Administration. During the

2017/18 financial year the budget decreased significantly due the relocation of certain functions and activities to programme 2: Public Works Infrastructure. Over the MTEF the budget increased from R327 million in 2018/19 financial year to R367 million in 2020/21.

The allocation for compensation of employees increased from R 117 million in 2014/15 to R 192 million in the 2017/18 financial year. Over the MTEF the budget increase from R196 million in the 2018/19 financial year to R218 million in 2020/21 financial year.

Goods and services allocation for this programme has increased from R170 million in 2014/15 to R 219 million in 2016/17 which included the funding for the security services. The allocation decreases to R95 million in the 2017/18 financial year because of the reallocation of the funding for Security Services to Immovable Asset Management where the core function of property management resides. Over 2018 MTEF, the goods and services budget increases from R92 million in 2018/19 to R106 million in 2020/21.

Transfers and subsidies in terms of households line item includes the allocation for bursaries for non-employees and leave gratuities. In the 2016/17 financial year there was a huge increase due to accrued expenditure relating to registration costs of the academic year that started in the fourth quarter of 2015/16 financial year. The allocation decreased to R6 million in the 2017/18 before decreasing to R4 million in 2018/19 and decreasing further to R2 million in 2020/21 financial year.

## SERVICE DELIVERY MEASURES

### PROGRAMME 1: ADMINISTRATION

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Amount of Revenue collected	19 million	24 million	24 million	24 million
Percentage of service provider's invoices without a dispute paid within 30 days from date of receipt of proper invoice	80%	90%	90%	90%
Percentage of management posts filled by women	50%	50%	50%	50%
Departmental vacancy rate in percentage	10%	10%	10%	10%

### PROGRAMME 2: PUBLIC WORKS INFRASTRUCTURE

#### Programme Description

This Public Works infrastructure Programme is responsible for providing the core services that are mandated to the Department. This includes being the implementer of infrastructure and maintenance projects on behalf of all GPG Departments. Maintenance projects include renovations, refurbishments and upgradings. 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 which are maintained by the Provincial Department of Health.

The DID 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 includes the maintenance and estate management services provided for shared offices including the offices used by DID.

The Programme 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 following are the programme specific objectives that will be the focus of the Department over the next three years.

- Establishment of Kopanong Precinct;
- Implementation of Education, Health and STARS Infrastructure Projects
- Adherence to the IDMS Delivery Process;
- Provide Research that informs leading practice and strategic thinking for the delivery of impactful and sustainable infrastructure;
- Value Optimisation of the Infrastructure Delivery Management System;
- Continuous Improvement and Monitoring of IDMS Business Processes and Systems;
- Provide Support for the Implementation of IDMS Process and Systems;
- Updating and maintaining a compliant immovable asset register;
- Property Management Optimisation Plan;
- Disposal of Non-core and Non-strategic Assets;
- Acquisition and Disposal of Land;
- High-impact Precinct Development;

- Development of User-Asset Management Plans and Custodian-Asset Management Plan;
- Accelerated delivery of client projects through Lutsinga Infrastructure House; and
- Implementation of green technology solutions at GPG facilities.

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Construction	74 650	324 391	282 419	149 226	344 243	360 377	270 649	206 749	175 738
2. Maintenance	335 451	404 092	475 361	531 261	538 489	567 870	602 337	663 170	699 644
3. Immovable Asset Management	803 920	948 981	1 039 118	1 231 629	1 236 507	1 423 329	1 519 656	1 588 261	1 676 681
<b>Total payments and estimates</b>	<b>1 214 021</b>	<b>1 677 464</b>	<b>1 796 898</b>	<b>1 912 116</b>	<b>2 119 239</b>	<b>2 351 576</b>	<b>2 392 642</b>	<b>2 458 180</b>	<b>2 552 063</b>



