

VOTE 12

INFRASTRUCTURE DEVELOPMENT

To be appropriated	R 1 204 239 000
Responsible MEC	MEC for Infrastructure Development
Administering Department	Department of Infrastructure Development
Accounting Officer	Head of Department

1.OVERVIEW

The overall goal and purpose of the Gauteng Department of Infrastructure Development (GDID) is to develop and maintain socio-economic infrastructural conditions that allow all the people of Gauteng province to actively participate in economic and social life.

Vision

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

Mission

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

Departmental strategic objectives

- Provide and maintain infrastructure to promote development of the less developed parts of the province and redress economic disparities .
- Expand infrastructure facilities to keep abreast of the growing demand for infrastructure and serve socio-economic ends.
- Implement and co-ordinate the Expanded Public Works Programme (EPWP) in a manner that enhances skills development and optimizes decent employment.
- Enhance the coordination of infrastructure construction across the province.
- Improve investment and decent employment in less developed areas of the province by promoting area-based business investment, supported by key infrastructure improvement.
- Improve continuously the technical and administrative capacity of the department to pursue the goals of the developmental state.

Legislative mandates

Schedules 4 and 5 of the Constitution of South Africa outline the powers and responsibilities of provinces with concurrent competencies (with National Government) and with exclusive legislative competencies in specific areas such as public works.

The key legislation and policies that have an impact on the mandate of the department include:

- Government Immovable Asset Management Act No 19 of 2007;
- Gauteng Planning and Development Act, 2003;
- Planning Professions Act, 2002;
- Architectural Profession Act 2000;
- Built Environment Profession Act, 2000;
- Construction Industry Development Board, 2000;
- Engineering Profession Act, 2000;
- Landscape Architect Profession Act, 2000;

- Project and Construction Management Act, 2000;
- Property Valuers Profession Act, 2000;
- National Spatial Development Perspective;
- National Environmental Management Act, 1998;
- Gauteng Land Administration Act No 11 of 1996;
- Occupational Health and Safety Act, 1993 (and particularly the associated construction regulations).

OVERVIEW OF THE MAIN SERVICES TO BE DELIVERED BY THE DEPARTMENT

Service	Level and quality of service
Delivery of public infrastructure (capital works and maintenance works).	<ul style="list-style-type: none">• Effective and efficient infrastructure planning, construction and maintenance (including generic model development)• The quality of service will include adherence to planned time, cost and quality indicators, adherence to minimum maintenance standards and 100% statutory compliance.
Plan and co-ordinate the implementation of EPWP by all provincial departments,	<ul style="list-style-type: none">• Establishment of an appropriate centralized coordination and management structure to ensure speedy, good-quality service delivery• Upscaling of EPWP in the roads sector• Application of EPWP principles in all infrastructure projects• Maintenance of public infrastructure, including buildings.
Provision of accommodation.	<ul style="list-style-type: none">• Providing functional, safe, secure office accommodation for nine Gauteng Provincial Government line departments.
Provision of accessible infrastructure and buildings to all citizens of the Province.	<ul style="list-style-type: none">• The Department is responsible for the promotion of access to public buildings of persons with disabilities and compliance to OHSA

External activities and events relevant to budget decisions

- A critical need for infrastructure to create sustainable and habitable communities.
- Scaling up of EPWP in all new infrastructure projects (roads and buildings).
- Scaling up of EPWP in the maintenance of infrastructure (roads and buildings).
- A critical need for infrastructure management throughout the province in terms of the Government Immovable Asset Management Act (GIAMA).
- Implementation of the Regional Facilities Management system demarcated according to metropolitan areas.

2. REVIEW OF THE 2009/10 FINANCIAL YEAR

Implementation of Policy Priorities and Strategic Objectives

In creating decent work, the government committed itself to involving targeted social groups including the youth in infrastructure development through EPWP. One of the mechanisms for creating employment for youth is the National Youth Service (NYS) that aims to support nation building through involving young people in the delivery of crucial government services. This programme enables young people to acquire and apply skills and values that will enable them to access economic opportunities upon completion of the programme and to continue to engage with community and social processes. Government departments that play a role in the construction sector in the province participate in this programme through EPWP. In June 2009, 450 NYS beneficiaries graduated from the 2008 programme. In addition, 751 youth received EPWP training in various technical skills and approximately 2 935 youth participated in EPWP infrastructural projects.

In order to ensure effective delivery of planned infrastructure, the Department established the Infrastructure Project Monitoring and Evaluation Committee to assess capital projects and the maintenance programme. The committee comprises departmental officials, client departments and the provincial Treasury.

The Department established centre of excellence maintenance teams in 20 health institutions during the financial year. The Department plans to implement this concept in all other community service-delivery institutions in the province. The maintenance model was reviewed to ensure that the development and maintenance of infrastructure contributes significantly to service delivery.

A review of payment systems, contract documentation and project risk evaluation practices took place during the year. The purpose of the review was to make it easier to do business with the government in relation to infrastructure. In line with the promotion of local economic development, the Department reviewed the contractor development and empowerment programme. A review to consider whether information hubs linked to local government should be established took place. These would promote participation of communities in government infrastructure development by providing relevant information.

The implementation plan for the establishment of the Gauteng Property Agency will be complete by the end of 2009/10. The new agency results from the rationalisation of the Department's three entities (that is, Kopanong GPG Precinct, Impophoma Infrastructure Support Entity and Emoyeni) so as to streamline property development services, property management and facilities management with the aim of creating economies of scale.

