

VOTE 15

DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT

To be appropriated by vote in 2014/15

R 1 975 628 000

Responsible MEC

MEC for Infrastructure Development

Administering Department

Department of Infrastructure Development

Accounting Officer

Head of Department

1. OVERVIEW

The purpose of the Gauteng Department of Infrastructure Development (DID) is to develop and maintain socio-economic infrastructure that allow all of the province's people to have access to social services.

Vision

To be a leading infrastructure provider and facilitator that positions Gauteng as a globally competitive city region with a 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 promote a better life for all.

Strategic Goals

- To improve the technical and administrative capacity of the department towards an efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship;
- To expand, maintain and meet the growing demand for public infrastructure, to promote the development of the province and address economic disparities;
- To manage the provincial property portfolio for the optimum benefit of all citizens by maximising access, utilisation and value; and
- To implement and co-ordinate the Expanded Public Works Programme (EPWP) in a manner that enhances skills development and optimises decent employment and entrepreneurship.

Core functions and responsibilities

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

Main services

Service	Level and quality of service
Delivery of integrated public infrastructure (capital works and maintenance)	<ul style="list-style-type: none"> Strategically integrate infrastructure in Gauteng to ensure effective and efficient planning, construction and maintenance including generic model development. Ensure that service quality includes 100 per cent statutory compliance of all new infrastructure, adherence to planned time, cost and quality indicators, and compliance with minimum statutory maintenance standards.
Plan and co-ordinate implementation of EPWP by all provincial departments	<ul style="list-style-type: none"> Establish an appropriate centralised coordination and management structure to ensure solid roll out of EPWP projects across the province by municipalities and GPG departments. Upscale EPWP in all sectors, including application of EPWP principles in all infrastructure projects. Address unemployment by creating work opportunities and skills needed for the formal job market. Facilitate skills development through technical and institutional training. Facilitate job opportunities by targeting vulnerable sectors of society especially women, youth and people with disabilities.
Provision of accommodation	<ul style="list-style-type: none"> Provide functional, safe, secure office accommodation for the nine GPG line departments. Manage the property portfolio of the province in line with the Government Immovable Asset Management Act (GIAMA) requirements and other departmental focuses. Fully implement market related rentals for all rental properties.
Provision of accessible infrastructure and buildings to all citizens of the province	<ul style="list-style-type: none"> Promote access to persons with disabilities and ensure compliance with the Occupational Health and Safety Act (OHSA) for all buildings under the control of DID

Outcomes

The process of budgeting requires proper implementation of the department's Annual Performance Plan (APP) which in turn is informed by its Strategic Plan. The Strategic Plan has been developed by the Department's political and administrative heads and the relevant senior managers to examine the departmental strategy, determine if its structure supports its vision, decide whether the existing operation system ensures smooth implementation of the planned activities and estimate if funding is aligned to support the vision of the Department thereby also supporting the plans of the provincial and national governments.

The process therefore required some reprioritisation of projects and activities planned by the department. There has been consultation with the Gauteng Planning Commission and other relevant stakeholders such as municipalities in finalising the strategic planning documents including the current year's APP.

The APP for 2014/15 was therefore fully aligned with the outcomes approach by ensuring that every activity planned for 2014/15 and over the 2015 Medium Term Expenditure Framework (MTEF) was related to the realisation of the provincial outcomes. DID implements infrastructure projects on behalf of client departments and therefore it also contributes to the outcomes of those departments, such as "An improved quality of basic education", "A long and healthy life for all South Africans" and "Vibrant, Equitable and Sustainable Rural Communities with food security for all" which are the primary outcomes of the departments of Education, Health and Social Development, and Agriculture and Rural Development.

External activities and events relevant to budget decisions

DID plays a pivotal role in the establishment and provisioning of social infrastructural resources for the province. Developing and maintaining good working relationships with client departments is important to accomplish this. During the planning processes, Provincial Treasury plays a critical oversight management role in the drawing up of infrastructure development plans. Once developed, these plans require agreements to be entered into by client departments and by DID. This sets governing principles and terms of references. The budget process of the department is then informed by the projects agreed upon and endorsed in the signed service level agreements. As part of DID's project implementation role, it also focuses on the provision of building maintenance. In coming years, the provision to fund maintenance of buildings is expected to increase, as many buildings owned by the state require extensive rehabilitation. DID supports initiatives relating to revenue increases, which will assist in managing the Province's budget. Sufficient funding in this regard assists with the well-being not only of state buildings but the residents of Gauteng at large.

Part of DID's responsibility is to facilitate projects relating to EPWP, and to ensure skills development in Gauteng's communities. This relates particularly to skills improvement for artisans. Investment in training programmes ensures the delivery of effective and efficient services to the citizens of the province. The department also conducts skills profiles surveys relating to engineers, architects, project managers and quantity surveyors to ensure adequate numbers of people in professional fields relating to infrastructure.

The newly development Gateway model introduced by the National Department will help to ensure retention of personnel with scarce skills who will see to the implementation of projects planned, and to the fast-tracking of projects across the province.

Acts, Rules and Regulations

- Government Immovable Assets Management Act, No. 19 of 2007;
- Rental Housing Amendment Act, 2007;
- Space Planning Norms and Standards Notice, No. 1665 of 2005;
- Local Government: Municipal Property Rates Act, 2004;
- Broad Based Black Economic Empowerment Act, No. 53 of 2003;
- Gauteng Planning and Development Act, 2003;
- Planning Professions Act, 2002;
- Project and Construction Management Act, 2000;
- Property Valuers' Profession Act, 2000;
- Preferential Procurement Policy Act, No. 5 of 2000;
- Framework for Supply Chain Management, 1999;
- Rental Housing Act, 1999;
- Prevention of Illegal Eviction from and Unlawful Occupation of Land Act, 1998;
- Constitution of the Republic of South Africa Act, No. 108 of 1996;
- Gauteng Land Administration Act, No. 11 of 1996;
- Occupational Health and Safety Act, 1993 (and particularly the associated construction regulations);
- Rating of State Property Act, No. 79 of 1984;
- Deeds Registries Act, No. 47 of 1937 and;
- Expanded Public Works Programme Guidelines for implementation of labour intensive construction.

2. REVIEW OF THE CURRENT FINANCIAL YEAR (2013/14)

The department is mandated to utilise its GPG CAPEX budget allocation and to implement small, medium and large scale infrastructure projects that utilise sole or joint GPG financial investments. It is also mandated to maximise the social and economic benefits that can be gained from the GPG property portfolio.

Outcome 1: Quality Basic education

The key outputs are to ensure high quality of teaching and learning, improved literacy and numeracy at schools, better senior certificate examination performance, as well as early childhood development. To achieve these outputs government will focus on class times, curriculum coverage, learning support material as well as content knowledge tests. It is important to note that a school is required for the provision and facilitation of education and thus the planning, construction and maintenance of schools and education facilities is as important as the curriculum and workbooks.

For the 2013/14 financial year, the department aimed to complete 14 new schools namely; Palm Ridge / Eden Park Secondary School, Slovoville Primary School, Noordwyk Secondary School, Chief Albert Luthuli Primary School, Northriding Secondary School, Lotus Garden Primary School, Mamelodi East Primary School, Naturena Primary School, Steve Bikoville Primary School, Freedom Park Secondary School, Phomolong Primary School, Doornkop Primary School, Soshanguve WW Primary School and Buhle Park Primary School.

The department managed to complete the construction of 7 new schools namely the Chief Albert Luthuli Primary School in Daveyton in City of Ekurhuleni Metropolitan Municipality, Steve Bikoville Primary School, Lotus Garden Secondary School, Soshanguve Primary School, and Palmridge and Northriding High Schools.

As part of the flagship programme, the department also planned to construct the Fochville High School and the Magaliesburg boarding facilities. Thus far the two projects have been implemented timeously as planned and the school is anticipated to be completed by end of March 2014.

The department completed the construction of Grade R classes in support of early childhood development at Legora Primary School, Ramahlale Primary School, Mononong Primary School, Emthunzini Primary School, Bajabulile Primary School, Balebogeng Primary School, Boikgantsho Primary School, LaerskoolKwaggasrand, Ndima Primary School, LaerskoolMeyerspark, Laerskool Silverton, Lyttleton Primary School, Arcadia Primary School, Laerskool Louis Leipoldt, LaerskoolGarsfontein and Agnes Chidi Primary School, Zamukhanyo Primary School, West Rand Mine Primary School, E.W. Hobbs Primary School, Qhoweng Primary School, Qwelang Primary School, Phahamang Primary School, Zithulele Primary School, Emanzini Primary School, Mosioa Primary School, Atlehang Primary School, Mojala-Thuto Primary School, Maboelleng Primary School, Lefika Primary School, Thuthukani-Tswelopele Primary School, Allanridge Combined, Batokwa Primary School, Emasangweni Primary School, Gideon Rambuwani Primary School, Pretoria Primary School and the Olievenhoutbosch Primary School.

Furthermore, ablution facilities were completed to ensure that learners study in a healthy environment at Mpho Primary School, Tsibongo Middle School, Botsalo Primary School, Ema Primary School, Nkhohli Primary School, Phiri Primary School, Sedibathuto Primary School, Reutlwile Junior Primary School, M.H. Baloyi Primary School, Setumokhiba Primary School, Tlotlompho Primary School, Ikwezilethemba Primary School, Sun Valley Primary School, Lowe Primary School, Ikageng Primary School and Lekgalong Primary School. Septic tanks were also installed at Bapsfontein Primary School.