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		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>812 517</b>	<b>804 707</b>	<b>963 188</b>	<b>1 102 816</b>	<b>1 252 714</b>	<b>1 497 043</b>	<b>1 385 892</b>	<b>1 470 955</b>	<b>1 542 280</b>
Compensation of employees	389 852	455 115	538 183	632 722	632 721	657 500	706 421	779 175	822 030
Goods and services	422 519	349 454	424 824	469 895	619 793	839 343	679 171	691 409	719 859
Interest and rent on land	146	138	181	200	200	200	300	371	391
<b>Transfers and subsidies to:</b>	<b>301 020</b>	<b>679 456</b>	<b>718 535</b>	<b>758 462</b>	<b>758 462</b>	<b>758 352</b>	<b>901 757</b>	<b>954 758</b>	<b>1 008 335</b>
Provinces and municipalities	300 646	679 059	717 416	757 462	757 462	757 462	901 394	954 375	1 007 931
Departmental agencies and accounts									
Households	374	397	1 119	1 000	1 000	890	363	383	404
<b>Payments for capital assets</b>	<b>98 105</b>	<b>192 134</b>	<b>112 979</b>	<b>48 838</b>	<b>106 063</b>	<b>94 598</b>	<b>103 693</b>	<b>31 094</b>	
Buildings and other fixed structures	95 267	185 480	110 690	48 838	106 063	94 598	103 693	31 094	
Machinery and equipment	2 838	2 743	2 289						
Software and other intangible assets		3 911							
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>1 211 642</b>	<b>1 676 297</b>	<b>1 794 702</b>	<b>1 910 116</b>	<b>2 117 239</b>	<b>2 349 993</b>	<b>2 391 342</b>	<b>2 456 807</b>	<b>2 550 615</b>

Expenditure on this programme over the prior financial years increases from R1.2 billion in 2014/15 to R1.8 billion in 2016/17. This is due to the additional allocation of over R300 million for rates and taxes which was implemented in 2015/16 financial year to fund the shortfall emanating from accruals. The allocation for 2017/18 amounts to R1.9 billion and increased to R2.1 billion during the 2017/18 adjustment budget due to infrastructure projects becoming ready for implementation during the course of the year. The allocation for this programme increases from R2.4 billion in 2018/19 to R2.6 billion in 2020/21.

Compensation of employees increased significantly over the years as the department prioritised filling of posts that are critical for delivery of infrastructure to the public as well as the department's retention strategy and appointing officials in accordance with the Occupational Specific Dispensation (OSD) salary scales. Over the MTEF the department's allocated budget will increase from R706 million in 2018/19 to R822 million in 2020/21.

Good and services allocation is R679 million in 2018/19 constitutes the operational costs such as protective clothing, operating lease, utilities, cleaning services travelling costs, G-fleet rentals, security services and maintenance of buildings. The allocation includes R12.9 million for the maintenance turn-around strategy. Over 2018 MTEF, the goods and services increases from R679 in 2018/19 financial year to R720 million in the 2020/21 financial year.

The Devolution of rates and taxes expenditure has increases from R301 million in the 2014/15 financial year to R757 million in the 2017/18 financial year. Over the 2018 MTEF, the allocation will increase from R901 million to R1 billion in the 2020/21 financial year.

Payment for capital assets, the allocation has increased from R98 million in the 2014/15 financial year to R192 million in 2015/16, then decrease to R113 million in 2016/17 and decreasing further to R48 million in 2017/18 financial year due to the reduction in allocation implemented. Over 2018 MTEF, the allocation will then increase to R104 million 2018/19 then decreases to R31 million in 2019/20 financial year and no funding is allocated in 2020/21 financial year due to possible implementation of the Kopanong PPP project.

## SERVICE DELIVERY MEASURES

### PROGRAMME 2: PUBLIC WORKS INFRASTRUCTURE

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of infrastructure designs ready for tender	21	48	29	28
Number of capital infrastructure projects completed within the agreed time period	26	39	37	19
Number of capital infrastructure projects completed within agreed budget	31	39	35	19
Number of planned maintenance projects completed within the agreed contract period	110	50	55	55
Number of planned maintenance projects completed within agreed budget.	90	50	55	55

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of immovable assets verified in the Immovable Asset Register (IAR) in accordance with the mandatory requirements of National Treasury	7 000	7 000	7 000	7 000
Number of condition assessments conducted on state owned buildings	36	3	3	3

### 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 following are the programme specific objectives that will be the focus of the Department over the next three years.

- Increasing Labour Intensive Construction Content in Projects;
- Coordination of Provincial implementation of EPWP Phase 3;
- Implementation of the NYS and the Zivuseni Reloaded Programme;
- Implementation of the Contractor Incubation Programmes and Enterprise Development Programme; and
- Development of a Cooperative Model of Development Framework.