The Department implemented a policy on the leasing of provincially owned properties, together with the related allocation charter, to improve procedures for leasing such properties. In addition, the Department implemented market-related rentals on leased provincially owned properties with effect from January 2010.

The Department is responsible for the payment of rates and taxes on state owned properties in the province since this function devolved from the national Department of Public Works (DPW). To ensure a smooth takeover the Department, with a professional team, manages this function. The relevant departmental programme is responsible for a portfolio of 8 279 verified properties in 10 municipalities. The three metropolitan municipalities jointly account for 6 503 verified properties in this portfolio, with the City of Johannesburg leading with 3 807 verified properties. This programme experienced delayed and/or incomplete billing by some municipalities during 2009/10. One corrective measure to expedite the billing process is the ongoing and proactive interaction between the Department and municipalities to reconcile property information timeously.

In relation to the commitment to economically empower youth, women and people with disabilities and provide them with access to quality service through the government's programmes, the Department provided 53 bursaries to youth (including one youth with disability) and enrolled 49 (including two with disability) on an internship programme. The Department enrolled 24 women in the ABET programme, enrolled 27 in the internship programme, offered 73 bursaries and trained 271.

3. OUTLOOK FOR THE 2010/11 FINANCIAL YEAR

To bridge the gap between the first and second economy, create jobs and reduce poverty, the Department will:

- Continue with the implementation of projects in areas within the 20 Prioritised Townships Programme, through the EPWP.
- Increase the participation of Construction Industry Development Board (CIDB) level 1 to 4 contractors in infrastructure projects as part of the contractor development programme.

To enhance service delivery and contribute to the re-organisation of the state, the Department will:

- Strategically redevelop and rebrand provincial facilities providing a higher level of service for minor works and maintenance.
- Implement the Government Immovable Asset Management Act of 2007 (GIAMA) to maintain cost effectiveness, efficiency and uniformity in the management of immovable assets.
- Implement the revised Regional Facilities Management master plan in respect of space management and specific buildings of client departments.
- Relocate regional offices in multi-purpose community centres (MPCCs), where available, to bring them closer to the communities that require services, thereby increasing access to the Department's services.
- Increase internal capacity by recruiting skilled employees, training unskilled employees and training unemployed youth through EPWP.
- Implement a new procurement model through a revised supplier database.
- Implement a newly reconstituted Departmental Acquisition Council (DAC).
- Implement a revised procurement and financial delegation.
- Implement the plan to establish the new Gauteng Property Agency.
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4. RECEIPTS AND FINANCING

4.1 Summary of receipts

TABLE 1: SUMMARY OF RECEIPTS: INFRASTRUCTURE DEVELOPMENT

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13
Equitable share	736 794	748 187	949 277	1 041 766	1 000 168	1 000 168	1 012 858	1 072 002	1 153 932
Conditional grants			155 265	174 483	401 099	401 099	191 381	202 864	213 007
Total receipts	736 794	748 187	1 104 542	1 216 249	1 401 267	1 401 267	1 204 239	1 274 866	1 366 939

The department is funded from the equitable share and a conditional grant. It receives one conditional grant, the Devolution of Property Rate Funds Grant, to pay rates and taxes on all provincially owned properties.

In the 2009/10 financial year, the conditional grant budget was adjusted upwards by R209.9 million to finance a shortfall in the Devolution of Property Rates and Taxes Grant. Over the MTEF period, the funding from the conditional grant grows by an annual average rate of seven per cent from R191.3 million in 2010/11 to R213 million in the 2012/13 financial year.

Over the 2010 MTEF, the budget will increase from R1.2 billion in the 2009/10 financial year to R1.4 billion in the 2012/13 financial year at an annual average rate of four per cent.

4.2 Departmental receipts collection

TABLE 2: DEPARTMENTAL RECEIPTS: INFRASTRUCTURE DEVELOPMENT

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13
Tax receipts									
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sales of goods and services other than capital assets			10 660	12 652	12 652	12 652	12 942	12 562	13 190
Transfers received									
Fines, penalties and forfeits									
Interest, dividends and rent on land									
Sales of capital assets									
Transactions in financial assets and liabilities	5 467	2 193		1 258	1 258	974	1 347	1 460	1 533
Total departmental receipts	5 467	2 193	10 660	13 910	13 910	13 626	14 289	14 022	14 723

The department's major sources of own revenue include administrative fees, rental of buildings and camping fees. The receipts are estimated to increase by an annual average of two per cent from R 1.2 million in the 2009/10 financial to R1.5 million in the 2012/13 financial year.

5. PAYMENT SUMMARY

5.1 Key assumptions

The following elements have been taken into account when determining personnel budgets for the new MTEF:

- Number of staff and possible changes over the MTEF;
- Basic salary costs including ICS adjustments from 1 July and January each year;
- Salary increases for people with scarce skills;
- Grades and level of staff members;
- Increased take up of benefits such as medical aid, homeowners allowance, etc.
- Contract employees;
- Overtime pay;
- Merit bonuses;
- Pension fund contributions, thirteenth cheque and overtime all linked to the basic salary cost (increases at the same rate);
- Medical aid contributions which normally increase more rapidly than inflation;
- Homeowners allowance which changes with the interest rate; and
- Skills development.