The department aimed to complete 29 restorative repairs for the 2013/14 financial year of which the following restorative repairs were completed: Kenilworth Secondary School, W.H. Coetzer Secondary School, Raphela Secondary School, Schaumburg Combined School, Unity Primary School, St Joseph Kulane Primary School, Coronation Learning Centre and Mzimuhle Primary School, Lucas Motshabanosi Secondary School, Benoni Junior School, Asser Maloka Secondary School, Waverly Girls High School, Mahlenga Secondary School, Namo Primary School, Vukani Primary School, Mononong Primary School, Tsaroga Phoka Primary School, Ithembelihle Special School and Meetseng Primary School.

Outcome 2: A long and healthy life for all South Africans

In relation to the outcome to have a "long and healthy life for all South Africans" the following can be highlighted. A key objective is to increase the life expectancy of citizens and ensure that all people have access to healthcare. The key outputs in this regard are to reduce the mortality rate, reduce the impact and prevalence of HIV/AIDS and Tuberculosis (TB) and to ensure an effective healthcare system. To achieve these outputs, there is a focus on Antiretroviral (ARV) roll-out, integration of HIV and TB services, a strategy on chronic diseases as well as a driven hospital audit process with the view to improving the physical healthcare infrastructure.

The department implements this outcome through maintenance of health facilities, which relates to the provision of high quality and consistent maintenance services to Client Departments through statutory, condition-based preventative maintenance and the replacement of aged and obsolete electromechanical plant and equipment. To this effect, the department completed the construction of the 300-bed Zola Jabulani Hospital. This hospital is set to create employment opportunities for people staying within the Zola and Jabulani area. These job opportunities will be directly or indirectly linked to the completed hospital. In a bid to ensure effective provisioning of better healthcare services and reduction of the child mortality rate, the department installed additional oxygen and vacuum points in Neo Natal and Maternity wards at Edenvale Hospital. Furthermore, the renovations at Tambo Memorial Hospital Psychiatric Ward and alterations and additions to the Katlehong Old Age Home for the Department of Social Development were completed.

To date, the department has replaced 24 generators in various health Institutions. Added to this is the appointment of service providers who are responsible for providing maintenance on a 3 year term contract. The department is also in the process of replacing 23 boilers operating on coal to dual fuel that is gas and diesel. Over and above this, 61 lifts have been replaced and are operational. Another 30 lifts are currently being installed.

Outcome 4: Decent Employment through Inclusive Growth

The department is contributing to this Outcome through EPWP in which its objective is to implement and coordinate the Expanded Public Works Programmes by creating work opportunities and beneficiary training.

Thirty six thousand one hundred and eighty three work opportunities were created by the province. It should also be noted that these work opportunities are subject to a validation process by the National Department of Public Works. The GPG Departments created 12 296 jobs for women, 29 453 jobs for youth and 41 jobs for people with disabilities. Municipalities contributed through the creation of 17 885 work opportunities for youth, 8 432 for women and 19 for people with disabilities. In addition, the Department also launched the Zivuseni Poverty Alleviation programme. This programme is designed to promote self-reliance through activities that put emphasis on the renewal of community assets. This programme is aimed at creating focused opportunities for marginalised groupings in Gauteng including Women, Youth and Persons with Disabilities. Zivuseni programme will provide work opportunities and skills development for 5 000 beneficiaries.

Outcome 6: An Efficient, Competitive and Responsive Economic Infrastructure Network

The department continues to contribute to this Outcome through management of revenue generated by provincial properties as well as the payment of rates and taxes to municipalities. An amount of R12.5 million was collected in revenue as of the end of quarter 3 of the 2013/14 financial year. The department anticipates to collect R17 million by the end of the current financial year.

Provision of funds earmarked for the devolution of rates and taxes has been insufficient over the past MTEF

period. The demand for payment of rates and taxes by municipalities far exceeds the budget allocated for payment of these claims year on year. Each year the department accrues expenditure which cannot be processed at year end due to budget shortfalls. This results in new funding appropriated for transaction of the new financial year being used for payment of old accounts. By end of the third quarter of the current financial year, expenditure improved from the first half of the year with R267.7 million being expensed at the end of the quarter 3. It is anticipated that the Department will spend the entire budget allocated for rates and taxes and even accrue some outstanding payments to the new financial year by end of March 2014.

3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2014/15)

The department is mandated to utilise its GPG CAPEX and budget allocations and implement small, medium and large scale infrastructure projects that utilise sole or joint GPG financial investments. It is also mandated to maximise the social and economic benefits that can be gained from the GPG property portfolio. These functions are done through its own staff complement but with the client departments' voted funds. It is within the plans of the Department to fully implement the Infrastructure Delivery Management System (IDMS) during the 2014/15 financial year. This process will see to the appointment of technical staff including personnel within Supply Chain Management (SCM) who have the know-how in procurement of resources and services in terms of construction management processes.

Outcome 1: Quality basic education

The department will continue to contribute to this outcome by implementing the construction of educational facilities. The Department supports the Department of Education through construction of schools etc. The Department is committed to continue to improve the quality of teaching and learning by successfully delivering effective infrastructure on time and quality implementation of Gauteng Department of Education (GDE) projects.

In 2013/14 the department managed to deliver various schools programmes. Among others this included planning and construction of new schools, boarding schools, repairs and restorations and addition of classrooms. The approach included deployment of various technology initiatives whereby some schools incorporated green energy, resulting in full off grid capacity, grid tie systems, planting of trees and rain water harvesting systems for irrigation. In the same period, delivery time for schools was reduced from eighteen months to an average of eight months.

Based on the momentous gains, the department will be sustaining the momentum and completing five schools which are currently under construction, and two boarding facilities which will be completed in 2014/15 financial year. Also the Department is planning and initiating construction of eighteen new schools, schools for learners with special needs, and repairs and restoration of existing school facilities. We are also working on development plans for ensuring compliance of school infrastructure with new norms and standards for Basic Education Infrastructure. These efforts will further enhance learning environments.

Outcome 2: A long and healthy life for all South Africans

The department will continue with its interventions to stabilise the provision of health infrastructure. The projects that will be rolled out in the Department of Health will include the construction of the Sebokeng Hospital, Boikhutsong CHC. There will also be a demolition of an old hospital in Germiston as well as the construction of the new staff residence to serve in the new Natalspruit Hospital.

For the 2014/15 financial year, the department plans to implement 3 office building projects for the Department of Social Development. To prolong the life of health infrastructure and keep equipment functional, the Department will continue with the maintenance of all equipment at various health institutions. The department plans to implement the Inventory Management System in 4 Academic Hospitals and 5 regional offices. The Inventory Management system will be used for the supply of artisans' material for maintenance of all Health facilities in the province. Experience has shown that maintenance artisans are capable of performing all minor maintenance activities in all health institutions but material supply has been the hindrance.

There will also be a roll-out of the e-maintenance in 4 Academic Hospitals and 5 regional offices as well as the implementation of the rates based term contracts maintenance model for all health facilities in the province. These term contracts are anticipated to be allocated 60 per cent to 70 per cent of the maintenance budget. Projects to be implemented will include: lifts, boilers and reticulation, autoclaves, chillers and air-conditioning systems, refrigeration, compressors, generators, UPS systems, access control systems, plumbing, building services, laundry equipment, kitchen equipment and all other mechanical activities: electrical, mechanical or building.

Outcome 4: Decent employment through the inclusive economic growth

The department will continue to coordinate the creation of 124 510 work opportunities within the province through sectors. This will include the creation of work opportunities for 68 481 women, 49 803 youth and 2 409 people with disabilities.

Outcome 7: A responsive, accountable, efficient and effective local government system

The department will continue with its effort to generate revenue from the provincial properties as well as payments of rates and taxes to municipalities.

4. REPRIORITISATION

The department will be reprioritizing R1 million for the commencement of the Green agenda during the 2014/15 financial year. These funds will be allocated within the maintenance budget of the Department. The intent of this green agenda project is to install solar panels within GPG buildings as a method of promoting energy saving. The ultimate goal in this regard is to ensure that the saving of funds, resulting from lesser payments of electricity bills, will be redirected for other infrastructure related projects.

