

VOTE 15

DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT

R thousand	2014/15			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	1 975 628	1 885 628	(90 000)	
<i>of which:</i>				
Current payments	1 298 654	1 352 836		54 182
Transfers and subsidies	318 913	307 044	(11 869)	
Payments for capital assets	358 061	225 748	(132 313)	
Payment for financial assets				
Executive authority	MEC for Infrastructure Development			
Accounting officer	Head of Department			

1. Vision and mission

Vision

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

Mission

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

2. Changes to programme purpose and objectives

The changes to programme purposes and objectives are reflected in the 2014/15 Revised Annual Performance Plan.

3. Summary of Adjusted Estimates of Departmental Expenditure 2014/15

TABLE 15.1: INFRASTRUCTURE DEVELOPMENT

Programmes	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/ unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1. Administration	296 829				7 700				7 700	304 529
2. Public Works Infrastructure	1 255 746				(6 100)				(6 100)	1 249 646
3. Expanded Public Works	423 053	(100 000)			(1 600)			10 000	(91 600)	331 453
Total for programmes	1 975 628	(100 000)						10 000	(90 000)	1 885 628

Economic classification	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/ unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Current payments	1 298 654				44 182			10 000	54 182	1 352 836
Compensation of employees	737 869				(60 650)				(60 650)	677 219
Goods and services	560 135				104 832			10 000	114 832	674 967
Interest and rent on land	650									650
Transfers and subsidies	318 913				(11 869)				(11 869)	307 044
Provinces and municipalities	312 676				(12 000)				(12 000)	300 676
Departmental agencies and accounts	2									2
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households	6 235				131				131	6 366
Payments for capital assets	358 061	(100 000)			(32 313)				(132 313)	225 748
Buildings and other fixed structures	338 659	(100 000)			(32 873)				(132 873)	205 786
Machinery and equipment	19 302				660				660	19 962
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets	100				(100)				(100)	
Payments for financial assets										
Total economic classification	1 975 628	(100 000)						10 000	(90 000)	1 885 628

The department's budget has decreased from R 1.9 billion to R 1.8 billion during 2014/15 adjustment budget due to a surrender in relation to a R100 million rollover request for the Women's Heritage Monument which will be completed in the 2015/16 financial year. An additional allocation of R10 million is received for the development

of the business case and the launch of the Tshepo 500 000 project. This project will contribute to increasing the number of jobs created by the province and will be rolled in conjunction with all GPG departments.

The department was allocated an amount of R150 million for the implementation of the IDMS project which aims to appoint skilled staff at the beginning of the 2014/15 financial year. An amount of R60.6 million is shifted from compensation of employees to goods and services to fund the tools of trade, training for employees in relation to the implementation of the IDMS project.

An amount of R32.8 million is shifted from buildings and other fixed structures to goods and services to fund the Immovable Asset Register project which is underfunded and experiencing budget pressures.

An additional amount of R11.6 million is shifted to maintenance which is allocated under goods and service. This allocation is to supplement the Precinct maintenance which was not adequately funded at the beginning of the 2014/15 financial year.

During the 2013/14 financial year, Devolution of rates and taxes needed to be supplemented by R12 million to prevent municipal services from being terminated. This amount was redirected to the GIAMA project to fund payment given the slow progress on this project. In the 2014/15 financial year, the GIAMA projects increase performance with expenditure amounting to R30 million by the end of the second quarter and a R10 million worth of accruals not yet processed for payment. Funds are shifted to make provision for the payment of the accruals.