5.2 Programme summary

TABLE 3: SUMMARY OF PAYMENTS AND ESTIMATES: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13
1. Administration	104 306	113 664	184 681	181 937	141 239	141 239	126 796	135 957	155 140
2. Public Works	441 599	560 979	758 564	823 378	1 050 494	1 050 494	868 443	920 086	982 035
3. Community Based Programme	219 624	224 436	176 939	210 934	210 434	210 434	209 000	218 823	229 764
Total payments and estimates	765 529	899 079	1 120 184	1 216 249	1 402 167	1 402 167	1 204 239	1 274 866	1 366 939

5.3 Summary of economic classification

TABLE 4: SUMMARY OF ECONOMIC CLASSIFICATION: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13
Current payments	411 798	614 955	886 369	925 493	1 094 684	1 134 484	655 661	690 581	754 178
Compensation of employees	198 593	229 190	261 166	257 345	249 762	303 551	307 595	325 742	344 311
Goods and services	213 205	385 765	625 203	668 148	844 922	830 933	348 066	364 839	409 867
Interest and rent on land									
Transfers and subsidies to:	199 219	204 555	221 563	283 756	300 483	260 483	548 578	584 285	612 761
Provinces and municipalities	569	226	9 067		17 227	17 227	290 197	313 760	328 710
Departmental agencies and accounts		38 115	207 107	243 756	243 756	243 756	258 381	270 525	284 051
Universities									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households	198 650	166 214	5 389	40 000	39 500	(500)			

2010 Estimates of Provincial Expenditure

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13
Payments for capital assets	154 333	79 564	11 863	7 000	7 000	7 200			
Buildings and other fixed structures	149 358	75 656	918						
Machinery and equipment	4 975	3 908	10 945	7 000	7 000	7 200			
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	180	5	389						
Total economic classification	765 529	899 079	1120 184	1 216 249	1 402 167	1 402 167	1 204 239	1 274 866	1 366 939

The largest share of the budget is allocated to Programme 2: Public Works for the delivery of strategic economic infrastructure to facilitate sustainable economic growth and contribute to job creation. The Community Based Programme receives the second largest share of the budget mainly to facilitate the implementation of multi-sectoral projects across the province. By this means particularly youth, women and people with disabilities are provided with relevant training and employment opportunities, skills are promoted, enterprises and infrastructure are developed and maintained and local economies are enhanced. The remaining share of the budget is allocated to Programme 1: Administration to conduct the department's overall management and provide administrative support.

Departmental expenditure increased from R765.5 million in 2006/07 to R899 million in the 2007/08 financial year, a growth rate of 17 per cent. The upward trend in expenditure continues in the 2008/09 financial year, with expenditure escalating to R1.1 billion. The 2009/10 allocation was increased by R10 million during the adjustment budget to fund the shortfall in personnel funding. The budget gradually increases from R1.2 billion in 2010/11 to R1.3 billion in 2011/12 and grows further to R1.4 billion in the 2012/13 financial year.

The department's major cost drivers are current payments and transfers and subsidies as a result of transfers to departmental agencies, and accounts and expenditure under goods and services. Total transfers and subsidies allocations increase from R199.2 million in 2006/07 to R221.6 million in 2008/09, at an average annual growth of 6 percent. The total current payments increased from R412 million in the 2006/07 financial year to R886 million in the 2008/09 financial year, at an annual average growth of 47 percent. Payments for capital assets decreased from R154.3 million in 2006/07 to R11.9 million in 2008/09 financial year.

The allocation for compensation of employees increases from R257.3 million in 2009/10 to R344.3 million in the 2012/13 financial year to provide for salary increases stemming from public service wage negotiations. The goods and services allocation declines from R668.1 million in 2009/10 to R359 million in the 2010/11 financial year and subsequently increases to R409.9 million in the 2012/13 financial year. The funds appropriated to transfers and subsidies reflect a substantial escalation from R17 million in the 2009/10 financial year to R290 in 2010/11 financial year as result of the devolution of the property rates and taxes grant.

5.3 Infrastructure payments

TABLE 5: DEPARTMENTAL INFRASTRUCTURE PAYMENTS: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13
New replacement assets	7 600	5 500	61 329	57 767	57 767	57 767	72 562	39 174	
Existing infrastructure assets	142 716	98 222	78 201	213 265	213 265	213 265	106 631	113 872	112 350
Upgrades and additions	76 876	33 435	950	198 313	198 313	198 313	75 929	80 100	75 200
Rehabilitation, renovations and refurbishments	65 840	64 787	77 251						
Maintenance and repairs				14 952	14 952	14 952	30 702	33 772	37 150
Infrastructure transfers									
Current									
Capital									
Current infrastructure				14 952	14 952	14 952	30 702	33 772	37 150
Capital infrastructure	150 316	103 722	139 530	256 080	256 080	256 080	148 491	119 274	75 200
Total departmental infrastructure	150 316	103 722	139 530	271 032	271 032	271 032	179 193	153 046	112 350

The table above relates to the expenditure and budget of the department's infrastructure projects and excludes the infrastructure projects managed by the department on behalf of client departments.

Construction: The new infrastructure development in respect of the department's budget in 2010/11 relates to construction of enterprise development centres, multi-purpose centres, home-based care centres and a market in Tshwane.

Rehabilitation: Focuses on the renovations of various offices and other miscellaneous upgrades of different government institutions.

Maintenance: The 2010 allocation for maintenance relates to the continuation of statutory, routine and condition-based maintenance in the departmental institutions (such as regional offices, licensing centres, traffic offices and other buildings). The maintenance budget will also provide for the licenses and maintenance of the provincial radio communication network and equipment.