5. PROCUREMENT

The department has developed the procurement plans for implementation at the beginning of 2014/15 financial year. These plans are in the process of being endorsed by the HOD prior to submission to the Provincial Treasury. The aim is to ensure that the procurement plans meet the needs of the organisation and also are in line with the budget allocated to the Department. The plans will be completed and signed off by end of April 2014

6. RECEIPTS AND FINANCING**6.1 Summary of receipts****TABLE 15.1: SUMMARY OF RECEIPTS: INFRASTRUCTURE DEVELOPMENT**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
Equitable share	1 314 038	1 347 606	1 406 841	1 472 513	1 529 081	1 529 081	1 970 117	1 931 880	2 076 361
Conditional grants			1 502		3 000	3 000	5 511		
<i>Expanded Public Works Programme Incentive Grant for Provinces</i>			1 502		3 000	3 000	5 511		
Total receipts	1 314 038	1 347 606	1 411 281	1 472 513	1 532 081	1 532 081	1 975 628	1 931 880	2 076 361

The equitable share transfer to the department will be used for goods and services, compensation of employees, non-employee and employee bursaries, leave gratuities and departmental infrastructure, maintenance, machinery and equipment. The transfer to the department increases by 34 per cent from R1.5 billion in the 2013/14 main appropriation to R2 billion in 2014/15. Over the MTEF the allocation increases by approximately one per cent per annum from R2 billion in 2014/15 to R2.1 billion in the 2016/17 financial year. The department has received as part of its equitable share an amount of R180 million which is intended for the completion of Phase 2 of the Women's Monument project. Plans are already underway to which will see to the appointment of a service provider by end of March 2014. Over and above the provision of funds for the Women's Monument, the department has been allocated with a budget amounting to R 150 million for the recruitment and employment of personnel with technical skills in Engineering and also for SCM personnel in support of the IDMS implementation.

The only conditional grant that the department has is the EPWP Incentive Grant which is used to improve the creation of decent jobs in the province through the National Youth Service (NYS) programme. For the 2014/15 financial year an amount of R5.5 million has been allocated but there is no allocation over the MTEF.

Departmental receipts are made up of commercial and residential rentals, lodging at the Roodeplaat Dam and the sales of tender documents. The process of eviction currently underway will see to a number of illegal occupants and those failing to pay rental in leased properties being evicted. This will ensure that the department places occupants who will commit to paying rentals on time. Due to the fact that this process involved certain legal aspects, the department anticipates an increase in revenue collection towards the end of the 2014/15 financial year and more during the 2015/16 MTEF period.

6.3 Departmental receipts collection

TABLE 15.2: DEPARTMENTAL RECEIPTS: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
Tax receipts									
Casino taxes									
Horse racing taxes									
Liquor licenses									
Motor vehicle licenses									
Sales of goods and services other than capital assets	12 648	13 400	13 545	16 470	16 470	16 688	18 470	20 440	22 410
Transfers received									
Fines, penalties and forfeits									
Interest, dividends and rent on land	3	30	43			32			
Sales of capital assets									
Transactions in financial assets and liabilities	3 735	2 206	1 467	530	530	607	530	560	590
Total departmental receipts	16 386	15 636	15 055	17 000	17 000	17 327	19 000	21 000	23 000

The total receipts have decreased from R16.4 million in 2010/11 to R15.6 million in 2011/12. In the 2012/13 financial year DID collection was R15.1 million, which was a decrease from the prior year. The Department has been working on eviction where there is illegal occupation of government properties. For the current financial year the Department anticipates collecting R17 million. Over the MTEF the Department anticipates an increase from R19 million in 2014/15 to R23 million in 2016/17, with the hope of the full implementation of the Market Related Rental (MRR)

7. PAYMENT SUMMARY

7.1 Key assumptions

With regard to the budget over the 2012 MTEF, the Department remains with an understanding that its mandate will not change and therefore the budget, personnel and project figures will increase as projects that are assigned increase. The following elements have been taken into account when determining personnel budgets for the new MTEF:

- Over the MTEF the number of staff and the average increase in personnel costs will be 5 per cent in 2013/14, 6.4 per cent in 2014/15 and 5.4 per cent in 2015/16 and 5.4 per cent in 2016/14. This thereby reflects an average increase of 5.7 per cent over the MTEF;
- All salary related transactions, including Improvement in Conditions of Service (ICS) adjustments on 1 April for all personnel will increase in line with the agreements made by the relevant stakeholders;
- Goods and services will increase by 5 per cent in 2013/14, 5.4 per cent in 2014/15, 5.4 per cent in 2015/16, and 5.3 per cent in 2016/17. This is an average of 5.3 per cent over the MTEF;
- Key projects that will be funded include the establishment of the IDMS; the completion of the Women's Monument; additional funding for EPWP; and
- Over the MTEF, maintenance will be prioritised, given the need for significant rehabilitation of GPG buildings.

7.2 Programme summary

TABLE 15.3: SUMMARY OF PAYMENTS AND ESTIMATES: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
1. Administration	98 493	140 513	198 309	213 788	211 356	226 874	296 829	278 086	296 351
2. Public Works	934 604	919 400	1 035 397	1 034 912	1 043 912	1 045 503	1 255 746	1 367 284	1 475 428
3. Expanded Public Works Programme	134 098	200 506	174 637	223 813	276 813	257 398	423 053	286 510	304 582
Total payments and estimates	1 167 195	1 260 419	1 408 343	1 472 513	1 532 081	1 529 775	1 975 628	1 931 880	2 076 361

7.3 Summary of economic classification

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
Current payments	792 459	907 585	968 915	1 040 671	1 074 239	1 070 493	1 298 654	1 504 332	1 625 805
Compensation of employees	390 911	415 543	448 790	548 189	551 757	592 324	737 869	827 246	912 075
Goods and services	400 773	489 243	519 463	491 632	521 632	476 726	560 135	676 436	713 045
Interest and rent on land	775	2 799	662	850	850	1 443	650	650	685
Transfers and subsidies to	364 795	244 423	317 894	301 370	301 370	301 314	318 913	332 579	350 538
Provinces and municipalities	211 826	242 693	309 511	295 980	295 980	295 980	312 676	327 059	344 720
Departmental agencies and accounts	150 054		129				2	3	3
Higher education institutions									
Foreign governments and international organizations									
Public corporations and private enterprises									
Non-profit institutions									
Households	2 915	1 730	8 254	5 390	5 390	5 334	6 235	5 517	5 815
Payments for capital assets	1 340	21 795	90 558	130 472	156 472	157 908	358 061	94 969	100 018
Buildings and other fixed structures			66 589	81 408	133 408	130 838	338 659	66 969	70 534
Machinery and equipment	1 340	16 564	23 969	16 000	16 000	20 006	19 302	20 000	21 060
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets		5 231		33 064	7 064	7 064	100	8 000	8 424
Payments for financial assets	8 601	86 616	30 976			60			
Total economic classification	1 167 195	1 260 419	1 408 343	1 472 513	1 532 081	1 529 775	1 975 628	1 931 880	2 076 361

The department's expenditure has increased from R1.2 billion in 2010/11 to R1.3 billion in 2011/12. This was due to the increase in allocation relating to rates and taxes and the implementation of capital and current projects. Expenditure increased from R1.3 billion in 2011/12 to R1.4 billion in 2012/13. This came as a result of the rollover of an amount of R28 million that was not spent from the 2011/12 financial year to 2012/13. For the 2012/13 financial year the devolution budget was fully expensed. The departmental expenditure increases by 34 per cent from R1.5 billion in the 2013/14 main appropriation to R2 billion in 2014/15. A sizeable portion of the increase relates to the establishment of the IDMS, which addresses critical skills needed by the department, the finalisation of the Women's Monument, as well as additional funding for EPWP, which is a provincial priority for skilling artisans and stimulating job creation. Over the MTEF the allocation will increase from R2 billion in 2014/15 to R2.1 billion in 2016/17. This translates to an annual average increase of 1 per cent over the MTEF.

Administrative expenditure has fluctuated over the years since inception. This was due to ghost employees detected after the split, and also employees to whom DID paid salaries, who had moved to DRT. Expenditure increased from R98 million in 2010/11 by approximately 42 per cent to R140 million in 2011/12. During the 2012/13 financial year over 150 technical staff were appointed to provide for scarce skills in the department. Administration spent R198 million in 2012/13 financial year. The expenditure increases a further 7.6 per cent from R198 million in 2012/13 to R213.8 million in 2013/14. Over the MTEF the allocation will fluctuate from R297 million in 2014/15 to R278 million in 2015/16 and then increase to R296 million in the 2016/17 financial year.

The department has only three programmes with Public Works as the core function, with approximately 70 per cent of the budget allocated to it. Over the years the expenditure had been decreasing from R934.6 million in 2010/11 to R919 million in the 2011/12 financial year. This decrease has been approximately 4 per cent per financial year which is due to the decrease in payments of rates and taxes to municipalities. The expenditure increases to R1 billion in 2012/13 and remains at that level for 2013/14. Over the MTEF the allocation will increase from R1.2 billion in 2014/15 to R1.5 billion in 2016/17.

The EPWP has improved in performance and spending compared to the prior years. Expenditure increased from R134 million in the 2010/11 financial year to R200 million in 2011/12. Expenditure for the 2012/13 financial year decreased to R175 million due to delays in implementation of the training and NYS programme. In the 2013/14 main appropriation the allocation amounted to R223.8 million and is anticipated to reach R257.4 million by the end of the financial year. Over the MTEF the budget will decrease from R423 million in 2014/15 to R286 million in 2015/16 and increase to R304 million in 2016/17. This is due to the allocation of R180 million for the Women's Monument.

Compensation of employees accounted for R390.9 million in 2010/11 and increased by 14.9 per cent to R448.8 Million in 2012/13. The compensation budget increased significantly by 22 per cent to R548.2 million in 2013/14. This increase was due to the Standard Chart of Accounts (SCOA) changes implemented at the beginning of the 2013/14 financial year. The change resulted in reclassification of the Learnerships item as Compensation rather than Goods and Services. The NYS stipends are allocated under learnerships, hence the significant increase. The 2014/15 allocation has increased by 24 percent to R737.9 million. The allocations then increases by 12 percent to R827.2 million in the 2015/16 financial year and then increases by another 10 percent to R912 million in the 2016/17 financial year. These significant increases are attributed in part to the establishment of the IDMS in the Department. This allocation also includes the Learnerships and interns because there were SCOA changes during the 2013/14 financial year.