4. Details of Adjustments to Estimates of Departmental Expenditure 2014/15

Programme 1: Administration

TABLE 15.2: PROGRAMME 1: ADMINISTRATION

Sub-programme	Main Appropriation	2013/14 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1. Office Of The MEC	11 938									11 938
2. Management Of The Department	11 961									11 961
3. Corporate Support	272 930				7 700				7 700	280 630
Total for programme	296 829				7 700				7 700	304 529

Economic classification	Main Appropriation	2013/14 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Current payments	273 317				7 660				7 660	280 977
Compensation of employees	128 829				(14 650)				(14 650)	114 179
Goods and services	144 188				22 310				22 310	166 498
Interest and rent on land	300									300
Transfers and subsidies	4 330				40				40	4 370
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households	4 330				40				40	4 370

Economic classification R thousand	Main Appropriation	2013/14 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
Payments for capital assets	19 182									19 182
Buildings and other fixed structures										
Machinery and equipment	19 182									19 182
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
Payments for financial assets										
Total economic classification	296 829				7 700				7 700	304 529

TABLE 15.3: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME1: ADMINISTRATION

Economic classification	Motivation	From	Motivation	To
Current payments		(20 471)		28 131
Compensation of employees	The IDMS project caters for both the appointment of personnel and the purchase of tools of the trade. Money is redirected to goods and services for the purchase of the relevant tools.	(14 650)		
Goods and services	Cost saving measures has been implemented and funds are redirected to priority areas which were not adequately funded at the beginning of the financial year.	(5 821)	Funds are directed to supplement the SCM capacity on tender administration which was not adequately funded at the beginning of the financial year.	28 131
Interest and rent on land				
Transfers and subsidies				40
Non-profit institutions				
Households			The budget for households is supplemented given unanticipated expenditure during the year.	40
Payments for capital assets				
Buildings and other fixed structures				
Machinery and equipment				
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets				
Payments for financial assets				
Total economic classification		(20 471)		28 171

Virements and shifts

An amount of R7.7 million is shifted from Programme 2 to Programme 1 to fund Supply Chain Management capacitation project. This project will assist in dealing with the backlogs on the evaluation and tendering processes. The funds amounting to R28.1 million is shifted from the Stadia project while an amount of R14.6 million is shifted from Compensation to fund the tools of trade and training for the IDMS project.

Programme 2: Public Works Infrastructure**TABLE 15.4: PROGRAMME 2: PUBLIC WORKS INFRASTRUCTURE**

Sub-programme	Main Appropriation	2013/14 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1.Construction	95 109				12 800				12 800	107 909
2.Maintenance	415 308				(40 500)				(40 500)	374 808
3.Immovable Asset Management	745 329				21 600				21 600	766 929
Total for programme	1 255 746				(6 100)				(6 100)	1 249 646

Economic classification	Main Appropriation	2013/14 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Current payments	819 804				26 522				26 522	846 326
Compensation of employees	506 020				(41 500)				(41 500)	464 520
Goods and services	313 484				68 022				68 022	381 506
Interest and rent on land	300									300
Transfers and subsidies	314 483				(11 909)				(11 909)	302 574
Provinces and municipalities	312 676				(12 000)				(12 000)	300 676
Departmental agencies and accounts	2									2
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households	1 805				91				91	1 896
Payments for capital assets	121 459				(20 713)				(20 713)	100 746
Buildings and other fixed structures	121 239				(21 273)				(21 273)	99 966
Machinery and equipment	120				660				660	780
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets	100				(100)				(100)	
Payments for financial assets										
Total economic classification	1 255 746				(6 100)				(6 100)	1 249 646

TABLE 15.5: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: PUBLIC WORKS INFRASTRUCTURE