The department will also implement the maintenance programmes of client departments as per its mandate over the 2010 MTEF, but such projects are budgeted for by the client departments.

6. PROGRAMME DESCRIPTION AND INPUT

PROGRAMME 1: ADMINISTRATION

Programme description

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

Programme objectives

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

2010 Estimates of Provincial Expenditure

TABLE 4: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13
1. Office of the MEC	4 214	2 555	3 869	5 116	5 116	5 116	6 856	7 906	8 301
2. Corporate Services	87 687	87 293	83 343	99 010	108 694	108 694	92 919	99 171	106 015
3. Programme Support			66 750	50 382					
4. Management	12 405	23 816	30 719	27 429	27 429	27 429	27 021	28 880	40 824
Total payments and estimates	104 306	113 664	184 681	181 937	141 239	141 239	126 796	135 957	155 140

TABLE 5: SUMMARY OF ECONOMIC CLASSIFICATION: ADMINISTRATION

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13
Current payments	78 516	110 279	181 181	180 937	140 239	140 239	126 796	135 957	155 140
Compensation of employees	35 512	46 587	61 667	52 718	45 135	45 135	48 024	50 857	53 756
Goods and services	43 004	63 692	119 514	128 219	95 104	95 104	78 772	85 100	101 384
Interest and rent on land									
Transfers and subsidies to:	2 030	1 489	1 500						
Provinces and municipalities									
Departmental agencies and accounts									
Universities									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households	2 030	1 489	1 500						
Payments for capital assets	23 581	1 896	2 000	1 000	1 000	1 000			
Buildings and other fixed structures	20 818								
Machinery and equipment	2 763	1 896	2 000	1 000	1 000	1 000			
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets	180								
Total economic classification	104 306	113 664	184 681	181 937	141 239	141 239	126 796	135 957	155 140

Total expenditure increased from R104.3 million in 2006/07 to R184.7 million in 2008/09 reflecting an average annual growth rate of 36 percent. The items that contributed to the expenditure are current payments, escalating by 52 percent from R78.5 million in 2006/07 to R181.2 million in the 2008/09 financial year. Capital expenditure declines from R23.6 million in 2006/07 to R1.9 million in the 2008/09 financial year due to once off expenditure on buildings and fixed structures in 2006/07 amounting to R20.9 million.

In the 2009/10 financial year the budget declined from R181.9 million to R141.2 million as a result of a suspension of R50.4 million necessitated by the reallocation of the Programme Management Unit (PMU) to the Department of Roads and Transport.

In accommodating inflationary adjustments, the budget over the 2010 MTEF grows steadily from R126.8 million in the 2010/11 financial year to R155 million in the 2012/13 financial year. The Corporate Support sub-programme receives the largest share of the programme budget and constitutes 73 percent of the total programme budget in the 2010/11 financial year. The budget of the programme is allocated mainly to current payments under goods and services which are the main cost drivers of the programme.

PROGRAMME 2: PUBLIC WORKS

Programme description

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

Programme objectives

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

TABLE 8: SUMMARY OF PAYMENTS AND ESTIMATES: PUBLIC WORKS

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13
1. Construction	89 876	64 414	106 394	155 307	155 307	155 307	111 601	112 247	129 337
2. Maintenance	254 322	270 551	244 827	252 374	252 374	252 374	236 264	242 554	259 937
3. Property Management	97 401	226 014	407 343	415 697	642 813	642 813	520 578	565 285	592 761
Total payments and estimates	441 599	560 979	758 564	823 378	1050 494	1050 494	868 443	920 086	982 035

TABLE 9: SUMMARY OF ECONOMIC CLASSIFICATION: PUBLIC WORKS

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13
Current payments	325 108	453 498	548 490	573 622	783 511	783 511	319 865	335 801	369 274
Compensation of employees	161 202	169 474	179 758	194 722	194 722	194 722	195 532	207 067	218 872
Goods and services	163 906	284 024	368 732	378 900	588 789	588 789	124 333	128 734	150 402
Interest and rent on land									
Transfers and subsidies to:	1 093	39 579	200 216	243 756	260 983	260 983	548 578	584 285	612 761
Provinces and municipalities	569	226	9 067		17 227	17 227	290 197	313 760	328 710
Departmental agencies and accounts		38 115	189 396	243 756	243 756	243 756	258 381	270 525	284 051
Universities									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households	524	1 238	1 753						
Payments for capital assets	115 398	67 897	9 858	6 000	6 000	6 000			
Buildings and other fixed structures	113 244	66 000	918						
Machinery and equipment	2 154	1 897	8 940	6 000	6 000	6 000			
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									

2010 Estimates of Provincial Expenditure

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13
Software and other intangible assets									
Payments for financial assets		5							
Total economic classification	441 599	560 979	758 564	823 378	1 050 494	1 050 494	868 443	920 086	982 035

Total expenditure increased from R441.6 million in the 2006/07 financial year to R758.7 million in the 2008/09 financial year at an annual average growth rate of 30 percent. Expenditure in the Maintenance and Property Management sub-programmes considerably influences total programme expenditure. The two programmes account for more than 85 percent of programme expenditure during the first three years, with Maintenance accounting for the largest share. The increases in the sub-programmes mentioned above can be attributed to payment of water and municipal rates, and maintenance of the assets register for all properties under Public Works.

