

# Vote 11

## Public Works

### Budget summary

R million	2019/20				2020/21	2021/22
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	508.0	499.6	1.3	7.1	543.2	596.7
Intergovernmental Coordination	60.9	54.8	5.3	0.7	63.4	70.7
Expanded Public Works Programme	2 680.8	330.1	2 348.8	1.9	2 844.7	3 259.3
Property and Construction Industry	4 443.8	35.4	4 408.1	0.3	4 680.1	4 871.0
Policy and Research						
Prestige Policy	115.4	91.4	10.8	13.2	106.3	121.4
<b>Total expenditure estimates</b>	<b>7 809.0</b>	<b>1 011.4</b>	<b>6 774.4</b>	<b>23.2</b>	<b>8 237.8</b>	<b>8 919.0</b>

Executive authority Minister of Public Works  
 Accounting officer Director-General of Public Works  
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*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, personnel, entities, donor funding, public-private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.*

### Vote purpose

*Provide policy formulation for, as well as coordination, regulation and oversight of, the public works sector in relation to the accommodation, housing, land and infrastructure needs of national departments. Enhance intergovernmental relations by coordinating concurrent public works functions. Lead and direct the implementation of the national expanded public works programme. Promote growth, job creation and transformation in the construction and property industries.*

### Mandate

As set out in the Government Immovable Asset Management Act (2007), the Department of Public Works is mandated to be the custodian and portfolio manager of government's immovable assets. Following the creation of the Property Management Trading Entity in 2015/16, the department's role now consists of policy formulation, coordination, regulation and oversight relating to the provision of accommodation and expert built environment services to client departments at national level; and, through the entity, the planning, acquisition, management and disposal of immovable assets in the department's custody. The department is further mandated to coordinate and provide strategic leadership in initiatives for the creation of jobs through the implementation of the expanded public works programme. Public works is constitutionally designated as a concurrent function exercised by the national and provincial spheres of government.

### Selected performance indicators

**Table 11.1 Performance indicators by programme and related outcome**

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Number of cooperation and protocol agreements for joint service delivery signed with provinces and municipalities per year	Intergovernmental Coordination	Outcome 12: An efficient, effective and development-oriented public service	2	10	12	15	15	15	15

**Table 11.1 Performance indicators by programme and related outcome**

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Number of policy frameworks developed for the public works sector per year	Intergovernmental Coordination	Outcome 4: Decent employment through inclusive growth	-1	-1	3	4	1	1	1
Number of work opportunities reported on the expanded public works programme reporting system per year	Expanded Public Works Programme		741 540	779 251	900 234	1 455 840	1 455 000	1 455 000	1 455 000
Number of public bodies reporting on expanded public works programme targets provided with technical support per year	Expanded Public Works Programme	Outcome 12: An efficient, effective and development-orientated public service	278	297	297	290	290	290	290
Number of prestige policies approved per year	Prestige Policy		-1	-1	0	2	2	2	2

1. No historical data available.

## Expenditure analysis

Over the medium term, the Department of Public Works will continue to focus on: creating employment opportunities; providing better oversight, better cooperation and better service delivery; facilitating skills development in the construction and property sectors; reviewing and developing policy; and improving governance and mitigating risk. These objectives contribute towards the realisation of outcome 4 (decent employment through inclusive growth), outcome 6 (an efficient, competitive and responsive economic infrastructure network) and outcome 12 (an efficient, effective and development-orientated public service) of government's 2014-2019 medium-term strategic framework.

Over the medium term, 86.6 per cent (R21.6 billion) of the department's total budget is allocated to transfers and subsidies for the operations of the department's entities, and conditional grants to provinces and municipalities for the implementation of the expanded public works programme. An estimated 7.1 per cent (R1.8 billion) of the department's total budget over the period ahead is allocated to spending on compensation of employees.

### **Creating work opportunities**

The department leads and coordinates the expanded public works programme, which provides an important avenue for labour absorption and income transfers to poor households in the short to medium term. To date, the programme has created a total of 3.5 million work opportunities in the infrastructure, social, environment and culture sectors, in line with the demand for labour. The department aims to create a further 4.4 million work opportunities through the programme over the MTEF period through transfers and subsidies to public bodies, such as provinces, municipalities and non-profit organisations, amounting to an estimated R7.7 billion.

The department will continue to provide technical support, particularly through data capturing and verification, to public bodies implementing the programme. The department expects to spend R1.1 billion for the management of the programme in the *Expanded Public Works Programme*, of which: R573.3 million is for compensation of employees for the administration of the programme; and R507.4 million for goods and services, with R241.2 million of the R507.4 million earmarked for data capturing and verification.

### **Better oversight, better cooperation, better service delivery**

The department is mandated to provide office accommodation to client departments, and ensure that its buildings are maintained to an acceptable standard and that property rates are paid to municipalities. The department leads and coordinates policies and legislative frameworks that guide the implementation of the public works function at provincial and municipal level, and oversees and manages the performance of provinces. It manages its portfolio of immovable assets through the Property Management Trading Entity. The department will continue to monitor programmes in the sector and provide support on processes related to planning and performance management. Accordingly, over the medium term, the department aims to sign

45 cooperation and protocol agreements for joint service delivery with provinces and municipalities, and establish non-punitive mechanisms, such as interdepartmental forums, to address negative audit outcomes. To carry out its oversight role, R105 million over the medium term is allocated in the *Intergovernmental Coordination* programme, with spending on compensation of employees accounting for 77.7 per cent (R81.6 million) of this amount.

### ***Skills development in the construction and property sectors***

To improve the delivery of infrastructure in the public works sector, the department plans to support skills development and transformation in the built environment sector. As part of its efforts to increase the throughput of built environment graduates and invest in young built environment professionals, the department's skills pipeline strategy makes provision for technical bursary schemes, internships, learnerships, property management training and artisan development, with structured workplace training to expedite professional development and registration.

In giving expression to this strategy, the department will ensure the participation of an estimated 1 100 beneficiaries over the medium term in the department and *Property Management Trading Entity's skills development* programme. Skills development activities will be carried out in the *Professional Services* subprogramme in the *Intergovernmental Coordination* programme through an allocation of R89.4 million over the medium term.

### ***Reviewing and developing policy***

The department is responsible for regulating the construction and property sectors, and ensuring that they transform in line with the vision articulated in the National Development Plan. Towards the development of a public works act that will provide an overarching legislative framework for the sector, over the medium term, the department will continue its review of the Construction Industry Development Board Act (2000), the Council for the Built Environment Act (2000) and the founding acts for the 6 built environment professional councils. It will also continue finalising its reviews of the 1997 and 1999 white papers on public works. These reviews are expected to culminate in a draft document in 2019/20 that will take into account comments from key stakeholders in the public works sector and construction industry, and establish mechanisms to ensure the transformation of the construction and built environment sectors.

Expenditure for activities related to the regulation and transformation of the construction and built environment sectors is expected to amount to R111 million over the medium term in the *Property and Construction Industry Policy and Research* programme.

### ***Improving governance and mitigating risk***

To bring about greater efficiencies in the delivery of services and contribute towards good governance and ethical practices, the department aims to improve various internal policies, processes and systems. This includes the implementation of a holistic strategy aimed at preventing fraud, which emphasises the application of proactive measures to enhance operational efficiency. The strategy seeks to put in place key controls that address the risk of fraud by aligning financial and business internal control systems with the department's fraud risk management plan to increase awareness about the risk of fraud. Through these measures, the department aims to limit fraud and corruption, ensure the efficient use of state resources, and improve service delivery and stakeholder confidence. An estimated R142.2 million over the medium term is allocated in the *Administration* programme to carry out governance, risk and compliance activities.

## Expenditure trends

**Table 11.2 Vote expenditure trends by programme and economic classification**

Programmes														
1. Administration														
2. Intergovernmental Coordination														
3. Expanded Public Works Programme														
4. Property and Construction Industry Policy and Research														
5. Prestige Policy														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2015/16			2016/17			2017/18			2018/19			2015/16 - 2018/19	
Programme 1	476.0	477.3	479.2	516.6	516.0	450.5	493.8	443.3	447.6	480.3	483.4	478.4	94.3%	96.6%
Programme 2	47.2	45.7	44.7	31.4	28.6	16.5	60.2	48.2	45.4	58.1	56.1	56.1	82.6%	91.1%
Programme 3	1 992.2	1 953.4	1 939.9	2 319.5	2 319.5	2 301.4	2 414.6	2 407.6	2 367.8	2 566.6	2 547.3	2 544.4	98.5%	99.2%
Programme 4	3 803.0	3 743.0	3 735.4	3 565.1	3 552.6	3 547.0	3 969.9	4 001.4	3 986.8	4 250.4	4 246.5	4 246.4	99.5%	99.8%
Programme 5	92.7	92.8	82.0	96.1	96.1	87.9	99.6	84.6	79.6	97.9	150.0	150.0	103.4%	94.3%
<b>Total</b>	<b>6 411.1</b>	<b>6 312.2</b>	<b>6 281.1</b>	<b>6 528.8</b>	<b>6 512.8</b>	<b>6 403.4</b>	<b>7 038.1</b>	<b>6 985.1</b>	<b>6 927.3</b>	<b>7 453.3</b>	<b>7 483.3</b>	<b>7 475.3</b>	<b>98.7%</b>	<b>99.2%</b>
Change to 2018 Budget estimate											30.0			
Economic classification														
<b>Current payments</b>	<b>882.8</b>	<b>884.1</b>	<b>801.9</b>	<b>917.9</b>	<b>905.1</b>	<b>804.9</b>	<b>960.4</b>	<b>878.6</b>	<b>816.2</b>	<b>951.5</b>	<b>990.5</b>	<b>982.5</b>	<b>91.7%</b>	<b>93.1%</b>
Compensation of employees	475.0	475.0	435.9	470.8	471.8	438.8	486.4	458.4	445.0	518.3	518.3	510.3	93.8%	95.1%
Goods and services	407.8	409.1	364.5	447.1	433.3	366.1	474.0	418.4	369.4	433.2	471.8	471.8	89.2%	90.7%
Interest and rent on land	-	-	1.6	-	-	-	-	1.8	1.8	-	0.4	0.4	-	171.5%
<b>Transfers and subsidies</b>	<b>5 500.2</b>	<b>5 400.1</b>	<b>5 411.3</b>	<b>5 572.3</b>	<b>5 570.2</b>	<b>5 571.2</b>	<b>6 055.7</b>	<b>6 088.5</b>	<b>6 089.0</b>	<b>6 478.3</b>	<b>6 471.0</b>	<b>6 471.0</b>	<b>99.7%</b>	<b>100.1%</b>
Provinces and municipalities	1 178.9	1 140.0	1 139.4	1 425.7	1 425.7	1 425.7	1 472.6	1 472.6	1 472.6	1 516.9	1 516.9	1 516.9	99.3%	100.0%
Departmental agencies and accounts	3 703.1	3 641.8	3 653.5	3 511.0	3 507.4	3 507.3	3 922.1	3 845.4	3 845.4	4 173.8	4 173.8	4 173.8	99.2%	100.1%
Foreign governments and international organisations	23.3	23.3	23.4	24.8	28.2	28.2	26.0	22.3	22.3	27.5	22.7	22.7	95.1%	100.1%
Public corporations and private enterprises	50.0	50.0	50.0	-	-	-	-	111.1	111.1	28.4	28.4	28.4	241.7%	100.0%
Non-profit institutions	534.8	534.8	535.1	600.4	600.4	600.4	624.0	624.0	624.0	720.2	720.2	720.2	100.0%	100.0%
Households	10.2	10.2	9.9	10.5	8.5	9.6	11.0	13.0	13.6	11.6	9.1	9.1	97.5%	103.3%
<b>Payments for capital assets</b>	<b>28.1</b>	<b>28.1</b>	<b>23.5</b>	<b>38.5</b>	<b>37.5</b>	<b>25.8</b>	<b>22.0</b>	<b>18.0</b>	<b>16.9</b>	<b>23.5</b>	<b>21.7</b>	<b>21.7</b>	<b>78.4%</b>	<b>83.5%</b>
Machinery and equipment	28.1	28.1	23.2	38.5	37.5	19.7	22.0	18.0	16.8	23.5	21.7	21.7	72.7%	77.3%
Software and other intangible assets	-	-	0.4	-	-	6.1	-	-	0.1	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>44.4</b>	<b>-</b>	<b>-</b>	<b>1.4</b>	<b>-</b>	<b>-</b>	<b>5.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>6 411.1</b>	<b>6 312.2</b>	<b>6 281.1</b>	<b>6 528.8</b>	<b>6 512.8</b>	<b>6 403.4</b>	<b>7 038.1</b>	<b>6 985.1</b>	<b>6 927.3</b>	<b>7 453.3</b>	<b>7 483.3</b>	<b>7 475.3</b>	<b>98.7%</b>	<b>99.2%</b>