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Programme Support Cbp	132 218	181 900	190 218	78 753	78 753	85 721	77 200	230 694	241 169
2. Community Development	170 647	114 197	127 046	225 945	225 945	196 510	240 563	95 924	101 200
<b>Total payments and estimates</b>	<b>302 865</b>	<b>296 097</b>	<b>317 264</b>	<b>304 698</b>	<b>304 698</b>	<b>282 231</b>	<b>317 763</b>	<b>326 618</b>	<b>342 369</b>

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		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>199 508</b>	<b>277 276</b>	<b>301 145</b>	<b>304 698</b>	<b>304 698</b>	<b>282 238</b>	<b>317 647</b>	<b>326 496</b>	<b>342 241</b>
Compensation of employees	67 379	92 698	116 489	90 115	90 115	74 350	131 350	119 930	126 526
Goods and services	132 129	184 578	184 656	214 583	214 583	207 888	186 297	206 566	215 715
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>76</b>		<b>9</b>				<b>116</b>	<b>122</b>	<b>128</b>
Provinces and municipalities									
Households	76		9				116	122	128
<b>Payments for capital assets</b>	<b>98 281</b>	<b>18 821</b>	<b>110</b>			<b>(7)</b>			
Buildings and other fixed structures	98 281								
Machinery and equipment		15	110			(7)			
Software and other intangible assets		18 806							
<b>Payments for financial assets</b>	<b>5 000</b>		<b>16 000</b>						
<b>Total economic classification</b>	<b>302 865</b>	<b>296 097</b>	<b>317 264</b>	<b>304 698</b>	<b>304 698</b>	<b>282 231</b>	<b>317 763</b>	<b>326 618</b>	<b>342 369</b>

The departmental expenditure in this programme fluctuated due to a number of issues. In 2014/15 financial year the department spent R303 million which include the expenditure on the Women's Living Monument and the June 16 Heritage site but in the 2015/16 financial year the budget for infrastructure was shifted to: Public Works infrastructure Programme. The EPWP programme is allocated funding for job creation, community development and training. This resulted in the programmes expenditure increasing from R296 million in 2015/16 to R317 million in 2016/17. Over the MTEF the allocation increases to R317 million in 2018/19 to R342 in 2020/21.

The Department received R17 million incentives grant in 2016/17 related to NYS programme and these funds were fully depleted. In 2017/18 financial year an amount of R19 million and will decrease to R18 million during the 2018/19 financial year.

Compensation of employees increased from R67 million in 2014/15 to R116 million in the 2016/17 before decreasing to R 90 million in the 2017/18 financial year. Over MTEF the budget decreases from R131 million in 2018/19 to R127 million in 2020/21 financial year. This amount includes the expenditure for the stipends paid to the NYS students as the item used to pay these beneficiaries is reflected under compensation.

Goods and Services is mainly training for NYS and Zivuseni beneficiaries and includes a stipend for the Zivuseni beneficiaries. The goods and services expenditure increases from R132 million in the 2014/15 financial year to R185 million in 2016/17. Over the MTEF it increases from R186 million in the 2018/19 to R216 million in 2020/21.

## SERVICE DELIVERY MEASURES

### PROGRAMME 3: EXPANDED PUBLIC WORKS PROGRAMME

Programme performance measures	Estimated performance	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21
Number of EPWP work opportunities created by DID	7 000	7 000	7 000	7 000
Number of Full Time Equivalents (FTE's) created by DID	2 543	2 543	2 543	2 543
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	4
Number of Beneficiary Empowerment Intervention	3	12	12	12

## 9. OTHER PROGRAMME INFORMATION

### 9.1 Personnel numbers and cost by programme

TABLE 15.12: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS BY COMPONENT

[illegible]

R thousands	Actual			Revised estimate			Medium-term expenditure estimate				Average annual growth over MTEF					
	2014/15		2015/16	2016/17		2017/18		2018/19		2019/20	2020/21		2017/18 - 2020/21			
	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Filled posts	Additional posts	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel growth rate	Costs growth rate	% Costs of Total
Therapeutic, Diagnostic and other related Allied Health Professionals																
Educators and related professionals																
Others such as interns, EPWP, learnerships, etc																
Total																

The Department is actively recruiting registered professionals in the construction and built environment industries as well as other technical related personnel. This resulted in the Department now having appointed 88 registered professionals as at 1<sup>st</sup> February 2018. The challenges of retaining professional registered staff experienced in the previous financial years remain. To this end, the Department has now implemented a retention strategy in order to retain staff with critical and scarce skills.