Economic classification	Motivation	From	Motivation	To
Current payments		(48 965)		75 487
Compensation of employees	The IDMS project caters for both the appointment of personnel and the purchase of tools of the trade. Money is redirected to goods and services for the purchase of the relevant tools.	(41 500)		
Goods and services	Realignment of budget to fund implementation of IDMS. Funds are shifted within the programmes to where the cost is being incurred.	(7 465)	Funds are shifted to supplement the implementation of the IDMS project. Funds will be used to purchase tools of the trade for the IDMS project.	75 487
Interest and rent on land				
Transfers and subsidies		(12 070)		161
Provinces and municipalities	Funds are redirected to fund significant pressure for the completion of asset register.	(12 000)		
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions				
Households	Funds are redirected in this line item to where the cost is incurred in the programme.	(70)	The funds are directed within the programme to where the costs are incurred while being supplemented to cover costs which were not incurred at the beginning of the financial year.	161
Payments for capital assets		(28 800)		8 087
Buildings and other fixed structures	Realignment of budget to where costs are incurred to fund SCM capacity on administration and development of comprehensive EPWP strategy.	(28 700)		7 427
Machinery and equipment			This shift is to supplement the budget on machinery and equipment which was not adequately funded at the beginning of the financial year.	660
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets	Funds are shifted to where the costs are incurred.	(100)		
Payments for financial assets				
Total economic classification		(89 835)		83 735

Virements and shifts

An amount of R41.5 million is shifted from compensation of employees to goods and services to cover the additional costs for purchasing the tools of the trade for implementation of IDMS project. Furthermore goods and services is supplemented by R22 million to fund development of an Immovable Asset Register. The R12 million will be funded from Devolution of rates and taxes and the other R10 million will be funded from the Stadia.

An amount of R28.7 million is shifted from buildings and other fixed structures to goods and services to fund the Immovable Asset Register project which is underfunded and experiencing budget pressures.

An amount of R7.7 million has been moved to Programme 1 to fund the SCM capacity building and another R10 million has been moved to EPWP to fund training of EPWP learners and development of comprehensive EPWP strategy in the current year.

Programme 3: Expanded Public Works**TABLE 15.6: EXPANDED PUBLIC WORKS PROGRAMME**

Sub-programme	Main Appropriation	2013/14 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1. Programme Support	106 743				10 000				10 000	116 743
2. Community Development	316 310	(100 000)			(11 600)			10 000	(101 600)	214 710
Total for programme	423 053	(100 000)			(1 600)			10 000	(91 600)	331 453

Economic classification	Main Appropriation	2013/14 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Current payments	205 533				10 000			10 000	20 000	225 533
Compensation of employees	103 020				(4 500)				(4 500)	98 520
Goods and services	102 463				14 500			10 000	24 500	126 963
Interest and rent on land	50									50
Transfers and subsidies	100									100
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households	100									100
Payments for capital assets	217 420	(100 000)			(11 600)				(111 600)	105 820
Buildings and other fixed structures	217 420	(100 000)			(11 600)				(111 600)	105 820
Machinery and equipment										
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
Payments for financial assets										
Total economic classification	423 053	(100 000)			(1 600)			10 000	(91 600)	331 453

TABLE 15.7 DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: EXPANDED PUBLIC WORKS

Economic classification	Motivation	From	Motivation	To
Current payments		(11 310)		21 310
Compensation of employees	The IDMS project caters for both the appointment of personnel and the purchase of tools of the trade. Money is redirected to goods and services for the purchase of the relevant tools.	(4 500)		
Goods and services	Realignment of budget within the programme to where expenditure is incurred.	(6 810)	Provision for tools of trade and funding of implementation agent	21 310
Interest and rent on land				
Transfers and subsidies				
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions				
Households				
Payments for capital assets		(11 600)		
Buildings and other fixed structures		(11 600)		
Machinery and equipment				
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets				
Payments for financial assets				
Total economic classification		(22 910)		21 310

Surrender: R100 million

The department will surrender R100 million in relation to roll over request for the Women's Heritage Monument which will be completed in the 2015/16 financial year.

Virements and shifts

The department is shifting an amount of R4.5 million from compensation of employees to goods and services to fund the implementation of IDMS as a turnaround strategy intervention for the Department and will be used for purchasing the tools of the trade for appointed employees.

An amount of R11.6 million is reallocated to Programme 2 of which R4.1 million will fund urgent maintenance required within precinct. The remaining R7.4 million moved to capital projects to defray excess expenditure in relation with refurbishment of the precinct building.