## Expenditure estimates

**Table 11.3 Vote expenditure estimates by programme and economic classification**

Programmes									
1. Administration									
2. Intergovernmental Coordination									
3. Expanded Public Works Programme									
4. Property and Construction Industry Policy and Research									
5. Prestige Policy									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
R million	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22		
Programme 1	478.4	0.1%	6.9%	508.0	543.2	596.7	7.6%	6.6%	
Programme 2	56.1	7.1%	0.6%	60.9	63.4	70.7	8.0%	0.8%	
Programme 3	2 544.4	9.2%	33.8%	2 680.8	2 844.7	3 259.3	8.6%	34.9%	
Programme 4	4 246.4	4.3%	57.3%	4 443.8	4 680.1	4 871.0	4.7%	56.2%	
Programme 5	150.0	17.4%	1.5%	115.4	106.3	121.4	-6.8%	1.5%	
<b>Total</b>	<b>7 475.3</b>	<b>5.8%</b>	<b>100.0%</b>	<b>7 809.0</b>	<b>8 237.8</b>	<b>8 919.0</b>	<b>6.1%</b>	<b>100.0%</b>	
Change to 2018 Budget estimate				(90.0)	(108.7)	91.4			

**Table 11.3 Vote expenditure estimates by programme and economic classification**

Economic classification	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
		2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22	
R million	2018/19							
<b>Current payments</b>	<b>982.5</b>	<b>3.6%</b>	<b>12.6%</b>	<b>1 011.4</b>	<b>1 073.6</b>	<b>1 173.9</b>	<b>6.1%</b>	<b>13.1%</b>
Compensation of employees	510.3	2.4%	6.8%	557.8	599.7	638.6	7.8%	7.1%
Goods and services	471.8	4.9%	5.8%	453.5	473.9	535.2	4.3%	6.0%
Interest and rent on land	0.4	-	0.0%	-	-	-	-100.0%	0.0%
<b>Transfers and subsidies</b>	<b>6 471.0</b>	<b>6.2%</b>	<b>86.9%</b>	<b>6 774.4</b>	<b>7 143.6</b>	<b>7 720.2</b>	<b>6.1%</b>	<b>86.6%</b>
Provinces and municipalities	1 516.9	10.0%	20.5%	1 598.2	1 688.0	1 782.7	5.5%	20.3%
Departmental agencies and accounts	4 173.8	4.6%	56.0%	4 386.9	4 625.5	4 816.0	4.9%	55.5%
Foreign governments and international organisations	22.7	-0.8%	0.4%	26.6	28.2	29.8	9.5%	0.3%
Public corporations and private enterprises	28.4	-17.2%	0.7%	5.0	-	-	-100.0%	0.1%
Non-profit institutions	720.2	10.4%	9.2%	750.4	794.4	1 084.2	14.6%	10.3%
Households	9.1	-3.4%	0.2%	7.3	7.5	7.5	-6.4%	0.1%
<b>Payments for capital assets</b>	<b>21.7</b>	<b>-8.2%</b>	<b>0.3%</b>	<b>23.2</b>	<b>20.6</b>	<b>25.0</b>	<b>4.7%</b>	<b>0.3%</b>
Machinery and equipment	21.7	-8.2%	0.3%	23.2	20.6	25.0	4.7%	0.3%
<b>Total</b>	<b>7 475.3</b>	<b>5.8%</b>	<b>100.0%</b>	<b>7 809.0</b>	<b>8 237.8</b>	<b>8 919.0</b>	<b>6.1%</b>	<b>100.0%</b>

## Expenditure trends and estimates for significant spending items

**Table 11.4 Expenditure trends and estimates for significant spending items**

	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total vote (%)
	2015/16	2016/17	2017/18		2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22		
R thousand											
Employment programmes	535 147	600 427	535 147	624 024	5.3%	8.5%	750 424	794 371	1 084 181	20.2%	10.0%
Property Management Trading Entity	3 524 652	3 389 448	3 682 254	4 009 490	4.4%	53.9%	4 215 736	4 444 840	4 625 305	4.9%	53.3%
Expanded public works programme integrated grant for provinces	325 607	402 009	395 579	416 036	8.5%	5.7%	437 388	462 376	488 789	5.5%	5.6%
Expanded public works programme integrated grant for municipalities	587 685	663 991	691 447	692 878	5.6%	9.7%	730 046	771 174	814 414	5.5%	9.3%
Social sector expanded public works programme incentive grant for provinces	226 103	359 662	385 583	407 948	21.7%	5.1%	430 793	454 487	479 484	5.5%	5.5%
<b>Total</b>	<b>5 199 194</b>	<b>5 415 537</b>	<b>5 690 010</b>	<b>6 150 376</b>	<b>5.8%</b>	<b>82.9%</b>	<b>6 564 387</b>	<b>6 927 248</b>	<b>7 492 173</b>	<b>6.8%</b>	<b>83.6%</b>

## Goods and services expenditure trends and estimates

**Table 11.5 Vote goods and services expenditure trends and estimates**

	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18		2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22		
R thousand											
Administrative fees	12 437	13 313	29 739	42 297	50.4%	6.2%	44 982	47 508	50 121	5.8%	9.6%
Advertising	7 389	4 277	4 791	3 869	-19.4%	1.3%	4 338	4 635	5 656	13.5%	1.0%
Minor assets	3 447	3 399	2 711	6 540	23.8%	1.0%	8 379	8 102	9 474	13.1%	1.7%
Audit costs: External	16 420	9 605	12 378	12 879	-7.8%	3.3%	13 644	15 617	16 476	8.6%	3.0%
Bursaries: Employees	147	48	155	1 000	89.5%	0.1%	1 500	1 555	1 613	17.3%	0.3%
Catering: Departmental activities	1 866	1 724	2 851	4 673	35.8%	0.7%	4 852	4 916	5 434	5.2%	1.0%
Communication	12 644	5 912	5 679	14 858	5.5%	2.5%	23 546	22 863	21 550	13.2%	4.3%
Computer services	40 200	31 585	48 468	36 062	-3.6%	9.9%	38 250	40 689	46 020	8.5%	8.3%
Consultants: Business and advisory services	26 214	25 700	28 643	34 202	9.3%	7.3%	33 838	35 007	42 424	7.4%	7.5%
Infrastructure and planning services	25 340	32 222	-	-	-100.0%	3.7%	-	-	-	-	-
Legal services	14 987	17 402	16 956	16 394	3.0%	4.2%	14 601	15 514	16 149	-0.5%	3.2%
Contractors	43 599	22 766	32 320	90 735	27.7%	12.1%	48 270	39 231	46 534	-20.0%	11.6%
Agency and support/outsourced services	87 617	79 036	71 572	73 649	-5.6%	19.8%	75 294	84 273	94 642	8.7%	16.9%
Entertainment	177	160	159	295	18.6%	0.1%	422	384	454	15.5%	0.1%

**Table 11.5 Vote goods and services expenditure trends and estimates**

	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2015/16	2016/17	2017/18		2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	Average: Expenditure/ Total (%)
R thousand											
Fleet services (including government motor transport)	1 914	2 134	2 578	3 353	20.5%	0.6%	3 452	3 630	3 809	4.3%	0.7%
Consumable supplies	2 071	5 668	2 242	4 217	26.7%	0.9%	2 608	2 754	3 819	-3.3%	0.7%
Consumables: Stationery, printing and office supplies	5 482	6 080	4 314	7 165	9.3%	1.5%	6 596	7 583	8 996	7.9%	1.6%
Operating leases	3 920	20 520	24 006	31 567	100.4%	5.1%	35 698	39 148	44 940	12.5%	7.8%
Rental and hiring	245	1 139	402	673	40.0%	0.2%	218	214	829	7.2%	0.1%
Property payments	1 390	27 485	16 934	15 365	122.8%	3.9%	19 451	21 610	27 529	21.5%	4.3%
Transport provided:	-	-	-	100	-	-	106	112	118	5.7%	-
Departmental activity											
Travel and subsistence	43 543	38 809	48 004	51 823	6.0%	11.6%	52 881	56 178	62 277	6.3%	11.5%
Training and development	5 083	6 168	4 814	6 131	6.4%	1.4%	6 578	6 805	7 325	6.1%	1.4%
Operating payments	5 295	5 842	4 960	6 563	7.4%	1.4%	6 397	7 604	8 948	10.9%	1.5%
Venues and facilities	3 035	5 117	4 745	7 398	34.6%	1.3%	7 637	8 000	10 104	10.9%	1.7%
<b>Total</b>	<b>364 462</b>	<b>366 111</b>	<b>369 421</b>	<b>471 808</b>	<b>9.0%</b>	<b>100.0%</b>	<b>453 538</b>	<b>473 932</b>	<b>535 241</b>	<b>4.3%</b>	<b>100.0%</b>

**Transfers and subsidies expenditure trends and estimates****Table 11.6 Vote transfers and subsidies trends and estimates**