The cost drivers for this programme are current payments and transfers and subsidies. Compensation of employees grows from R161 million in the 2006/07 financial year to R195 million in 2009/10 at an average growth rate of 12 per cent. Goods and services decline significantly from R378.9 million in 2009/10 to R124.3 million in 2010/11 at 67 per cent.

Transfers and subsidies increase significantly from a base of R1.1 million in 2006/07 to R243.8 million in 2009/10, due to the devolution of the property grant. In the 2009/10 financial year the allocation increased from R823.3 million to R1 billion as a result of an additional R208.9 million obtained to fund a shortfall in relation to the Devolution of Property Management grant.

Over the 2010 MTEF the budget escalates from R868.4 million in the financial year 2010/11 to R982 million in 2012/13 at an annual average growth rate of 6 per cent. Transfers to provinces, municipalities and departmental agents and accounts is allocated a major portion of the total budget for the programme over the 2010 MTEF as a result of payment of rates and taxes for provincially owned properties and estimated payments for maintenance works.

KEY OUTPUTS AND SERVICE DELIVERY MEASURES

Performance Measures	Estimated Annual Targets		
	2010/11	2011/12	2012/13
No. of education facilities	2	2	2
No. health projects	250	252	252
Nature reserves	6		
No. of learnerships	30	35	40
Training courses	50	60	65
Maintain GPG owned			
Properties	627	627	627
Physical verification of GPG			
Owned Properties	9102	2800	2850
Renew residential leased property agreements	437	450	460
Renew office accommodation. leased property agreements	35	37	38

PROGRAMME 3: COMMUNITY BASED PROGRAMME

Programme description

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

Programme objectives

- Coordinate and lead EPWP in Gauteng Province by promoting linkages between sectors.
- Address unemployment by generating decent and sustainable jobs.
- Monitor and facilitate evaluation of EPWP projects in Gauteng.
- Facilitate skills development through technical and institutional training.
- Facilitate job opportunities by targeting the vulnerable sectors of society especially women, youth and people with disabilities.

TABLE 8: SUMMARY OF PAYMENTS AND ESTIMATES: COMMUNITY BASED PROGRAMME

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13
1. Programme Support			54 116	10 434	10 434	64 043	68 665	73 111	77 172
2. Project Implementation	219 624	224 436	122 823	200 500	200 000	146 391	140 335	145 713	152 592
Total payments and estimates	219 624	224 436	176 939	210 934	210 434	210 434	209 000	218 823	229 764

TABLE 9: SUMMARY OF ECONOMIC CLASSIFICATION: COMMUNITY BASED PROGRAMME

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13
Current payments	8 174	51 178	156 698	170 934	170 934	210 734	209 000	218 823	229 764
Compensation of employees	1 879	13 129	19 741	9 905	9 905	63 694	64 039	67 817	71 683
Goods and services	6 295	38 049	136 957	161 029	161 029	147 040	144 961	151 006	158 081
Interest and rent on land									
Transfers and subsidies to:	196 096	163 487	19 847	40 000	39 500	(500)			
Provinces and municipalities									
Departmental agencies and accounts			17 711						
Universities									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households	196 096	163 487	2 136	40 000	39 500	(500)			
Payments for capital assets	15 354	9 771	5			200			
Buildings and other fixed structures	15 296	9 656							
Machinery and equipment	58	115	5			200			
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets			389						
Total economic classification	219 624	224 436	176 939	210 934	210 434	210 434	209 000	218 823	229 764

Total payments for the programme fluctuate from R219.6 million in 2006/07 to R224.4 in 2007/08 and R176.9 in 2008/09 financial year. In the 2008/09 financial year, the programme was restructured into two sub-programmes namely Programme Support and Project Implementation. Programme expenditure is mainly incurred by the Project Implementation sub-programme which consumes 69 per cent of the total budget of the programme, in the financial year 2008/09.

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In the 2009/10 financial year R500 000 was surrendered to the provincial revenue fund in relation to the EPWP grant.

Over the MTEF, expenditure is estimated at R209 million in 2010/11, R218.8 million in 2011/12 and R229.7 million in 2012/13. Current payments, mainly attributed to goods and services, contribute largely to expenditure. Spending under goods and services is estimated to grow from R144.9 million to R158 million over the 2010 MTEF period, an annual growth rate of three percent.

7. OTHER PROGRAMME INFORMATION

7.1 Personnel numbers and cost

TABLE 11: PERSONNEL NUMBERS AND COSTS: INFRASTRUCTURE DEVELOPMENT

Personnel numbers	As at 31 March 2007	As at 31 March 2008	As at 31 March 2009	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013
1: Administration	132	200	211	211	211	211	211
2: Public Works	1 597	1 713	1 960	1 960	2 366	2 366	2 366
3: Community Based Programme	20	35	35	35	35	35	35
Total departmental personnel numbers	1 749	1 948	2 206	2 206	2 612	2 612	2 612
Total departmental personnel cost (R thousand)	182 589	198 593	229 190	269 308	257 345	270 854	283 675
Unit cost (R thousand)	104	102	104	122	99	104	109