Provincial additional funding: R10 million

The department is allocated an additional allocation for the development of the business case and the launch of the Tshepo 500 000 project.

5. Expenditure 2013/14 and preliminary expenditure 2014/15

TABLE 15.8: EXPENDITURE 2013/14 AND PRELIMINARY EXPENDITURE 2014/15

Department	2013/14				2014/15		
	Expenditure Outcome				Preliminary expenditure		
	Adjusted appropriation	April 2013 - September 2013	April 2013 - March 2014	April 2013 - March 2014 as a % of adjusted appropriation	Adjusted appropriation	April 2014-September 2014	% change 13/14-14/15 Apr-Sep
R thousand							
1. Administration	211 356	114 546	205 289	97%	304 529	176 276	54%
2. Public Works	1 043 912	393 357	1 051 669	101%	1 238 046	572 548	46%
3. Expanded Public Works	276 813	73 801	272 533	98%	333 053	122 726	66%
Total for programmes	1 532 081	581 704	1 529 491	100%	1 875 628	871 550	50%
Current payments	1 074 239	489 346	1 068 663	99%	1 338 663	620 158	29%
Compensation of employees	551 759	288 438	551 709	100%	692 869	283 638	(2%)
Goods and Services	521 630	200 203	514 375	99%	645 144	336 076	68%
Interest and rent on land	850	705	2 579	303%	650	444	(37%)
Transfers and subsidies	301 370	55 564	314 785	104%	307 044	170 981	231%
Provinces and municipalities	295 980	53 621	308 686	104%	300 676	168 719	215%
Departmental agencies and accounts					2		
Higher education institutions							
Foreign governments & international organisations							
Public corporations & private enterprises							
Non-profit institutions							
Households	5 390	1 943	6 099	113%	6 366	2 262	16%
Payments for capital assets	156 472	36 794	145 495	93%	229 921	80 364	118%
Buildings and other fixed structures	133 408	26 485	114 584	86%	209 959	68 867	160%
Machinery and equipment	16 000	10 309	30 911	2	19 962	11 000	7%
Heritage assets							
Specialised military assets							
Biological assets							
Land and sub-soil assets							
Software and other intangible assets	7 064			0%		497	0%
Payments for financial assets			548			47	0%
Total economic classification	1 532 081	581 704	1 529 491	100%	1 875 628	871 550	50%

Expenditure trends 2013/14

During the 2013/14 financial year, the department spent 100 per cent of its total adjusted budget allocation. During the same period in 2013/14 financial year the department received an adjusted appropriation of R1.5 billion, of which R581.7 million or 38 per cent was spent by the second quarter of 2013/14. Transfers and subsidies were allocated an amount of R301 million of which R315 million was spent by end of the financial year. This emanates from the devolution of rates and taxes apportion with a budget of R295 million whereas expenditure amounted to R308 million at year end. The underspending on compensation of employees of R2.6 million was

due to the department's inability to utilise the training budget fully and misallocation of employee's compensation between programme 2 and programme 3.

Expenditure trends for the first half of 2014/15

The department spent approximately R871.5 million for the first six months of the current financial year which translates to 46 per cent of the total adjusted budget allocation. When compared to the previous financial year, the current financial year's half term expenditure reflects an expenditure of R581.7 million, the expenditure in the first six months is attributed to the accrued expenditure from the previous financial year.

Expenditure for compensation of employees in the second quarter amounted to R283.6 million or 41 per cent of the R692.8 million adjusted budget allocated. The department spent R336 million or 52 per cent of the R645 million adjusted budget allocated for goods and services.

Programme 1: Administration

The total expenditure for the second quarter of the current financial year amounts to R176.2 million or 58 per cent which is higher when compared with the competitive figure of R114.5 million spent at the end of the second quarter of 2013/14. The accelerated expenditure is as a result of the department filling vacant posts and acquisition of office furniture.