Goods and services fluctuate from R400 million in 2010/11 to R519.6 million in 2012/13 and decreasing to R491.6 million in the 2013/14 main appropriation and the amount was adjusted to R521.6 million during the adjustment budget. The goods and services budget increases by 7 per cent to R560.1 million in 2014/15 and a further 20 percent to R676.4 million in 2015/16. This allocation increases 5 percent to R713 million in 2016/17 financial year. This increase is primarily attributed to the increase to EPWP and projects for the Women's Monument.

Transfers to municipalities are primarily for the payment of rates and taxes. This amount fluctuates from R242.6 million in 2011/12; R309.5 million in 2012/13; R296 million in 2013/14 main appropriation; R313 million in 2014/15; before increasing to R344.7 million in 2016/17. In the prior years the department experienced delays in submission of claims by the municipalities. During the 2011/12 financial year a rollover of R28 million was rolled to the 2012/13 financial year hence the increase in expenditure in that year.

Buildings and other fixed structures' allocation starts from a low base of R66.6 million in 2012/13, increasing to R133.4 million in the 2013/14 financial year. This amount increases significantly by 154 per cent to R338.6 million in 2014/15 before decreasing to R66.9 million 2016/17. The increase in buildings and other fixed structures is due to the new construction of the Women's Monument which has been allocated R180 million in the 2014/15 financial year. This item also includes the budget for the rehabilitation of Precinct buildings and the completion of HM Piejie and Senaba stadiums.

Machinery and equipment allocation fluctuates from a very low base of R1.3 million in 2010/11 to R24 million in 2012/13; R16 million in 2013/14 main appropriation before increasing to R19.3 million in 2014/15 and R21 million in 2016/17.

7.4 Infrastructure payments

Please refer to the Estimates of Capital Expenditure for the details on Infrastructure payments

7.4.1 Departmental infrastructure payments

For information of infrastructure payments refer to Estimates of Capital Expenditure (ECE)

7.4.2 Departmental public private partnership (PPP) projects

N/A

7.5 Transfers

7.5.1 Transfers to public entities

N/A

7.5.2 Transfers to other entities

N/A

7.5.3 Transfers to local government

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
Category A	187 549	187 220	269 138	250 258	250 258	250 258	255 322	266 832	281 487
Category B	24 271	55 461	40 365	45 722	45 722	45 722	48 191	50 601	53 131
Category C							9 163	9 627	10 103
Total departmental transfers to local government	211 820	242 681	309 503	295 980	295 980	295 980	312 676	327 059	344 720

Devolution of rates and taxes has been a grant since inception of the department. But effective from 1 April 2013 the allocation for devolution has been allocated as part of the Voted Funds. For the past number of years the department has been underspending on the allocation for devolution but this was due late submission of claims by the municipalities. These transfers are made to municipalities for their rates.

The spending has increased from R12 million in the 2010/11 financial years to R243 million in the 2011/12 financial year, and to R309 million in 2012/13. In 2013/14 financial year the allocation was decreased to R296 million. Over the MTEF the allocation will increase to R313 million in 2014/15; to R345 million in 2016/17.

8. PROGRAMME DESCRIPTION

PROGRAMME 1: ADMINISTRATION

Programme description

To conduct the overall management and administrative support function for the Office of the Member of the Executive Council (MEC) and the Department.

Programme objectives

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

TABLE 15.6: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
1. Office Of The MEC	8 653	9 702	12 419	11 291	11 291	12 691	11 938	13 943	14 681
2. Management Of The Department	20 800	10 533	17 439	10 188	10 188	11 548	11 961	11 907	12 548
3. Corporate Support	69 040	120 278	168 451	192 309	189 877	202 635	272 930	252 236	269 121
Total payments and estimates	98 493	140 513	198 309	213 788	211 356	226 874	296 829	278 086	296 350

TABLE 15.7: SUMMARY OF PROVINCIAL PAYMENTS BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
Current payments	87 931	129 582	181 980	185 724	188 292	204 450	273 317	256 086	273 180
Compensation of employees	53 002	67 711	84 610	91 330	91 898	115 542	128 829	148 282	159 663
Goods and services	34 874	61 106	97 139	94 094	96 094	88 895	144 188	107 504	113 201
Interest and rent on land	55	765	231	300	300	13	300	300	316
Transfers and subsidies to	1 021	237	6 433	4 000	4 000	3 300	4 330	4 000	4 216
Provinces and municipalities			1						
Departmental agencies and accounts	106		128						
Higher education institutions									
Foreign governments and international organizations									
Public corporations and private enterprises									
Non-profit institutions									
Households	915	237	6 304	4 000	4 000	3 300	4 330	4 000	4 216
Payments for capital assets	941	10 540	9 436	24 064	19 064	19 064	19 182	18 000	18 954
Buildings and other fixed structures									
Machinery and equipment	941	5 309	9 436	16 000	16 000	16 000	19 182	10 000	10 530
Heritage Assets									
Specialized military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets		5 231		8 064	3 064	3 064		8 000	8 424
Payments for financial assets	8 600	154	460			60			
Total economic classification	98 493	140 513	198 309	213 788	211 356	226 874	296 829	278 086	296 350

The expenditure has increased from R98.5 million 2010/11 to R140.5 million in 2011/12. This was due to filling of vacant posts and acquisition of assets such as furniture, desktops and laptops. Expenditure for 2012/13 increased to R198 million. This was due to acquisition of the server and working tools for the 150 technical staff appointed. Over the MTEF the allocation will fluctuate due to the shifting of security management functions to corporate services, but if the structure is approved during the year this function may remain within Property Management. This allocation translates to of R296.8 million for 2014/15; R278.1 million for 2015/16; and R296.4 million in 2016/17.

Compensation of employees increased from R67.7 million in the 2011/12 financial year to R84.6 million in 2012/13. The increase is due to filling of Senior Management Services (SMS) posts within Corporate Services and other junior staff. Over the MTEF the allocation will increase from R129 million in 2014/15 to R159.6 million in 2016/17. This increase includes the additional allocation for IDMS and Improvement of Condition of Service (ICS). The increase in budget allocation from R115 million to R129 million in Programmes for the year 2013/14 to 2014/15 emanates from the provision of funds for IDMS implementation. The posts will be under corporate support as a sub-programme within Administration.

Goods and services have increased from R61.1 million in 2011/12 to R97 million 2012/13. The allocation over the MTEF will decrease from R144 million in 2014/15 to R107 million in 2015/16 and then increase to R113 million in 2016/17. This allocation includes legal fees, audit fees, training and development, travelling and subsistence allowances and bursaries for employees.

Households will be constant over the MTEF at R4 million per financial period. In this amount there is an allocation for leave, gratuities for retired, and allocation for the survivors of the deceased employees. The significant part of this allocation is for bursaries to non-employees which are budgeted at R3 million per financial year. The Department is concentrating on scarce skills like engineering, boiler making and other technical skills.

Machinery and equipment increased by 13 per cent from R5.3 million in 2010/11 to R9 million in 2012/13. This increase was due to the acquisition of infrastructure such as computer equipment and furniture for 150 new appointments. The allocation will fluctuate from R19 million in 2014/15 to R10 million in 2015/16 and

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then R10.5million in 2016/17 over the MTEF period. Increase in allocation is due to the reclassification of the expenditure on mobile phones. Mobile phones are not paid out of Communications anymore but under finance leases, which is classified as a Capital Asset. Also it will cater for new intakes and replacement of the old infrastructure. Software will be acquired for the IIP and movable assets management and the accounting system.

SERVICE DELIVERY MEASURES

PROGRAMME 1: ADMINISTRATION

Performance measures	Estimated Annual targets		
	2014/15	2015/16	2016/17
Revenue collected	R 19 000	R 21 000	R 23 000
Number of vacant critical posts filled	100 vacant critical posts filled	100 vacant critical posts filled	70 vacant critical posts filled
Payment of rates and taxes	R 312 676	R 327 059	R 344 720
Number of employees trained based on skills audit	1 331 employees trained and developed	1 460 employees trained and developed	1 560 employees trained and developed

PROGRAMME 2: PUBLIC WORKS

Programme description

To provide accommodation outside the CBD precinct area for all provincial departments, manage the provincial property portfolio for the optimum benefit of all concerned, and to construct and maintain buildings 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 and to manage the property portfolio of the province in line with GIAMA requirements.