In order to retain highly skilled staff:

- 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 relevant councils
- The department also pays for the annual professional registrations with relevant councils for engineers and related technical occupations and as such employees must serve the department for the year which professional registration costs were paid.

## 9.2 Training

TABLE 15.13: INFORMATION ON TRAINING: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Number of staff	2 037	1 949	2 188	2 355	2 355	2 355	2 498	2 628	2 771
Number of personnel trained	1 310	810	1 510	1 610	1 610	1 610	1 710	1 806	1 906
of which									
Male	603	49	695	741	741	741	787	831	877
Female	707	761	815	869	869	869	923	975	1 029
Number of training opportunities	1 040	1 070	1 490	1 230	1 230	1 230	1 350	1 370	1 445
of which									
Tertiary	60	70	80	80	80	80	90	100	106
Workshops	328	334	470	130	130	130	140	150	158
Seminars	326	333	470	110	110	110	120	130	137
Other	326	333	470	910	910	910	1 000	990	1 044
Number of bursaries offered	100	150	100	150	150	150	100	150	158
Number of interns appointed	110	120	130	130	130	130	140	150	158
Number of learnerships appointed	60	70	80	100	100	100	120	140	148
Number of days spent on training									
<b>Payments on training by programme</b>									
1. Administration	5 652	6 782	5 934	6 528	6 528	6 528	7 181	7 583	8 000
2. Public Works Infrastructure	8 305	9 966	8 720	9 592	9 592	9 592	10 551	11 142	11 755
3. Expanded Public Works Programme	5 885	7 062	6 173	6 790	6 790	6 790	7 469	7 887	8 321
<b>Total payments on training</b>	<b>19 842</b>	<b>23 810</b>	<b>20 827</b>	<b>22 910</b>	<b>22 910</b>	<b>22 910</b>	<b>25 201</b>	<b>26 612</b>	<b>28 076</b>

The department prioritises training and development programmes through its annual Workplace Skills Plan to enable employees to efficiently perform their duties efficiently and improve the performance of the department. New recruits into the department bring about additional expenses such as tools of trade, training and development, transport, etc. which has an impact on the overall budget of the department.

Employees such as Handyman, Boiler Assistants 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 approved organisational structure. Through this process, excess employees are being reskilled in line with GDID occupational categories. Employees who were awarded bursaries are expected to serve the department for an equal number of years for which the bursary was awarded.

The department will continue to prioritise training and development of employees in line with its IDMS requirements. This will include programmes such as Competency Assessments for all project managers and technical staff to improve the competency levels of the core business employees. Project Management and IDMS training as well as systems, contract management and construction procurement training will also be prioritised.

### **9.3 Reconciliation of structural changes**

N/A



# ANNEXURES TO ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Tax receipts</b>									
<b>Sales of goods and services other than capital assets</b>	<b>18 023</b>	<b>18 152</b>	<b>18 855</b>	<b>23 531</b>	<b>23 531</b>	<b>16 696</b>	<b>24 895</b>	<b>26 289</b>	<b>27 735</b>
Sale of goods and services produced by department (excluding capital assets)	18 023	18 152	18 855	23 531	23 531	16 696	24 895	26 289	27 735
Sales by market establishments	18 023	18 152	18 855	23 531	23 531	16 696	24 895	26 289	27 735
<b>Transfers received from:</b>									
<b>Fines, penalties and forfeits</b>									
<b>Interest, dividends and rent on land</b>	<b>27</b>	<b>119</b>	<b>23</b>			<b>67</b>			
Dividends	27	119	23			67			
<b>Sales of capital assets</b>									
<b>Transactions in financial assets and liabilities</b>	<b>795</b>	<b>2 002</b>	<b>1 230</b>	<b>619</b>	<b>619</b>	<b>619</b>	<b>655</b>	<b>692</b>	<b>730</b>
<b>Total departmental receipts</b>	<b>18 845</b>	<b>20 273</b>	<b>20 108</b>	<b>24 150</b>	<b>24 150</b>	<b>17 382</b>	<b>25 550</b>	<b>26 981</b>	<b>28 465</b>