	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2015/16	2016/17	2017/18		2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	Average: Expenditure/ Total (%)
R thousand											
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>795</b>	<b>1 928</b>	<b>2 427</b>	<b>4 140</b>	<b>73.3%</b>	<b>-</b>	<b>1 971</b>	<b>1 903</b>	<b>1 621</b>	<b>-26.8%</b>	<b>-</b>
Employee social benefits	795	1 928	2 427	4 140	73.3%	-	1 971	1 903	1 621	-26.8%	-
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>3 653 519</b>	<b>3 507 343</b>	<b>3 845 388</b>	<b>4 173 787</b>	<b>4.5%</b>	<b>64.5%</b>	<b>4 386 911</b>	<b>4 625 501</b>	<b>4 815 960</b>	<b>4.9%</b>	<b>64.0%</b>
Agrément South Africa	11 682	12 383	29 045	29 988	36.9%	0.4%	31 062	32 804	34 643	4.9%	0.5%
Construction Industry Development Board	65 626	52 059	74 984	73 323	3.8%	1.1%	76 160	80 349	84 768	5.0%	1.1%
Council for the Built Environment	41 994	43 413	48 568	50 100	6.1%	0.8%	52 796	55 702	58 766	5.5%	0.8%
Construction Education and Training Authority	475	468	486	518	2.9%	-	558	600	633	6.9%	-
Property Management Trading Entity	3 524 652	3 389 448	3 682 254	4 009 490	4.4%	62.0%	4 215 736	4 444 840	4 625 305	4.9%	61.5%
Parliamentary Villages Management Board	9 090	9 572	10 051	10 368	4.5%	0.2%	10 599	11 206	11 845	4.5%	0.2%
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>9 091</b>	<b>7 651</b>	<b>11 127</b>	<b>5 000</b>	<b>-18.1%</b>	<b>0.1%</b>	<b>5 280</b>	<b>5 570</b>	<b>5 876</b>	<b>5.5%</b>	<b>0.1%</b>
Bursaries for non-employees	9 091	7 651	10 413	5 000	-18.1%	0.1%	5 280	5 570	5 876	5.5%	0.1%
Claims against the state	-	-	714	-	-	-	-	-	-	-	-
<b>Provinces and Municipalities</b>											
<b>Municipal bank accounts</b>											
<b>Current</b>	<b>587 689</b>	<b>663 995</b>	<b>691 453</b>	<b>692 884</b>	<b>5.6%</b>	<b>11.2%</b>	<b>730 052</b>	<b>771 180</b>	<b>814 420</b>	<b>5.5%</b>	<b>10.7%</b>
Vehicle licences	4	4	6	6	14.5%	-	6	6	6	-	-
Expanded public works programme integrated grant for municipalities	587 685	663 991	691 447	692 878	5.6%	11.2%	730 046	771 174	814 414	5.5%	10.7%
<b>Foreign governments and international organisations</b>											
<b>Current</b>	<b>23 363</b>	<b>28 234</b>	<b>22 342</b>	<b>22 723</b>	<b>-0.9%</b>	<b>0.4%</b>	<b>26 564</b>	<b>28 163</b>	<b>29 849</b>	<b>9.5%</b>	<b>0.4%</b>
Commonwealth War Graves Commission	23 363	28 234	22 342	22 723	-0.9%	0.4%	26 564	28 163	29 849	9.5%	0.4%
<b>Non-profit institutions</b>											
<b>Current</b>	<b>535 147</b>	<b>600 427</b>	<b>624 024</b>	<b>720 158</b>	<b>10.4%</b>	<b>10.5%</b>	<b>750 424</b>	<b>794 371</b>	<b>1 084 181</b>	<b>14.6%</b>	<b>11.9%</b>
Various institutions: Non-state sector programme	534 816	600 257	623 904	720 158	10.4%	10.5%	750 424	794 371	1 084 181	14.6%	11.9%
South African Council for the Landscape Architectural Profession	331	170	120	-	-100.0%	-	-	-	-	-	-
<b>Public corporations and private enterprises</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	<b>50 000</b>	<b>-</b>	<b>111 066</b>	<b>28 362</b>	<b>-17.2%</b>	<b>0.8%</b>	<b>5 000</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>
Independent Development Trust	50 000	-	111 066	28 362	-17.2%	0.8%	5 000	-	-	-100.0%	0.1%

Table 11.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
<b>Provinces and municipalities</b>											
<b>Provincial revenue funds</b>											
<b>Current</b>	<b>551 710</b>	<b>761 671</b>	<b>781 162</b>	<b>823 984</b>	<b>14.3%</b>	<b>12.4%</b>	<b>868 181</b>	<b>916 863</b>	<b>968 273</b>	<b>5.5%</b>	<b>12.7%</b>
Expanded public works programme integrated grant for provinces	325 607	402 009	395 579	416 036	8.5%	6.5%	437 388	462 376	488 789	5.5%	6.4%
Social sector expanded public works programme incentive grant for provinces	226 103	359 662	385 583	407 948	21.7%	5.9%	430 793	454 487	479 484	5.5%	6.3%
<b>Total</b>	<b>5 411 314</b>	<b>5 571 249</b>	<b>6 088 989</b>	<b>6 471 038</b>	<b>6.1%</b>	<b>100.0%</b>	<b>6 774 383</b>	<b>7 143 551</b>	<b>7 720 180</b>	<b>6.1%</b>	<b>100.0%</b>

## Personnel information

Table 11.7 Vote personnel numbers and cost by salary level and programme<sup>1</sup>

Programmes																			
1. Administration																			
2. Intergovernmental Coordination																			
3. Expanded Public Works Programme																			
4. Property and Construction Industry Policy and Research																			
5. Prestige Policy																			
Number of posts estimated for 31 March 2019		Number and cost <sup>2</sup> of personnel posts filled/planned for on funded establishment													Number				
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2017/18		2018/19		2019/20		2020/21		2021/22		2018/19 - 2021/22							
Public Works		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
<b>Salary level</b>	<b>841</b>	<b>166</b>	<b>831</b>	<b>445.0</b>	<b>0.5</b>	<b>879</b>	<b>510.3</b>	<b>0.6</b>	<b>859</b>	<b>557.8</b>	<b>0.6</b>	<b>855</b>	<b>599.7</b>	<b>0.7</b>	<b>833</b>	<b>638.6</b>	<b>0.8</b>	<b>-1.8%</b>	<b>100.0%</b>
1 – 6	199	60	203	37.1	0.2	215	46.0	0.2	207	47.0	0.2	201	49.4	0.2	204	54.0	0.3	-1.7%	24.1%
7 – 10	281	18	284	132.7	0.5	290	145.2	0.5	289	156.1	0.5	291	169.1	0.6	294	183.7	0.6	0.5%	34.0%
11 – 12	195	13	194	161.8	0.8	199	179.6	0.9	206	198.8	1.0	206	213.0	1.0	208	229.8	1.1	1.5%	23.9%
13 – 16	99	11	100	106.8	1.1	107	129.1	1.2	115	147.2	1.3	116	158.9	1.4	112	164.0	1.5	1.5%	13.1%
Other	67	64	50	6.6	0.1	68	10.5	0.2	42	8.7	0.2	41	9.3	0.2	15	7.1	0.5	-39.6%	4.8%
<b>Programme</b>	<b>841</b>	<b>166</b>	<b>831</b>	<b>445.0</b>	<b>0.5</b>	<b>879</b>	<b>510.3</b>	<b>0.6</b>	<b>859</b>	<b>557.8</b>	<b>0.6</b>	<b>855</b>	<b>599.7</b>	<b>0.7</b>	<b>833</b>	<b>638.6</b>	<b>0.8</b>	<b>-1.8%</b>	<b>100.0%</b>
Programme 1	527	143	510	231.2	0.5	546	271.9	0.5	516	295.1	0.6	516	317.0	0.6	493	337.6	0.7	-3.3%	60.4%
Programme 2	45	9	53	27.9	0.5	47	36.1	0.8	56	40.6	0.7	48	41.7	0.9	48	45.0	0.9	0.7%	5.8%
Programme 3	205	–	210	148.1	0.7	214	157.3	0.7	216	174.9	0.8	220	190.7	0.9	225	207.8	0.9	1.7%	25.5%
Programme 4	19	7	15	10.9	0.7	18	16.6	0.9	20	19.0	0.9	20	20.6	1.0	14	16.0	1.1	-8.0%	2.1%
Programme 5	45	7	43	26.9	0.6	54	28.4	0.5	51	28.4	0.6	51	29.7	0.6	53	32.3	0.6	-0.6%	6.1%

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

2. Rand million.

## Departmental receipts

Table 11.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2015/16	2016/17	2017/18					2018/19	2019/20	2020/21		
<b>Departmental receipts</b>	<b>7 106</b>	<b>14 608</b>	<b>10 358</b>	<b>3 374</b>	<b>3 374</b>	<b>-22.0%</b>	<b>100.0%</b>	<b>1 949</b>	<b>1 520</b>	<b>1 520</b>	<b>-23.3%</b>	<b>100.0%</b>
<b>Sales of goods and services produced by department</b>	<b>977</b>	<b>1 222</b>	<b>280</b>	<b>340</b>	<b>340</b>	<b>-29.7%</b>	<b>8.0%</b>	<b>280</b>	<b>280</b>	<b>280</b>	<b>-6.3%</b>	<b>14.1%</b>
Sales by market establishments	977	128	117	120	120	-50.3%	3.8%	120	120	120	–	5.7%
of which:												
Market establishment: Rental parking: Covered and open	977	128	117	120	120	-50.3%	3.8%	120	120	120	–	5.7%
Other sales	–	1 094	163	220	220	–	4.2%	160	160	160	-10.1%	8.4%
of which:												
Tender documents	–	1 094	163	60	60	–	3.7%	160	160	160	38.7%	6.5%
Services rendered: Commission on insurance and garnishees	–	–	–	160	160	–	0.5%	–	–	–	-100.0%	1.9%

Table 11.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2015/16	2016/17	2017/18					2018/19	2015/16 - 2018/19	2019/20		
Sales of scrap, waste, arms and other used current goods	8	39	12	5	5	-14.5%	0.2%	40	40	40	100.0%	1.5%
<i>of which:</i>												
<i>Sales: Scrap</i>	–	–	–	5	5	–	–	–	–	–	-100.0%	0.1%
<i>Sales: Waste</i>	8	39	12	–	–	-100.0%	0.2%	40	40	40	–	1.4%
Fines, penalties and forfeits	–	–	3	–	–	–	–	–	–	–	–	–
Interest, dividends and rent on land	2 300	12 361	8 498	2 400	2 400	1.4%	72.1%	600	600	600	-37.0%	50.2%
Interest	2 300	12 361	8 498	2 400	2 400	1.4%	72.1%	600	600	600	-37.0%	50.2%
Sales of capital assets	9	70	–	200	200	181.1%	0.8%	–	–	–	-100.0%	2.4%
Transactions in financial assets and liabilities	3 812	916	1 565	429	429	-51.7%	19.0%	1 029	600	600	11.8%	31.8%
<b>Total</b>	<b>7 106</b>	<b>14 608</b>	<b>10 358</b>	<b>3 374</b>	<b>3 374</b>	<b>-22.0%</b>	<b>100.0%</b>	<b>1 949</b>	<b>1 520</b>	<b>1 520</b>	<b>-23.3%</b>	<b>100.0%</b>