TABLE 15.8: SUMMARY OF PAYMENTS AND ESTIMATES: PUBLIC WORKS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16
1. Construction	49 848	51 326	69 428	43 932	43 932	61 064	95 109	66 810	71 915
2. Maintenance	281 519	286 852	327 234	323 515	332 515	332 515	415 308	523 986	583 468
3. Immovable Asset Management	603 237	581 222	638 735	667 465	667 465	651 924	745 329	776 488	820 044
Total payments and estimates	934 604	919 400	1 035 397	1 034 912	1 043 912	1 045 503	1 255 746	1 367 284	1 475 428

TABLE 15.9: SUMMARY OF PROVINCIAL PAYMENTS BY ECONOMIC CLASSIFICATION: PUBLIC WORKS

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16
Current payments	570 479	657 503	668 645	646 318	676 318	675 894	819 804	977 305	1 064 451
Compensation of employees	322 584	333 921	345 030	374 453	374 453	377 674	506 020	565 038	630 334
Goods and services	247 175	321 548	323 366	271 515	301 515	296 790	313 484	411 967	433 801
Interest and rent on land	720	2 034	249	350	350	1 430	300	300	316
Transfers and subsidies to	363 725	244 180	311 426	297 270	297 270	298 001	314 483	328 479	346 217
Provinces and municipalities	211 826	242 693	309 510	295 980	295 980	295 980	312 676	327 059	344 720
Departmental agencies and accounts	149 948		1				2	3	3
Higher education institutions									
Foreign governments and international organizations									
Public corporations and private enterprises									
Non-profit institutions									
Households	1 951	1 487	1 915	1 290	1 290	2 021	1 805	1 417	1 494
Payments for capital assets	399	11 255	55 326	91 324	70 324	71 608	121 459	61 500	64 760
Buildings and other fixed structures			41 091	66 324	66 324	63 754	121 239	51 500	54 230
Machinery and equipment	399	11 255	14 235			3 854	120	10 000	10 530
Heritage Assets									
Specialized military assets									
Biological assets									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16
Land and sub-soil assets									
Software and other intangible assets				25 000	4 000	4 000	100		
Payments for financial assets	1	6 462							
Total economic classification	934 604	919 400	1 035 397	1 034 912	1 043 912	1 045 503	1 255 746	1 367 284	1 475 428

The mandate of DID, through programme 2, is to implement the maintenance and refurbishment of hospital, clinics and schools is undertaken. The programme constitutes approximately 70 to 80 per cent of the department's budget allocation. In the prior years the expenditure for this programme fluctuated from R935 million in 2010/11 financial year and decreased to R919 million. This expenditure increased to R1 billion in 2012/13 financial year a 12 per cent increase from the prior year. Over the MTEF the allocation will increase from R1.2 billion in 2014/15 to R1.5 billion in 2016/17 which is approximately 5 per cent per annum.

Compensation of employees in this programme makes up about 80 per cent of DID's staff compliment due to all the technicians and engineers working in the institutions. The expenditure in the prior years has increased from R323 million in 2010/11 financial year to R334 million in 2011/12. This increase accounts for 3 per cent of the total budget allocation. In the 2012/13 financial year expenditure increased to R345 million which was increased of 3 percent from the 2011/12 financial year. During the 2012/13 financial year approximately 160 technical staff and engineers were appointed by the department in response to the needs of skilled staff in the institutions. The allocation increases by 8 per cent to R374.5 million in 2013/14. Over the MTEF compensation allocation will increase from R374 million to R506 million in 2014/15 financial year which is approximately 35 per cent. The compensation will increase to R565 million in 2015/16 and R630 million in 2016/17 financial year. This amount includes additional allocation provided by Treasury to fund the IDMS staff.

Devolution of rates and taxes in 2010/11 financial year the department has spent R212 million and this has increased to R243 million in 2011/12 financial year. The expenditure increase with 99 per cent spending during the 2012/13 financial year which was a great achievement made possible by relationships built with the municipalities. The department was allocated an amount of R310 million, and spent the full amount. This was an improvement when compared to the prior years. This achievement will proceed to the 2013/14 financial year because as at the end of the 3rd quarter the department had spent 90 per cent of the budget. An amount of R268 million was spent against a budget of R296 million. Over the MTEF the allocation will increase from R313 million in 2014/15 to R344 million in 2016/17. This increase will be approximately 3 per cent increase per annum over the period.

Goods and service has fluctuated during the prior years from R247 million in 2010/11 and increased to R322 million in 2011/12 and then increased to R323 million in 2012/13 financial year. This fluctuation came as result of disputes between the service provider and the department with regards to the Asset Register management. Some invoices were disputed and this resulted in non-payment. Over the MTEF the allocation will increase from R313 million in 2014/15 to R434 million in 2016/17 financial year. A process is underway with the Treasury to determine what the additional needs are pertaining to goods and services in relation to the IDMS.

During the adjustment budget the Department was allocated an additional R10 million for the Maintenance Turn-around Strategy. These funds will be used for development of the Integrated Infrastructure Plan (IIP) that will be used for the entire province in energy saving and other green projects.

Payment for capital assets starts at a very low base of R399 000 in 2010/11 and increases to R55.3 million in 2012/13. It increases to 91.3 per cent in the 2013/14 main appropriation. Over the MTEF a further increase of 30.8 per cent is noted in 2014/15 before decreasing to R61.5 million and R64.7 million for 2015/16 and 2016/17 respectively.

SERVICE DELIVERY MEASURES**PROGRAMME 2: PUBLIC WORKS**

Performance measures	Estimated Annual targets		
	2014/15	2015/16	2016/17
Design/Planning			
Number of infrastructure project implementation plans finalised	36	20	20
Number of projects ready for tender (tender documentation completed)	49	36	20
Construction			
Number of projects completed within the agreed time period	178	49	36
Number of projects completed within agreed budget	178	49	36
Number of buildings audited for compliance with the Green Agenda in the province	61 Health buildings audited for compliance	17 Health buildings audited for compliance	18 Health buildings audited for compliance
Number of buildings retrofitted	30 GPG wide green technologies programme retrofitted	100 Health Institutions	100 Health institutions
DID Maintenance			
Number of planned maintenance projects awarded	13	15	16
Number of planned maintenance projects completed within agreed contract period	5	8	9
Number of scheduled maintenance projects completed within budget	7	10	12
Number of Condition assessment conducted on state owned buildings	5	5	55
Immovable Assets			
Number of immovable assets recorded in the Immovable Asset Register in accordance with the mandatory requirements of National Treasury	2 000	2 000	2 000
Number of residential properties leased out	50	60	60
Number of properties leased out (commercial)	15	20	20
Number of lease agreements reviewed – with a view to charging market related rentals	50 new leases signed with tenants – with a market related rental rates	70 new leases signed with tenants – with a market related rental rates	70 new leases signed with tenants – with a market related rental rates

PROGRAMME 3: EXPANDED PUBLIC WORKS 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 enhanced.

Programme objectives

To coordinate and lead EPWP in Gauteng Province by promoting linkages between sectors; addressing unemployment by generating decent and sustainable jobs; monitoring and facilitating evaluation of EPWP projects in Gauteng; facilitating skills development through technical and institutional training; and facilitating job opportunities by targeting the vulnerable sectors of the community especially women, youth and people with disabilities.

TABLE 15.20: SUMMARY OF PROVINCIAL PAYMENTS BY ECONOMIC CLASSIFICATION: EXPANDED PUBLIC WORKS PROGRAMME

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16
1. Programme Support	106 017	64 171	113 991	130 248	132 218	49 401	106 743	170 439	181 243
2. Community Development	28 081	136 335	60 646	93 566	144 596	207 997	316 310	116 071	123 339
Total payments and estimates	134 098	200 506	174 637	223 814	276 814	257 398	423 053	286 510	304 582

TABLE 15.21: SUMMARY OF PROVINCIAL PAYMENTS BY ECONOMIC CLASSIFICATION: EXPANDED PUBLIC WORKS PROGRAMME

R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
Current payments	134 049	120 500	118 290	208 630	209 630	190 149	205 533	270 941	288 172
Compensation of employees	15 325	13 911	19 150	82 407	85 407	99 108	103 020	113 926	122 078
Goods and services	118 724	106 589	98 958	126 023	124 023	91 041	102 463	156 965	166 042
Interest and rent on land			182	200	200		50	50	53
Transfers and subsidies to	49	6	35	100	100	13	100	100	105
Provinces and municipalities									
Departmental agencies and accounts									
Higher education institutions									
Foreign governments and international organizations									
Public corporations and private enterprises									
Non-profit institutions									
Households	49	6	35	100	100	13	100	100	105
Payments for capital assets			25 796	15 084	67 084	67 236	217 420	15 469	16 304
Buildings and other fixed structures			25 498	15 084	67 084	67 084	217 420	15 469	16 304
Machinery and equipment			298			152			
Heritage Assets									
Specialized military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets		80 000	30 516						
Total economic classification	134 098	200 506	174 637	223 814	276 814	257 398	423 053	286 510	304 582

The programme had a history of underspending in the prior years. This has translated into a fluctuation in spending from R134 million in 2010/11 financial year to R201 million in 2011/12 financial year, with a decrease to R175 million in 2012/13 financial year. The allocation has increased from R224 million in 2013/14 which translates to an increase of 28 per cent. Over the MTEF the allocation will decrease from R423 million in 2014/15 to R286 million in the 2015/16 financial year, which is due to the allocation of R180 million for the Women's Monument project in 2014/15 financial year only. It will later increase to R304 million in 2016/17 financial year.

The department has entered into a contract with the Independent Development Trust (IDT) where they will manage the NYS programme together with training of the NYS students. During the 2013/14 financial year in the first quarter an amount of R37 million was transferred to IDT for work that was done during that quarter. Over the MTEF the NYS budget allocations will increase by R62.5 million in 2014/15, R65.5million in 2015/16 and by R69 million in 2016/17.