Programme 2: Public Works Infrastructure

The total expenditure for the second quarter of 2014/15 financial year amounts to R572.5 million or 46 per cent when compared to R393.3 in the 2013/14 financial year. The higher spending is due payment of rates and taxes and progress on capital projects being implemented.

Programme 3: Expanded Public Works Programme

The total expenditure for the second quarter of 2014/15 financial year amounts to R122.7 million or 36 per cent as compared to R73.8 million in the 2013/14 financial year. The expenditure is mainly the implementation and the progress of the capital projects.

6. Departmental receipts

TABLE 15.9 DEPARTMENTAL RECEIPTS

Department	2013/14				2014/15		
	Audited Outcome				Actual Receipts		
	Adjusted appropriation	April 2013 - Sep 2013	April 2013 - Mar 2014	April 2013 - March 2014 as a % of adjusted appropriation	Adjusted appropriation	Apr 2014-Sep 2014	% change 13/14-14/15 Apr-Sep
R thousand							
Tax receipts							
Casino taxes							
Horse racing taxes							
Liquor licences							
Motor vehicle licences							
Sales of goods and services other than capital assets	16 470	7 269	16 184	101%	18,470	10013	10%
Of which Health patient fees							
Transfers received							
Fines, penalties and forfeits							
Interest, dividends and rent on land		20	(4)			8	
Sales of capital assets							
Financial transactions in assets and liabilities	530	511	1 576	114%	530	514	1%
Total receipts	17 000	7 800	17 756	102%	19 000	10 535	9%

Revenue trends for the first half of the 2014/15 financial year

The department generates revenue through sale of tender documents, boarding fees, commission on garnishees and rental on dwellings. The total collection for the first half of the current financial year amounts to R10.5 million which is more compared to the first half of the previous year. The accelerated increase was due signing of new lease agreement by some of the tenants who are not opposing the Market Related Rentals.

7. Changes to transfers and subsidies, conditional grants and infrastructure

7.1 Changes to transfers and subsidies

TABLE 15.10: CHANGES TO TRANSFERS AND SUBSIDIES

Programme	Main Budget	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Programme 2: Devolution of property rates and taxes	312 676				(12 000)				(12 000)	300 676
Total changes in transfers and subsidies	312 676				(12 000)				(12 000)	300 676

Virements and shifts

The department has shifted an amount of R12 million from transfer and subsidies within Public Works Infrastructure programme to fund the development of the Immovable Asset Register. This is due to the overspending that took place during the 2013/14 financial year on Devolution of rates and taxes which was funded through the underspending on the Immovable Asset Register project.

7.2 Changes to conditional grants

No changes.

7.3 Changes to Infrastructure

TABLE 15.11: CHANGES TO INFRASTRUCTURE

	Main Appropriation	2014/15 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
New infrastructure assets	251 420	(100 000)			(11 600)				(111 600)	139 820
Existing Infrastructure assets	114 541				11 600				11 600	126 141
Upgrading and additions										
Rehabilitation, renovation and refurbishment	87 239				7 427				7 427	94 666
Maintenance and repair	27 302				4 173				4 173	31 475
Infrastructure transfers										
Current										
Capital										
Capital infrastructure	338 659	(100 000)			(4 173)				(104 173)	234 486
Current infrastructure	27 302				4 173				4 173	31 475
Total changes to infrastructure	365 961	(100 000)							(100 000)	265 961

Surrender: R100 million

The department will surrender R100 million in relation to roll over request for the Women's Heritage Monument which will be completed in the 2015/16 financial year.

Virements and shifts

An amount of R11.6 million has been reprioritised to increase the amount allocated for the Precinct maintenance. Furthermore an amount of R4.1 million and R5 million has been allocated respectively to the HVAC project to enable the project to progress well without further delays, and R2 million is allocated to this project for consulting work done on planning and for the completion of the construction of the roof.