TABLE 15.15: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>1 299 443</b>	<b>1 480 663</b>	<b>1 667 259</b>	<b>1 694 822</b>	<b>1 855 720</b>	<b>2 141 461</b>	<b>1 991 827</b>	<b>2 105 271</b>	<b>2 209 271</b>
Compensation of employees	574 716	708 008	838 730	914 901	914 900	930 577	1 033 479	1 105 773	1 166 591
Salaries and wages	571 751	639 492	750 277	809 329	809 330	826 470	945 070	1 012 396	1 068 078
Social contributions	2 965	68 516	88 453	105 572	105 570	104 107	88 409	93 377	98 513
Goods and services	724 161	766 295	828 203	779 522	940 421	1 210 569	957 548	998 756	1 041 898
Administrative fees	880	180	230	200	200	166	200	211	223
Advertising	11 259	8 273	5 016	2 099	4 100	4 484	3 000	3 168	3 342
Minor assets	919	3 015	1 919	3 000	3 000	528	1 000	4 224	4 456
Audit cost: External	7 717	5 579	5 582	7 500	7 500	7 766	8 000	10 900	11 500
Bursaries: Employees	3 929	4 873	1 833	2 200	7 200	7 840	7 000	5 000	5 275
Catering: Departmental activities	7 737	9 374	2 199	399	410	1 646	101	106	112
Communication (G&S)	11 679	12 882	13 924	13 200	13 212	15 171	11 000	22 176	23 395
Computer services	6 162	5 718	17 297	10 500	10 500	9 999	14 522	11 193	11 809
Consultants and professional services: Business and advisory services	32 248	15 460	28 185	13 000	13 000	16 698		3 274	3 454
Legal services	42 349	46 059	44 618	24 999	27 000	62 596	20 000	21 120	22 282
Contractors	33 441	11	195			6	1 000		
Agency and support / outsourced services	243 146	248 501	306 541	282 156	225 352	249 644	177 196	288 646	302 309
Entertainment	62								
Fleet services (including government motor transport)	5 246	38 691	29 699	36 000	37 000	34 710	37 100	38 152	40 250
Inventory: Clothing material and accessories	1 165	6 279	476	5 500	5 500	852	11 200		
Inventory: Food and food supplies	297	44	9	73	45		30	32	34
Inventory: Fuel, oil and gas	48						()		
Inventory: Learner and teacher support material		1					()		
Inventory: Materials and supplies	4 242	260	64	50	50	108	1		
Inventory: Medical supplies	26								
Consumable supplies	2 622	4 567	3 051	7 201	6 202	2 277	5 955	3 869	4 082
Consumable: Stationery, printing and office supplies	7 716	10 215	4 048	8 000	6 004	4 433	6 130	9 119	9 622

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Operating leases	192 005	203 021	181 917	284 393	284 393	425 402	382 091	411 950	434 607
Property payments	70 510	120 221	158 141	57 905	268 608	342 933	246 383	137 601	135 591
Transport provided:									
Departmental activity	55	1 003	82	()	()	54	()		
Travel and subsistence	22 587	10 458	12 091	10 000	9 901	14 807	15 650	16 547	17 457
Training and development	7 646	9 035	7 963	8 544	8 544	5 775	9 389	10 000	10 550
Operating payments	1 194	909	918	950	950	757	600	845	891
Venues and facilities	7 274	1 666	2 205	1 653	1 751	1 917		623	657
Interest and rent on land	566	6 360	326	399	400	315	800	742	782
Interest		6 222	326	399	399	315	800	742	782
Rent on land	566	138							
<b>Transfers and subsidies</b>	<b>306 210</b>	<b>682 843</b>	<b>727 118</b>	<b>766 462</b>	<b>765 462</b>	<b>763 411</b>	<b>907 444</b>	<b>958 489</b>	<b>1 012 270</b>
Provinces and municipalities	300 646	679 060	717 417	757 462	757 462	757 462	901 394	954 375	1 007 931
Provinces		1							
Provincial agencies and funds		1							
Municipalities	300 646	679 059	717 417	757 462	757 462	757 462	901 394	954 375	1 007 931
Municipalities	300 646	679 059	717 417	757 462	757 462	757 462	901 394	954 375	1 007 931
Departmental agencies and accounts	2						4	4	4
Provide list of entities receiving transfers	2						4	4	4
Households	5 562	3 783	9 701	9 000	8 000	5 949	6 046	4 110	4 335
Social benefits	3 858	1 713	3 947	4 000	4 000	2 661	2 946	3 110	3 280
Other transfers to households	1 704	2 070	5 754	5 000	4 000	3 288	3 100	1 000	1 055
<b>Payments for capital assets</b>	<b>219 732</b>	<b>251 898</b>	<b>152 035</b>	<b>80 838</b>	<b>128 063</b>	<b>119 179</b>	<b>137 693</b>	<b>58 934</b>	<b>40 225</b>
Buildings and other fixed structures	193 548	185 480	110 690	48 838	106 063	94 598	103 693	31 094	
Buildings	193 548	185 480	110 690	48 838	106 063	94 598	103 693	31 094	
Machinery and equipment	25 687	28 467	41 345	32 000	22 000	24 581	34 000	27 840	40 225
Other machinery and equipment	25 687	28 467	41 345	32 000	22 000	24 581	34 000	27 840	40 225
Software and other intangible assets	497	37 951							
<b>Payments for financial assets</b>	<b>5 151</b>	<b>699</b>	<b>17 195</b>			<b>410</b>			
<b>Total economic classification</b>	<b>1 830 536</b>	<b>2 416 103</b>	<b>2 563 607</b>	<b>2 542 122</b>	<b>2 749 245</b>	<b>3 024 461</b>	<b>3 036 964</b>	<b>3 122 694</b>	<b>3 261 766</b>