TABLE 12: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13
Total for Department									
Personnel numbers (head count)	1 749	1 948	2 206	2 206	2 206	2 206	2 612	2 612	2 612
Personnel cost (R thousands)	182 589	198 593	229 190	231 766	256 347	269 308	257 345	270 854	283 675
Human resources component									
Personnel numbers (head count)	27	33	33	33	33	33	33	36	37
Personnel cost (R thousands)	2 908	3 753	3 978	3 978	3 978	3 978	3 978	4 297	4 376
Head count as % of total for department	1	1	1	1	1	1	1	1	1
Personnel cost as % of total for department	1	1	1	1	1	1	1	1	1
Finance component									
Personnel numbers (head count)	16	26	27	31	31	31	31	34	34
Personnel cost (R thousands)	1 728	2 976	3 125	4 051	4 051	4 051	4 294	4 638	4 724
Head count as % of total for department	1	1	1	1	1	1	1	1	1
Personnel cost as % of total for department	1	1	1	1	1	1	1	1	1
Full time workers									
Personnel numbers (head count)	1 364	1 607	1 848	1 981	1 981	1 981	2 412	2 402	2 398
Personnel cost (R thousands)	142 549	164 152	192 286	208 141	230 247	241 858	237 745	249 224	260 563
Head count as % of total for department	78	82	84	90	90	90	92	92	92
Personnel cost as % of total for department	78	82	84	90	90	90	92	92	92
Part-time workers									
Personnel numbers (head count)	193	124	130	50	50	50	25	25	25
Personnel cost (R thousands)	20 072	12 524	13 390	5 250	5 800	6 100	2 450	2 575	2 700

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13
Head count as % of total for department	11	6	6	2	2	2	1	1	1
Personnel cost as % of total for department	11	6	6	2	2	2	1	1	1
Contract workers									
Personnel numbers (head count)	192	217	228	175	175	175	175	185	189
Personnel cost (R thousands)	19 968	21 917	23 484	18 375	20 300	21 350	17 150	19 055	20 412
Head count as % of total for department	11	12	10	8	8	8	7	7	7
Personnel cost as % of total for department	11	12		8	8	8	7	7	7

7.2 Training

TABLE 14: PAYMENT ON TRAINING: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13
1. Administration	5 847	2 139	4 258	5 032	2 517	7 405	5 814	5 924	6 388
<i>of which</i>									
Subsistence and travel			2 557	100	2 150	5 456	116	118	175
Payments on tuition	5 847	2 139	1 701	4 932	367	1 949	5 698	5 806	6 213
2. Public Works	2 118	1 080	19 340	2 332	3 643	9 735	2 694	2 745	2 796
Subsistence and travel			17 936	47	1 386	7 408	54	55	56
Payments on tuition	2 118	1 080	1 404	2 285	2 257	2 327	2 640	2 690	2 740
3. Expanded Public Works Programme	150	195	349	1 044	42	2 041	1 205	1 228	1 251
Subsistence and travel			349	21	42	1 164	24	25	26
Payments on tuition	150	195		1 023		877	1 181	1 203	1 225
Total payments on training	8 115	3 414	23 947	8 408	6 202	19 181	9 713	9 897	10 435

TABLE 15: INFORMATION ON TRAINING: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13
Number of staff	1 129	755	772	876	876	940	993	1 015	1 062
Number of personnel trained	848	511	519	619	619	678	722	736	739
<i>of which</i>									
Male	731	439	444	533	533	584	621	633	636
Female	117	72	75	86	86	94	101	103	103
Number of training opportunities	45	75	81	50	50	50	50	50	50
<i>of which</i>									
Tertiary	45	75	81	50	50	50	50	50	50
Workshops									
Seminars									
Other									
Number of bursaries offered	86	17	18	48	48	50	53	53	53
Number of interns appointed	65	65	66	68	68	69	74	75	72
Number of learnerships appointed	85	87	88	91	91	93	94	101	148
Number of days spent on training									

ANNEXURES TO ESTIMATES OF PROVINCIAL EXPENDITURE

TABLE 16: DEPARTMENTAL RECEIPTS: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13
Tax receipts									
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sales of goods and services other than capital assets			10 660	12 652	12 652	12 652	12 942	12 562	13 190
Sale of goods and services produced by department (excluding capital assets)			10 660	12 652	12 652	12 652	12 942	12 562	13 190
Sales by market establishments									
Administrative fees									
Other sales			10 660	12 652	12 652	12 652	12 942	12 562	13 190
Of which									
Sales of scrap, waste, arms and other used current goods (excluding capital assets)									
Transfers received from:									
Other governmental units									
Universities									
Foreign governments									
International organisations									
Public corporations and private enterprises									
Households and non-profit institutions									
Fines, penalties and forfeits									
Interest, dividends and rent on land									
Interest									
Dividends									
Rent on land									
Sales of capital assets									
Land and sub-soil assets									
Other capital assets									
Transactions in financial assets and liabilities	5 467	2 193		1 258	1 258	974	1 347	1 460	1 533
Total departmental receipts	5 467	2 193	10 660	13 910	13 910	13 626	14 289	14 022	14 723

TABLE 17: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13
Current payments	78 516	110 279	181 181	180 937	140 239	140 239	126 796	135 957	155 140
Compensation of employees	35 512	46 587	61 667	52 718	45 135	45 135	48 024	50 857	53 756
Salaries and wages	31 845	43 947	57 646	45 492	39 977	39 977	42 536	45 045	47 613
Social contributions	3 667	2 640	4 021	7 226	5 158	5 158	5 488	5 812	6 143
Goods and services	43 004	63 692	119 514	128 219	95 104	95 104	78 772	85 100	101 384
of which									
Administrative fees	8		59	200	200	200	211	220	232
Advertising	5 064	2 221	5 804	4 222	4 222	4 222	4 346	4 251	4 403
Assets <R5000	1 586	2 514	2 375	2 593	1 837	1 837	1 962	2 232	2 698