## Programme 1: Administration

### Programme purpose

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

### Expenditure trends and estimates

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

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18				2018/19	2015/16 - 2018/19	2019/20		
R million											
Ministry	25.3	25.5	38.0	42.9	19.3%	7.1%	44.5	48.2	55.3	8.9%	9.0%
Management	114.7	90.6	103.5	104.9	-3.0%	22.2%	116.7	126.2	135.2	8.8%	22.7%
Corporate Services	271.7	251.9	225.5	247.5	-3.1%	53.6%	247.7	260.9	284.2	4.7%	48.8%
Finance and Supply Chain Management	67.5	45.5	45.0	50.2	-9.4%	11.2%	53.7	57.2	63.3	8.1%	10.5%
Office Accommodation	–	36.9	35.6	38.0	–	5.9%	45.4	50.7	58.7	15.6%	9.0%
<b>Total</b>	<b>479.2</b>	<b>450.5</b>	<b>447.6</b>	<b>483.4</b>	<b>0.3%</b>	<b>100.0%</b>	<b>508.0</b>	<b>543.2</b>	<b>596.7</b>	<b>7.3%</b>	<b>100.0%</b>
Change to 2018 Budget estimate				3.1			(3.6)	(14.5)	(0.0)		
<b>Economic classification</b>											
<b>Current payments</b>	<b>427.4</b>	<b>425.7</b>	<b>427.0</b>	<b>468.7</b>	<b>3.1%</b>	<b>94.0%</b>	<b>499.6</b>	<b>535.8</b>	<b>588.6</b>	<b>7.9%</b>	<b>98.2%</b>
Compensation of employees	251.7	240.4	231.2	276.9	3.2%	53.8%	295.1	317.0	337.6	6.8%	57.6%
Goods and services <sup>1</sup>	174.4	185.3	194.0	191.4	3.1%	40.0%	204.5	218.7	251.0	9.5%	40.6%
<i>of which:</i>											
<i>Communication</i>	11.0	4.6	4.4	12.6	4.7%	1.7%	21.2	20.2	18.1	12.6%	3.4%
<i>Computer services</i>	39.9	31.6	48.5	36.1	-3.3%	8.4%	38.2	40.7	46.0	8.4%	7.6%
<i>Consultants: Business and advisory services</i>	18.8	17.6	23.3	17.5	-2.4%	4.1%	16.2	16.4	20.3	5.1%	3.3%
<i>Operating leases</i>	2.7	18.5	22.0	28.2	117.7%	3.8%	32.2	35.2	40.8	13.1%	6.4%
<i>Property payments</i>	1.4	21.2	16.9	15.4	122.7%	2.9%	19.5	21.6	27.5	21.5%	3.9%
<i>Travel and subsistence</i>	20.9	18.9	24.6	23.6	4.2%	4.7%	23.4	24.8	28.2	6.1%	4.7%
Interest and rent on land	1.2	–	1.8	0.4	-31.7%	0.2%	–	–	–	-100.0%	–
<b>Transfers and subsidies<sup>1</sup></b>	<b>9.6</b>	<b>8.1</b>	<b>7.4</b>	<b>3.4</b>	<b>-29.4%</b>	<b>1.5%</b>	<b>1.3</b>	<b>1.2</b>	<b>0.9</b>	<b>-36.4%</b>	<b>0.3%</b>
Households	9.6	8.1	7.4	3.4	-29.4%	1.5%	1.3	1.2	0.9	-36.5%	0.3%
<b>Payments for capital assets</b>	<b>10.0</b>	<b>15.5</b>	<b>11.3</b>	<b>11.3</b>	<b>4.0%</b>	<b>2.6%</b>	<b>7.1</b>	<b>6.3</b>	<b>7.2</b>	<b>-13.9%</b>	<b>1.5%</b>
Machinery and equipment	9.7	9.5	11.2	11.3	5.3%	2.2%	7.1	6.3	7.2	-13.9%	1.5%
Software and other intangible assets	0.4	6.1	0.1	–	-100.0%	0.3%	–	–	–	–	–
<b>Payments for financial assets</b>	<b>32.1</b>	<b>1.1</b>	<b>1.9</b>	<b>–</b>	<b>-100.0%</b>	<b>1.9%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>479.2</b>	<b>450.5</b>	<b>447.6</b>	<b>483.4</b>	<b>0.3%</b>	<b>100.0%</b>	<b>508.0</b>	<b>543.2</b>	<b>596.7</b>	<b>7.3%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>7.6%</b>	<b>7.0%</b>	<b>6.5%</b>	<b>6.5%</b>	<b>–</b>	<b>–</b>	<b>6.5%</b>	<b>6.6%</b>	<b>6.7%</b>	<b>–</b>	<b>–</b>

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

## Programme 2: Intergovernmental Coordination

### Programme purpose

Promote sound sectoral and intergovernmental relations and strategic partnerships. Coordinate with provinces on immovable asset registers, construction and property management, and the reporting of performance information within the public works sector.

### Objectives

- Ensure the integrated planning and coordination of concurrent functions over the medium term by:
  - signing 45 agreements for joint service delivery with public bodies across all spheres of government
  - conducting a review of intergovernmental governance structures.

Restore the skills pipeline in the built environment by ensuring the participation of 1 100 beneficiaries over the medium term in the department and Property Management Trading Entity's skills development programme.

### Subprogrammes

- *Monitoring, Evaluation and Reporting* promotes good governance by supporting provinces in strengthening their governance and coordination capabilities.
- *Intergovernmental Relations and Coordination* improves the coordination and alignment of public works sector policies and programmes by providing oversight, intervention and support services to provinces.
- *Professional Services* provides support to learning interventions and focused experiential learning processes; and contributes towards the development of competent, skilled and motivated built environment professionals.

### Expenditure trends and estimates

**Table 11.10 Intergovernmental Coordination expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation 2018/19	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		
	2015/16	2016/17	2017/18		2015/16 - 2018/19	2018/19 - 2021/22	2019/20	2020/21	2021/22	2018/19 - 2021/22	2021/22	
R million												
Monitoring, Evaluation and Reporting	34.2	2.7	3.6	7.2	-40.5%	29.3%	8.2	6.9	7.5	1.3%	11.8%	
Intergovernmental Relations and Coordination	10.6	13.8	20.0	24.4	32.1%	42.3%	25.2	27.3	30.6	7.9%	42.8%	
Professional Services	–	–	21.8	24.6	–	28.5%	27.5	29.3	32.6	9.9%	45.4%	
<b>Total</b>	<b>44.7</b>	<b>16.5</b>	<b>45.4</b>	<b>56.1</b>	<b>7.9%</b>	<b>100.0%</b>	<b>60.9</b>	<b>63.4</b>	<b>70.7</b>	<b>8.0%</b>	<b>100.0%</b>	
Change to 2018 Budget estimate				(2.0)			(1.1)	(1.4)	(0.3)			
<b>Economic classification</b>												
<b>Current payments</b>	<b>31.9</b>	<b>16.2</b>	<b>37.0</b>	<b>50.5</b>	<b>16.6%</b>	<b>83.3%</b>	<b>54.8</b>	<b>57.0</b>	<b>64.0</b>	<b>8.2%</b>	<b>90.1%</b>	
Compensation of employees	25.9	14.0	27.9	36.1	11.7%	63.8%	40.6	41.7	45.0	7.7%	65.0%	
Goods and services <sup>1</sup>	6.0	2.2	9.0	14.4	34.1%	19.5%	14.3	15.4	19.0	9.5%	25.1%	
of which:												
Catering: Departmental activities	0.1	0.1	0.4	1.2	103.6%	1.1%	1.2	1.1	1.4	5.9%	1.9%	
Communication	0.2	0.1	0.2	0.6	36.5%	0.6%	0.5	0.7	1.4	34.5%	1.3%	
Consumables: Stationery, printing and office supplies	0.5	0.1	0.3	0.9	20.8%	1.0%	0.7	0.8	1.0	6.4%	1.4%	
Operating leases	0.0	0.0	–	0.7	385.4%	0.4%	0.7	1.0	1.1	17.2%	1.4%	
Travel and subsistence	1.8	1.3	4.4	5.6	44.6%	8.1%	5.6	6.2	7.0	7.8%	9.7%	
Venues and facilities	0.4	0.3	1.8	2.2	78.9%	2.9%	2.3	2.4	2.6	6.1%	3.8%	
<b>Transfers and subsidies<sup>1</sup></b>	<b>0.0</b>	<b>–</b>	<b>5.0</b>	<b>5.2</b>	<b>987.9%</b>	<b>6.2%</b>	<b>5.3</b>	<b>5.6</b>	<b>6.0</b>	<b>5.0%</b>	<b>8.8%</b>	
Households	0.0	–	5.0	5.2	987.9%	6.2%	5.3	5.6	6.0	5.0%	8.8%	
<b>Payments for capital assets</b>	<b>0.5</b>	<b>0.3</b>	<b>0.3</b>	<b>0.5</b>	<b>-3.5%</b>	<b>1.0%</b>	<b>0.7</b>	<b>0.7</b>	<b>0.8</b>	<b>16.7%</b>	<b>1.1%</b>	
Machinery and equipment	0.5	0.3	0.3	0.5	-3.5%	1.0%	0.7	0.7	0.8	16.7%	1.1%	
<b>Payments for financial assets</b>	<b>12.3</b>	<b>0.0</b>	<b>3.2</b>	<b>–</b>	<b>-100.0%</b>	<b>9.5%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	
<b>Total</b>	<b>44.7</b>	<b>16.5</b>	<b>45.4</b>	<b>56.1</b>	<b>7.9%</b>	<b>100.0%</b>	<b>60.9</b>	<b>63.4</b>	<b>70.7</b>	<b>8.0%</b>	<b>100.0%</b>	
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>0.7%</b>	<b>0.3%</b>	<b>0.7%</b>	<b>0.8%</b>	<b>–</b>	<b>–</b>	<b>0.8%</b>	<b>0.8%</b>	<b>0.8%</b>	<b>–</b>	<b>–</b>	

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

## Programme 3: Expanded Public Works Programme

### Programme purpose

Coordinate the implementation of the expanded public works programme, which aims to create work opportunities and provide training for unskilled, marginalised and unemployed people in South Africa.

### Objectives

- Monitor and evaluate the implementation of public employment programmes within the expanded public works programme over the medium term by:
  - monitoring and reporting on the 4.4 million work opportunities set to be created by public bodies implementing the programme
  - ensuring that public bodies report on the participation of designated groups (with targets of 55 per cent for women, 55 per cent for youth and 2 per cent for people with disabilities) in the programme producing 6 data quality assessment reports.
- Support public bodies in implementing public employment programmes in the non-state sector by contracting 350 non-profit organisations to implement non-state sector projects over the medium term.
- Support public bodies in implementing public employment programmes within the expanded public works programme in the infrastructure, social, environment and culture sectors by ensuring that 290 public bodies are provided with technical support over the medium term.
- Provide strategic guidance on sectoral convergence by developing 1 framework on sectoral convergence over the medium term.