TABLE 15.16: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>287 418</b>	<b>398 680</b>	<b>402 926</b>	<b>287 308</b>	<b>298 308</b>	<b>362 180</b>	<b>288 288</b>	<b>307 820</b>	<b>324 750</b>
Compensation of employees	117 485	160 195	184 058	192 064	192 064	198 727	195 708	206 668	218 035
Salaries and wages	117 485	143 855	162 358	171 467	171 467	175 358	173 915	183 655	193 756
Social contributions		16 340	21 700	20 598	20 597	23 369	21 792	23 013	24 279
Goods and services	169 513	232 263	218 723	95 044	106 045	163 338	92 081	100 781	106 324
Administrative fees	180	180	230	200	200	166	200	211	223
Advertising	8 940	7 629	4 502	2 000	4 000	4 464	3 000	3 168	3 342
Minor assets	853	2 604	1 168	1 000	1 000	113		1 056	1 114
Audit cost: External	7 717	5 579	5 582	7 500	7 500	7 766	8 000	10 900	11 500
Bursaries: Employees	3 929	4 873	1 833	2 200	7 200	7 840	7 000	5 000	5 275
Catering: Departmental activities	6 728	9 179	2 012	100	110	1 562	101	106	112
Communication (G&S)	3 294	6 374	2 781	8 199	8 212	11 979	8 000	15 840	16 711
Computer services	5 904	5 703	17 289	10 000	10 000	9 990	13 000	10 560	11 141
Consultants and professional services: Business and advisory services	10 187	15 303	23 911	13 000	13 000	13 547			
Legal services	29 593	46 059	44 618	20 000	22 000	62 596	20 000	21 120	22 282