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R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13
Audit cost: External	528	292	69	250	250	250	263	280	302
Bursaries (employees)	266	250	1 001	462	462	462	487	505	529
Catering: Departmental activities			2 143	1 421	1 291	1 291	951	1 003	1 054
Communication	1 007	1 093	2 174	1 629	1 451	1 451	1 433	1 548	1 593
Computer services	1 072	1 120	14 396	9 666	5 086	5 086	5 111	5 141	5 403
Cons/prof:business & advisory services	12 676	35 334	21 877	52 753	54 879	47 296	37 563	39 826	55 625
Cons/prof: Infrastructure & planning			250	1 985	1 985	1 985	1 289	1 301	1 310
Cons/prof: Legal cost	322	225	47	2 524	2 524	2 524	1 890	2 001	2 102
Contractors	84		23 377	12 813	533	533	591	617	644
Agency & support/outsourced services			19 004	15 620	1 449	9 032	9 685	10 065	10 032
Entertainment	14	13	99	108	108	108	17	20	25
Inventory: Food and food supplies	545	296	679	951	763	763	443	457	479
Inventory: Other consumables	1 639		298	208	208	208	207	243	270
Inventory: Stationery and printing	1 528	5 885	3 839	3 128	2 798	2 798	3 354	3 717	3 802
Lease payments	1 224	3 019	2 350	2 048	1 615	1 615	2 026	2 253	2 377
Travel and subsistence	4 910	2 535	6 995	5 897	4 718	4 718	4 138	4 490	4 223
Training & staff development	5 844	5 393	7 385	5 235	4 690	4 690	731	2 436	2 138
Operating expenditure	585	618	57	680	615	615	1 381	1 655	1 166
Venues and facilities	4 106	2 559	4 744	3 367	2 961	2 961	694	839	978
Interest and rent on land									
Interest									
Rent on land									
Transfers and subsidies to:	2 030	1 489	1 500						
Provinces and municipalities									
Households	2 030	1 489	1 500						
Social benefits	2 030	1 489	1 500						
Other transfers to households									
Payments for capital assets	23 581	1 896	2 000	1 000	1 000	1 000			
Buildings and other fixed structures	20 818								
Buildings									
Other fixed structures	20 818								
Machinery and equipment	2 763	1 896	2 000	1 000	1 000	1 000			
Transport equipment									
Other machinery and equipment	2 763	1 896	2 000	1 000	1 000	1 000			
Heritage Assets									
Payments for financial assets	180								
Total economic classification	104 306	113 664	184 681	181 937	141 239	141 239	126 796	135 957	155 140

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13
Current payments	325 108	453 498	548 490	573 622	783 511	783 511	319 865	335 801	369 274
Compensation of employees	161 202	169 474	179 758	194 722	194 722	194 722	195 532	207 067	218 872
Salaries and wages	136 571	145 919	155 231	168 697	168 697	168 697	180 329	190 967	201 847
Social contributions	24 631	23 555	24 527	26 025	26 025	26 025	15 203	16 100	17 025
Goods and services	163 906	284 024	368 732	378 900	588 789	588 789	124 333	128 734	150 402
of which									
Advertising	574	218	8 353	909	909	790	956	1 001	1 014
Assets <R5000	103	562	1 143	2 295	2 295	100	2 462	1 592	1 632

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13
Catering: Departmental activities			49	72	72	99	80	88	93
Communication	9 770	18 543	4 677	4 034	4 034	22 337	4 120	2 210	2 286
Computer services	920		91	940	940	649	956	968	999
<i>Cons./prof.business & advisory services</i>	103 816	232 296	77 932			795			
<i>Contractors</i>			6 310	85 958	85 958	104 300	58 349	49 620	64 656
<i>Agency & support/outsourced services</i>			99 665	80 494	80 494	63 458	32 821	37 242	39 401
<i>Inventory: Food and food supplies</i>			55	264	264	32	295	317	322
<i>Inventory: Fuel, oil and gas</i>			7	172	172	80	198	208	202
<i>Inventory: Other consumables</i>	6 143	5 440	818	3 689	3 689	2 100	3 793	3 875	1 887
<i>Inventory: Stationery and printing</i>		1 415	802	2 856	2 856	1 200	2 962	2 115	2 122
<i>Lease payments</i>	4 888	8 104	5 640	3 893	3 893	22 000	4 088	4 334	4 524
<i>Owned & leasehold property expenditure</i>	25 645	3 124	156 300	176 116	386 005	308 200	4 218	4 245	4 516
<i>Transport provided dept activity</i>									
<i>Travel and subsistence</i>	7 074	9 311	1 843	15 014	15 014	18 006	17 734	19 339	25 154
<i>Training & staff development</i>	2 019	2 188	2 687	2 002	2 002	800	2 087	1 358	1 358
<i>Operating expenditure</i>	1 565	1 234	20	7	7	318	9	12	10
<i>Venues and facilities</i>	636	1 195	2 168	107	107	9	123	131	139
Interest and rent on land									
Transfers and subsidies to:	1 093	39 579	200 216	243 756	260 983	260 983	548 578	584 285	612 761
Provinces and municipalities	569	226	9 067		17 227	17 227	290 197	313 760	328 710
Provinces							83 730	93 925	97 833
Provincial agencies and funds							83 730	93 925	97 833
Municipalities	569	226	9 067		17 227	17 227	206 467	219 835	230 877
Municipalities	569	226	9 067		17 227	17 227	206 467	219 835	230 877
Departmental agencies and accounts		38 115	189 396	243 756	243 756	243 756	258 381	270 525	284 051
Entities		38 115	189 396	243 756	243 756	243 756	258 381	270 525	284 051
Households	524	1 238	1 753						
Social benefits	524	1 238							
Other transfers to households			1 753						
Payments for capital assets	115 398	67 897	9 858	6 000	6 000	6 000			
Buildings and other fixed structures	113 244	66 000	918						
Other fixed structures	113 244	66 000	918						
Machinery and equipment	2 154	1 897	8 940	6 000	6 000	6 000			
Transport equipment									
Other machinery and equipment	2 154	1 897	8 940	6 000	6 000	6 000			
Payments for financial assets		5							
Total economic classification	441 599	560 979	758 564	823 378	1050 494	1050 494	868 443	920 086	982 035