### Subprogrammes

- *Expanded Public Works Programme: Monitoring and Evaluation* reports and monitors the outputs of the expanded public works programme, and evaluates the impact of the creation and provision of work opportunities and training for unskilled, marginalised and unemployed people.
- *Expanded Public Works Programme: Infrastructure* aims to ensure that publicly funded construction and maintenance infrastructure projects are implemented using labour-intensive methods to create work opportunities.
- *Expanded Public Works Programme: Operations* facilitates the creation of work opportunities in the environmental, culture, non-state and social sectors.
- *Expanded Public Works Programme: Partnership Support* coordinates and supports national, provincial and municipal programmes of the expanded public works programme; and provides an enabling environment for training, enterprise development and communication across the 4 sectors of the expanded public works programme.
- *Expanded Public Works Programme: Public Employment Coordinating Commission* consolidates progress reports on the implementation of public employment programmes such as the expanded public works programme, and produces strategic reports for the interministerial committee on public employment programmes.

## Expenditure trends and estimates

Table 11.11 Expanded Public Works Programme expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R million											
Expanded Public Works Programme: Monitoring and Evaluation	63.5	68.4	49.6	56.4	-3.9%	2.6%	59.4	63.4	68.6	6.8%	2.2%
Expanded Public Works Programme: Infrastructure	1 016.1	1 177.1	1 184.3	1 210.5	6.0%	50.1%	1 271.7	1 345.3	1 425.2	5.6%	46.4%
Expanded Public Works Programme: Operations	799.2	997.4	1 067.8	1 205.8	14.7%	44.5%	1 265.6	1 344.7	1 667.3	11.4%	48.4%
Expanded Public Works Programme: Partnership Support	57.3	53.9	60.3	68.6	6.2%	2.6%	78.1	84.5	90.8	9.8%	2.8%
Expanded Public Works Programme: Public Employment Coordinating Commission	3.8	4.7	5.8	5.9	15.7%	0.2%	6.1	6.7	7.5	8.2%	0.2%
<b>Total</b>	<b>1 939.9</b>	<b>2 301.4</b>	<b>2 367.8</b>	<b>2 547.3</b>	<b>9.5%</b>	<b>100.0%</b>	<b>2 680.8</b>	<b>2 844.7</b>	<b>3 259.3</b>	<b>8.6%</b>	<b>100.0%</b>
Change to 2018 Budget estimate				(19.4)			(65.5)	(59.2)	188.3		
<b>Economic classification</b>											
<b>Current payments</b>	<b>263.3</b>	<b>272.1</b>	<b>269.4</b>	<b>308.4</b>	<b>5.4%</b>	<b>12.2%</b>	<b>330.1</b>	<b>360.4</b>	<b>390.3</b>	<b>8.2%</b>	<b>12.3%</b>
Compensation of employees	134.0	152.6	148.1	160.2	6.2%	6.5%	174.9	190.7	207.8	9.0%	6.5%
Goods and services <sup>1</sup>	129.4	119.5	121.4	148.2	4.6%	5.7%	155.2	169.7	182.5	7.2%	5.8%
of which:											
Administrative fees	11.3	11.9	28.7	42.1	55.2%	1.0%	44.5	46.9	49.5	5.5%	1.6%
Advertising	3.2	2.2	2.4	1.8	-16.9%	0.1%	2.1	2.3	2.5	10.6%	0.1%
Consultants: Business and advisory services	0.8	0.7	1.1	4.5	78.4%	0.1%	4.8	5.0	5.3	5.5%	0.2%
Agency and support/outsourced services	62.7	46.5	65.6	68.6	3.1%	2.7%	71.4	81.4	88.4	8.8%	2.7%
Travel and subsistence	18.2	16.4	16.7	19.7	2.6%	0.8%	20.8	21.9	23.5	6.1%	0.8%
Venues and facilities	1.6	2.8	1.5	2.3	13.5%	0.1%	2.4	2.6	2.6	4.2%	0.1%
<b>Transfers and subsidies<sup>1</sup></b>	<b>1 674.4</b>	<b>2 027.2</b>	<b>2 096.6</b>	<b>2 237.2</b>	<b>10.1%</b>	<b>87.8%</b>	<b>2 348.8</b>	<b>2 482.6</b>	<b>2 867.1</b>	<b>8.6%</b>	<b>87.7%</b>
Provinces and municipalities	1 139.4	1 425.7	1 472.6	1 516.9	10.0%	60.7%	1 598.2	1 688.0	1 782.7	5.5%	58.1%
Non-profit institutions	534.8	600.3	623.9	720.2	10.4%	27.1%	750.4	794.4	1 084.2	14.6%	29.6%
Households	0.2	1.3	0.0	0.2	-5.8%	-	0.2	0.2	0.2	5.0%	-
<b>Payments for capital assets</b>	<b>2.2</b>	<b>1.9</b>	<b>1.7</b>	<b>1.6</b>	<b>-9.2%</b>	<b>0.1%</b>	<b>1.9</b>	<b>1.7</b>	<b>2.0</b>	<b>6.4%</b>	<b>0.1%</b>
Machinery and equipment	2.2	1.9	1.7	1.6	-9.2%	0.1%	1.9	1.7	2.0	6.4%	0.1%
<b>Payments for financial assets</b>	<b>-</b>	<b>0.3</b>	<b>0.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1 939.9</b>	<b>2 301.4</b>	<b>2 367.8</b>	<b>2 547.3</b>	<b>9.5%</b>	<b>100.0%</b>	<b>2 680.8</b>	<b>2 844.7</b>	<b>3 259.3</b>	<b>8.6%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>30.9%</b>	<b>35.9%</b>	<b>34.2%</b>	<b>34.0%</b>	<b>-</b>	<b>-</b>	<b>34.3%</b>	<b>34.5%</b>	<b>36.5%</b>	<b>-</b>	<b>-</b>
<b>Details of selected transfers and subsidies</b>											
<b>Provinces and municipalities</b>											
<b>Municipalities</b>											
<b>Municipal bank accounts</b>											
<b>Current</b>	<b>587.7</b>	<b>664.0</b>	<b>691.4</b>	<b>692.9</b>	<b>5.6%</b>	<b>28.8%</b>	<b>730.0</b>	<b>771.2</b>	<b>814.4</b>	<b>5.5%</b>	<b>26.5%</b>
Expanded public works programme integrated grant for municipalities	587.7	664.0	691.4	692.9	5.6%	28.8%	730.0	771.2	814.4	5.5%	26.5%
<b>Non-profit institutions</b>											
<b>Current</b>	<b>534.8</b>	<b>600.3</b>	<b>623.9</b>	<b>720.2</b>	<b>10.4%</b>	<b>27.1%</b>	<b>750.4</b>	<b>794.4</b>	<b>1 084.2</b>	<b>14.6%</b>	<b>29.6%</b>
Various institutions: Non-state sector programme	534.8	600.3	623.9	720.2	10.4%	27.1%	750.4	794.4	1 084.2	14.6%	29.6%
<b>Provinces and municipalities</b>											
<b>Provinces</b>											
<b>Provincial revenue funds</b>											
<b>Current</b>	<b>551.7</b>	<b>761.7</b>	<b>781.2</b>	<b>824.0</b>	<b>14.3%</b>	<b>31.9%</b>	<b>868.2</b>	<b>916.9</b>	<b>968.3</b>	<b>5.5%</b>	<b>31.6%</b>
Expanded public works programme integrated grant for provinces	325.6	402.0	395.6	416.0	8.5%	16.8%	437.4	462.4	488.8	5.5%	15.9%
Social sector expanded public works programme incentive grant for provinces	226.1	359.7	385.6	407.9	21.7%	15.1%	430.8	454.5	479.5	5.5%	15.6%

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

## Programme 4: Property and Construction Industry Policy and Research

## Programme purpose

Promote the growth and transformation of the construction and property industries. Promote a standardised

approach and best practice in construction and immovable asset management in the public sector.

### Objective

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

### Subprogrammes

- *Construction Policy Development Programme* creates an enabling environment for transforming the construction industry by developing appropriate legislation and implementing monitoring mechanisms for the sector. This subprogramme aims to facilitate the transformation and regulation of the construction industry for economic growth and development.
- *Property Policy Development Programme* provides leadership and guidance on the transformation of the property industry. It also promotes uniformity and best practice on immovable asset management in the public sector through policy development, sets the best practice standards for compiling and maintaining immovable asset registers, and provides guidelines for the administration of rights over state and private land. This subprogramme aims to ensure effective and efficient strategic leadership in the management of immovable assets and the delivery of infrastructure programmes through the development of guidelines on immovable asset performance and condition assessments.
- *Construction Industry Development Board* transfers funds annually to the Construction Industry Development Board.
- *Council for the Built Environment* transfers funds annually to the Council for the Built Environment.
- *Independent Development Trust* transfers funds annually to the Independent Development Trust.
- *Construction Education and Training Authority* provides support to training and skills development across the construction industry.
- *Property Management Trading Entity* transfers funds annually to the Property Management Trading Entity.
- *Assistance to Organisations for the Preservation of National Memorials* provides funding to the Commonwealth War Graves Commission and the United Nations for maintaining national memorials.

### Expenditure trends and estimates

**Table 11.12 Property and Construction Industry Policy and Research expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2015/16	2016/17	2017/18		2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	Average: Expenditure/ Total (%)
R million											
Construction Policy Development Programme	20.9	21.7	39.0	47.7	31.7%	0.8%	50.4	53.0	52.8	3.4%	1.1%
Property Policy Development Programme	8.4	11.7	8.1	14.3	19.3%	0.3%	16.6	17.4	18.9	9.7%	0.4%
Construction Industry Development Board	65.6	52.1	75.0	73.3	3.8%	1.7%	76.2	80.3	84.8	5.0%	1.7%
Council for the Built Environment	42.0	43.4	48.6	50.1	6.1%	1.2%	52.8	55.7	58.8	5.5%	1.2%
Independent Development Trust	50.0	–	111.1	28.4	-17.2%	1.2%	5.0	–	–	-100.0%	0.2%
Construction Education and Training Authority	0.5	0.5	0.5	0.5	2.9%	–	0.6	0.6	0.6	6.9%	–
Property Management Trading Entity	3 524.7	3 389.4	3 682.3	4 009.5	4.4%	94.1%	4 215.7	4 444.8	4 625.3	4.9%	94.8%
Assistance to Organisations for the Preservation of National Memorials	23.4	28.2	22.3	22.7	-0.9%	0.6%	26.6	28.2	29.8	9.5%	0.6%
<b>Total</b>	<b>3 735.4</b>	<b>3 547.0</b>	<b>3 986.8</b>	<b>4 246.5</b>	<b>4.4%</b>	<b>100.0%</b>	<b>4 443.8</b>	<b>4 680.1</b>	<b>4 871.0</b>	<b>4.7%</b>	<b>100.0%</b>
Change to 2018 Budget estimate				(3.9)			(18.9)	(22.9)	(92.1)		