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Contractors			195			6	1 000		
Agency and support / outsourced services	60 456	97 468	90 779	2 467	6 467	21 160	( )		
Fleet services (including government motor transport)	915	7 905	6 581	7 200	7 200	5 862	7 500	9 112	9 613
Inventory: Clothing material and accessories	38								
Inventory: Food and food supplies	161	13	8	70	42		30	32	34
Inventory: Fuel, oil and gas	47						( )		
Inventory: Learner and teacher support material		1					( )		
Inventory: Materials and supplies	8		29		( )	1	1		
Inventory: Medical supplies	13								
Consumable supplies	1 737	859	591		1	120	3 129		
Consumable: Stationery, printing and office supplies	5 492	6 638	2 769	6 262	4 267	3 853	5 080	3 978	4 197
Operating leases	2 157	2 912	1 958	3 000	3 000	3 000	4 000	4 917	5 187
Property payments			205						
Transport provided: Departmental activity	55	760	82	( )	( )	54	( )		
Travel and subsistence	5 530	1 637	1 481	2 600	2 500	1 846	2 550	3 841	4 052
Training and development	7 646	9 035	7 963	8 544	8 544	5 745	9 389	10 000	10 550
Operating payments	663	138	262	200	200	5	100	317	334
Venues and facilities	7 270	1 414	1 894	503	601	1 663		623	657
Interest and rent on land	420	6 222	145	200	200	115	500	371	391
Interest		6 222	145	200	200	115	500	371	391
Rent on land	420								
<b>Transfers and subsidies</b>	<b>2 735</b>	<b>2 221</b>	<b>6 378</b>	<b>6 000</b>	<b>5 000</b>	<b>3 476</b>	<b>4 271</b>	<b>2 236</b>	<b>2 359</b>
Households	2 735	2 221	6 378	6 000	5 000	3 476	4 271	2 236	2 359
Social benefits	1 031	151	745	1 000	1 000	188	1 171	1 236	1 304
Other transfers to households	1 704	2 070	5 633	5 000	4 000	3 288	3 100	1 000	1 055
<b>Payments for capital assets</b>	<b>23 346</b>	<b>40 943</b>	<b>38 946</b>	<b>32 000</b>	<b>22 000</b>	<b>24 588</b>	<b>34 000</b>	<b>27 840</b>	<b>40 225</b>
Machinery and equipment	22 849	25 709	38 946	32 000	22 000	24 588	34 000	27 840	40 225
Other machinery and equipment	22 849	25 709	38 946	32 000	22 000	24 588	34 000	27 840	40 225
Software and other intangible assets	497	15 234							
<b>Payments for financial assets</b>	<b>151</b>	<b>698</b>	<b>1 195</b>			<b>410</b>			
<b>Total economic classification</b>	<b>313 650</b>	<b>442 542</b>	<b>449 445</b>	<b>325 307</b>	<b>325 308</b>	<b>390 654</b>	<b>326 559</b>	<b>337 896</b>	<b>367 334</b>

TABLE 15.17: SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PUBLIC WORKS INFRASTRUCTURE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>812 517</b>	<b>804 707</b>	<b>963 188</b>	<b>1 102 816</b>	<b>1 252 714</b>	<b>1 497 043</b>	<b>1 385 892</b>	<b>1 470 955</b>	<b>1 542 280</b>
Compensation of employees	389 852	455 115	538 183	632 722	632 721	657 500	706 421	779 175	822 030
Salaries and wages	389 852	404 591	473 428	554 807	554 808	578 758	656 680	726 632	766 597
Social contributions		50 524	64 755	77 914	77 913	78 742	49 741	52 543	55 433
Goods and services	422 519	349 454	424 824	469 895	619 793	839 343	679 171	691 409	719 859
Advertising	2 319	22	125	( )	( )	20			
Minor assets	66	411	751	2 001	2 000	419	1 000	3 168	3 342
Catering: Departmental activities	19	5	1	( )	( )	39			
Communication (G&S)	6 434	4 379	5 117	5 000	5 000	3 009	3 000	6 336	6 684
Computer services	258	15	8	500	500	8	1 522	633	668
Consultants and professional services:	12 402	157	4 274	( )	( )	3 151			