The training budget will increase from R137 million in 2014/15 financial year to R159 million in 2015/16 financial year and increase to R168 million in 2016/17 financial year. Building and other fixed structures is the allocation for the Infrastructure projects that the Department is undertaking like heritage sites and multi-purpose centres. The allocation for building and fixed structure fluctuates from R25.5 million in 2012/13 to R15 million in 2013/14, the trend continues to grow to R217 million in 2014/15 due to the allocation of R180 million for Women's Monument the allocation decreases to R15 million in 2015/16 and increases to R16 million in 2016/17 respectively.

SERVICE DELIVERY MEASURES

PROGRAMME 3: EXPANDED PUBLIC WORKS PROGRAMME

Performance measures	Estimated Annual targets		
	2014/15	2015/16	2016/17
*Number of work opportunities created (GPG Departments)	124 510	120 735	137 272
*Number of Work opportunities provided for Women (GPG Departments)	68 481	71 905	75 500
*Number of Work opportunities provided for Youth (GPG Departments)	49 803	52 293	54 908
*Number of Work opportunities provided for People with Disabilities (GPG Departments)	2 409	2 615	2 745

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Performance measures	Estimated Annual targets		
	2014/15	2015/16	2016/17
Number of Work opportunities created through Municipal Projects	81 153	85 211	89 471
*Number of Beneficiary Empowerment Intervention	12	15	16

9. OTHER PROGRAMME INFORMATION

9.1 Personnel numbers and costs

TABLE 15.22: PERSONNEL NUMBERS AND COSTS: INFRASTRUCTURE DEVELOPMENT

Personnel numbers	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015	As at 31 March 2016	As at 31 March 2017
1. Administration	1 023	283	262	270	321	324	324
2. Public Works	1 023	1 526	1 849	2 006	2 006	2 006	2 006
3. Expanded Public Works Programme	47	62	68	120	83	87	87
Total provincial personnel numbers	2 093	1 871	2 179	2 396	2 410	2 417	2 417
Total provincial personnel cost (R thousand)	390 911	415 543	448 790	592 324	675 339	761 652	842 939
Unit cost (R thousand)	187	222	206	247	280	315	349

The department overspend on the budget for compensation of employees during the 2012/13 financial year due is to the new appointment of over 150 skilled personnel and SMS in critical positions. The majority of these appointments were the posts filled for technical staffs that are working in the client projects. But over the MTEF the department will continue to fill critical posts with a budget of R23 million for 2014/15 and R24 million in 2015/16. For the IDMS R150 million is allocated for the 2014/15 financial year, R200 million for the 2015/16 financial year, and R250 million in 2016/17 financial year.

TABLE 15.23: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS: INFRASTRUCTURE DEVELOPMENT

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16
Total for province									
Personnel numbers (head count)	2 093	1 871	2 179	2 396	2 396	2 396	2 410	2 417	2 417
Personnel cost (R thousands)	390 911	415 543	448 790	548 189	551 757	592 324	675 339	761 652	842 939
Human resources component									
Personnel numbers (head count)		68	68	68	68	68	68	68	68
Personnel cost (R thousands)		16 622	15 922	13 789	13 789	13 789	13 709	13 669	13 669
Head count as % of total for department									
Personnel cost as % of total for department									
Finance component									
Personnel numbers (head count)		92	90	90	90	90	90	90	90
Personnel cost (R thousands)		23 439	19 466	22 249	22 249	22 249	25 220	28 361	31 388
Head count as % of total for department		4.9%	4.1%	3.8%	3.8%	3.8%	3.7%	3.7%	3.7%
Personnel cost as % of total for department		5.6%	4.3%	4.1%	4.0%	3.8%	3.7%	3.7%	3.7%
Full time workers									
Personnel numbers (head count)	2 093	1 871	2 179	2 396	2 396	2 396	2 410	2 417	2 417
Personnel cost (R thousands)	390 911	415 543	448 790	548 189	551 757	592 324	675 339	761 652	842 939
Head count as % of total for department	100%	100%	100%	100%	100%	100%	100%	100%	100%
Personnel cost as % of total for department	100%	100%	100%	100%	100%	100%	100%	100%	100%
Part-time workers									
Personnel numbers (head count)									
Personnel cost (R thousands)									
Head count as % of total for department									
Personnel cost as % of total for department									
Contract workers									
Personnel numbers (head count)	582	36	100	100	100	100	100	100	100
Personnel cost (R thousands)	105 474	9 172	21 628	24 721	24 721	24 721	28 022	31 512	34 875
Head count as % of total for department	27.8%	1.9%	4.6%	4.2%	4.2%	4.2%	4.1%	4.1%	4.1%

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16
Personnel cost as % of total for department	26.9%	2.2%	4.8%	4.5%	4.5%	4.2%	4.1%	4.1%	

9.2 Training

TABLE 15.24: PAYMENTS ON TRAINING: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16
1. Administration	970	2 396	5 665	2 789	2 350	5 139	5 652	6 782	5 934
of which									
Subsistence and travel	172	1 335							
Payments on tuition	798	1 061	900	900	700	1 600	1 760	2 112	1 848
Other			4 765	1 889	1 650	3 539	3 892	4 670	4 086
2. Public Works	3 054	3 806	5 812	5 600	1 950	7 550	8 305	9 966	8 720
of which									
Subsistence and travel	337	200							
Payments on tuition	2 717	3 606	3 997	2 200	1 800	4 000	4 400	5 280	4 620
Other			1 815	3 400	150	3 550	3 905	4 686	4 100
3. Expanded Public Works Programmes	630	606	184	3 300	2 050	5 350	5 885	7 062	6 173
of which									
Subsistence and travel	151	70							
Payments on tuition	479	536	30	100	50	150	165	198	173
Other			154	3 200	2 000	5 200	5 720	6 864	6 000
Total payments on training	4 654	6 808	11 661	11 689	6 350	18 039	19 842	23 810	20 827

Due to shortages of skills, the Department has decided to invest in issuing bursaries to both non-employees and employees in line with the skills that are required within DID. This has resulted in the increase in expenditure under the Household item on Transfers and subsidies. This item is used to pay the bursary fees for non-employees while the employee's bursary costs form part of the good and services. During the 2013/14 financial year, the department has noticed a change in personnel since all that applied for bursary did get them. This has been received as a form of appreciation for their dedication on their work.

TABLE 15.25: INFORMATION ON TRAINING: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16
Number of staff	2 093	1 871	2 179	2 396	2 396	2 396	2 410	2 417	2 417
Number of personnel trained	722	983	1 717	1 210			1 310	1 410	1 510
of which									
Male	621	494	951	557			603	649	695
Female	101	489	766	653			707	761	815
Number of training opportunities	883	1 624	1 469	960		960	1 040	1 070	1 200
of which									
Tertiary	50	50	64	50		50	60	70	80
Workshops	833	1 574	1 405	304		304	328	334	374
Seminars				303		303	326	333	373
Other				303		303	326	333	373
Number of bursaries offered	48	113	139	100	50	150	100	150	100
Number of interns appointed	52	64	53	100		100	110	120	130
Number of learnerships appointed		45	56	50	30	80	60	70	80
Number of days spent on training									

The department has planned one hundred new bursaries for the financial year 2014/15. In the 2013/14 financial year an initial issue of 100 bursaries was planned and this might increase to 150 depending on the number of internal staff that will apply for bursaries. Over the MTEF a number of 110 interns and 60 learnerships will be issued in 2014/15, and the numbers will increase by approximately 10 per cent over the next two years.

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The department will ensure that training of its personnel supports its mandate. Training of all technical staff within the department will be focused on the professional registration requirements of the various professional bodies (Engineering Council of South Africa and others). All support services employees will be trained so as to improve the professional image of the Department and improve service delivery. But all training provided will be in line with the work that the personnel are doing in order to ensure that service delivery and performance is improved.