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13
Current payments	8 174	51 178	156 698	170 934	170 934	210 734	209 000	218 823	229 764
Compensation of employees	1 879	13 129	19 741	9 905	9 905	63 694	64 039	67 817	71 683
Salaries and wages	1 232	12 099	19 290	9 085	9 085	63 144	63 454	67 197	71 028
Social contributions	647	1 030	451	820	820	550	585	620	655
Goods and services	6 295	38 049	136 957	161 029	161 029	147 040	144 961	151 006	158 081
<i>of which</i>									
<i>Advertising</i>	1 817	1 800	150			935			

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R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09	2009/10			2010/11	2011/12	2012/13
Assets <R5000	4	8	2 844	21	21	2 000	29	37	44
Bursaries (employees)					10		13	15	18
Catering: Departmental activities			133	15	5	300	9	14	19
Communication	503	600	205	276	277	230	568	522	477
Computer services	1 647	1 500	15			7			
Cons./prof.business & advisory services	1 324	31 941	59 286	158 754	158 754	131 891	141 619	147 423	154 188
Cons./prof. Legal cost			1 500			27			
Contractors			36 837			7 198			
Agency & support/outourced services			30 000			1 600	410	455	489
Inventory: Food and food supplies			75	30	29	3	39	53	63
Inventory: Stationery and printing			301	62	62	50	71	78	90
Lease payments			116	100	100	97	125	135	155
Travel and subsistence			3 760	1 041	1 041	1 050	1 100	1 167	1 240
Training & staff development			1 548	220	220	40	690	789	980
Operating expenditure			5						
Venues and facilities			180	510	510	610	288	318	319
Interest and rent on land									
Transfers and subsidies to:	196 096	163 487	19 847	40 000	39 500	(500)			
Departmental agencies and accounts			17 711						
Social security funds			17 711						
Provide list of entities receiving transfers									
Households	196 096	163 487	2 136	40 000	39 500	(500)			
Social benefits	196 096	163 487	2 136	40 000	39 500	(500)			
Other transfers to households									
Payments for capital assets	15 354	9 771	5			200			
Buildings and other fixed structures	15 296	9 656							
Buildings									
Other fixed structures	15 296	9 656							
Machinery and equipment	58	115	5			200			
Transport equipment									
Other machinery and equipment	58	115	5			200			
Heritage Assets									
Specialised military assets									
Software and other intangible assets									
Payments for financial assets			389						
Total economic classification	219 624	224 436	176 939	210 934	210 434	210 434	209 000	218 823	229 764

GLOSSARY

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

1. Receipts

1.1 Tax receipts

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

1.2 Sales of goods and services other than capital assets

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

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

1.3 Transfers received

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

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

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

1.4 Fines, penalties and forfeits

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

1.5 Interest, dividends and rent on land

This item has three components:

- Interest: this item consists of the revenue associated with ownership of interest-bearing financial instruments,

such as bank deposits, loans extended to others, bills and bonds.

- Dividends: this item consists of the revenue associated with ownership of the capital or part of the capital of a productive unit, for example a state-owned enterprise. Dividends come in the form of revenue from shares and distribution of profits to the owner. Gains/losses associated with valuation changes should not be included in this amount reported here.
- Rent on land: this item consists of the revenue due to ownership of land. If it is not possible to distinguish the revenue due to ownership of land from that due to the fixed structures erected thereupon, the whole amount should be recorded under sales of goods and services produced by departments. This item also includes all revenue due to ownership of sub-soil assets and other naturally occurring assets such as virgin forests, game and fisheries that are commercially exploitable.

1.6 Sales of capital assets

This item has two components:

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

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

1.7 Financial transactions in assets and liabilities

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

2. Payments

2.1 Current payments

Compensation of employees

Government departments are requested to distinguish between two components:

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

Goods and services

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

Interest and rent on land

This item has two components:

- Interest: this item includes the total value of interest payments associated with debts for example interest on borrowing or overdraft facilities.

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

2.2 Transfers and subsidies

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

Departments are requested to distinguish between the following transfer categories:

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

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

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

2.3 Payments for capital assets

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

Buildings and other fixed structures

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

Machinery and equipment

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

Heritage Assets

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

Specialised Military Assets

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

Biological assets

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

Land and sub-soil assets

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

Software and other intangible assets

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

Payments for financial assets

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

Capitalised compensation/goods and services

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

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

3. Other

Quintile

Quintile is a 20 per cent of the distribution of a total of 100, where schools are categorised in each one of the 5 quintiles according to their relative poverty ratio.