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Business and advisory services									
Legal services	10 451			5 000	5 000				
Contractors	33 441	11							
Agency and support / outsourced services	71 894	53 371	39 515	78 607	17 802	22 604		91 421	96 449
Entertainment	62								
Fleet services (including government motor transport)	4 192	29 005	22 009	27 600	28 600	27 481	28 500	27 984	29 523
Inventory: Clothing material and accessories	985	5 481	473	500	500	852	4 200		
Inventory: Food and food supplies	136	31	1	3	3				
Inventory: Fuel, oil and gas	1								
Inventory: Materials and supplies	72	260	35	50	50	107			
Inventory: Medical supplies	13								
Consumable supplies	885	3 181	2 376	2 201	1 200	2 156	2 826	2 674	2 821
Consumable: Stationery, printing and office supplies	2 068	3 495	1 077	1 538	1 537	580	750	3 020	3 187
Operating leases	189 848	120 109	179 959	281 393	281 393	422 402	378 091	407 033	429 420
Property payments	70 510	120 221	157 936	57 905	268 608	342 933	246 383	137 601	135 591
Travel and subsistence	15 956	8 493	10 370	6 700	6 700	12 826	12 399	11 011	11 617
Operating payments	507	771	656	750	750	752	500	528	557
Venues and facilities		36	141	150	150				
Interest and rent on land	146	138	181	200	200	200	300	371	391
Interest			181	200	200	200	300	371	391
Rent on land	146	138							
<b>Transfers and subsidies</b>	<b>303 399</b>	<b>680 622</b>	<b>720 731</b>	<b>760 462</b>	<b>760 462</b>	<b>759 935</b>	<b>903 057</b>	<b>956 131</b>	<b>1 009 783</b>
Provinces and municipalities	300 646	679 060	717 417	757 462	757 462	757 462	901 394	954 375	1 007 931
Provinces		1							
Provincial agencies and funds		1							
Municipalities	300 646	679 059	717 417	757 462	757 462	757 462	901 394	954 375	1 007 931
Municipalities	300 646	679 059	717 417	757 462	757 462	757 462	901 394	954 375	1 007 931
Departmental agencies and accounts	2						4	4	4
Provide list of entities receiving transfers	2						4	4	4
Households	2 751	1 562	3 314	3 000	3 000	2 473	1 659	1 752	1 848
Social benefits	2 751	1 562	3 193	3 000	3 000	2 473	1 659	1 752	1 848
Other transfers to households			121						
<b>Payments for capital assets</b>	<b>98 105</b>	<b>192 134</b>	<b>112 979</b>	<b>48 838</b>	<b>106 063</b>	<b>94 598</b>	<b>103 693</b>	<b>31 094</b>	
Buildings and other fixed structures	95 267	185 480	110 690	48 838	106 063	94 598	103 693	31 094	
Buildings	95 267	185 480	110 690	48 838	106 063	94 598	103 693	31 094	
Machinery and equipment	2 838	2 743	2 289						
Other machinery and equipment	2 838	2 743	2 289						
Software and other intangible assets		3 911							
<b>Payments for financial assets</b>		<b>1</b>							
<b>Total economic classification</b>	<b>1 214 021</b>	<b>1 677 464</b>	<b>1 796 898</b>	<b>1 912 116</b>	<b>2 119 239</b>	<b>2 351 576</b>	<b>2 392 642</b>	<b>2 458 180</b>	<b>2 552 063</b>

TABLE 15.18: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: EXPANDED PUBLIC WORKS PROGRAMME

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Current payments	199 508	277 276	301 145	304 698	304 698	282 238	317 647	326 496	342 241

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Compensation of employees	67 379	92 698	116 489	90 115	90 115	74 350	131 350	119 930	126 526
Salaries and wages	64 414	91 046	114 491	83 055	83 055	72 354	114 474	102 109	107 725
Social contributions	2 965	1 652	1 998	7 060	7 060	1 996	16 876	17 821	18 801
Goods and services	132 129	184 578	184 656	214 583	214 583	207 888	186 297	206 566	215 715
Administrative fees	700								
Advertising		622	389	100	100				
Catering: Departmental activities	990	190	186	300	300	45			
Communication (G&S)	1 951	2 129	6 026			183			
Consultants and professional services: Business and advisory services	9 659							3 274	3 454
Legal services	2 305								
Agency and support / outsourced services	110 796	97 662	176 247	201 082	201 082	205 880	177 196	197 225	205 860
Fleet services (including government motor transport)	139	1 781	1 109	1 200	1 200	1 367	1 100	1 056	1 114
Inventory: Clothing material and accessories	142	798	3	5 000	5 000		7 000		
Inventory: Materials and supplies	4 162								
Consumable supplies		527	84	5 000	5 000	1		1 195	1 261
Consumable: Stationery, printing and office supplies	156	82	202	200	200		300	2 121	2 238
Operating leases		80 000							
Transport provided: Departmental activity		243							
Travel and subsistence	1 101	328	240	700	700	135	700	1 695	1 788
Operating payments	24								
Venues and facilities	4	216	170	1 000	1 000	254			
<b>Transfers and subsidies</b>	<b>76</b>		<b>9</b>				<b>116</b>	<b>122</b>	<b>128</b>
Households	76		9				116	122	128
Social benefits	76		9				116	122	128
<b>Payments for capital assets</b>	<b>98 281</b>	<b>18 821</b>	<b>110</b>			<b>(7)</b>			
Buildings and other fixed structures	98 281								
Buildings	98 281								
Machinery and equipment		15	110			(7)			
Other machinery and equipment		15	110			(7)			
Software and other intangible assets		18 806							
<b>Payments for financial assets</b>	<b>5 000</b>		<b>16 000</b>						
<b>Total economic classification</b>	<b>302 865</b>	<b>296 097</b>	<b>317 264</b>	<b>304 698</b>	<b>304 698</b>	<b>282 231</b>	<b>317 763</b>	<b>326 618</b>	<b>342 369</b>



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