9.3 Reconciliation of structural changes

TABLE 15.26: RECONCILIATION OF STRUCTURAL CHANGES: INFRASTRUCTURE DEVELOPMENT

2013/14		2014/15	
Vote/Department	R thousand	Vote/Department	R thousand
Administration	214 933	Administration	296 829
Office of the MEC	13 039	Office of the MEC	11 938
Corporate Services Management	190 924	Corporate Support	272 930
	10 970	Management of the department	11 961
Public Works	1 173 688	Public Works	1 255 746
Construction	42 026	Construction	95 109
Maintenance	380 848	Maintenance	415 308
Property Management	750 814	Immovable Asset Management	745 329
Expanded Public Works Programme	302 042	Expanded Public Works Programme	423 053
Programmes Support	152 166	Programme Support	106 743
Community Development	149 876	Community Development	316 310

10. CROSS CUTTING ISSUES

TABLE 15.27: CROSS CUTTING ISSUES

Cross Cutting Issue	Programme and sub-programme	Indicator	Target 2013/14	Output	MTEF BUDGET		
					2014/15	2015/16	2016/17
Women	Employment Equity	Appointment of women in senior management	50%	50% women representation at SMS	50%	50%	50%
	Administration: Human Resource Management	% women beneficiaries of education and training programmes in all levels	50%	50% of beneficiaries of education and training programmes should be women in all levels	50%	50%	50%
	Administration: Supply Chain Management	Percentage of procurement spent on Black Women-Owned companies against the total procurement rand value in line with BBBEE	25%	25% spent on Black Women owned companies against the total procurement rand value	30% spent on Black Women owned companies against the total procurement rand value	35% spent on Black Women owned companies against the total procurement rand value	40% spent on Black Women owned companies against the total procurement rand value
Youth	Administration: Human Resource Management	50% of beneficiaries of education and training programmes should be youth(Internal Employees)	50% of beneficiaries of education and training programmes should be youth	50% of beneficiaries of education and training programmes should be youth	50%	50%	50%
		External: Graduate programmes i.e. internships/learnerships	5% of beneficiaries should be youth	5% of youth benefiting from internships/learnerships	5%	5%	5%
	Administration: Supply Chain Management	Percentage procurement spent on youth owned companies against the total procurement rand value	15% spent on Youth owned companies against the total procurement rand value	15% spent on Youth owned companies against the total procurement rand value	20% spent on Youth owned companies against the total procurement rand value	25% spent on Youth owned companies against the total procurement rand value	30% spent on Youth owned companies against the total procurement rand value
Persons With Disabilities (PwD's)	2% of employees should be PwD's	2% of work force should be PwD's across all levels	2% of work force should be PwD's across all levels	2% of work force should be PwD's across all levels	2%	2%	2%
	PwD's should benefit from bursaries and training programmes	2% of beneficiaries of education and training programmes should be PwD's	2% of beneficiaries of education and training programmes should be PwD's	2% of beneficiaries of education and training programmes should be PwD's	2%	2%	2%
	Administration: Supply Chain Management	Percentage procurement spent on People with Disabilities owned companies against the total procurement rand value	2% spent on PwD's owned companies against the total procurement rand value	2% spent on PwD's owned companies against the total procurement rand value	2% spent on PwD's owned companies against the total procurement rand value	4% spent on PwD's owned companies against the total procurement rand value	5% spent on PwD's owned companies against the total procurement rand value
MVA	Administration: Supply Chain Management	Percentage procurement spent on MVA owned companies against the total procurement rand value	5% spent on MVA owned companies against the total procurement rand value	5% spent on MVA owned companies against the total procurement rand value	2% spent on MVA owned companies against the total procurement rand value	4% spent on MVA owned companies against the total procurement rand value	5% spent on MVA owned companies against the total procurement rand value



ANNEXURES TO ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE



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TABLE 15.28: SPECIFICATION ON RECEIPTS: INFRASTRUCTURE DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16
Tax receipts									
Casino taxes									
Horse racing taxes									
Liquor licenses									
Motor vehicle licenses									
Sales of goods and services other than capital assets	12 648	13 400	13 545	16 470	16 470	16 688	18 470	20 440	22 410
Sale of goods and services produced by department (excluding capital assets)	12 648	13 400	13 545	16 470	16 470	16 688	18 470	20 440	22 410
Sales by market establishments	12 648	13 400	13 545	16 470	16 470	16 688	18 470	20 440	22 410
Administrative fees									
Other sales									
Sales of scrap, waste, arms and other used current goods (excluding capital assets)									
Transfers received from:									
Other governmental units									
Higher education institutions									
Foreign governments									
International organizations									
Public corporations and private enterprises									
Households and non-profit institutions									
Fines, penalties and forfeits									
Interest, dividends and rent on land	3	30	43			32			
Interest	3	30	43			32			
Dividends									
Rent on land									
Sales of capital assets									
Land and sub-soil assets									
Other capital assets									
Transactions in financial assets and liabilities	3 735	2 206	1 467	530	530	607	530	560	590
Total departmental receipts	16 386	15 636	15 055	17 000	17 000	17 327	19 000	21 000	23 000

TABLE 15.29: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16
Current payments	87 931	129 582	181 980	185 724	188 292	204 450	273 317	256 086	273 180
Compensation of employees	53 002	67 711	84 610	91 330	91 898	115 542	128 829	148 282	159 663
Salaries and wages	47 983	61 104	75 195	82 643	83 098	104 676	113 365	130 323	140 046
Social contributions	5 019	6 607	9 415	8 687	8 800	10 866	15 464	17 959	19 617
Goods and services	34 874	61 106	97 139	94 094	96 094	88 895	144 188	107 504	113 201
Administrative fees	32	103	97	118	118	647	341	129	136
Advertising	1 744	1 069	2 187	1 474	1 996	2 390	7 680	1 625	1 711
Assets less than the capitalization threshold	247	360	505	664	664	664	2 754	733	772
Audit cost: External	4 406	7 540	5 912	6 680	6 680	6 679	7 938	7 364	7 754
Bursaries: Employees	110	132	1 128	236	236	532	2 500	260	274
Catering: Departmental activities	764	909	1 520	1 520	2 420	2 650	1 151	1 675	1 763
Communication (G&S)	3 214	992	1 114	1 868	2 868	6 041	1 963	2 059	2 168
Computer services	2 668	422	3 247	4 376	4 597	3 622	5 960	4 825	5 081

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16
Consultants and professional services: Business and advisory services	11 255	2 533	3 730	10 595	6 034	8 047	14 922	7 894	8 313
Consultants and professional services: Infrastructure and planning				3 000	3 000				
Consultants and professional services: Laboratory services									
Consultants and professional services: Scientific and technological services									
Consultants and professional services: Legal costs	4 351	9 441	13 885	16 213	19 213	27 020	17 039	17 874	18 822
Contractors	173	3 383				19	6		
Agency and support / outsourced services	177	18 837	7 151	8 558	8 230	3 110	50 037	6 609	6 959
Entertainment	133	152	53	19	19	19		21	22
Fleet services (including government motor transport)			37	93	593	78	4 377	2 102	2 213
Housing									
Inventory: Clothing material and accessories						45			
Inventory: Farming supplies									
Inventory: Food and food supplies	66	43	133	218	218	218	463	239	251
Inventory: Fuel, oil and gas		32	44	53	303	115	56	58	61
Inventory: Learner and teacher support material		1	3	21	51		218	23	24
Inventory: Materials and supplies			1 364	205	205		1	226	238
Inventory: Medical supplies					20				
Inventory: Medicine									
Medsas inventory interface									
Inventory: Other supplies									
Consumable supplies	89	6 779	43	6	76	450	590	7	7
Consumable: Stationery, printing and office supplies	2 731	177	6 928	7 095	7 095	4 392	9 288	7 822	8 237
Operating leases	1 507	2 428	30 479	20 031	20 031	1 930	4 551	29 267	30 818
Property payments	6	46	37						
Transport provided: Departmental activity		325	27	29	29		31	33	35
Travel and subsistence	1 083	3 223	7 892	10 257	5 773	8 701	3 622	7 106	7 483
Training and development	140	1 458	4 085	2 595	2 595	4 243	5 290	4 958	5 221
Operating payments	(25)	721	4 088	670	670	1 161	310	4 044	4 258
Venues and facilities	3		1 450	500	2 360	3 122	3 100	551	580
Rental and hiring									
Interest and rent on land	55	765	231	300	300	13	300	300	316
Interest	55	765	231	300	300	13	300	300	316
Rent on land									
Transfers and subsidies	1 021	237	6 433	4 000	4 000	3 300	4 330	4 000	4 216
Provinces and municipalities			1						
Provinces			1						
Provincial Revenue Funds									
Provincial agencies and funds			1						
Municipalities									
Municipal bank accounts									
Municipal agencies and funds									
Departmental agencies and accounts	106		128						
Social security funds	106								
Departmental agencies (non-business entities)			128						
Higher education institutions									
Foreign governments and international organizations'									
Public corporations and private enterprises									

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R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16
Public corporations									
Subsidies on products and production (pc)									
Other transfers to public corporations									
Private enterprises									
Subsidies on products and production (pe)									
Other transfers to private enterprises									
Non-profit institutions									
Households	915	237	6 304	4 000	4 000	3 300	4 330	4 000	4 216
Social benefits	915	5	2 369	1 000	1 000	765	1 000	1 000	1 054
Other transfers to households		232	3 935	3 000	3 000	2 535	3 330	3 000	3 162
Payments for capital assets	941	10 540	9 436	24 064	19 064	19 064	19 182	18 000	18 954
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	941	5 309	9 436	16 000	16 000	16 000	19 182	10 000	10 530
Transport equipment		900							
Other machinery and equipment	941	4 409	9 436	16 000	16 000	16 000	19 182	10 000	10 530
Heritage Assets									
Specialized military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets		5 231		8 064	3 064	3 064		8 000	8 424
Payments for financial assets	8 600	154	460			60			
Thefts and losses	8 600	154	460			60			
Total economic classification	98 493	140 513	198 309	213 788	211 356	226 874	296 829	278 086	296 350