**Table 11.12 Property and Construction Industry Policy and Research expenditure trends and estimates by subprogramme and economic classification**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R million											
<b>Current payments</b>	<b>17.1</b>	<b>20.7</b>	<b>16.8</b>	<b>31.5</b>	<b>22.6%</b>	<b>0.6%</b>	<b>35.4</b>	<b>37.1</b>	<b>36.4</b>	<b>4.9%</b>	<b>0.8%</b>
Compensation of employees	8.7	10.5	10.9	16.7	24.2%	0.3%	19.0	20.6	16.0	-1.5%	0.4%
Goods and services <sup>1</sup>	8.4	10.2	5.9	14.8	21.0%	0.3%	16.5	16.5	20.5	11.4%	0.4%
<i>of which:</i>											
Advertising	0.0	0.3	0.1	0.3	84.5%	–	0.4	0.2	0.4	18.4%	–
Catering: Departmental activities	0.0	0.0	0.0	0.3	335.3%	–	0.3	0.2	0.3	1.1%	–
Consultants: Business and advisory services	4.8	7.4	3.5	11.3	32.9%	0.2%	12.1	12.9	16.0	12.1%	0.3%
Agency and support/outsourced services	0.7	–	–	0.8	8.7%	–	1.3	0.9	0.9	3.9%	–
Consumables: Stationery, printing and office supplies	0.1	0.0	–	0.3	41.9%	–	0.3	0.3	0.5	20.0%	–
Travel and subsistence	0.9	0.7	0.2	1.0	1.3%	–	1.0	1.0	1.1	4.7%	–
<b>Transfers and subsidies<sup>1</sup></b>	<b>3 718.2</b>	<b>3 526.2</b>	<b>3 970.0</b>	<b>4 214.7</b>	<b>4.3%</b>	<b>99.4%</b>	<b>4 408.1</b>	<b>4 642.7</b>	<b>4 834.2</b>	<b>4.7%</b>	<b>99.2%</b>
Departmental agencies and accounts	3 644.4	3 497.8	3 835.3	4 163.4	4.5%	97.6%	4 376.3	4 614.3	4 804.1	4.9%	98.4%
Foreign governments and international organisations	23.4	28.2	22.3	22.7	-0.9%	0.6%	26.6	28.2	29.8	9.5%	0.6%
Public corporations and private enterprises	50.0	–	111.1	28.4	-17.2%	1.2%	5.0	–	–	-100.0%	0.2%
Non-profit institutions	0.3	0.2	0.1	–	-100.0%	–	–	–	–	–	–
Households	0.0	0.0	1.1	0.2	76.4%	–	0.2	0.2	0.2	1.8%	–
<b>Payments for capital assets</b>	<b>0.1</b>	<b>0.2</b>	<b>0.1</b>	<b>0.2</b>	<b>19.4%</b>	<b>–</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>12.8%</b>	<b>–</b>
Machinery and equipment	0.1	0.2	0.1	0.2	19.4%	–	0.3	0.3	0.3	12.8%	–
<b>Total</b>	<b>3 735.4</b>	<b>3 547.0</b>	<b>3 986.8</b>	<b>4 246.5</b>	<b>4.4%</b>	<b>100.0%</b>	<b>4 443.8</b>	<b>4 680.1</b>	<b>4 871.0</b>	<b>4.7%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>59.5%</b>	<b>55.4%</b>	<b>57.6%</b>	<b>56.7%</b>	<b>–</b>	<b>–</b>	<b>56.9%</b>	<b>56.8%</b>	<b>54.6%</b>	<b>–</b>	<b>–</b>
<b>Details of selected transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>3 644.4</b>	<b>3 497.8</b>	<b>3 835.3</b>	<b>4 163.4</b>	<b>4.5%</b>	<b>97.6%</b>	<b>4 376.3</b>	<b>4 614.3</b>	<b>4 804.1</b>	<b>4.9%</b>	<b>98.4%</b>
Agrément South Africa	11.7	12.4	29.0	30.0	36.9%	0.5%	31.1	32.8	34.6	4.9%	0.7%
Construction Industry Development Board	65.6	52.1	75.0	73.3	3.8%	1.7%	76.2	80.3	84.8	5.0%	1.7%
Council for the Built Environment	42.0	43.4	48.6	50.1	6.1%	1.2%	52.8	55.7	58.8	5.5%	1.2%
Construction Education and Training Authority	0.5	0.5	0.5	0.5	2.9%	–	0.6	0.6	0.6	6.9%	–
Property Management Trading Entity	3 524.7	3 389.4	3 682.3	4 009.5	4.4%	94.1%	4 215.7	4 444.8	4 625.3	4.9%	94.8%
<b>Foreign governments and international organisations</b>											
<b>Current</b>	<b>23.4</b>	<b>28.2</b>	<b>22.3</b>	<b>22.7</b>	<b>-0.9%</b>	<b>0.6%</b>	<b>26.6</b>	<b>28.2</b>	<b>29.8</b>	<b>9.5%</b>	<b>0.6%</b>
Commonwealth War Graves Commission	23.4	28.2	22.3	22.7	-0.9%	0.6%	26.6	28.2	29.8	9.5%	0.6%
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	<b>50.0</b>	<b>–</b>	<b>111.1</b>	<b>28.4</b>	<b>-17.2%</b>	<b>1.2%</b>	<b>5.0</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>0.2%</b>
Independent Development Trust	50.0	–	111.1	28.4	-17.2%	1.2%	5.0	–	–	-100.0%	0.2%

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

## Programme 5: Prestige Policy

### Programme purpose

Provide norms and standards for the prestige accommodation portfolio and meet the protocol responsibilities for state functions.

### Objectives

- Improve the delivery of services to prestige clients over the medium term by:
  - developing and monitoring 6 prestige policies
  - supporting 24 planned state events with movable structures
  - providing movable assets within 60 working days to prestige clients.

### Subprogrammes

- *Prestige Accommodation and State Functions* funds allocations for activities relating to the residences of parliamentarians, ministers, deputy ministers, the deputy president and the president.

- *Parliamentary Villages Management Board* provides for the efficient and effective transportation and related costs of parliamentarians and related officials residing in parliamentary villages.

## Expenditure trends and estimates

**Table 11.13 Prestige Policy expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R million											
Prestige Accommodation and State Functions	72.9	78.4	69.6	139.6	24.2%	90.2%	104.8	95.1	109.5	-7.8%	91.1%
Parliamentary Villages Management Board	9.1	9.6	10.1	10.4	4.5%	9.8%	10.6	11.2	11.8	4.5%	8.9%
<b>Total</b>	<b>82.0</b>	<b>87.9</b>	<b>79.6</b>	<b>150.0</b>	<b>22.3%</b>	<b>100.0%</b>	<b>115.4</b>	<b>106.3</b>	<b>121.4</b>	<b>-6.8%</b>	<b>100.0%</b>
Change to 2018 Budget estimate				52.1			(0.9)	(10.8)	(4.5)		
<b>Economic classification</b>											
<b>Current payments</b>	<b>62.2</b>	<b>70.2</b>	<b>66.1</b>	<b>131.3</b>	<b>28.3%</b>	<b>82.6%</b>	<b>91.4</b>	<b>83.3</b>	<b>94.6</b>	<b>-10.4%</b>	<b>81.3%</b>
Compensation of employees	15.6	21.3	26.9	28.4	22.2%	23.1%	28.4	29.7	32.3	4.4%	24.1%
Goods and services <sup>1</sup>	46.3	48.9	39.2	103.0	30.5%	59.4%	63.1	53.6	62.3	-15.4%	57.2%
of which:											
Minor assets	2.5	2.6	2.2	4.6	23.2%	3.0%	6.8	6.0	7.0	14.9%	4.9%
Contractors	38.6	19.6	31.1	89.8	32.6%	44.8%	47.3	38.2	45.3	-20.4%	44.7%
Consumable supplies	0.5	1.1	0.4	1.2	38.8%	0.8%	1.3	1.4	1.4	4.5%	1.1%
Operating leases	0.6	1.3	1.3	2.0	50.2%	1.3%	2.1	2.2	2.2	3.4%	1.7%
Travel and subsistence	1.7	1.6	2.0	2.0	6.7%	1.8%	2.1	2.3	2.5	7.3%	1.8%
Operating payments	0.7	0.9	0.6	0.9	5.4%	0.8%	0.9	1.0	1.0	4.9%	0.8%
Interest and rent on land	0.3	-	-	-	-100.0%	0.1%	-	-	-	-	-
<b>Transfers and subsidies<sup>1</sup></b>	<b>9.1</b>	<b>9.8</b>	<b>10.1</b>	<b>10.6</b>	<b>5.1%</b>	<b>9.9%</b>	<b>10.8</b>	<b>11.4</b>	<b>12.1</b>	<b>4.5%</b>	<b>9.1%</b>
Departmental agencies and accounts	9.1	9.6	10.1	10.4	4.5%	9.8%	10.6	11.2	11.8	4.5%	8.9%
Households	0.0	0.2	0.0	0.2	108.7%	0.1%	0.2	0.2	0.2	3.2%	0.2%
<b>Payments for capital assets</b>	<b>10.7</b>	<b>7.9</b>	<b>3.4</b>	<b>8.1</b>	<b>-8.7%</b>	<b>7.5%</b>	<b>13.2</b>	<b>11.6</b>	<b>14.7</b>	<b>22.0%</b>	<b>9.7%</b>
Machinery and equipment	10.7	7.9	3.4	8.1	-8.7%	7.5%	13.2	11.6	14.7	22.0%	9.7%
<b>Total</b>	<b>82.0</b>	<b>87.9</b>	<b>79.6</b>	<b>150.0</b>	<b>22.3%</b>	<b>100.0%</b>	<b>115.4</b>	<b>106.3</b>	<b>121.4</b>	<b>-6.8%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>1.3%</b>	<b>1.4%</b>	<b>1.1%</b>	<b>2.0%</b>	-	-	<b>1.5%</b>	<b>1.3%</b>	<b>1.4%</b>	-	-
<b>Details of selected transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
Current	9.1	9.6	10.1	10.4	4.5%	9.8%	10.6	11.2	11.8	4.5%	8.9%
Parliamentary villages management board	9.1	9.6	10.1	10.4	4.5%	9.8%	10.6	11.2	11.8	4.5%	8.9%

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

## Entity

### Property Management Trading Entity

#### Mandate

The Property Management Trading Entity was established following a decision in 2006 that accommodation-related costs be devolved from the Department of Public Works to client departments. The entity performs immovable asset management functions on behalf of the department, including the provision of residential and office accommodation for user departments at national government level; as well as the acquisition, management, operation, maintenance and disposal of immovable assets in the department's custody. The entity was established to effect professional business approaches in managing and optimising the state's immovable asset portfolio for maximum return. On a cost recovery basis, the entity finances the purchase, construction, refurbishment and maintenance of nationally owned government properties; and manages the leases of privately owned properties accommodating national departments. The entity charges a management fee for the payment of municipal services on behalf of national departments, for which it is recouped.