TABLE 15.30: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: PUBLIC WORKS INFRASTRUCTURE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16
Current payments	570 479	657 503	668 645	646 318	676 318	675 894	819 804	977 305	1 064 451
Compensation of employees	322 584	333 921	345 030	374 453	374 453	377 674	506 020	565 038	630 334
Salaries and wages	287 425	296 322	304 592	356 578	356 578	359 501	470 900	516 622	574 976
Social contributions	35 159	37 599	40 438	17 875	17 875	18 173	35 120	48 416	55 358
Goods and services	247 175	321 548	323 366	271 515	301 515	296 790	313 484	411 967	433 801
Administrative fees	176		1	3	2		1	1	1
Advertising	902	2 538	2 422	535	535	1 931	428	591	622
Assets less than the capitalization threshold	148	50	33	5	12 005	10 839	4 940	11 030	11 615
Audit cost: External									
Bursaries: Employees									
Catering: Departmental activities	75	80	36	31	27	31	34	34	36
Communication (G&S)	7 668	4 467	2 689	3 304	3 304	4 377	3 276	3 642	3 835
Computer services	5	1 118	1 129	28	(972)	88	6 028	3 339	3 516
Consultants and professional services: Business and advisory services	16	493	1 066	896			1 000	28 333	29 835
Consultants and professional services: Infrastructure and planning		9 317							
Consultants and professional services: Laboratory services									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16
Consultants and professional services: Scientific and technological services									
Consultants and professional services: Legal costs	957	5 366	119	125			125	138	145
Contractors	15 447	62 618	24 608	6 675	6 675	16 371	22 891	30 974	32 616
Agency and support / outsourced services	85 338	6 198	38 781	49 092	74 985	49 726	35 130	90 939	95 759
Entertainment						37			
Fleet services (including government motor transport)						34	6 822		
Housing									
Inventory: Clothing material and accessories				2 081	1 980	925			
Inventory: Farming supplies									
Inventory: Food and food supplies	51	128	40	64	64	64	46	71	75
Inventory: Fuel, oil and gas	65	204	5	6	6	6	1	7	7
Inventory: Learner and teacher support material			8						
Inventory: Materials and supplies		100	1 128	2 506	506	549	14	2 763	2 909
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Other supplies									
Consumable supplies	4 850	17 916	2 851	806	1 106	1 347	2 164	3 182	3 351
Consumable: Stationery, printing and office supplies	891	279	1 861	2 004	1 929	1 748	1 000	2 210	2 327
Operating leases	105 436	139 952	133 701	142 459	142 459	142 459	164 829	157 061	165 385
Property payments	22 536	58 781	82 058	41 787	37 787	42 816	57 000	46 070	48 512
Transport provided: Departmental activity		13	2	2	2	2		2	2
Travel and subsistence	2 447	18 004	30 436	18 070	18 289	23 419	7 745	30 438	32 051
Training and development	7	103							
Operating payments	160	(6 177)	392	1 036	826	21	10	1 142	1 203
Venues and facilities									
Rental and hiring									
Interest and rent on land	720	2 034	249	350	350	1 430	300	300	316
Interest	720	2 034	249	350	350	1 430	300	300	316
Rent on land									
Transfers and subsidies	363 725	244 180	311 426	297 270	297 270	298 001	314 483	328 479	346 217
Provinces and municipalities	211 826	242 693	309 510	295 980	295 980	295 980	312 676	327 059	344 720
Provinces	6	12	8						
Provincial Revenue Funds									
Provincial agencies and funds	6	12	8						
Municipalities	211 820	242 681	309 502	295 980	295 980	295 980	312 676	327 059	344 720
Municipal bank accounts	211 820	242 681	309 502	295 980	295 980	295 980	312 676	327 059	344 720
Municipal agencies and funds									
Departmental agencies and accounts	149 948		1				2	3	3
Social security funds									
Departmental agencies (non-business entities)	149 948		1				2	3	3
Higher education institutions									
Foreign governments and international organizations									
Public corporations and private enterprises									
Public corporations									
Subsidies on products and production (pc)									
Other transfers to public corporations									
Private enterprises									

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R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16
Subsidies on products and production (pe)									
Other transfers to private enterprises									
Non-profit institutions									
Households	1 951	1 487	1 915	1 290	1 290	2 021	1 805	1 417	1 494
Social benefits	1 951	83	1 882	1 290	1 290	2 021	1 805	1 417	1 494
Other transfers to households		1 404	33						
Payments for capital assets	399	11 255	55 326	91 324	70 324	71 608	121 459	61 500	64 760
Buildings and other fixed structures			41 091	66 324	66 324	63 754	121 239	51 500	54 230
Buildings			41 091	66 324	66 324	63 754	121 239	51 500	54 230
Other fixed structures									
Machinery and equipment	399	11 255	14 235			3 854	120	10 000	10 530
Transport equipment								10 000	10 530
Other machinery and equipment	399	11 255	14 235			3 854	120		
Heritage Assets									
specialized military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets				25 000	4 000	4 000	100		
Payments for financial assets	1	6 462							
Thefts and losses	1	6 462							
Total economic classification	934 604	919 400	1 035 397	1 034 912	1 043 912	1 045 503	1 255 746	1 367 284	1 475 428

TABLE 15.31: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: EXPANDED PUBLIC WORKS PROGRAMME

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16
Current payments	134 049	120 500	118 290	208 630	209 630	190 149	205 533	270 941	288 172
Compensation of employees	15 325	13 911	19 150	82 407	85 407	99 108	103 020	113 926	122 078
Salaries and wages	14 584	12 935	17 855	80 376	82 876	94 048	96 732	106 308	113 449
Social contributions	741	976	1 295	2 031	2 531	5 060	6 288	7 617	8 628
Goods and services	118 724	106 589	98 958	126 023	124 023	91 041	102 463	156 965	166 042
Administrative fees		7							
Advertising		155	203	178	178	42	185	196	207
Assets less than the capitalization threshold		9				6 000			
Audit cost: External									
Bursaries: Employees									
Catering: Departmental activities	55	499	161	24	274	333	25	27	28
Communication (G&S)	402	435	145	193	193	698	203	212	224
Computer services									
Consultants and professional services: Business and advisory services	11 115	1 447	2 617	1 064	1 064		4 728	10 212	10 763
Consultants and professional services: Infrastructure and planning						86			
Consultants and professional services: Laboratory services									
Consultants and professional services: Scientific and technological services									
Consultants and professional services: Legal costs	477								
Contractors	15 039	23 457							

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16
Agency and support / outsourced services	87 125	50 737	77 003	122 350	120 350	70 350	94 995	143 878	152 248
Entertainment		313							
Fleet services (including government motor transport)									
Housing									
Inventory: Clothing material and accessories									
Inventory: Farming supplies									
Inventory: Food and food supplies		52	52	32	32	209	33	35	37
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher support material									
Inventory: Materials and supplies			8	25	25	299	27	28	29
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Other supplies									
Consumable supplies	35	563	302	57	57	10 986	60	63	66
Consumable: Stationery, printing and office supplies	30	140	308	336	241	133	353	370	390
Operating leases	89	34			5				
Property payments									
Transport provided: Departmental activity		93							
Travel and subsistence	84	118	1 582	1 034	854	1 883	1 087	1 140	1 202
Training and development		362	144			22			
Operating payments	4 273	28 124	16 337	730	750		767	804	848
Venues and facilities		44	96						
Rental and hiring									
Interest and rent on land			182	200	200		50	50	53
Interest			182	200	200		50	50	53
Rent on land									
Transfers and subsidies	49	6	35	100	100	13	100	100	105
Provinces and municipalities									
Provinces									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities									
Municipal bank accounts									
Municipal agencies and funds									
Departmental agencies and accounts									
Social security funds									
Departmental agencies (non-business entities)									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Public corporations									
Subsidies on products and production (pc)									

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R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2015/16
Other transfers to public corporations									
Private enterprises									
Subsidies on products and production (pe)									
Other transfers to private enterprises									
Non-profit institutions									
Households	49	6	35	100	100	13	100	100	105
Social benefits	49	6	35	100	100	13	100	100	105
Other transfers to households									
Payments for capital assets			25 796	15 084	67 084	67 236	217 420	15 469	16 304
Buildings and other fixed structures			25 498	15 084	67 084	67 084	217 420	15 469	16 304
Buildings			25 498	15 084	67 084	67 084	217 420	15 469	16 304
Other fixed structures									
Machinery and equipment			298			152			
Transport equipment									
Other machinery and equipment			298			152			
Heritage Assets									
specialized military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets			80 000	30 516					
Thefts and losses			80 000	30 516					
Total economic classification	134 098	200 506	174 637	223 814	276 814	257 398	423 053	286 510	304 582



GLOSSARY

The numeric data in this EPRE 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 other 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:

- Sale by market establishments: this includes instances where government units sell goods or services at market related prices.
- Administrative fees: this 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 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, and seeds and livestock produced by the government.
- Sales of scrap, waste, arms and other used goods other than capital assets: this includes sales of all used goods not considered capital assets, such as 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. 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. 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 organizations.

Examples of capital transfers are cash receipts which a department is required to use toward the acquisition of a capital asset, or transfer of ownership rights of capital assets in favor of the department. Departments are requested to distinguish between the following transfer categories:

- Transfers from other governmental units (but excluding educational institutions);
- Transfers from higher education institutions;
- Transfers from foreign governments;
- Transfers from international organizations;
- 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 capitalized 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 capitalized 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 capitalized 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 organizations;
- 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 subsidize production. Because virtually all transfers to public corporations and private enterprises are intended to subsidize 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 capitalized 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 capitalized.

Capitalized 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.