**Selected performance indicators****Table 11.14 Property Management Trading Entity performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Number of sites established for precinct development per year	Real estate investment services	Outcome 7: Comprehensive rural development and land reform	- <sup>1</sup>	3	3	3	4	4	4
Percentage of valuations completed within scheduled timeframes per year	Real estate investment services	Outcome 6: An efficient, competitive and responsive economic infrastructure network	- <sup>1</sup>	83% (290/350)	128% (379/296)	90%	90%	90%	90%
Number of facilities performance assessed in terms of identified performance areas per year	Real estate investment services		300	478	703	800	800	800	800
Number of infrastructure projects completed within agreed construction period per year	Construction management services	Outcome 12: An efficient, effective and development-oriented public service	125	139	138	84	92	115	115
Number of infrastructure projects completed within approved budget per year	Construction management services		109	129	141	84	92	115	115
Number of expanded public works programme work opportunities created through construction projects per year	Construction management services	Outcome 4: Decent employment through inclusive growth	11 126	8 959	5 732	7 511	8 200	9 020	9 020
Percentage of infrastructure projects backlogs reduced per year	Construction management services	Outcome 12: An efficient, effective and development-oriented public service	15% (216)	14% (154)	100% (43)	20%	30%	40%	40%
Number of private leases reduced within the security cluster per year	Real estate management services		- <sup>1</sup>	2	7	12	13	13	10
Percentage increase in revenue generation through letting of state-owned properties (excluding harbour-related properties) per year	Real estate management services	- <sup>1</sup>	- <sup>1</sup>	30% (R6.82m)	10%	15%	15%	10%	
Number of provincial immovable asset registers assessed for compliance per year	Real estate registry services	Outcome 9: Responsive, accountable, effective and efficient developmental local government	- <sup>1</sup>	9	9	9	9	9	9
Number of prioritised facilities with facilities management in place per year	Facilities management services	Outcome 10: Protect and enhance our environmental assets and natural resources	718	881	742	500	550	600	650

1. No historical data available.

**Expenditure analysis**

Over the medium term, the Property Management Trading Entity will focus on refurbishing and maintaining buildings, developing government precincts to support efficient and integrated planning, developing small fishing harbours, and updating and correcting its immovable asset register to ensure greater financial sustainability. To achieve these objectives, the entity plans to spend R53.6 billion over the MTEF period, with expenditure projected to increase at an average annual rate of 7.8 per cent. An estimated 79.5 per cent (R42.4 billion) of this amount is set to be on goods and services, mainly for repairs and maintenance, and lease payments. An estimated 11.8 per cent (R6.5 billion) of total expenditure will be spent on the compensation of the entity's 4 789 employees.

Through its construction management services programme, over the medium term, the entity intends to replace, refurbish and upgrade existing facilities to ensure people with disabilities have unimpeded access; construct new office buildings for departments; and refurbish border post centres, correctional centres and police stations. The entity aims to complete 2 800 infrastructure projects over the MTEF period at a projected cost of R6.6 billion, and in the process support economic growth and socioeconomic transformation by creating jobs. In the facilities management services programme, a further R4.3 billion has been allocated over the period ahead for ad-hoc building maintenance, and R4.1 billion mainly for repair operations on 488 state-owned buildings.

The entity is required to maintain 31 146 properties (land parcels) and 92 594 buildings for 52 of its user

departments. Maintenance is prioritised based on health and safety compliance requirements, and is carried out in line with available funding. As a result, over time, a maintenance backlog has developed, and the entity has not been able to plan adequately for preventative maintenance. This has resulted in significant disrepair, entailing costly capital works. Accordingly, a comprehensive maintenance programme has been devised to address the backlog at an estimated cost of R7 billion over the MTEF period.

The entity intends developing 2 government precincts in rural areas (Howick in KwaZulu-Natal and Carolina in Mpumalanga) and 2 in urban areas (Polokwane in Limpopo and Salvokop in Pretoria) over the medium term. These precincts are expected to contribute to efficient and integrated planning; local economic growth; and the establishment of partnerships with the Department of Rural Development and Land Reform, and the Department of Cooperative Governance, which is expected to improve collaboration among different sectors of government. For the acquisition of land, the installation of water and sanitation bulk services and the construction of shared services (parking, security and ablutions) for identified client departments, including these 4 precincts, R282 million over the MTEF period has been allocated in the *Construction Management Services* programme.

Over the medium term, in collaboration with other departments, the entity plans to finalise spatial and economic development frameworks for 12 proclaimed fishing harbours in Western Cape. It will invest an estimated R90.5 million over the MTEF period in critical capital and maintenance programmes to modernise the harbours. The entity will also aim to develop priority small harbours for commercial and communal use in Northern Cape, Eastern Cape and KwaZulu-Natal at a projected cost of R60 million over the period ahead. The harbours will be used as a case study for the development of maritime infrastructure.

To ensure its financial sustainability, the entity will, over the medium term, conduct a detailed technical analysis to update and correct information on properties in its immovable asset portfolio. This is expected to improve the entity's ability to calculate user charges according to facility type. Accordingly, R100 million over the MTEF period has been allocated in the *Real Estate Registry Services* programme for resolving immovable asset or land ownership disputes in government, updating and correcting the immovable asset register, and ratifying title deed records. A further R10 million in this programme will enable the development of a financial sustainability model to accurately project funding deficits or surpluses over multiple years, and optimise immovable assets to generate revenue. The model is expected to be fully implemented by March 2019.

The entity generates revenue mainly through management fees charged for the payment of municipal services, rental fees charged to user departments for accommodation and client infrastructure projects, and transfers from the department. Transfers account for an estimated 18.9 per cent (R13.3 billion) of total projected revenue of R71.3 billion over the medium term, and management and accommodation charges and client infrastructure projects account for 57.8 per cent (R41.5 billion). Revenue is expected to increase at an average annual rate of 7.2 per cent, from R20.5 billion in 2018/19 to R25.2 billion in 2021/22.

### Programmes/Objectives/Activities

**Table 11.15 Property Management Trading Entity expenditure trends and estimates by programme/objective/activity**

R million	Audited outcome			Revised estimate 2018/19	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2015/16	2016/17	2017/18		2015/16 - 2018/19	Average: Expenditure/ Total (%)	2019/20	2020/21	2021/22	2018/19 - 2021/22	Average: Expenditure/ Total (%)
Administration	5 371.0	3 758.2	4 593.7	1 303.5	-37.6%	25.4%	887.7	940.3	990.7	-8.7%	6.1%
Real estate investment services	–	106.8	145.7	130.8	–	0.6%	212.4	224.8	239.1	22.3%	1.2%
Construction management services	256.3	494.4	611.6	252.8	-0.5%	2.7%	457.4	484.3	514.8	26.8%	2.5%
Real estate management services	6 013.3	5 702.7	6 239.8	10 165.7	19.1%	47.2%	11 373.1	12 173.0	13 032.6	8.6%	68.0%
Real estate registry services	–	44.2	26.1	95.0	–	0.3%	104.6	107.7	61.6	-13.5%	0.5%
Facilities management services	3 200.1	4 482.6	3 260.5	3 208.6	0.1%	23.8%	3 705.0	3 914.0	4 142.1	8.9%	21.8%
<b>Total</b>	<b>14 840.6</b>	<b>14 589.0</b>	<b>14 877.3</b>	<b>15 156.4</b>	<b>0.7%</b>	<b>100.0%</b>	<b>16 740.1</b>	<b>17 844.1</b>	<b>18 980.9</b>	<b>7.8%</b>	<b>100.0%</b>

## Statements of historical financial performance and position

**Table 11.16 Property Management Trading Entity statements of historical financial performance and position**

Statement of financial performance		Budget		Audited outcome		Budget		Audited outcome		Budget estimate		Revised estimate		Average: Outcome/Budget (%)
R million		2015/16		2016/17		2017/18		2018/19		2018/19		2018/19		2015/16 - 2018/19
<b>Revenue</b>														
<b>Non-tax revenue</b>		<b>10 576.5</b>	<b>11 718.9</b>	<b>11 341.6</b>	<b>12 312.7</b>	<b>16 038.9</b>	<b>11 042.3</b>	<b>15 900.9</b>	<b>16 472.9</b>	<b>15 900.9</b>	<b>16 472.9</b>			<b>95.7%</b>
Sale of goods and services other than capital assets		10 529.4	10 898.7	11 297.5	11 492.8	11 650.7	10 550.4	12 199.1	16 409.8	12 199.1	16 409.8			108.0%
<i>of which:</i>														
<i>Sales by market establishment</i>		6 644.1	4 404.0	7 147.2	4 201.3	7 181.9	4 683.9	7 364.8	11 629.5	7 364.8	11 629.5			87.9%
<i>Other sales</i>		3 885.3	6 494.7	4 150.3	7 291.5	4 468.8	5 866.4	4 834.3	4 780.3	4 834.3	4 780.3			140.9%
Other non-tax revenue		47.0	820.1	44.0	819.9	4 388.2	491.9	3 701.7	63.1	3 701.7	63.1			26.8%
<b>Transfers received</b>		<b>3 524.7</b>	<b>3 524.7</b>	<b>3 389.4</b>	<b>3 389.4</b>	<b>3 682.3</b>	<b>3 682.3</b>	<b>4 009.5</b>	<b>4 009.5</b>	<b>4 009.5</b>	<b>4 009.5</b>			<b>100.0%</b>
<b>Total revenue</b>		<b>14 101.1</b>	<b>15 243.5</b>	<b>14 731.0</b>	<b>15 702.1</b>	<b>19 721.2</b>	<b>14 724.5</b>	<b>19 910.4</b>	<b>20 482.4</b>	<b>19 910.4</b>	<b>20 482.4</b>			<b>96.6%</b>
<b>Expenses</b>														
<b>Current expenses</b>		<b>8 902.1</b>	<b>13 715.2</b>	<b>11 920.7</b>	<b>13 521.5</b>	<b>13 912.3</b>	<b>13 835.0</b>	<b>14 030.7</b>	<b>13 770.2</b>	<b>14 030.7</b>	<b>13 770.2</b>			<b>112.5%</b>
Compensation of employees		1 288.8	1 310.1	1 469.8	1 500.9	1 674.3	1 602.7	1 593.1	1 593.1	1 593.1	1 593.1			99.7%
Goods and services		7 474.5	9 555.3	7 677.8	9 442.3	12 237.0	9 530.9	12 437.6	12 177.2	12 437.6	12 177.2			102.2%
Depreciation		120.0	2 604.4	2 750.0	2 488.2	-	2 616.3	-	-	-	-			268.6%
Interest, dividends and rent on land		18.8	245.4	23.1	90.2	1.0	85.1	-	-	-	-			981.1%
<b>Transfers and subsidies</b>		<b>981.2</b>	<b>1 125.4</b>	<b>1 141.8</b>	<b>1 067.5</b>	<b>-</b>	<b>1 042.2</b>	<b>1 405.6</b>	<b>1 386.1</b>	<b>1 405.6</b>	<b>1 386.1</b>			<b>131.0%</b>
<b>Total expenses</b>		<b>9 883.3</b>	<b>14 840.6</b>	<b>13 062.5</b>	<b>14 589.0</b>	<b>13 912.3</b>	<b>14 877.3</b>	<b>15 436.2</b>	<b>15 156.4</b>	<b>15 436.2</b>	<b>15 156.4</b>			<b>113.7%</b>
<b>Surplus/(Deficit)</b>		<b>4 218.0</b>	<b>403.0</b>	<b>1 669.0</b>	<b>1 113.0</b>	<b>5 809.0</b>	<b>(153.0)</b>	<b>4 474.0</b>	<b>5 326.0</b>	<b>4 474.0</b>	<b>5 326.0</b>			
<b>Statement of financial position</b>														
Carrying value of assets		87 674.2	137 415.8	95 016.0	125 705.1	112 862.5	126 570.4	136 170.0	133 784.9	136 170.0	133 784.9			121.3%
<i>of which:</i>														
<i>Acquisition of assets</i>		(4 507.7)	(4 000.8)	(4 408.3)	(3 631.6)	(4 543.7)	(3 170.7)	(4 474.1)	(5 326.0)	(4 474.1)	(5 326.0)			89.9%
Investments		1 214.0	899.7	1 214.5	713.3	1 000.0	582.2	700.0	615.3	700.0	615.3			68.1%
Receivables and prepayments		2 700.0	3 785.6	2 700.0	4 712.6	3 501.5	4 805.8	5 000.1	5 079.7	5 000.1	5 079.7			132.2%
Cash and cash equivalents		7.0	4.0	7.0	2.9	4.0	6.0	3.0	6.3	3.0	6.3			91.4%
<b>Total assets</b>		<b>91 595.2</b>	<b>142 105.2</b>	<b>98 937.5</b>	<b>131 133.9</b>	<b>117 368.0</b>	<b>131 964.3</b>	<b>141 873.1</b>	<b>139 486.3</b>	<b>141 873.1</b>	<b>139 486.3</b>			<b>121.1%</b>
Accumulated surplus/(deficit)		83 256.2	129 233.3	90 598.5	116 401.0	104 581.0	116 248.3	104 581.0	122 874.4	104 581.0	122 874.4			126.6%
Borrowings		650.0	1 468.9	650.0	1 932.6	-	2 338.5	-	2 471.8	-	2 471.8			631.7%
Finance lease		4.0	11.6	4.0	16.0	12.0	9.9	20.0	10.5	20.0	10.5			120.2%
Deferred income		-	6 227.6	-	6 138.0	7 000.0	6 696.9	6 500.0	7 078.6	6 500.0	7 078.6			193.6%
Trade and other payables		6 000.0	2 827.2	6 000.0	4 038.5	2 700.0	4 000.9	3 500.0	4 229.0	3 500.0	4 229.0			82.9%
Provisions		150.0	1 181.8	150.0	2 285.9	250.0	2 267.6	1 690.0	2 396.9	1 690.0	2 396.9			363.0%
Derivatives financial instruments		1 535.0	1 154.8	1 535.0	322.0	1 325.0	402.2	1 040.0	425.1	1 040.0	425.1			42.4%
<b>Total equity and liabilities</b>		<b>91 595.2</b>	<b>142 105.2</b>	<b>98 937.5</b>	<b>131 133.9</b>	<b>115 868.0</b>	<b>131 964.3</b>	<b>117 331.0</b>	<b>139 486.3</b>	<b>117 331.0</b>	<b>139 486.3</b>			<b>128.5%</b>

## Statements of estimates of financial performance and position

**Table 11.17 Property Management Trading Entity statements of estimates of financial performance and position**

Statement of financial performance		Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
R million		2015/16 - 2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	2018/19 - 2021/22	
<b>Revenue</b>									
<b>Non-tax revenue</b>		<b>16 472.9</b>	<b>12.0%</b>	<b>77.7%</b>	<b>18 132.0</b>	<b>19 315.6</b>	<b>20 597.8</b>	<b>7.7%</b>	<b>81.1%</b>
Sale of goods and services other than capital assets		16 409.8	14.6%	74.1%	18 064.1	19 242.5	20 519.1	7.7%	80.8%
<i>of which:</i>									
<i>Sales by market establishment</i>		11 629.5	38.2%	36.1%	12 971.6	13 811.7	14 708.2	8.1%	57.8%
<i>Other sales</i>		4 780.3	-9.7%	38.1%	5 092.5	5 430.8	5 811.0	6.7%	23.0%
Other non-tax revenue		63.1	-57.5%	3.6%	67.9	73.1	78.7	7.7%	0.3%
<b>Transfers received</b>		<b>4 009.5</b>	<b>4.4%</b>	<b>22.3%</b>	<b>4 215.7</b>	<b>4 444.8</b>	<b>4 625.3</b>	<b>4.9%</b>	<b>18.9%</b>
<b>Total revenue</b>		<b>20 482.4</b>	<b>10.3%</b>	<b>100.0%</b>	<b>22 347.8</b>	<b>23 760.5</b>	<b>25 223.1</b>	<b>7.2%</b>	<b>100.0%</b>
<b>Expenses</b>									
<b>Current expenses</b>		<b>13 770.2</b>	<b>0.1%</b>	<b>92.2%</b>	<b>15 331.5</b>	<b>16 322.8</b>	<b>17 337.9</b>	<b>8.0%</b>	<b>91.3%</b>
Compensation of employees		1 593.1	6.7%	10.1%	2 051.0	2 173.2	2 321.8	13.4%	11.8%
Goods and services		12 177.2	8.4%	68.4%	13 280.5	14 149.6	15 016.1	7.2%	79.5%
<b>Transfers and subsidies</b>		<b>1 386.1</b>	<b>7.2%</b>	<b>7.8%</b>	<b>1 408.6</b>	<b>1 521.3</b>	<b>1 643.0</b>	<b>5.8%</b>	<b>8.7%</b>
<b>Total expenses</b>		<b>15 156.4</b>	<b>0.7%</b>	<b>100.0%</b>	<b>16 740.1</b>	<b>17 844.1</b>	<b>18 980.9</b>	<b>7.8%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>		<b>5 326.0</b>			<b>5 608.0</b>	<b>5 916.0</b>	<b>6 242.0</b>		

**Table 11.17 Property Management Trading Entity statements of estimates of financial performance and position**

Statement of financial position		Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	Revised estimate	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22	
R million	2018/19							
Carrying value of assets	133 784.9	-0.9%	96.1%	140 875.5	148 623.7	156 798.0	5.4%	95.9%
of which:								
Acquisition of assets	(5 326.0)	10.0%	-3.0%	(5 607.6)	(5 916.4)	(6 242.2)	5.4%	-3.8%
Investments	615.3	-11.9%	0.5%	647.9	683.6	721.2	5.4%	0.4%
Receivables and prepayments	5 079.7	10.3%	3.4%	5 348.9	5 643.1	5 953.5	5.4%	3.6%
Cash and cash equivalents	6.3	16.6%	0.0%	6.6	7.0	7.4	5.4%	0.0%
<b>Total assets</b>	<b>139 486.3</b>	<b>-0.6%</b>	<b>100.0%</b>	<b>146 879.1</b>	<b>154 957.4</b>	<b>163 480.1</b>	<b>5.4%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	122 874.4	-1.7%	89.0%	129 386.8	136 503.0	144 010.7	5.4%	88.1%
Borrowings	2 471.8	18.9%	1.5%	2 602.8	2 745.9	2 897.0	5.4%	1.8%
Finance lease	10.5	-3.3%	0.0%	11.1	11.7	12.3	5.4%	0.0%
Deferred income	7 078.6	4.4%	4.8%	7 453.8	7 863.7	8 296.2	5.4%	5.1%
Trade and other payables	4 229.0	14.4%	2.8%	4 453.1	4 698.1	4 956.4	5.4%	3.0%
Provisions	2 396.9	26.6%	1.5%	2 523.9	2 662.7	2 809.2	5.4%	1.7%
Derivatives financial instruments	425.1	-28.3%	0.4%	447.6	472.3	498.2	5.4%	0.3%
<b>Total equity and liabilities</b>	<b>139 486.3</b>	<b>-0.6%</b>	<b>100.0%</b>	<b>146 879.1</b>	<b>154 957.4</b>	<b>163 480.1</b>	<b>5.4%</b>	<b>100.0%</b>

**Personnel information**

**Table 11.18 Property Management Trading Entity personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2019		Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/Total (%)				
		2017/18		2018/19		2019/20		2020/21		2021/22		2018/19 - 2021/22							
Property Management Trading Entity		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	5 090	5 094	4 784	1 602.7	0.3	4 789	1 593.1	0.3	4 789	2 051.0	0.4	4 789	2 173.2	0.5	4 789	2 321.8	0.5	13.4%	100.0%
1 – 6	2 785	2 789	2 743	489.0	0.2	2 747	440.8	0.2	2 747	575.0	0.2	2 747	611.7	0.2	2 747	657.2	0.2	14.2%	57.4%
7 – 10	1 661	1 661	1 484	624.7	0.4	1 484	630.2	0.4	1 484	820.2	0.6	1 484	868.4	0.6	1 484	929.8	0.6	13.8%	31.0%
11 – 12	363	363	331	260.4	0.8	331	258.3	0.8	331	327.1	1.0	331	345.8	1.0	331	367.4	1.1	12.5%	6.9%
13 – 16	281	281	226	228.7	1.0	227	263.8	1.2	227	328.8	1.4	227	347.3	1.5	227	367.5	1.6	11.7%	4.7%

1. Rand million.

**Other entities**

Comprehensive coverage of the following public entities is provided with more detailed information for the vote at [www.treasury.gov.za](http://www.treasury.gov.za) under the budget information link.

- **Agrément South Africa** is mandated to certify non-standardised or unconventional built environment construction products, materials and systems through technical assessments that verify whether such products, materials and systems are fit for purpose. The board’s total budget for 2019/20 is R35 million.
- The **Construction Industry Development Board** provides leadership to stakeholders; stimulates the growth, reform and improvement of the construction sector; and enhances the industry’s role in the South African economy. The board’s total budget for 2019/20 is R184.2 million.
- The **Council for the Built Environment** oversees and regulates the 6 professional councils responsible for regulating built environment professionals such as architects, engineers, quantity surveyors, landscape architects, property valuers, and project and construction managers. The council’s total budget for 2019/20 is R56.1 million.
- The **Independent Development Trust** has evolved from a grant-making organisation into a responsive development agency with a well-established footprint across South Africa. The trust’s total budget for 2019/20 is R386.6 million.

**Additional table: Summary of expenditure on infrastructure**

Project name R million	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
<b>Infrastructure transfers to other spheres, agencies and departments</b>										
<b>Small projects (total project cost of less than R250 million over the project life cycle)</b>										
Transfer of infrastructure projects to the Property Management Trading Entity	Upgrading, developing and managing various projects	On-going	10 645.4	628.4	633.0	701.0	804.6	849.7	896.4	945.7
<b>Total</b>			<b>10 645.4</b>	<b>628.4</b>	<b>633.0</b>	<b>701.0</b>	<b>804.6</b>	<b>849.7</b>	<b>896.4</b>	<b>945.7</b>

